

The Board of Supervisors of Madison County, Mississippi (the "County") took up for further consideration the matter of issuing Taxable General Obligation Bonds, Series 2020C, of the County. After a discussion of the subject, Supervisor _____ offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF TAXABLE GENERAL OBLIGATION BONDS, SERIES 2020C, OF MADISON COUNTY, MISSISSIPPI (THE "COUNTY") IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ELEVEN MILLION DOLLARS (\$11,000,000) FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE CERTAIN CAPITAL PROJECTS FOR THE COUNTY, THE CONTINUED DEVELOPMENT OF AN INDUSTRIAL PARK WITHIN THE COUNTY (EACH AS DESCRIBED HEREIN), AND THE COSTS OF ISSUANCE THEREOF.

WHEREAS, the Board of Supervisors of Madison County, Mississippi, acting for and on behalf of said Madison County, Mississippi, hereby finds, determines, adjudicates and declares as follows:

1. (a) 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:

"Act" shall mean together the County Act and the REDA Act.

"Act of Bankruptcy" shall mean the filing of a petition in bankruptcy by or against the County under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

"Agent" shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities, and herein or hereafter designated by the Governing Body.

"Authorized Officer" means the President of the Governing Body, the Clerk of the County, and any other officer designated from time to time as an Authorized Officer by resolution of the County, and when used with reference to any act or document also means any other Person authorized by resolution of the County to perform such act or sign such document.

"Bond" or "Bonds" shall mean the not to exceed \$11,000,000 Taxable General Obligation Bonds, Series 2020C, of the County, authorized to be issued pursuant to this Bond Resolution.

"Bond Counsel" shall mean Butler Snow LLP, Ridgeland, Mississippi.

"Bond Resolution" shall mean this resolution, as may be amended from time to time.

"Book-Entry System" means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds as described in Section 2 herein.

"Clerk" shall mean the Chancery Clerk of the County and Clerk of the Governing Body.

“Code” shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

“County” shall mean Madison County, Mississippi.

“County Act” shall mean Sections 19-9-1 et seq., and 19-5-92 Mississippi Code of 1972, as amended from time to time.

“County Project” means, collectively, providing funds from a portion of the proceeds of the Bonds to finance the purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging county buildings, courthouses, office buildings, jails, hospitals, nurses' homes, health centers, clinics, and related facilities, and the purchase of land therefor, and for any other purposes authorized by the County Act.

“Direct Participant” means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

“DTC” means The Depository Trust Company.

“DTC participants” shall mean any participant for whom DTC is a Security Depository Nominee.

“Fiscal Year” shall mean the fiscal year of the County, being the period commencing on the first day of October of any year and ending on the last day of September of the following year.

“Governing Body” shall mean the Board of Supervisors of the County.

“Industrial Park Project” means, collectively, providing funds from a portion of the proceeds of the Bonds to finance the continued development of an industrial park located in the County, together with any economic development project to be located in such industrial park, which Industrial Park Project was recommended by MCEDA, including paying the costs incurred for the following purposes in connection with the Industrial Park Project, and for any of the other purposes enumerated by the Act, including, but not necessarily limited to (i) acquiring the necessary land; construction or contracting for the construction of streets, roads, railroads, spur tracks, site improvements, water, sewerage, drainage, pollution control and other related facilities necessary or required for industrial development purposes or the development of industrial park complexes approved by MCEDA; to acquire, purchase, install, lease, construct, own, hold, equip, control, acquire or construct other structures and facilities necessary and convenient for the planning, development, use, operation and maintenance of an industrial park or parks or for industrial development purposes, including, but not limited to, utility installations, warehouses, buildings and air, rail and other transportation terminals and pollution control facilities approved by MCEDA; (ii) constructing, reconstructing, and repairing roads, highways and bridges, and acquiring the necessary land, including land for road building materials, acquiring rights-of-way therefor; and the purchase of heavy construction equipment and accessories thereto reasonable required to construct, repair and renovate roads, highways and bridges and approaches thereto within the County; (iii) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (iv) mitigation of any environmental or cultural conditions necessary or proper to accomplish any of the foregoing; and (v) to the extent the County obtains a Certificate of Public Convenience and Necessity (“CPCN”)

pursuant to the REDA Act for the Industrial Park Project, any purposes authorized by REDA Act as set forth therein.

“Letter of Representations” shall mean the blanket issue letter of representations from the County to DTC under the Book-Entry System.

“MCEDA” shall mean the Madison County Economic Development Authority.

“Notice” shall mean the Notice of Bond Sale set out in Section 23 hereof.

“Official Statement” shall mean the public offering document for the Bonds of that name, dated the date of the sale of the Bonds, approved for distribution as provided in this resolution.

“Paying Agent” shall mean any bank, trust company or other institution or the Chancery Clerk of the County hereafter designated by the Governing Body for the payment of the principal of and interest on the Bonds.

“Person” shall mean an individual, partnership, corporation, trust or unincorporated organization, limited liability company and a government or agency or political subdivision thereof.

“Preliminary Official Statement” shall mean the public offering document for the Bonds of that name, dated the date of distribution thereof, approved in form and for distribution as provided in this resolution.

“Project” shall mean, collectively, using funds from the proceeds of the Bonds to finance the County Project, the Industrial Park Project and the costs of issuance of the Bonds.

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

“REDA Act” means Sections 57-64-1 through 57-64-31, Mississippi Code of 1972, as amended.

“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 maturity date or the date set for redemption.

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

“Registered Owner” shall mean the Person whose name shall appear in the registration records of the County maintained by the Transfer Agent.

“Securities Depository” shall mean DTC and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

“Securities Depository Nominee” shall mean the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration records the Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System.

“State” shall mean the State of Mississippi.

“Transfer Agent” shall mean any bank, trust company or other institution or the Chancery Clerk of the County hereafter designated by the Governing Body for the registration of owners of the Bonds and for the performance of such other duties as may be herein or hereafter specified by the Governing Body.

“2020 Bond Fund” shall mean Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C Bond Fund provided for in Section 13 hereof.

“2020 Construction Fund” shall mean Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C Construction Fund provided for in Section 14 hereof.

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

2. Heretofore, on the 3rd day of August, 2020, the Governing Body adopted a resolution entitled: **“RESOLUTION DECLARING THE INTENTION OF THE BOARD OF SUPERVISORS OF MADISON COUNTY, MISSISSIPPI (THE “COUNTY”), TO ISSUE GENERAL OBLIGATION BONDS OF THE COUNTY FOR THE GENERAL COUNTY AND INDUSTRIAL PARK PURPOSES DESCRIBED HEREIN (TOGETHER, THE “PROJECTS”), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ELEVEN MILLION DOLLARS (\$11,000,000) (THE “BONDS”), IN ONE OR MORE SERIES, (I) TO RAISE MONEY TO PAY THE COSTS INCURRED FOR THE PROJECTS, AS DESCRIBED IN PARAGRAPHS 2 AND 3 HEREIN, AND FOR ANY OF THE PURPOSES ENUMERATED BY THE ACT, AS DEFINED IN PARAGRAPH 1 HEREIN; (II) PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF THE BONDS; (III) DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION; AND (IV) FOR RELATED PURPOSES,”** wherein the Governing Body found, determined and adjudicated that it is necessary that Bonds of the County be issued in the amount, for the purpose and secured as aforesaid, declared its intention to issue said Bonds, and fixed 2:00 o'clock p.m. on September 14, 2020, as the date and hour on which it proposed to direct the issuance of said 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.

3. As required by law and as directed by the aforesaid resolution, said resolution was published once a week for at least three (3) consecutive weeks in *The Madison County Journal*, a newspaper published in the City of Ridgeland, Mississippi, and of general circulation in the County, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, the first publication having been made not less than twenty-one (21) days prior to September 14, 2020, and the last publications having been made not more than seven (7) days prior to such date, said notice having been published in said newspaper on August 20 and 27, 2020, and September 3 and 10, 2020, as evidenced by the publishers' affidavits attached as **EXHIBIT A** hereto.

4. As required by Sections 57-64-1 through 57-64-27, Mississippi Code of 1972, as amended, and as directed by the aforesaid resolution, a *Notice of Bond Issue* was also published

once in *The Madison County Journal*, a newspaper published in and having a general circulation in the County, and being a qualified newspaper under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended. Said publication was made not less than thirty (30) days prior to September 14, 2020, and was made and in the manner specified in Sections 57-64-1 through 57-64-27, Mississippi Code of 1972, as amended. A public hearing on the issuance of the Bonds and on the acquisition, construction and renovation of the Industrial Park Project was held on September 14, 2020, at 2:00 p.m., said notice having been published in said newspaper on August 6, 2020, as evidenced by the publisher's affidavit attached as **EXHIBIT B** hereto.

5. On or prior to 2:00 o'clock p.m. on September 14, 2020, no written protest against the issuance of the Bonds or the Industrial Park Project pursuant to the REDA Act described in the aforesaid resolution had been filed or presented by qualified electors of the County.

6. The Governing Body is now authorized and empowered by the provisions of the Act to authorize the issuance of Bonds by the County without an election on the question of the issuance thereof and is authorized to authorize the issuance of the Bonds by the County registered as to principal and interest in the form and manner hereinafter provided for by Sections 31-21-1 to 31-21-7, Mississippi Code of 1972, as amended.

7. The Governing Body, acting for and on behalf of the County, are receiving bids until the hour of 4:00 o'clock p.m. on October 19, 2020, for the sale of the Bonds, to be dated the date of delivery thereof, and thus it is necessary to approve the form of the Preliminary Official Statement, to be dated the date of distribution thereof, for the Bonds and the distribution thereof to prospective purchasers of the Bonds.

8. It is necessary to approve the form of, execution of and distribution of a final Official Statement, to be dated the date of the sale of the Bonds.

9. If in the opinion of the County and Bond Counsel, a supplement or amendment to the Preliminary Official Statement and/or Official Statement is necessary to provide proper disclosure for the Bonds, the Governing Body of the County desires to authorize (a) Bond Counsel, acting as disclosure counsel, to prepare such supplement or amendment to the Preliminary Official Statement and/or the Official Statement in a form and in a manner approved by Bond Counsel, acting as disclosure counsel, and (b) Bond Counsel and/or the successful bidder for the Bonds to provide distribution of such supplement or amendment to the Preliminary Official Statement and/or Official Statement, as the case may be, in connection with the sale of the Bonds.

10. The assessed value of taxable property within the County, according to the last completed assessment for taxation, is One Billion Eight Hundred Thirty-Seven Million Eight Hundred Twenty-Five Thousand Forty-One Dollars (\$1,837,825,041); the County has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by Section 19-9-5, Mississippi Code of 1972, as amended, in the amount of Seventy Nine Million Twenty Seven Thousand Five Hundred Dollars (\$79,027,500), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 19-9-5, Mississippi Code of 1972, as amended (which amount includes the sum set forth above subject to the 15% debt limit), in the amount of Seventy Nine Million Twenty Seven Thousand Five Hundred Dollars (\$79,027,500); the issuance of the Bonds, when added to the outstanding bonded indebtedness of the County, will not result in bonded indebtedness, exclusive of

indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the County, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the County, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the County.

11. It has now become necessary to make provision for the preparation, execution and issuance of said Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY, ACTING FOR AND ON BEHALF OF THE COUNTY, AS FOLLOWS:

SECTION 1. In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the County and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the County for the benefit of the Registered Owners shall 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 and delivery or maturity, shall be of equal rank without preference, priority or distinction.

SECTION 2. (a) The Bonds shall initially be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of Bond certificates to be made except as provided in this Section 2. Any provision of this Bond Resolution or the Bonds requiring physical delivery of the Bonds shall, with respect to any Bonds held under the Book-Entry System, be deemed to be satisfied by a notation on the registration records maintained by the Paying Agent that such Bonds are subject to the Book-Entry System.

(b) So long as a Book-Entry System is being used, one Bond in the aggregate principal amount of each separate maturity (whether serially or by term) of the Bonds and registered in the name of the Securities Depository, the Securities Depository Nominee and the DTC participants and Indirect Participants will evidence beneficial ownership of the Bonds in authorized denominations, with transfers of ownership effected on the records of the Securities Depository, the DTC participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the DTC participants and the Indirect Participants. The principal of and any premium on each Bond shall be payable to the Securities Depository Nominee or any other Person appearing on the registration records as the Registered Owner of such Bond or its registered assigns or legal representative at the principal office of the Paying Agent. So long as the Book-Entry System is in effect, the Securities Depository will be recognized as the Holder of the Bonds for all purposes. Transfer of principal, interest and any premium payments or notices to DTC Participants and Indirect Participants will be the responsibility of the Securities Depository and transfer of principal, interest and any premium payments or notices to Beneficial Owners will be the responsibility of the DTC participants and Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the DTC participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the Registered Owner of the Bonds,

notwithstanding any other provisions set forth herein, payments of principal of, redemption premium, if any, and interest on the Bonds shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of such Holder, without notice to or the consent of the Beneficial Owners, the Paying Agent, with the consent of the County, and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. In such event, the Paying Agent shall make payments with respect to the Bonds in such manner as if set forth herein.

(1) The County may at any time elect (i) to provide for the replacement of any Securities Depository as the depository for the Bonds with another qualified Securities Depository, or (ii) to discontinue the maintenance of the Bonds under a Book-Entry System. In such event, and upon being notified by the County of such election, the Paying Agent shall give 30 days' prior notice of such election to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository).

(2) Upon the discontinuance of the maintenance of the Bonds under a Book-Entry System, the County will cause Bonds to be issued directly to the Beneficial Owners of Bonds, or their designees, as further described below. In such event, the Paying Agent shall make provisions to notify DTC participants and the Beneficial Owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Paying Agent in its discretion, that Bonds will be directly issued to the Beneficial Owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

(3) In the event that Bonds are to be issued to the Beneficial Owners of the Bonds, or their designees, the County shall, at its expense, promptly have prepared Bonds in certificated form registered in the names of the Beneficial Owners of Bonds shown on the records of the DTC participants provided to the Paying Agent, as of the date set forth in the notice described above. Bonds issued to the Beneficial Owners, or their designees, shall be in fully registered form substantially in the form set forth in Section 7 hereof.

(4) If any Securities Depository is replaced as the depository for the Bonds with another qualified Securities Depository, the County will issue to the replacement Securities Depository Bonds substantially in the form set forth herein, registered in the name of such replacement Securities Depository.

(c) Each Securities Depository and the DTC participants, the Indirect Participants and the Beneficial Owners of the Bonds, by their acceptance of the Bonds, agree that the County and the Paying Agent shall have no liability for the failure of any Securities Depository to perform its obligation to any DTC participant, Indirect Participant or other nominee of any Beneficial Owner of any Bonds to perform any obligation that such DTC participant, Indirect Participant or other nominee may incur to any Beneficial Owner of the Bonds.

(d) Notwithstanding any other provision of this Bond Resolution, on or prior to the date of issuance of the Bonds, the County shall have executed and delivered to the initial Securities Depository the Letter of Representations governing various matters relating to the Securities Depository and its activities pertaining to the Bonds. The terms and provisions of the

Letter of Representations are incorporated herein by reference and in the event there shall exist any inconsistency between the substantive provisions of the Letter of Representations and any provisions of this Bond Resolution, then, for as long as the initial Securities Depository shall serve with respect to the Bonds, the terms of the Letter of Representations shall govern.

(e) Notwithstanding any provision in this Bond Resolution to the contrary, at all times in which the Book-Entry System is in effect, any references to physical delivery of a Bond shall not be required.

SECTION 3. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Eleven Million Dollars (\$11,000,000) to raise money for the Project as authorized by the Act.

SECTION 4. (a) Payments of interest on the Bonds shall be made to the Record Date Registered Owner, and payments of principal shall 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.

(b) The Bonds shall be registered as to both principal and interest; shall be dated the date of delivery thereof; shall be issued in the principal denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; shall be numbered from one upward in the order of issuance; shall bear interest from the date thereof at the rate or rates specified by further order of the Governing Body such rate or rates being in compliance with the Act, payable on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing May 1, 2021, and shall mature and become due and payable on November 1 in the years and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2021	\$430,000	2031	\$550,000
2022	440,000	2032	565,000
2023	450,000	2033	580,000
2024	465,000	2034	595,000
2025	475,000	2035	610,000
2026	485,000	2036	625,000
2027	500,000	2037	640,000
2028	510,000	2038	655,000
2029	525,000	2039	670,000
2030	540,000	2040	690,000

(c) Bonds maturing on November 1, 2031 and thereafter, are subject to redemption prior to their stated dates of maturity, at par, plus accrued interest to the date of redemption, either in whole or part, at any time on or after November 1, 2030.

(d) Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption; provided, however, such notice of redemption can be waived by the Registered Owners of the Bonds. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein

shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

(e) The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), (b) certificates of deposit or municipal obligations fully secured by Government Obligations, (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated, (d) United States Treasury Securities - State and Local Government Series ("SLGS"), or (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, "Defeasance Securities"), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under this Bond Resolution and shall no longer be deemed to be outstanding hereunder, and the Registered Owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient hereunder if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

SECTION 5. (a) When the Bonds shall have been validated and executed as herein provided, they shall be registered as an obligation of the County in the office of the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon, or attached to the reverse side of each of the Bonds, over said Clerk's original or facsimile signature and original or facsimile seal, the Clerk's certificate in substantially the form set out in Section 7.

(b) The Bonds shall be executed by the manual or facsimile signature of the President and countersigned by the manual or facsimile signature of the Clerk, with the seal of the County imprinted or affixed thereto; provided, however all signatures and seals appearing on the Bonds, other than the signature of an authorized officer of the Transfer Agent hereafter provided for, may be facsimile and shall have the same force and effect as if manually signed or impressed. In case any official of the County whose signature or a facsimile of whose signature shall appear on

the Bonds shall cease to be such official before the delivery or reissuance thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery or reissuance.

(c) The Bonds shall 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, which opinion may be imprinted on, or attached to, the reverse of each of the Bonds.

(d) Prior to or simultaneously with the delivery by the Transfer Agent of any of the Bonds, the County shall file with the Transfer Agent:

(i) a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation of the Bonds; and

(ii) an authorization to the Transfer Agent, signed by the President, to authenticate and deliver the Bonds to or as directed by the Purchaser.

(e) At delivery, the Transfer Agent shall authenticate the Bonds and deliver them to or as directed by the Purchaser thereof upon payment of the purchase price of the Bonds to the County.

(f) Bonds, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the County to meet the reasonable transfer and reissuance needs on the Bonds, shall be printed and delivered to the Transfer Agent in generally-accepted format, and held by the Transfer Agent until needed for transfer or reissuance, whereupon the Transfer Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder. The Transfer Agent is hereby authorized upon the approval of the Governing Body to have printed from time to time as necessary additional Bonds bearing the facsimile seal of the County and facsimile signatures of the individual persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

SECTION 6. (a) The County will appoint the Paying and Transfer Agent for the Bonds after receiving the recommendation of the Purchaser, as the successful bidder, subject to the following conditions. The Paying and Transfer Agent shall be a bank or trust company located within the State. The Governing Body for and on behalf of the County specifically reserves the right to hereafter designate a separate Transfer Agent and/or Paying Agent in its discretion in the manner hereinafter provided.

(b) So long as any of the Bonds shall remain outstanding, the County shall maintain with the Transfer Agent records for the registration and transfer of the Bonds. The Transfer Agent is hereby appointed registrar for the Bonds, in which capacity the Transfer Agent shall 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) The County shall pay or reimburse the 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 County and the Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Agent, shall be made by the County 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) (i) An Agent may at any time resign and be discharged of the duties and obligations of either the function of the Paying Agent or Transfer Agent, or both, by giving at least sixty (60) days' written notice to the County, and may be removed from either or both of said functions at any time by resolution of the Governing Body delivered to the Agent. The resolution shall specify the date on which such removal shall take effect and the name and address of the successor Agent, and shall be transmitted to the Agent being removed within a reasonable time prior to the effective date thereof. Provided, however, that no resignation or removal of an Agent shall become effective until a successor Agent has been appointed pursuant to this Bond Resolution.

(ii) Upon receiving notice of the resignation of an Agent, the County shall promptly appoint a successor Agent by resolution of the Governing Body. Any appointment of a successor Agent shall become effective upon acceptance of appointment by the successor Agent. If no successor Agent shall have been so appointed and have accepted appointment within thirty (30) days after the notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Agent.

(iii) In the event of a change of Agents, the predecessor Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Agent, and the successor Agent shall 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 Agent shall be fully paid. Every predecessor Agent shall deliver to its successor Agent all records of account, registration records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Agent.

(iv) Any successor Agent appointed under the provisions hereof shall 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.

(v) Every successor Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Agent and to the County an instrument in writing accepting such appointment hereunder, and thereupon such successor Agent, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor.

(vi) Should any transfer, assignment or instrument in writing be required by any successor Agent from the County to more fully and certainly vest in such successor Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Agent, any such transfer, assignment and written instruments shall, on request, be executed, acknowledged and delivered by the County.

(vii) The County will provide any successor Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the Bonds.

(viii) All duties and obligations imposed hereby on an Agent or successor Agent shall terminate upon the accomplishment of all duties, obligations and responsibilities imposed by law or required to be performed by this Bond Resolution.

(e) Any corporation or association into which an 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, shall be and become successor Agent hereunder and vested with all the powers, discretion, 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 County or the successor Agent, anything herein to the contrary notwithstanding, provided only that such successor Agent shall be satisfactory to the County and eligible under the provisions of Section 6(d)(iv) hereof.

SECTION 7. The Bonds shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution:

[The remainder of this page is intentionally left blank.]

[BOND FORM]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent or its agent for registration of transfer, exchange, or payment, and any Bond is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF MISSISSIPPI

MADISON COUNTY, MISSISSIPPI
TAXABLE GENERAL OBLIGATION BOND, SERIES 2020C

NO. _____ \$ _____

<u>Rate of Interest</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	November 1, _____	November ___, 2020	557259 _____

Registered Owner:

Principal Amount:

DOLLARS

Madison County, State of Mississippi (the "County"), a body politic existing under the Constitution and laws of the State of Mississippi, 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, upon the presentation and surrender of this Bond, at the principal office of _____, _____, _____, or its successor, as paying agent (the "Paying Agent") for the Taxable General Obligation Bonds, Series 2020C, of the County (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the County maintained by _____, _____, _____, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The County further promises to pay interest 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, on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing May 1, 2021, until said principal amount is paid, to the Registered Owner hereof who shall appear in the registration records of the County maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at the Registered Owner's address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal maturity date or Interest Payment Date.

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 Eleven Million Dollars (\$11,000,000) to raise money for the purpose of providing funds for (a) purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging county buildings, courthouses, office buildings, jails, hospitals, nurses' homes, health centers, clinics, and related facilities, and the purchase of land therefor, and for other purposes authorized by Sections 19-5-99 and 19-9-1, *et seq.*, Mississippi Code of 1972, as amended (the "County Act"), (b) the continued development of an industrial park located in the County, together with any economic development project to be located in such industrial park as authorized by Sections 57-64-1 through 57-64-31, Mississippi Code of 1972, as amended (the "REDA Act"), and as more fully described in the Bond Resolution (defined below), and (c) paying the costs of issuance of the Bonds (collectively, the "Project").

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including the County Act, the REDA Act, and by the further authority of proceedings duly had by the Board of Supervisors of the County, including a resolution adopted September 14, 2020 (the "Bond Resolution").

Bonds maturing on November 1, 2031 and thereafter, are subject to redemption prior to their stated dates of maturity, at par, plus accrued interest to the date of redemption, either in whole or part, at any time on or after November 1, 2030.

Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption; provided, however, such notice of redemption can be waived by the Registered Owners of the Bonds. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

The Bonds are registered as to both principal and interest. The Bonds 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 such Registered Owner's attorney duly authorized in writing at the principal office of the Transfer Agent, but only in the manner, 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 County 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 County nor the Paying Agent shall be affected by any notice to the contrary.

This Bond shall be a general obligation of the County and shall be secured by a pledge of the full faith, credit and resources of the County. For the purposes of effectuating and providing for the payment of the principal of and interest on the Bonds, as the same shall mature and accrue, there shall be levied a direct, continuing special ad valorem tax upon all of the taxable property within the geographical limits of the County, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Bonds; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the County on or prior to September 1 of that year has transferred money to the 2020 Bond Fund established pursuant to 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 County. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the County are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to rate or amount. The avails of said tax are irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with these requirements, such failure shall not impair the right of the registered holder 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.

This Bond shall 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 shall have been signed by the Transfer Agent.

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 County, 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 County are hereby irrevocably pledged.

IN WITNESS WHEREOF, the County has caused this Bond to be executed in its name by the manual or facsimile signature of the President of the Board of Supervisors of the County, countersigned by the manual or facsimile signature of the Clerk of the County, under the manual or facsimile seal of the County, which said facsimile signatures and seal said officials adopt as and for their own proper signatures and seal.

MADISON COUNTY, MISSISSIPPI

BY: _____
PRESIDENT, BOARD OF SUPERVISORS

COUNTERSIGNED:

CHANCERY CLERK

(SEAL)

There shall be printed on the Bonds, or attached thereto, a registration and authentication certificate in substantially the following form:

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the Taxable General Obligation Bonds, Series 2020C, of Madison County, Mississippi.

_____,
_____, _____
as Transfer Agent

BY: _____
Authorized Officer

Date of Registration and Authentication: _____

There shall be printed on the Bonds, or attached thereto, a registration and validation certificate and an assignment form in substantially the following form:

REGISTRATION AND VALIDATION CERTIFICATE

**STATE OF MISSISSIPPI
COUNTY OF MADISON**

I, the undersigned Chancery Clerk of Madison County, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said County pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Madison County, Mississippi, rendered on the ____ day of _____, 2020.

Chancery Clerk

(SEAL)

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 Transfer Agent to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular manner, without any alteration whatever.

Signatures guaranteed:

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

(Authorized Officer)
Date of Assignment: _____
Insert Social Security Number or Other
Tax Identification Number of Assignee: _____

[End of Bond Form]

SECTION 8. In case any Bond shall become mutilated or be stolen, destroyed or lost, the County shall, 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 County in connection therewith, and in case of a Bond stolen, destroyed or lost, such Registered Owner's filing with the County or Transfer Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of such Registered Owner's ownership thereof, and furnishing the County or Transfer 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 9. The Bonds shall be general obligations of the County secured by the full faith, credit and resources of the County. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the County, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Bonds; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the County on or prior to September 1 of that year has transferred money to the 2020 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 County. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the County are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall 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 10. Only such of the Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Transfer Agent, shall be entitled to the rights, benefits and security of this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Transfer Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Transfer Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer Agent, but it shall not be necessary that the same officer sign said certificate on all of the Bonds that may be issued hereunder at any one time.

SECTION 11. (a) In the event the Purchaser shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Bonds within thirty (30) days of the date of sale, or at such other later date as may be designated by the County, one Bond registered in the name of the Purchaser may be issued in the full amount for each maturity. Ownership of the Bonds shall 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 Transfer Agent shall 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) Except as hereinabove provided, the Person in whose name any Bond shall be registered in the records of the County maintained by the Transfer 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 shall be made only to or upon the order of the Registered Owner thereof, or such Registered Owner's legal representative, but such registration may be changed as hereinafter provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 12. (a) Each Bond shall be transferable only in the records of the County, upon surrender thereof at the office of the Transfer Agent, together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the Registered Owner or its attorney duly authorized in writing. Upon the transfer of any Bond, the County, acting through its Transfer Agent, shall 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) In all cases in which the privilege of transferring Bonds is exercised, the Transfer Agent shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution.

SECTION 13. (a) The County hereby establishes the 2020 Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Bonds, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2020 Bond Fund as and when received:

(i) The accrued interest and premium, if any, received upon delivery of the Bonds;

(ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 9 hereof;

(iii) Any income received from investment of monies in the 2020 Bond Fund; and

(iv) Any other funds available to the County 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 2020 Bond Fund.

(b) As long as any principal of and interest on the Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2020 Bond Fund sufficient monies 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 at least five (5) days prior to the date on which said interest or principal and interest shall become due.

SECTION 14. The County hereby establishes the 2020 Construction Fund which shall be maintained with a qualified depository. The principal proceeds received upon the sale of the Bonds shall be deposited in the 2020 Construction Fund. Any income received from investment of monies in the 2020 Construction Fund shall be deposited in the 2020 Construction Fund or the

2020 Bond Fund for the payment of debt service on the Bonds during the construction period for the Project. From the 2020 Construction Fund there shall be first paid the costs, fees and expenses incurred by the County in connection with the authorization, issuance, sale, validation and delivery of the Bonds, the amounts of which may be paid by an Authorized Officer of the County upon written approval thereof by the President of the Governing Body, without the necessity of providing for such payments on the County claims docket. The balance thereof shall be held and disbursed for the Project, as authorized by the Act. Any amounts which remain in the 2020 Construction Fund after the completion of the Project shall be transferred to the 2020 Bond Fund and used as permitted under State law.

SECTION 15. (a) Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof who shall appear in the registration records of the County maintained by the Transfer Agent as of the Record Date.

(b) Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof whose name shall appear in the registration records of the County maintained by the Transfer Agent as of the Record Date. Interest shall 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) Principal of and interest on the Bonds shall be paid by check, draft or federal funds wire mailed on the Interest Payment Date to Registered Owners at the addresses appearing in the registration records of the Transfer Agent. Any such address may be changed by written notice from the Registered Owner to the Transfer Agent by certified mail, return receipt requested, or such other method as may be acceptable to the Transfer Agent, such notice to be received by the Transfer Agent not later than the Record Date preceding the applicable principal or Interest Payment Date to be effective as of such date.

SECTION 16. The Bonds shall be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end the 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's Bond Attorney for the institution of validation proceedings.

SECTION 17. Reserved.

SECTION 18. Reserved.

SECTION 19. Reserved.

SECTION 20. Reserved.

SECTION 21. Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"), the County covenants and agrees to provide to the Purchaser a continuing disclosure agreement, dated the date of issuance and delivery of the Bonds, setting forth the County's agreement with regard to continuing disclosure (the "Continuing Disclosure Agreement"), and to comply with the covenants set forth therein and carry out all of the provisions of the Continuing Disclosure Agreement. In the event the County fails to comply with the provisions of the Continuing Disclosure Agreement, any Bondholder may take such actions as may be necessary and appropriate, including mandamus or specific performance by

court order, to cause the State to comply with its obligations set forth in the Continuing Disclosure Agreement and this Section 21.

SECTION 22. The Bonds shall be offered for sale on sealed bids at a meeting of the Governing Body to be held at the place, and on the date and at the hour specified and upon the terms and conditions set out in the Notice in Section 23 hereof. On or before said date and hour, such sealed bids must be filed with the 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 sixty (60) days after the date advertised for the receipt of bids, at a price not less than the highest bid which shall have been received at the advertised sale.

SECTION 23. As required by Section 31-19-25, Mississippi Code of 1972, as amended, the Clerk is hereby authorized and directed to give Notice by publishing an advertisement at least two (2) times in *The Madison County Journal*, a newspaper published in the City of Ridgeland, Mississippi, and of general circulation in the County, the first publication thereof to be made at least ten (10) days preceding the date fixed herein for the receipt of bids. The Notice shall be in substantially the following form:

[The remainder of this page is intentionally left blank.]

NOTICE OF BOND SALE

**\$11,000,000
MADISON COUNTY, MISSISSIPPI
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2020C**

NOTICE IS HEREBY GIVEN that the Board of Supervisors (the “Governing Body”) of Madison County, Mississippi (the “County”) will receive sealed bids in the Board of Supervisors' meeting room in the Madison County Chancery Court Building located at 125 West North Street, Canton, Mississippi until the hour of 4:00 p.m. on Monday, October 19, 2020, and at 5:00 p.m. on such date said bids will be publicly opened by the Governing Body and read for the purchase at not less than par plus accrued interest to the date of delivery of \$11,000,000 aggregate principal amount Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C (the “Bonds”).

The Bonds will be dated and bear interest from their date of delivery, will be delivered in definitive form as fully registered Bonds, will be in the denominations of \$5,000 or any integral multiple thereof, will be payable as to principal at a bank or banks to be named by the County (the “Paying and Transfer Agent”) and will bear interest, payable semiannually on May 1 and November 1 of each year, commencing on May 1, 2021, at the rate or rates of interest specified in the bid submitted by the successful bidder in accordance with this Notice of Bond Sale.

The Bonds will be issued in registered, book-entry-only form and all bidders for the Bonds must be participants of The Depository Trust Company, New York, New York (“DTC”), or affiliated with its participants. The Bond certificates will be deposited with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and for the transfer of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any multiple thereof through book entries made on the books and records of DTC and its participants. Unless the book-entry-only system is discontinued, Bond principal and interest payments will be made by the County to DTC through the Paying and Transfer Agent. DTC will then be responsible for distributing such payments to DTC participants for subsequent remittance to the owners of beneficial interests in the Bonds. Payment of principal and interest on the Bonds to DTC is the responsibility of the County, disbursement of such payments to DTC participants shall be the responsibility of DTC, and disbursements of such payments to the owners of beneficial interests shall be the responsibility of DTC participants and not the responsibility of the County. The County will have no responsibility or obligation to DTC participants or owners of beneficial interests in the Bonds, with respect to the payment by DTC or any DTC participants, of the principal of or interest on the Bonds or the providing of notice to DTC participants or owners of beneficial interests in the Bonds or with respect to: (a) the accuracy of any records maintained by DTC or any DTC participant; or (b) any consent given or other action taken by DTC as owner of the Bonds.

The Bonds will mature on November 1 in the years and in the principal amounts shown below:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2021	\$430,000	2031	\$550,000
2022	440,000	2032	565,000
2023	450,000	2033	580,000
2024	465,000	2034	595,000
2025	475,000	2035	610,000
2026	485,000	2036	625,000
2027	500,000	2037	640,000
2028	510,000	2038	655,000
2029	525,000	2039	670,000
2030	540,000	2040	690,000

The Bonds maturing November 1, 2031 and thereafter will be subject to redemption prior to their respective maturities, at the option of the County, on and after November 1, 2030, either in whole or in part on any date, as selected by the County among maturities, and by lot within each maturity, at the principal amount thereof, together with accrued interest to the date fixed for redemption and without premium.

The Bonds will be issued pursuant to the provisions of Sections 19-9-1 *et seq.*, and 19-5-92 Mississippi Code of 1972, as amended and supplemented from time to time (the "County Act"), Sections 57-64-1 through 57-64-31, Mississippi Code of 1972, as amended (the "REDA Act"), and resolutions adopted or to be adopted by the Governing Body, including the bond resolution of the County approved and adopted on September 14, 2020 (the "Bond Resolution"). The Bonds are being issued to raise money for the purpose of providing funds for (a) purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging county buildings, courthouses, office buildings, jails, hospitals, nurses' homes, health centers, clinics, and related facilities, and the purchase of land therefor, and for other purposes authorized by the County Act, (b) the continued development of an industrial park located in the County, together with any economic development project to be located in such industrial park as authorized by the REDA Act and further described in the Bond Resolution, and (c) paying the costs of issuance of the Bonds.

The Bonds shall be general obligations of the County and the full faith, credit and taxing power of the County shall be pledged to secure the payment of the principal of and interest on the Bonds; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the County on or prior to September 1 of that year has transferred money to the 2020 Bond Fund established pursuant to 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 County.

The Bonds are to be sold at not less than \$11,000,000 aggregate par plus interest on the Bonds accrued to the date of delivery, and are to be awarded to the bidder complying with the terms hereof and offering to purchase all of the Bonds at the lowest net interest cost to the County. The net interest cost 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 six decimal places), but such statement will not be considered a part of the bid. No Bond shall bear more than one (1) rate of interest; each Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; all Bonds of the same maturity shall bear the same rate of interest from their date to maturity; the lowest rate of interest specified for any of the Bonds shall not be less than seventy percent (70%) of the highest rate of interest specified for any of the Bonds; and the highest rate of interest specified for any of the Bonds shall not exceed eleven percent (11%) per annum. Each interest rate specified in any bid must be a multiple of one-eighth of one percent (1/8 of 1%) or a multiple of one-tenth of one percent (1/10 of 1%) and a zero rate of interest cannot be named.

Bidders must acknowledge in their respective bids that they have received and reviewed the County's preliminary official statement in connection with the issuance of the Bonds (the "Preliminary Official Statement"). The County deems the Preliminary Official Statement to be "final" as described in SEC Rule 15c2-12(b)(1) for the purposes of such Rule. Upon award of the Bonds to the successful bidder, the County will prepare a final official statement in connection with the Bonds (the "Official Statement") in substantially the form of the Preliminary Official Statement, subject to minor amendments and supplementations. A reasonably sufficient number of Official Statements will be made available to the successful bidder at the expense of the County within seven (7) business days of the award of the Bonds to such bidder. Copies of the Preliminary Official Statement may be obtained from Shelton Vance, County Administrator, 125 West North Street, Canton, Mississippi 39046, telephone: (601) 855-5502 and the County's financial advisor, Government Consultants, Inc., 116 Village Boulevard, Madison, Mississippi 39110, telephone: (601) 982-0005, attention: Mr. Steve Pittman.

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the County, pursuant to a resolution of the Governing Body and a continuing disclosure agreement, will agree to provide annual reports

and notices of certain events. A summary of the County's procedures with regard to continuing disclosure is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

All bids must be enclosed in a sealed envelope and should be addressed to the Governing Body, at their offices located at 125 West North Street, Canton, Mississippi 39046, attention: Shelton Vance, County Administrator, and worded on the outside, in substance, "Bid for Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C". **ALL BIDS MUST BE UNCONDITIONAL AND, AS A CONDITION PRECEDENT TO THE CONSIDERATION OF ITS BID, EACH BIDDER MUST ENCLOSE WITH IT, AS A GOOD FAITH DEPOSIT, A CERTIFIED OR CASHIER'S CHECK ISSUED OR CERTIFIED BY A BANK LOCATED WITHIN THE STATE OF MISSISSIPPI PAYABLE TO THE ORDER OF MADISON COUNTY, MISSISSIPPI FOR TWO HUNDRED TWENTY THOUSAND AND NO/100THS DOLLARS (\$220,000.00).** No interest will be allowed on any good faith deposit. Bids will be accepted or rejected by the Governing Body on the date above shown for the sale of the Bonds. When a bid is rejected by the Governing Body, the good faith deposit accompanying said bid will be returned to the bidder. When a bid is accepted by the Governing Body, the good faith deposit accompanying said bid will be applied as part payment for the Bonds or, if the successful bidder fails to comply with this agreement to purchase the Bonds, will be retained as liquidated damages. Pending the application of the good faith deposit of the successful bidder as aforesaid, such deposit may be invested in direct obligations of, or obligations guaranteed by the United States of America or in repurchase agreements with banks fully secured by such obligations, and the County shall be entitled to any income from any such investment.

The Governing Body reserves the right to reject any or all bids as well as the right to waive any irregularity or informality in any bid. All bids shall be submitted on the Official Bid Form which may be obtained from Shelton Vance, County Administrator, 125 West North Street, Canton, Mississippi 39046, telephone: (601) 855-5502 and the County's financial advisor, Government Consultants, Inc., 116 Village Boulevard, Madison, Mississippi 39110, telephone: (601) 982-0005, attention: Mr. Steve Pittman.

In the opinion of Butler Snow LLP ("Bond Counsel") interest on the Bonds is **includable in** gross income for federal income tax purposes. Bond Counsel will express no other opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on or disposition of the Bonds. In addition, Bond Counsel is of the opinion that under and pursuant to the Act, the Bonds and interest thereon are exempt from income taxation in the State of Mississippi. The County will **NOT** designate the Bonds as qualified tax-exempt obligations within the meaning and for the purposes of Section 265(b)(3) of the Internal Revenue Code.

The final approving opinion of Bond Counsel, relating to the validity and State of Mississippi tax exemption of the Bonds, together with a non-litigation certificate of the County dated the date of delivery of the Bonds, and a transcript of the proceedings relating to the Bonds will be delivered to the successful bidder without charge.

It is anticipated that CUSIP identification numbers will be secured and printed on the Bonds, but neither the failure to secure or print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with its agreement to purchase the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the County; provided, however, that the CUSIP Global Services charge for the assignment of said numbers shall be paid for by the successful bidder.

The successful bidder will be given at least seven (7) business days advanced notice of the proposed date of delivery of the Bonds when that date has been tentatively determined. It is expected that the Bonds will be delivered through the facilities of DTC and payment therefor shall be made in federal or other immediately available funds.

The successful bidder shall have the right, at its option, to cancel its agreement to purchase the Bonds if the Bonds to be delivered by the County in accordance with the preceding paragraph are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the County shall return to said bidder its good faith deposit without interest. The County shall have the right, at its option, to cancel its agreement to sell the Bonds if within five (5) days after the tender of the Bonds for delivery the successful bidder shall not have accepted delivery of and paid for the Bonds, and in such event the County shall retain the successful bidder's good faith deposit as liquidated damages.

Further information may be obtained from Shelton Vance, County Administrator, 125 West North Street, Canton, Mississippi 39046, telephone: (601) 855-5502 and the County's financial advisor, Government Consultants, Inc., 116 Village Boulevard, Madison, Mississippi 39110, telephone: (601) 982-0005, attention: Mr. Steve Pittman.

DATED: September 14, 2020

MADISON COUNTY, MISSISSIPPI

By /s/Gerald Steen
President of the Board of Supervisors

Please publish as a legal notice on October 1 and 8, 2020. Your invoice and a proof of publication should be forwarded to:

**Candy Hunt
Butler Snow LLP
1020 Highland Colony Parkway
Ridgeland, MS 39157
candy.hunt@butlersnow.com**

[The remainder of this page is intentionally left blank.]

SECTION 24. The Clerk shall obtain from the publisher of the aforesaid newspaper the customary publisher's affidavit proving publication of the Notice for the time and in the manner required by law, and such proof of publication shall be filed in the Clerk's office and exhibited before the Governing Body at the hour and date aforesaid.

SECTION 25. The Governing Body of the County hereby approves, adopts and ratifies the Preliminary Official Statement for the sale of the Bonds in the form attached hereto as **EXHIBIT C**, and hereby authorizes the President of the Governing Body to sign a Preliminary Official Statement in substantially the same form for and on behalf of said Governing Body.

SECTION 26. The County deems the Preliminary Official Statement to be "final" as described in the Rule, for the purposes of such Rule.

SECTION 27. The distribution of copies of said Preliminary Official Statement to prospective purchasers of the Bonds is hereby authorized and ratified.

SECTION 28. Upon the sale of the Bonds, the President of the Governing Body and the Chancery Clerk of the County are hereby authorized and directed to cause to be prepared and to execute a final Official Statement in connection with the Bonds in substantially the form of the Preliminary Official Statement, subject to minor amendments and supplement as approved by the President of the Governing Body and the Chancery Clerk of the County executing same (the execution thereof shall constitute approval of any such completions, changes, insertions and modifications) as a result of the sale of the Bonds.

SECTION 29. If in the opinion of the County and Bond Counsel, a supplement or amendment to the Preliminary Official Statement and/or Official Statement is necessary to provide proper disclosure for the Bonds, the Governing Body of the County hereby authorizes (a) Bond Counsel, acting as disclosure counsel, to prepare such supplement or amendment to the Preliminary Official Statement and/or the Official Statement in a form and in a manner approved by Bond Counsel, acting as disclosure counsel, and (b) Bond Counsel and/or the successful bidder for the Bonds to provide distribution of such supplement or amendment to the Preliminary Official Statement and/or Official Statement, as the case may be, in connection with the sale of the Bonds.

SECTION 30. The County hereby certifies that it will be in material compliance with the continuing disclosure requirements of the Rule in connection with all applicable bond issues sold, issued and delivered by the County since July 1, 1995, subject to the Rule, upon the issuance and delivery of the Bonds.

SECTION 31. Each of the following constitutes an event of default under this Bond Resolution:

(a) failure by the County to pay any installment of principal of or interest on any Bond at the time required;

(b) failure by the County to materially perform or observe any other covenant, agreement or condition on its part contained in this Bond Resolution or in the Bonds, and the continuance thereof for a period of thirty (30) days after written notice thereof to the County by the Registered Owners of not less than ten percent (10%) in principal amount of the then outstanding Bonds; or

(c) an Act of Bankruptcy occurs.

SECTION 32. The President, the Clerk and the other Authorized Officers of the County are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents, certificates, requisitions, forms or other instruments as may be necessary to effectuate the purposes of this Bond Resolution.

SECTION 33. All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For cause, this Bond Resolution shall become effective upon the adoption hereof.

[The remainder of this page is intentionally left blank.]

Supervisor _____ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Supervisor Sheila Jones voted:	_____
Supervisor Trey Baxter voted:	_____
Supervisor Gerald Steen voted:	_____
Supervisor Karl Banks voted:	_____
Supervisor Paul Griffin voted:	_____

The motion having received the affirmative vote of a majority of the members of the Governing Body present, being a quorum of said Governing Body, the President declared the motion carried and the resolution adopted this 14th day of September, 2020.

President of the Board of Supervisors of Madison
County, Mississippi

ATTEST:

Clerk of the Board of Supervisors of
Madison County, Mississippi

(SEAL)

EXHIBIT A
PROOF OF PUBLICATION
OF INTENT RESOLUTION

EXHIBIT B
PROOF OF PUBLICATION
OF REDA NOTICE OF BOND ISSUE

PROOF OF PUBLICATION

THE STATE OF MISSISSIPPI

MADISON COUNTY

PERSONALLY appeared before me, the undersigned notary public in and for Madison County, Mississippi, Michael Simmons, Associate Editor and Publisher of THE MADISON COUNTY JOURNAL, a weekly newspaper of general circulation in Madison County, Mississippi as defined and prescribed in Section 13-3-31, of the Mississippi Code of 1972, as amended, who, being duly sworn, states that the notice, a true copy of which is attached hereto was published in the issues of said newspaper as follows:

Date August 6, 2020
Vol. 39, No. 32

Date _____, 2020

Vol. _____, No. ____

Date _____, 2020

Vol. _____, No. ____

Date _____, 2020

Vol. _____, No. ____

Signed: Michael Simmons

Associate Editor and Publisher

THE MADISON COUNTY JOURNAL

SWORN TO AND SUBSCRIBED before me the 6 day of August, 2020.

Amy N. Lambert

Notary Public



NOTICE OF BOND ISSUE

Madison County, Mississippi (the "County") proposes to enter into a Regional Economic Development Alliance (the "Alliance") with the City of Canton, Mississippi, Canton Municipal Utilities, and the Madison County Economic Development Authority (the "MCEDA") pursuant to Sections 57-64-1 et seq., Mississippi Code of 1972, as amended (the "REDA Act"), regarding continued development of an industrial park to be located near the intersection of Highway 22 and Nissan Parkway in the County, together with any economic development project to be located in such industrial park (the "Industrial Park Project").

The County is authorized and intends under the provisions of Sections 19-5-99 and 19-9-1 et seq., Mississippi Code of 1972, as amended, and the REDA Act, to issue General Obligation Bonds in the amount of not to exceed \$11,000,000 (the "County Bonds"), in order to provide funds for the County's portion of the costs incurred for the purposes related to the Industrial Park Project being developed by the Alliance, which Industrial Park Project was recommended by MCEDA, including, but not limited to (a) acquiring land and/or acquiring or constructing buildings, fixtures, machinery, equipment, utilities, port or airport facilities, roads, rail lines and rail spurs, and other related projects that have or will provide a multi-jurisdictional benefit, including all site preparation, mitigation of environmental or cultural conditions and other start-up activities; (b) any related construction; (c) acquisition of fixtures and of real and personal property required for the purposes of the Industrial Park Project and facilities related thereto, whether publicly or privately owned, including land and any rights or undivided interests therein; (d) acquisition of machinery and equipment, including motor vehicles which are used for Industrial Park Project functions; (e) closure, post-closure maintenance or correction action on environmental matters; (f) financing charges and interest prior to and during construction and during such additional period as the Alliance may reasonably determine to be necessary for the placing of the Industrial Park Project in operation; (g) engineering; surveying, environmental geotechnical; architectural and legal services; (h) plans and specifications and all expenses necessary or incident to determining the feasibility or practicability of the Industrial Park Project; (i) administrative expenses; (j) a renewal and replacement reserve, bond insurance, and/or other credit enhancement, and such other reserves as may be authorized; (k) construction or contracting for the construction of streets, roads, water, sewerage, drainage and other related facilities; (l) borrowing for the Industrial Park Project; (m) any other property or services related to (a) through (l) above; and for any other purposes authorized pursuant to the certificate of public convenience and necessity issued by the Mississippi Development Authority pursuant to the REDA Act in connection with the Industrial Park Project.

In connection with the proposed Industrial Park Project and the issuance of the County Bonds and as required by the REDA Act, notice is hereby given that the Board of Supervisors of the County will direct the issuance of the County Bonds at a meeting of the Board of Supervisors to be held at 2:00 p.m., on the 14th day of September, 2020 or at some meeting held subsequent thereto at its meeting place in the Chancery Courthouse of the County located at 125 West North Street, Canton, Mississippi.

This notice is being published in accordance with and as required by the REDA Act.

MADISON COUNTY, MISSISSIPPI

/s/ Ronny Lott

Ronny Lott, Chancery Clerk

Publish: August 6, 2020
in the Madison County Journal

EXHIBIT C

FORM OF PRELIMINARY OFFICAL STATEMENT

54489472.v1

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2020

ONE NEW ISSUE/BOOK-ENTRY-ONLY

RATING: Moody's: "___"
(See "RATING" herein)
(Application Made)

In the opinion of Butler Snow LLP, Ridgeland, Mississippi ("Bond Counsel"), interest on the Series 2020C Bonds (as defined herein) is includable in gross income for federal income tax purposes. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2020C Bonds. Bond Counsel is further of the opinion that under and pursuant to the Act (as hereinafter defined), the Series 2020C Bonds and interest thereon are exempt from all income taxes imposed by the State of Mississippi.

\$11,000,000
MADISON COUNTY, MISSISSIPPI
TAXABLE GENERAL OBLIGATION BONDS,
SERIES 2020

Dated: Date of Delivery

**Due: November 1, as shown
on the inside front cover**

Interest on the \$11,000,000 Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C, dated November __, 2020* (the "Series 2020C Bonds"), will be payable on May 1 and November 1 of each year, commencing May 1, 2021. The Board of Supervisors of Madison County, Mississippi (the "County") has designated _____, to serve as paying agent, transfer agent and registrar of the Series 2020C Bonds (the "Paying Agent"). The Series 2020C Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2020C Bonds under a book-entry-only system, as described herein. So long as the Series 2020C Bonds are held in book-entry form, Beneficial Owners (as hereinafter defined) of Series 2020C Bonds will not receive physical delivery of bond certificates.

The principal of, and interest on, the Series 2020C Bonds will be payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Direct Participants (as defined herein) and Indirect Participants (as defined herein), which will in turn remit such principal, and interest to the Beneficial Owners of the Series 2020C Bonds. If the date for payment is not a business day, then the payment shall be made on the next succeeding business day with the same force and effect as if made on the payment date. See "DESCRIPTION OF THE SERIES 2020C BONDS – Book-Entry-Only System" herein.

The Series 2020C Bonds are general obligations of the County for which the full faith, credit and resources of the County are pledged.

The Series 2020C Bonds are being offered for sale in accordance with the official Notice of Bond Sale, dated September 14, 2020, the form of which is attached hereto as APPENDIX D.

Sealed bids for the Series 2020C Bonds will be received at 4:00 o'clock p.m. central time on October 19, 2020, by the Board of Supervisors of Madison County, Mississippi, in its meeting place in the Chancery Court Building in the City of Canton, Mississippi. Received bids will be opened before the Board of Supervisors of the County at 5:00 o'clock p.m. central time on the same date.

The Series 2020C Bonds will be subject to redemption prior to maturity as provided herein.

The Series 2020C Bonds are offered subject to the final approving opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the County by its counsel, Mike Espy, PLLC, Jackson, Mississippi. Government Consultants, Inc., Madison, Mississippi, serves as the Independent Registered Municipal Advisor to the County in connection with the sale and issuance of the Series 2020C Bonds. It is expected that the Series 2020C Bonds available for delivery in definitive form on or about November __, 2020.*

Dated: _____, 2020.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is deemed final by the issuer of these securities within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 for the purposes of such rule.

\$11,000,000
MADISON COUNTY, MISSISSIPPI
TAXABLE GENERAL OBLIGATION BONDS,
SERIES 2020C

MATURITY SCHEDULE

Year (November 1)	Principal Amount	Interest Rate	Yield	CUSIP¹
2021	\$430,000			557259
2022	440,000			557259
2023	450,000			557259
2024	465,000			557259
2025	475,000			557259
2026	485,000			557259
2027	500,000			557259
2028	510,000			557259
2029	525,000			557259
2030	540,000			557259
2031	550,000			557259
2032	565,000			557259
2033	580,000			557259
2034	595,000			557259
2035	610,000			557259
2036	625,000			557259
2037	640,000			557259
2038	655,000			557259
2039	670,000			557259
2040	690,000			557259

¹ The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2020C Bonds only. The County does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2020C Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of the Series 2020C Bonds.

MADISON COUNTY, MISSISSIPPI

BOARD OF SUPERVISORS

Sheila Jones, *District 1*

Trey Baxter, *District 2*

Gerald Steen, *District 3*

Karl Banks, *District 4*

Paul Griffin, *District 5*

CLERK OF THE BOARD OF SUPERVISORS

Ronald Lott

COUNTY ADMINISTRATOR

Shelton Vance

COUNSEL TO COUNTY

Mike Espy, PLLC

Jackson, Mississippi

INDEPENDENT REGISTERED MUNICIPAL ADVISOR TO COUNTY

Government Consultants, Inc.

Madison, Mississippi

BOND COUNSEL

Butler Snow LLP

Ridgeland, Mississippi

OFFICIAL STATEMENT

THE OFFERING

**\$11,000,000
MADISON COUNTY, MISSISSIPPI
TAXABLE GENERAL OBLIGATION BONDS,
SERIES 2020**

The Issuer	Madison County, Mississippi (the "County").
Issue and Date	\$11,000,000 Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C, dated the date of their delivery (the "Series 2020C Bonds").
Authority	Sections 19-9-1 <i>et seq.</i> , and 19-5-92 of the Mississippi Code of 1972, as amended and supplemented from time to time (the "County Act"), and Sections 57-64-1 through 57-64-31, Mississippi Code of 1972, as amended (the "Regional Economic Development Act" or "REDA"), and together with the County Act, the "Act").
Use of Proceeds	The Series 2020C Bonds are being issued under the Act for the purpose of providing funds for (a) the County Project and the Industrial Project, as described in this Official Statement; and (b) paying the costs incident to the sale and issuance of the Series 2020C Bonds, as authorized by the Act.
Amounts and Maturities	The Series 2020C Bonds will mature on November 1 in the years and amounts as set forth on the inside cover page hereof.
Interest Payment Dates	May 1 and November 1 of each year, commencing May 1, 2021.
Redemption Provisions	The Series 2020C Bonds will be subject to optional redemption prior to their stated dates of maturity (see "DESCRIPTION OF THE SERIES 2020C BONDS - Redemption Provisions," herein).
Security for Payment	Pursuant to the Act, the Series 2020C Bonds shall be general obligations of the County and shall be secured by a pledge of the full faith, credit and resources of the County (see "DESCRIPTION OF THE SERIES 2020C BONDS - Security", herein).
Tax Matters	In the opinion of Bond Counsel interest on the Series 2020C Bonds is includable in gross income for federal income tax purposes. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2020C Bonds. Bond Counsel is further of the opinion that under and pursuant to the Act, the Series 2020C Bonds and interest thereon are exempt from all income taxes imposed by the State of Mississippi.

The above information is qualified in its entirety by the detailed information concerning the Series 2020C Bonds, the County and the financial information appearing elsewhere in this Official Statement, including the Appendices.

NO DEALER, BROKER, SALES REPRESENTATIVE OR OTHER PERSON HAS BEEN AUTHORIZED BY MADISON COUNTY, MISSISSIPPI (THE "COUNTY") TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COUNTY. 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 SERIES 2020C BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE DATE HEREOF.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE COUNTY, DTC AND FROM OTHER SOURCES WHICH ARE BELIEVED RELIABLE, BUT SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY THE COUNTY. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE OF THE SERIES 2020C BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE SINCE THE DATE HEREOF IN THE MATTERS WHICH ARE MATERIAL TO THE FULL AND PUNCTUAL PAYMENT OF DEBT SERVICE ON THE SERIES 2020C BONDS.

UPON ISSUANCE, THE SERIES 2020C BONDS WILL NOT BE REGISTERED BY THE COUNTY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE COUNTY (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2020C BONDS FOR SALE.

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OFFICIAL STATEMENT

\$11,000,000
MADISON COUNTY, MISSISSIPPI
TAXABLE GENERAL OBLIGATION BONDS,
SERIES 2020C

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover pages and the Appendices hereto, is to set forth certain information concerning Madison County, Mississippi (the "County") and the County's \$11,000,000 Taxable General Obligation Bonds, Series 2020C, dated November __, 2020* (the "Series 2020C Bonds").

Reference is made to the Act (as hereinafter defined), the Resolution (as hereinafter defined) and any and all modifications and amendments thereof for a description of the nature and extent of the security of the Series 2020C Bonds, the pledge of tax revenues for the payment of the principal of and interest on the Series 2020C Bonds, the nature and extent of said pledge and the terms and conditions under which the Series 2020C Bonds are issued.

DESCRIPTION OF THE SERIES 2020C BONDS

The Series 2020C Bonds are being issued pursuant to the provisions of Sections 19-9-1 *et seq.*, and 19-5-92 of the Mississippi Code of 1972, as amended and supplemented from time to time (the "County Act"), and Sections 57-64-1 through 57-64-31, Mississippi Code of 1972, as amended (the "Regional Economic Development Act" or "REDA"), and together with the County Act, the "Act"), and a resolution adopted by the Board of Supervisors (the "Board of Supervisors") of the County on September 14, 2020 (the "Resolution"). The Series 2020C Bonds are being issued for the purpose of providing funds for (a) the County Project and the Industrial Park Project, as described below; and (b) paying the costs incident to the sale and issuance of the Series 2020C Bonds, all as authorized by the Act.

"County Project" means using a portion of the proceeds of the Series 2020C Bonds to finance the purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging county buildings, courthouses, office buildings, jails, hospitals, nurses' homes, health centers, clinics, and related facilities, and the purchase of land therefor, and for other purposes authorized by the County Act.

"Industrial Park Project" means using a portion of the proceeds of the Series 2020C Bonds to finance the continued development of an industrial park located in the County, together with any economic development project to be located in such industrial park, which Industrial Park Project was recommended by the Madison County Economic Development Authority ("MCEDA"), including paying the costs incurred for the following purposes in connection with the Industrial Park Project, and for any of the other purposes enumerated by the Act, including, but not necessarily limited to (i) acquiring the necessary land; construction or contracting for the construction of streets, roads, railroads, spur tracks, site improvements, water, sewerage, drainage, pollution control and other related facilities necessary or required for industrial development purposes or the development of industrial park complexes approved by MCEDA; to acquire, purchase, install, lease, construct, own, hold, equip, control, acquire or construct other structures and facilities necessary and convenient for the planning, development, use, operation and maintenance of an industrial park or parks or for industrial development purposes, including, but not limited to, utility installations, warehouses, buildings and air, rail and other transportation terminals and pollution control facilities approved by MCEDA; (ii) constructing, reconstructing, and repairing roads, highways and bridges, and acquiring the necessary land, including land for road building materials, acquiring rights-of-way therefor; and the purchase of heavy construction equipment and accessories thereto reasonable required to construct, repair and renovate roads, highways and bridges and approaches thereto within the County; (iii) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (iv) mitigation of any

* Preliminary, subject to change.

environmental or cultural conditions necessary or proper to accomplish any of the foregoing; and (v) to the extent the County obtains a Certificate of Public Convenience and Necessity ("CPCN") from the Mississippi Development Authority pursuant to REDA for the Industrial Park Project, the purposes authorized by REDA as set forth in the CPCN, as provided in the Resolution.

The Series 2020C Bonds will be general obligations of the County and the full faith, credit and resources of the County are pledged to secure the payment of the principal of and interest on the Series 2020C Bonds (see "DESCRIPTION OF THE SERIES 2020C BONDS - Security" herein).

The Series 2020C Bonds will be dated the date of their delivery, and will be issued as fully registered bonds in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof, bearing interest at the rates per annum set forth on the inside cover page hereof, payable on May 1 and November 1 of each year, commencing May 1, 2021. The County has designated _____, to serve as paying agent, transfer agent and registrar of the Series 2020C Bonds (the "Paying Agent"). Interest will be payable by check or draft of the Paying Agent made payable to the registered owners of the Series 2020C Bonds named in, and mailed to the addresses appearing on, the registration records of the County kept and maintained by the Paying Agent as of the close of business on the date which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date.

The Series 2020C Bonds will mature on November 1 in the years and in the amounts set forth on the inside cover page hereof.

The Series 2020C Bonds will initially be held in a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Series 2020C Bonds held in book-entry form shall be payable as described herein under the heading "DESCRIPTION OF THE SERIES 2020C BONDS - Book-Entry-Only System."

As long as the Series 2020C Bonds are held in a book-entry-only system, the principal of and interest on the Series 2020C Bonds will be payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Direct Participants and Indirect Participants, as described herein, which will in turn remit such principal and interest to the Beneficial Owners, as described herein, of the Series 2020C Bonds. If the date for payment is not a business day, then the payment shall be made on the next succeeding business day with the same force and effect as if made on the payment date.

Redemption Provisions

Optional Redemption. The Series 2020C Bonds maturing on and after November 1, 2031, will be subject to redemption prior to their respective maturities, at the option of the County, on and after November 1, 2030, either in whole or in part on any date, as selected by the County among maturities, and by lot within each maturity, at the principal amount thereof, together with accrued interest to the date fixed for redemption and without premium.

Notice. Notice of redemption identifying the numbers of Series 2020C Bonds or portions thereof to be redeemed shall be given to the registered owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption; provided, however, such notice of redemption can be waived by the registered owners of the Series 2020C Bonds. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Series 2020C Bonds. Any notice mailed as provided in the Resolution shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Series 2020C Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Series 2020C Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

Defeasance. The Series 2020C Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State, (a) direct obligations of, or obligations for the payment of the principal of and

interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), (b) certificates of deposit or municipal obligations fully secured by Government Obligations, (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (d) United States Treasury Securities - State and Local Government Series, or (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, "Defeasance Securities"), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under the Resolution and shall no longer be deemed to be outstanding under the Resolution, and the registered owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Series 2020C Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under the Resolution if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Series 2020C Bonds.

Ownership

Pursuant to the Resolution, the County, the Paying Agent, and any other person may treat the person in whose name any Series 2020C Bond is registered as the absolute owner of such Series 2020C Bond for the purpose of making payment of the principal thereof and premium, if any, thereon, and for the further purpose of making payment of the interest thereon, and for all other purposes, whether or not such Series 2020C Bond is overdue. Neither the County nor the Paying Agent shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the owner of any Series 2020C Bond in accordance with the Resolution shall be valid and effective and shall discharge the liability of the County and the Paying Agent for such Series 2020C Bond to the extent of the sums paid.

Registration

For so long as DTC acts as securities depository for the Series 2020C Bonds, the registration and transfer of ownership interests in Series 2020C Bonds shall be accomplished by book entries made by DTC and the Direct Participants and, where appropriate, the Indirect Participants, as described herein under the heading "DESCRIPTION OF THE SERIES 2020C BONDS - Book-Entry-Only System."

Book-Entry-Only System

The County has determined that it will be beneficial to have the Series 2020C Bonds held by a central depository system and to have transfers of the Series 2020C Bonds affected by book-entry on the records of DTC as such central depository system. Unless and until the book-entry-only system has been discontinued, the Series 2020C Bonds will be available only in book-entry form in principal amounts of \$5,000 or any integral multiple thereof. DTC will initially act as securities depository for the Series 2020C Bonds. The Series 2020C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). One fully-registered Series 2020C Bond will be issued for each maturity of the Series 2020C Bonds, and will be deposited with or as otherwise directed by DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York banking law, a "banking organization" within the meaning of the New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct

Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2020C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2020C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020C Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020C Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020C Bonds, except in the event that use of the book-entry system for the Series 2020C Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020C Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020C Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2020C Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020C Bond documents. For example, Beneficial Owners of Series 2020C Bonds may wish to ascertain that the nominee holding the Series 2020C Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices are to be sent to DTC. If less than all of the Series 2020C Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020C Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2020C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the County or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary

practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020C Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2020C Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2020C Bonds in definitive form will be printed and delivered.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCE THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2020C BONDS (a) PAYMENTS OF PRINCIPAL OR INTEREST ON THE SERIES 2020C BONDS; (b) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2020C BONDS; OR (c) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2020C BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (a) THE SERIES 2020C BONDS; (b) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (c) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF AND INTEREST ON THE SERIES 2020C BONDS; (d) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTIONS TO BE GIVEN TO HOLDERS OF THE SERIES 2020C BONDS; OR (e) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 2020C BONDS.

Security

The Series 2020C Bonds will be general obligations of the County. Pursuant to the terms of the Resolution, the full faith, credit and resources of the County are irrevocably pledged to secure the payment of the principal of and interest on the Series 2020C Bonds, which are payable out of and secured by the avails of a direct and continuing ad valorem tax to be levied annually without limitation as to rate or amount upon all taxable property within the geographical limits of the County. The Resolution provides that the County, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the County adequate and sufficient to provide for the payment of principal of and interest on the Series 2020C Bonds as the same falls due; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the County on or prior to September 1 of that year has transferred money to the 2020 Bond Fund established pursuant to the 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 County.

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 (the "Constitution") 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 of the County to pay the principal of and interest on the Series 2020C Bonds as they mature and become due nor does the Amendment affect the County's obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect a holder's remedies in the event of a payment default, the Amendment potentially prevents a holder from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the Series 2020C 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 bondholders in the event of a payment default with respect to the Series 2020C Bonds.

Bankruptcy

The County is a "Municipality" as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"). Section 109(c) of the Bankruptcy Code prescribes the conditions and circumstances under which a Municipality may file a petition for relief under the Bankruptcy Code. As a debtor, a Municipality may only file for relief pursuant to Chapter 9 of the Bankruptcy Code ("Chapter 9"). Pursuant to Section 303(a) of the Bankruptcy Code, no creditor or judgment holder of a Municipality may file a Chapter 9 petition on behalf of a Municipality.

Pursuant to Section 109(c)(2) of the Bankruptcy Code, before a Municipality may file a petition under Chapter 9 of the Bankruptcy Code, a Municipality must be specifically authorized by (a) state law or (b) a governmental officer or organization empowered to authorize such a filing. Accordingly, before a Municipality in the State may file for Chapter 9 protection, it must have specific authority granted to it. Currently, there is no State statute that prescribes, authorizes or otherwise contains authorization for any Municipality to file for Chapter 9 protection, or delegates such authority to a governmental officer or organization. As such, in order for a Municipality of the State, including the County, to file for Chapter 9 relief, the Municipality must obtain specific authority from the State Legislature.

The State Legislature is comprised of the Senate and the House of Representatives. The Senate is composed of 52 members, and the House of Representatives consists of 122 members. Each member of each chamber is elected to a four-year term. In the State, the Legislature convenes annually on the first Tuesday after the first Monday each January. Regular sessions of the State Legislature last 90 days in all years of an administration except for the first session after a new governor has been elected, when a 125-day session is held.

In order to obtain specific authority from the State Legislature to file for relief pursuant to Chapter 9, a Municipality would have to request both houses of the State Legislature during the annual session of the State Legislature or a special session of the State Legislature called for such purpose to approve a bill authorizing the Municipality to file for relief pursuant to Chapter 9 and such bill would have to be signed into law by the Governor of the State. There is no appeal process or any other proceeding under current State law that the Municipality may pursue if such requested specific authority is not granted by the State Legislature.

EXPECTED APPLICATION OF THE PROCEEDS OF THE SERIES 2020C BONDS

The following is a summary of the expected sources and uses of the Series 2020C Bonds:

SOURCES OF FUNDS

Par Amount of Series 2020C Bonds	\$ _____
[Plus Net Original Issue Premium]	_____
Total Sources of Funds	<u><u>\$ _____</u></u>

USES OF FUNDS

For deposit to the Construction Fund under the Resolution ¹	\$ _____
For Underwriter's Discount	_____
Total Uses of Funds	<u><u>\$ _____</u></u>

- 1 Includes funds to be used to pay costs of issuance. Costs of issuance include, but are not limited to, legal fees and expenses, financial advisory fees and expenses and rating agency fees

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**ANNUAL DEBT SERVICE REQUIREMENTS
 ON THE SERIES 2020C BONDS**

Fiscal Year Ending September 30	Principal	Interest	Total
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
TOTALS	\$11,000,000.00		

THE COUNTY

General Description

The County, named for President James Madison at its founding in 1828, is situated in the west central portion of the State immediately to the north of the City of Jackson, the capital of the State, and has a land area of 751 square miles. The County seat, the City of Canton, is located 187 miles south of Memphis, Tennessee, 210 miles north of New Orleans, Louisiana and 242 miles southwest of Birmingham, Alabama.

Population

County and State population figures have been recorded as follows:

	1990	2000	2010	2019 (estimate)
County	53,794	74,674	95,203	106,272
State	2,573,216	2,844,658	2,967,297	2,976,149

SOURCE: Census Data at website: www.census.gov; September 2020.

Government

The County is governed by a five member Board of Supervisors, each of whom is elected from a separate district or "beat," to concurrent four-year terms. Current members of the Board of Supervisors are:

Name and Title	District	Beginning of Current Term	End of Current Term
Sheila Jones	District 1 Supervisor	2020	2023
Trey Baxter	District 2 Supervisor	2020	2023
Gerald Steen	District 3 Supervisor	2020	2023
Karl Banks	District 4 Supervisor	2020	2023
Paul Griffin	District 5 Supervisor	2020	2023

The Board of Supervisors prepares the budget, levies such taxes on County property as may be needed to meet the budget, authorizes bond issues and regulates construction and maintenance of County roads, bridges and buildings.

Transportation

Interstate Highway 55, U.S. Highway 51 and State Highways 16, 17, 22 and 43 provide access to most communities within the County. A number of County highways provide access to many outlying areas in the County.

Other major forms of transportation are available in the County. The Illinois Central Railroad provides rail service to the County. AmTrak provides intercity rail passenger transportation to the area. Intercity bus service is provided by Greyhound Trailways Bus Lines. At least 18 motor freight carriers are authorized to serve the County. Commercial air transportation is available at Jackson International Airport in Rankin County, Mississippi, served by four airlines with 25 non-commuter flights daily, and which is designated as a foreign trade zone. Non-commercial air transportation is available within the County at Bruce Campbell Airport in the City of Madison. The County is served by the Port of Vicksburg, which has a channel depth of nine feet and is located fifty miles to the west on the Mississippi River in Warren County.

Educational Facilities

The Madison County School District (the "County District") serves the entire area of the County, with the exception of the area encompassed by the City of Canton, Mississippi. The Canton Public School District (the "Canton District") serves the City of Canton.

The County District operates 18 schools, including one Career and Technical Center and one Alternative School, and employs approximately 1,165 people. The Canton District operates seven schools, including one career center and one educational services center, and employs approximately 560 people. Enrollment for the two districts for the current year and the four prior years are as follows:

Scholastic Year	County District Enrollment	Canton District Enrollment
2019-20	13,310	3,350
2018-19	13,302	3,391
2017-18	13,252	3,488
2016-17	13,171	3,583
2015-16	13,078	3,603

SOURCE: Office of Research and Statistics, Mississippi Department of Education's website: <http://orsap.mde.k12.ms.us/MARS/Index.jsp>, information available as of September 2020.

Industry

In November 2000, Nissan North America, Inc. (“Nissan”) announced the location of a \$930 million automobile manufacturing facility in the County. In June 2002, while the original facility was still under construction, Nissan announced that it would expand the facility to 2.5 million square feet with an additional investment of \$500 million. When the plant began production in 2003, 2,040 people were initially employed and the plant has grown to present employment of approximately 6,400. The 3.5 million-square-foot plant has a capacity to produce 400,000 vehicles per year.

Per Capita Income

The following represents per capita income annually from 2014 through 2018 for the County and for non-metropolitan portions of the State and the United States of America:

Year	County	Mississippi	United States	County as % of U.S.
2018	\$64,033	\$37,834	\$54,446	118%
2017	61,566	36,375	51,885	119
2016	60,238	35,613	49,870	121
2015	58,589	35,022	48,978	120
2014	58,444	34,545	47,058	124

SOURCE: Bureau of Economic Analysis, *Regional Economic Accounts – Per Capita Personal Income*, information available as of September 1, 2020.

Retail Sales

State Fiscal Year Ended June 30	Amount of Sales
2019	\$2,444,925,548
2018	2,462,472,930
2017	2,308,970,428
2016	2,236,898,776
2015	2,134,493,187

SOURCE: Annual Reports for years shown, Mississippi Department of Revenue at www.dor.ms.gov; information available as of September 2020.

Major Employers

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

Employer	Approximate Employees	Product/Service
Nissan North America Inc.	6,400	Automobile – Manufacturers
Madison County School District	1,800	Public Education
Peco Foods of MS, Inc.	1,450	Food Manufacturing
Conduent (formerly Xerox)	1,250	Technical Service and Document Control
Yates Services	750	Automotive Manufacturing
C Spire	624	Wireless Communications Provider
MS Department of Rehabilitation Services	600	State Agency
Comcast	500	Cable and Digital Services Provider
Vantec	485	Automotive Part Distribution
Marelli	482	Automotive Component Manufacturing
Levi Strauss & Co.	480	Clothing Distribution

SOURCE: Madison County Economic Development Authority website: www.madisoncountypedata.com; September 2020.

County Unemployment Statistics

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual Average
2015	4.9	4.4	4.4	4.1	4.7	5.2	5.1	4.3	4.4	4.4	4.3	4.5	4.6
2016	4.5	4.1	4.3	3.9	4.5	5.1	4.9	4.2	4.1	4.1	3.7	4.0	4.3
2017	4.2	3.7	3.9	3.6	4.0	4.8	4.5	4.0	3.6	3.4	3.4	3.4	3.9
2018	3.8	3.8	3.8	3.5	3.7	4.6	4.2	3.6	3.4	3.4	3.4	3.7	3.7
2019	4.3	4.0	4.2	4.0	4.3	5.3	5.1	4.5	4.3	4.1	4.1	4.1	4.4
2020	4.2	4.0	4.0	14.1	10.0	8.2	8.8	--	--	--	--	--	--

SOURCE: *Unemployment Rates (as of September 1, 2020)*, Labor Market Information Department, Mississippi Employment Security Commission at www.mdes.ms.gov.

County Employment Statistics

	2015	2016	2017	2018	2019
<i>Residence Based Employment</i>					
Civilian Labor Force	51,710	53,450	53,310	53,150	53,330
Unemployed	2,360	2,300	2,070	1,990	2,330
Unemployment Rate	4.6	4.3	3.9	3.7	4.4
Employed	49,350	51,150	51,240	51,160	51,000
<i>Established Based Employment</i>					
Manufacturing	8,670	9,310	9,460	9,360	9,070
Nonmanufacturing	47,910	50,210	50,770	50,800	51,170
Natural Resources and Mining	150	130	190	180	130
Construction	2,000	2,140	2,210	2,040	2,030
Trade, Transportation & Utilities	9,940	10,170	10,700	10,520	11,010
Information	2,450	1,760	1,190	1,110	1,240
Financial Activities	3,830	4,240	4,170	4,380	4,430
Professional & Business Services	9,750	11,050	11,190	11,220	10,510
Education & Health Services	5,550	6,120	6,350	6,510	6,690
Leisure and Hospitality	6,290	6,420	6,670	6,790	6,990
Other Services	3,060	3,230	3,210	3,200	3,300
Government	4,890	4,950	4,890	4,850	4,840
Public Education	2,540	2,620	2,610	2,600	2,560
<i>Total Nonagricultural Employment</i>	56,580	59,520	60,220	60,170	60,220

SOURCE: Mississippi Department of Employment Security: Annual Averages: Labor Force and Establishment Based Employment 2011 Forward, Labor Market Information Department at www.mdes.ms.gov. (Annual averages last revised May 11, 2020) information available as of September 2020.

TAX INFORMATION

Description of County Taxes

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 County 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 Board of Supervisors on the first Monday in July. Thereafter, the assessments are equalized by the Board of Supervisors and notice is given to the taxpayers that the Board of Supervisors will meet to hear objections to the assessments. After objections are heard, the Board of Supervisors adjusts the rolls and submits them to the Department of Revenue of the State (the "Department of Revenue"). The Department of Revenue may then accept the rolls, or, if it finds the rolls incorrect in any valuation, it may return the rolls to the Board of Supervisors for correction. The Board of Supervisors then revises the tax rolls in accordance with the recommendations of the Department of Revenue. If the Board of Supervisors has any objections to the direction of the Department of Revenue to revise the rolls, it may arrange a hearing before the Department of Revenue. Otherwise, the assessment rolls are finalized and are submitted to the County Tax Collector for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the Department of Revenue. With minor exceptions, the property of public utilities is assessed each year by the Department of Revenue.

Procedure for Tax Collections. The Board of Supervisors is required each year to levy taxes upon all of the taxable property within the County to provide sufficient revenue to cover the operating expenses of the County, including the payment of the principal of and interest on its outstanding bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes will bear interest at the rate of one percent per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real and personal property is subject to being sold at public sale for nonpayment of taxes.

Ad valorem taxes on personal property are payable at the same time and in the same manner as on real property. Section 27-41-15, Mississippi Code of 1972, as amended, provides that upon failure of a taxpayer to make timely payment, the tax collector of each county is authorized to sell any personal property liable for unpaid taxes at the courthouse door of such county unless the property is too cumbersome to be removed. Five days' notice of the sale in an advertisement posted in three public places in such county, one of which must be the courthouse, is required. Interest, fees, costs and expenses of sale are recoverable in addition to the delinquent taxes. If sufficient personal property cannot be found, the tax collector may make a list of debts due such taxpayer by other persons and sell such debts and is further directed to distrain and sell sufficient other properties of such taxpayer to pay the delinquent taxes. Debts sold may be redeemed within six months from the sale in the same manner as redemption of land from tax sales.

Section 27-41-55, Mississippi Code of 1972, as amended, provides that after the fifth day of August in each year, the tax collector for each county shall advertise and sell all land in such county on which all taxes due and in arrears have not been paid, as well as all land liable for other matured taxes. The sale is held at the door of the courthouse of such county on the last Monday of August. The owner, or any person interested in the land sold for taxes, may redeem the land at any time within two years after the date of sale by paying all taxes, costs, interest and damages due to the county's chancery clerk. A valid tax sale will mature two years after the date of sale unless the land is redeemed and title will vest in the purchaser on such date.

At the option of the tax collector, advertisement for the sale of such county lands may be made after the fifteenth day of February in each year with the sale of such lands to be held on the first Monday of April following. All provisions which relate to the tax sale held in August of each year shall apply to the tax sale if held in April.

County and municipal taxes, assessed upon land or personal property, are entitled to preference over all judgments, executions, encumbrances or liens however created.

Assessed Valuation¹

Assessment Year	Real Property	Personal Property	Public Utility Property	Automobiles/ Mobile Homes	Total
2020	\$1,251,302,402	\$230,249,600	\$50,537,467	\$279,574,868	\$1,811,664,337
2019	1,225,193,579	245,729,480	47,384,580	287,723,367	1,806,031,006
2018	1,198,450,574	238,413,270	48,069,156	277,780,613	1,762,716,613
2017	1,143,380,152	179,795,700	43,271,930	257,907,741	1,629,355,523
2016	1,104,472,632	175,979,240	44,367,739	235,534,990	1,560,354,601
2015	1,081,149,140	195,309,080	42,632,446	217,689,976	1,536,780,642

SOURCE: Office of the County Tax Assessor; September 2020.

¹ The total assessed valuation is approved in September preceding the fiscal year of the County and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2020 are collected starting in January 2021 for the 2020-21 fiscal year budget of the County.

The above assessed valuations for assessment years 2015 through 2020 are based upon the following assessment ratios:

- (a) real and personal property (excluding single-family, owner-occupied residential real property and motor vehicles, respectively), 15% of true value;
- (b) single-family, owner-occupied residential real property, 10% of true value; and
- (c) motor vehicles and public utility property, 30% of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 pursuant to which there was proposed an amendment to Section 112 of the Mississippi Constitution of 1890 (the "1986 Amendment"). The 1986 Amendment provided, inter alia, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The 1986 Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the 1986 Amendment. The assessment ratios set forth in the 1986 Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as amended, as it existed prior to the 1986 Amendment, except that the assessment ratio for single-family, owner-occupied, residential real property under the 1986 Amendment is set at 10% of true value as opposed to 15% of true value under previously existing law. The 1986 Amendment was ratified by the electorate on June 3, 1986.

The assessed valuation figures above do not include property exempt from all County ad valorem taxes for a period of up to 10 years, primarily for new or expanded manufacturing facilities. This real and personal property will become subject to County ad valorem taxation at different points in time during the next 10 years. In addition, certain other industrial and manufacturing facilities are exempt from ad valorem taxation pursuant to Section 57-3-33, Mississippi Code of 1972, as amended, and other applicable laws.

Reappraisal of Property and Limitations on Ad Valorem Levies

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972, as amended and supplemented from time to time (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To insure that property taxes did not increase dramatically as counties completed reappraisal, the Reappraisal Act provided for the limit on increase in tax revenues discussed below.

The Reappraisal Act limits ad valorem tax levies by the County to a rate which will result in an increase in total receipts of not greater than 10% over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt

which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the County or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On August 20, 1980, the Mississippi Supreme Court rendered its decision in *Department of Revenue v. Fondren*, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the Department of Revenue was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the Department of Revenue equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the lower court's decree, on November 15, 1980, the Department of Revenue filed a master plan to assist counties in determining true value. The County has completed its reappraisal.

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 amount of property that may come within the exemption.

Those homeowners who qualify for homestead exemption and (a) have reached the age of 65 years on or before January 1 of the year for which the exemption is claimed, or (b) are service-connected and totally disabled veterans who (i) were honorably discharged from military service, (ii) are classified as disabled under the Federal Social Security Act, Railroad Retirement Act, or any other federal act approved by the State Department of Revenue, (iii) are totally disabled under the provisions of a retirement plan that is considered to be qualified under the United States Internal Revenue Code, which qualification is determined by the State Department of Revenue, or (iv) are totally disabled as determined by the State Department of Revenue pursuant to its rules and regulations, are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

Subject to the limitations hereinafter described, the tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the State Department of Revenue. Reimbursements are limited to, in the case of exempted county taxes, to \$50.00 for county taxes exempted and \$100.00 for school taxes exempted per qualified homestead exemption applicant. In the case of tax losses suffered by a municipality as a result of those qualified applicants who have reached 65 years of age or meet the disability requirements found in subsection (2) of Section 27-33-67, Mississippi Code of 1972, as amended, the reimbursement shall equal the full amount of the actual exemption allowed, not to exceed \$200.00 per qualified homestead applicant. Provided, however, 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, nor may any taxing unit be reimbursed less than the total net reimbursement made to such taxing unit in the next preceding year.

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Tax Levy Per \$1,000 Valuation¹

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
General Purposes:					
Economic Development	0.45	0.45	0.45	0.45	0.45
Reappraisal Trust Fund	1.00	1.00	1.00	1.00	1.00
General Fund	14.64	15.44	14.94	16.94	16.94
Road & Bridge Maintenance Fund	3.56	3.66	2.99	3.66	3.66
County Wide Int. & Skg. Fund	8.55	8.05	9.22	6.55	6.55
Library Fund	1.07	1.07	1.07	1.07	1.07
Holmes Jr. College Maintenance Fund	1.00	1.00	1.00	1.00	1.00
Holmes Jr. College Special Fund	1.25	1.25	1.25	1.25	1.25
Mapping and Reappraisal	0.06	0.06	0.06	0.06	0.06
Fire Protection Fund	1.10	1.50	1.50	2.33	1.50
Bridge & Culvert Fund	1.60	1.20	1.20	1.20	1.20
Solid Waste	<u>3.85</u>	<u>3.45</u>	<u>3.45</u>	<u>2.62</u>	<u>3.45</u>
Total	38.13	38.13	38.13	38.13	38.13
County School District:					
Maintenance Fund	47.55	47.55	47.55	46.55	46.55
Bond Int. & Skg. Fund	7.00	7.00	7.00	8.00	8.00
Emer. Lease Purchase Acct.	0.00	0.00	0.00	0.00	0.00
Short Fall Note	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total:	54.55	54.55	54.55	54.55	54.55
Canton School District:					
District Maintenance Fund	45.81	45.81	45.81	45.19	44.45
District Debt Service	<u>12.44</u>	<u>12.44</u>	<u>12.44</u>	<u>13.06</u>	<u>12.20</u>
Total:	58.25	58.25	58.25	58.25	56.65
Fire Districts:					
Valley View Fire District	9.00	9.00	6.00	9.00	9.00
South Madison County Fire District	8.00	8.00	8.00	8.00	8.00
West Madison Utility District	0.00	0.00	0.00	0.00	1.77
Southwest Madison Fire District	5.62	5.62	5.62	5.62	1.63
Farmhaven Fire District	10.00	10.00	10.00	10.00	10.00
Camden Fire District	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
Total:	34.62	34.62	31.62	34.62	30.40
Total County Tax Levy:	<u>185.55</u>	<u>185.55</u>	<u>182.55</u>	<u>185.55</u>	<u>179.73</u>

¹ Tax levy figures are given in mills.

SOURCE: Office of the Chancery Clerk, September 2020. Note: The 2020-2021 levy amounts for Canton School District are preliminary.

Ad Valorem Tax Collections

Fiscal Year September 30	Amount Budgeted	Amount Collected	Difference Over/Under
2019	\$52,036,567.46	\$54,614,059.19	\$2,577,491.73
2018	50,589,148.68	53,142,370.48	2,553,221.80
2017	49,234,853.00	50,210,962.00	976,109.00
2016	46,021,180.00	46,630,175.00	608,995.00
2015	43,816,414.00	45,453,601.00	1,637,187.00

SOURCE: Office of the County Administrator, November 2019.

Ten Largest Taxpayers¹

The ten largest taxpayers in the County for fiscal year 2019 are as follows:

Taxpayer	Assessed Value	Taxes Collected
Nissan North America - Non PILOT Taxable	\$ 40,274,600	\$ 3,856,315.12
Mississippi Major Economic Impact Authority -PILOT (Nissan North America)	36,422,080	3,547,227.33
Entergy Mississippi, Inc.	30,502,136	3,273,182.47
Renaissance at Colony Park LLC	13,375,363	1,441,329.12
Wal-Mart	8,129,382	989,242.62
Links of Madison County	5,836,292	866,437.32
Northpark Mall LP	7,945,706	856,229.26
200 Renaissance LLC	7,522,151	810,586.99
Peco Foods of Mississippi	6,310,725	747,972.41
Madison Ground LLC	<u>5,641,567</u>	<u>657,411.80</u>
TOTALS:	\$161,960,002	\$17,045,934.44

¹This is the most current available information as of November 30, 2019.

SOURCE: Office of the County Tax Collector, November 2019.

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DEBT INFORMATION

County Debt Limitations

Statutory Debt Limitations. The County 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 heretofore or hereafter issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospitals, ports 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. However, in no case may a county incur indebtedness which, when added to all of its outstanding indebtedness, both bonded and floating, exceeds 20% of the assessed value of the taxable property within such county.

The total general obligation indebtedness of a county, both bonded and floating (including bonds excepted from the 15% debt limit above), may not exceed 20% of the assessed value of all taxable property within such county. However, 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% debt limitation and the 20% debt 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% debt limitation.

Legal Debt Limit Statement¹

(As of September 1, 2020)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation -\$1,811,664,337)	\$271,749,651	\$362,332,867
Present Debt Subject to Debt Limits	<u>79,027,500</u>	<u>79,027,500</u>
Margin for Further Debt Under Debt Limits	\$192,722,151	\$283,305,367
Less the Series 2020C Bonds	<u>11,000,000</u>	<u>11,000,000</u>
Margin for Further Debt Under Debt Limits	<u>\$181,722,151</u>	<u>\$272,305,367</u>

SOURCE: Office of the County Comptroller, September 2020.

¹Does not include the County's Series 2020B Short Term Taxable Note expected to be issued October, 2020.

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Outstanding General Obligation Bonded Debt¹**(As of September 1, 2020)**

Issue	Date of Issue	Outstanding Principal
General Obligation Refunding Bonds, Series 2011	10/06/11	\$3,215,000.00
General Obligation Refunding Bonds, Series 2012	06/07/12	5,945,000.00
General Obligation Refunding Bonds, Series 2014	09/25/14	9,865,000.00
General Obligation Road and Bridge Bonds, Series 2014	11/18/14	10,835,000.00
Taxable General Obligation Refunding Bonds, Series 2014	02/03/15	9,550,000.00
General Obligation Refunding Bonds, Series 2015	03/31/15	5,580,000.00
General Obligation Refunding Bonds, Series 2016	04/19/16	6,895,000.00
General Obligation Road and Bridge Bonds, Series 2017	09/28/17	7,395,000.00
General Obligation Note, Series 2018	02/16/18	1,980,000.00
General Obligation Note, Series 2018B	11/07/18	2,850,000.00
General Obligation Note, Series 2019	07/30/19	817,500.00
General Obligation Note, Series 2019B	12/19/2019	5,700,000.00
General Obligation Public Improvement Bonds, Series 2020	1/2/2020	8,400,000.00
TOTAL		\$79,027,500.00

¹Does not include the County's Series 2020B Short Term Taxable Note expected to be issued October, 2020 or the Series 2020C Bonds.

SOURCE: Office of the County Comptroller; September 2020.

Other Outstanding Long-Term Debt

(As of July 30, 2020)

Issue	Date of Issue	Outstanding Principal
Promissory Note (Capital Projects and Equipment Acquisition Program Loan Refunding Project) ¹	05/19/09	\$ 780,000
Capital Improvement Loan	05/11/11	61,509
Capital Improvement Loan	02/22/12	114,620
Capital Improvement Loan	02/18/14	521,881
Urban Renewal Revenue Bonds (Sulphur Springs Lake Project), Series 2013 ²	03/21/13	490,000
Promissory Note, Series 2013C (Madison County, Mississippi Highway Refunding Project) ³	05/08/13	88,865,000
Promissory Note (Madison County, Mississippi Lease Purchase – South Madison County Annex Project)	09/18/13	638,820
Tax Increment Limited Obligation Bonds	2/25/15	984,700
Capital Improvement Loan	8/20/18	687,757
Trustmark Equipment Lease (Motor grader)	4/26/19	219,642
Trustmark Equipment Lease (Road Equipment)	7/24/20	1,155,317
Total		\$94,519,246

¹ Loan from the Mississippi Development Bank (the “Bank”) secured by a Promissory Note under a Loan Agreement between the Bank and the County. The Promissory Note and Loan Agreement secure the Bank’s \$2,490,000 original principal amount Special Obligation Bonds, Series 2009 (Madison County, Mississippi Capital Projects Equipment Acquisition Program Loan Refunding Project), dated as of May 28, 2009.

² These bonds are payable solely from revenues derived by the County from (i) pledge of monies which shall be appropriated from the General Fund of the County; and (ii) such other legally available revenues or collateral, if any, as may be specified by the County.

³ Loan from the Bank secured by a Promissory Note under a Loan Agreement between the Bank and the County. The Promissory Note and Loan Agreement secure the Bank’s \$88,865,000 original principal amount Special Obligation Refunding Bonds, Series 2013C (Madison County, MS Highway Refunding Project), dated as of May 8, 2013. The debt service on these bonds is paid by the Mississippi Department of Transportation (“MDOT”) pursuant to an interlocal cooperative agreement between the County and MDOT. The County does not have any legal repayment obligation for these bonds other than such contracted amounts paid by MDOT.

SOURCE: Office of the County Comptroller; July 2020.

Annual Debt Service Requirements for General Obligation Indebtedness of the County¹

Fiscal Year Ending 9/30	Principal	Interest	Total
2021	12,717,500.00	2,269,779.34	14,987,279.34
2022	9,270,000.00	1,967,425.37	11,237,425.37
2023	9,535,000.00	1,686,696.66	11,221,696.66
2024	9,175,000.00	1,442,476.65	10,617,476.65
2025	8,585,000.00	1,161,339.64	9,746,339.64
2026	7,670,000.00	853,169.63	8,523,169.63
2027	5,045,000.00	607,087.50	5,652,087.50
2028	4,350,000.00	431,106.25	4,781,106.25
2029	2,010,000.00	313,137.50	2,323,137.50
2030	2,080,000.00	240,793.75	2,320,793.75
2031	845,000.00	195,271.88	1,040,271.88
2032	875,000.00	177,256.26	1,052,256.26
2033	895,000.00	157,881.26	1,052,881.26
2034	925,000.00	136,812.51	1,061,812.51
2035	955,000.00	114,231.26	1,069,231.26
2036	975,000.00	90,140.63	1,065,140.63
2037	1,005,000.00	64,562.50	1,069,562.50
2038	1,035,000.00	37,893.75	1,072,893.75
2039	530,000.00	18,337.50	548,337.50
2040	550,000.00	6,187.50	556,187.50
TOTALS	\$79,027,500.00	\$11,971,587.34	\$90,999,087.34

¹Does not include the County's Series 2020B Short Term Taxable Note expected to be issued October, 2020 or the Series 2020C Bonds.
SOURCE: Office of the County Comptroller; July 2020.

Debt Ratios¹

FY Ended September 30	General Obligation Debt	General Obligation Debt to Assessed Value
2020	\$79,027,500	4.36%
2019	73,780,000	4.09
2018	76,970,000	4.37
2017	81,310,000	4.99
2016	79,280,000	5.08
2015	87,915,000	5.72
2014	75,990,000	5.06

¹Does not include the County's Series 2020B Short Term Taxable Note expected to be issued October, 2020 or the Series 2020C Bonds.
SOURCE: Office of the County Comptroller; September 2020.

Current Underlying General Obligation Indebtedness

Municipality	2019 Population Estimates⁶	General Obligation Bonded Debt	General Obligation Bonded Debt Per Capita
City of Canton	12,094	\$7,920,000 ¹	\$654.87
City of Madison	25,661	\$27,351,800 ²	\$1,065.89
City of Ridgeland	24,104	\$45,985,000 ³	\$1,907.77
School Districts		Total General Obligation Bonded Debt	
Madison County School District		\$39,985,000 ⁴	
Canton Public School District		\$32,420,000 ⁵	

LITIGATION

The County's General Counsel, Mike Espy, PLLC, Jackson, Mississippi, has reviewed the status of all pending litigation. While the County is involved in numerous legal proceedings, there are no pending legal proceedings which might be expected to affect the County's ability to perform its obligations to the registered owners of the Series 2020C Bonds.

It is anticipated, regardless of the ultimate outcome of this litigation, that neither the courts nor the Board of Supervisors will act inconsistently with the County's financial ability to pay all outstanding bonded indebtedness and the interest thereon, including the Series 2020C Bonds. It is not anticipated that the ultimate outcome of any or all of the pending litigation will result in obligations exceeding the financial resources of the County, so that in all events it is reasonable to expect that the County will remain in a sufficiently viable financial position to meet all of

¹ SOURCE: Principal maturity data for the City's Series 2016 General Obligation Refunding Bonds and Series 2020 General Obligation Public Improvement Bonds at www.emma.msrb.org as of September 1, 2020.

² SOURCE: FY 2018 Audited Financial Statements ("Notes to Financial Statements - F. Long Term Debt") at MS State Auditor's website www.osa.ms.gov. Includes the City's Series 2019 GO Public Improvement Bonds issued on November 1, 2019. This is the information available as of September 2020.

³ SOURCE: FY 2019 CAFR, balance as of September 30, 2020.

⁴ SOURCE: FY 2019 Audited Financial Statements at MS State Auditor's website www.osa.ms.gov; balance as of June 30, 2020. This is the information available as of September 2020.

⁵ SOURCE: FY 2019 Audited Financial Statements at MS State Auditor's website www.osa.ms.gov; balance as of June 30, 2020. This is the information available as of September 2020.

⁶SOURCE: US Census Bureau, September 2020.

these obligations, including, but not limited to, the Series 2020C Bonds, provided the same are issued, validated, sold and delivered. To predict with any degree of accuracy the ultimate outcome of such litigation would be conjectural.

FINANCIAL ADVISOR

The County has retained the firm of Government Consultants, Inc. as Independent Registered Municipal Advisor (the "Financial Advisor") to the County in connection with the issuance of the Series 2020C Bonds. In such capacity the Financial Advisor has provided recommendations and other financial guidance to the County with respect to the preparation of documents, the preparation for the sale of the Series 2020C Bonds and the time of the sale, market conditions and other factors related to the sale of the Series 2020C Bonds.

Although the Financial Advisor performed an active role in the drafting of this Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from the County's records and from other sources which are believed to be reliable, including financial records of the County and other entities, which records may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the County. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of the same and reference is made to such original sources in all respects.

RATING

Moody's Investors Service, Inc. ("Moody's"), is has assigned a rating of "____" to the Series 2020C Bonds. Such rating, when available, reflects only the view of such organization, and an explanation of the significance of the rating may be obtained only from said rating agency.

There is no assurance that present or future ratings will continue for any given period of time or that the rating may not be lowered or withdrawn if in the judgment of Moody's circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the secondary market price of the Series 2020C Bonds. Such rating reflects the views of Moody's and is not a recommendation to buy, sell or hold the Series 2020C Bonds.

RECORD OF NO DEFAULT

There is no record of any default on general obligations of the County as to payment of either principal or interest or in any other material respect at any time in at least the past 25 years. No principal or interest on any obligation of the County is currently 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 by the County for current operating expenses at any time in at least the past ten years.

PENSION PLANS

The County has no pension plan or retirement plan for employees. County employees 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 are established by State statute and may be amended from time to time only by the State Legislature.

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. Requirements of GASB-68 are effective for financial statements whose fiscal year begins after June 15, 2014 (Fiscal Year 2015 for the County).

Employer contribution rates are set by State statute. The percentage that an employer is required to contribute was increased from 15.75% to 17.40%, effective July 1, 2019. The adequacy of these rates is assessed

annually by actuarial valuation. As a result of the implementation of GASB-68 and based on the actuarial report of Cavanaugh McDonald Consulting, LLC for Fiscal Year 2017, the total unfunded actuarial accrued liability attributable to the County is \$43,248,885, based upon the County's percentage of total employer contributions to PERS. See page 10 of the County's Fiscal Year 2018 Audited Financial Statements⁶.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Effective with the fiscal year ended September 30, 2018 audit, the County will be required to apply GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* ("**GASB 75**"), to its audited financial statements. GASB 75 changes accounting and financial reporting for OPEB. Fund level statements, including the General Fund statements, will not be impacted by the GASB 75 reporting.

INDEPENDENT AUDITORS

The audited financial statements of the County for the year ended September 30, 2018 included in this Official Statement as APPENDIX A, have been audited by Fortenberry & Ballard, P.C., Certified Public Accountants, Ridgeland, Mississippi, as stated in the report appearing therein (the "**audit report**").

The County has not and will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. Fortenberry & Ballard, P.C., Certified Public Accountants, Ridgeland, Mississippi, the County's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Fortenberry & Ballard, P.C., Certified Public Accountants, Ridgeland, Mississippi, also has not performed any procedures relating to this Official Statement.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the owners of the Series 2020C Bonds to provide certain financial information and operating data relating to the County at least once a year commencing (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, in certain cases if deemed material under federal laws. The Annual Report and notices of material events will be filed by the County with (a) the Municipal Securities Rulemaking Board (the "MSRB") through MSRB's Electronic Municipal Market Assess system at <http://emma.msrb.org> ("EMMA") in the electronic format then prescribed by the Securities and Exchange Commission (the "SEC") pursuant to SEC Rule 15c2-12(b)(5) (the "Rule"), and with (b) any public or private repository or entity designated by the State as a State repository, if any, for the purposes of the Rule. This information will be made available free to securities brokers and the general public through EMMA. For the procedures for all filings and notices due to the MSRB, instructions will be provided on the following website for MSRB: <http://emma.msrb.org>. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in APPENDIX C to this Official Statement. All filings of the County are available on the following website for MSRB: <http://emma.msrb.org>. These covenants have been made in order to assist the Underwriter in complying with the Rule.

In each of the last five years there have been instances in which the County has failed to file certain annual financial information as required by its prior continuing disclosure undertakings. Due to certain statutory requirements, the County's audited financial statement is subject to review by the State Auditor's Office before the County's audited financial statements may be released to the public. There have been times when the State Auditor's Office has not timely completed its review of the County's financials thereby delaying the County's ability to timely file its audited financial statements with EMMA. The County has filed notices of such failure to timely file its audited financial statements for (a) fiscal year 2019 on February 19, 2020; (b) fiscal year 2018 on February 14, 2019; (c) fiscal year 2017 on February 9, 2018; (d) fiscal year 2016 on February 10, 2017; and (e) fiscal year 2015 on March 28, 2016. There may have been instances when the County filed its annual Economic and Demographic information one or two days after the annual filing date required by the County's prior continuing disclosure

⁶ Most recent available final audit.

undertakings, and, in certain instances, some tables shown in Economic and Demographic information were not included in every filing. Some of the past filings required of the County were not filed under all outstanding CUSIPs. In addition, on two occasions, the County failed to file notice of an upgrade in its bond rating. The County adopted policies and procedures on November 3, 2014 (the "Policy") to ensure timely filing of its annual financial information. Pursuant to the Policy, a staff designee of the County will appoint or engage a dissemination agent to assist in carrying out its obligations under the Policy and/or the staff designee will be responsible for submitting the information required under the Policy. The County has hired a third party to file the County's required annual report.

VALIDATION

Prior to issuance, the Series 2020C Bonds will be validated before the Chancery Court of Madison County, Mississippi, as provided by Section 31-13-1 *et seq.*, Mississippi Code of 1972, as amended.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization and issuance of the Series 2020C Bonds are subject to the approval of Butler Snow LLP, Ridgeland, Mississippi ("Bond Counsel"), whose approving legal opinion will be available at the time of delivery of the Series 2020C Bonds (see APPENDIX B hereto). Certain legal matters will be passed upon for the County by its counsel, Mike Espy, PLLC, Jackson, Mississippi.

No representation is made to the registered owners of the Series 2020C Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in this Official Statement and Bond Counsel assumes no responsibility to the registered owners of the Series 2020C Bonds except for the matters set forth in such legal opinion.

TAX MATTERS

In the opinion of Bond Counsel interest on the Series 2020C Bonds is includable in gross income of the owners thereof for federal income tax purposes.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Series 2020C Bonds, and taxpayers should consult their tax advisors regarding such other federal tax consequences.

Bond Counsel is further of the opinion that under and pursuant to the Act, the Series 2020C Bonds and interest thereon are exempt from all income taxes imposed by the State of Mississippi and any county, municipality and other political subdivision of the State of Mississippi.

Original Issue Premium

The initial public offering prices of the Series 2020C Bonds maturing on November 1 of the years _____ are more than the amounts payable at the maturity dates thereof as set forth on the inside cover page of this Official Statement. Such Series 2020C Bonds are hereinafter referred to as the "2020C Premium Bonds." Under the Code, the difference between the principal amount of a 2020C Premium Bond and the cost basis of such 2020C Premium Bond to its owner (other than an owner who holds such a 2020C Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium." Bond premium is amortized over the term of such a 2020C Premium Bond for federal income tax purposes. The owner of a 2020C Premium Bond is required to decrease his basis in such 2020C Premium Bond by the amount of amortizable bond premium attributable to each taxable year he holds the 2020C Premium Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes.

Owners of 2020C Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of such 2020C Premium Bonds and with respect to the state and local tax consequences of owning and disposing of such 2020C Premium Bonds.

Future 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 Series 2020C Bonds. In addition, future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2020C 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 Series 2020C Bonds. Prospective purchasers of the Series 2020C 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 Series 2020C 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.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the statements will be realized.

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 Series 2020C Bonds, the security for the payment of the Series 2020C 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 the County's knowledge, information in this Official Statement does not include any untrue statement of any material fact nor does the information omit the statement of any material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

References herein to the Act, and all other legislative acts referred to herein are only summaries, excerpts or brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof. Additional information may be obtained upon request from the office of the Board of Supervisors, 125 West North Street, P. O. Box 608, Canton, Mississippi 39046, attention: Shelton Vance, telephone: (601) 855-5500, or from the Financial Advisor, Government Consultants, Inc., 116 Village Boulevard, Madison, Mississippi 39110, telephone: (601) 982-0005.

The execution of this Official Statement has been duly authorized by the Board of Supervisors of the County.

MADISON COUNTY, MISSISSIPPI

By: _____
President of the Board of Supervisors

APPENDIX A

**FISCAL YEAR 2018 AUDITED FINANCIAL STATEMENTS AND
2018-2019 AND 2019-2020 FISCAL YEAR BUDGETS**

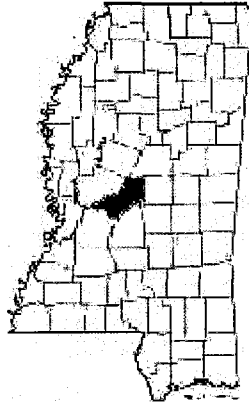
FISCAL YEAR 2018 AUDITED FINANCIAL STATEMENTS

Madison County, Mississippi

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2018

Fortenberry & Ballard, PC
Certified Public Accountants

Madison County Location in Mississippi



Madison County is located in the U.S. State of Mississippi. As of the 2010 census, the population was 95,203. The county seat is Canton. The County was founded in 1828 and is named for U.S. President James Madison. Madison County covers an area of 742 square miles.

Madison County, Mississippi
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FINANCIAL REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Madison County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison County, Mississippi (the County) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of the aggregate discretely presented component units has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of Madison County, Mississippi, as of September 30, 2018, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Madison County, Mississippi, as of September 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule, the Schedule of the County's Proportionate Share of the Net Pension Liability and the Schedule of the County's Contributions and corresponding notes, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Omission of Required Supplementary Information

Madison County, Mississippi has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madison County's basic financial statements. The accompanying 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying 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, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2019, on our consideration of the Madison County, 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 Madison County, 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 Madison County, Mississippi's internal control over financial reporting and compliance.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
December 5, 2019

Certified Public Accountants

FINANCIAL STATEMENTS

MADISON COUNTY, MISSISSIPPI
Statement of Net Position
September 30, 2018

Exhibit 1

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash	\$ 45,466,482
Investments	968,872
Property Tax Receivable	41,053,286
Fines Receivable (net of allowance for uncollectible of \$1,387,004)	602,085
Intergovernmental Receivables	1,912,244
Other Receivables	524,674
Capital Assets:	
Land and construction in progress	14,015,775
Other capital assets, net	116,754,017
Total Assets	<u>221,297,435</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,100,436
Deferred amount on refunding	3,137,670
Total Deferred Outflows of Resources	<u>4,238,106</u>
LIABILITIES	
Claims payable	1,432,472
Intergovernmental payables	2,425,432
Accrued interest payable	2,052,387
Amounts held in custody for others	3,310,395
Claims and judgments payable	131,054
Long-Term Liabilities	
Due within one year:	
Capital debt	8,039,419
Non-capital debt	287,104
Due in more than one year:	
Capital debt	76,317,677
Non-capital debt	7,986,377
Net Pension Liability	43,248,885
Total Liabilities	<u>145,231,202</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenues property taxes	41,053,286
Deferred inflows related to pensions	1,043,943
Total deferred inflows of resources	<u>42,097,229</u>
NET POSITION	
Net Investment in Capital Assets	49,550,366
Restricted:	
Expendable:	
General Government	704,207
Public Safety	3,462,204
Public Works	9,926,170
Culture and recreation	91,283
Economic development and assistance	36,125
Debt Service	1,132,716
Unrestricted	(26,695,961)
Total Net Position	<u>\$ 38,207,110</u>

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

MADISON COUNTY, MISSISSIPPI
Statement of Activities
For the Year Ended September 30, 2018

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 20,630,267	7,888,367	636,506		(12,105,394)
Public Safety	15,715,978	4,258,328	3,493,364		(7,964,286)
Public Works	20,475,638	392,782	2,868,659	68,875	(17,145,322)
Health and Welfare	1,010,143		100,600		(909,543)
Culture and Recreation	1,717,658				(1,717,658)
Conservation of Natural Resources	329,361				(329,361)
Economic Development and Assistance	1,650,607				(1,650,607)
Interest on Long-term Debt	3,133,084				(3,133,084)
Pension Expense	5,553,356				(5,553,356)
Total Governmental Activities	<u>70,216,092</u>	<u>12,539,477</u>	<u>7,099,129</u>	<u>68,875</u>	<u>(50,508,611)</u>
General Revenues:					
Property Taxes					\$ 49,133,623
Road & Bridge Privilege Taxes					1,206,480
In Lieu Tax					786,980
Grants and Contributions not restricted to specific programs					2,593,986
Unrestricted Interest Income					103,280
Miscellaneous					2,763,448
Total General Revenues					<u>56,587,797</u>
Changes in Net Position					<u>6,079,186</u>
Net Position - Beginning of year, as previously reported					32,131,021
Prior period adjustments					(3,097)
Net Position - Beginning of year, as restated					<u>32,127,924</u>
Net Position - End of year					<u>\$ 38,207,110</u>

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

MADISON COUNTY, MISSISSIPPI
 Balance Sheet - Governmental Funds
 September 30, 2018

Exhibit 3

	Major Funds			Total Governmental Funds
	General Fund	General County I & S Fund	Other Governmental Funds	
ASSETS				
Cash	\$ 27,564,590	2,977,895	14,923,997	45,466,482
Investments	968,872			968,872
Property tax receivable	18,353,727	12,153,996	10,545,563	41,053,286
Fines receivable (net of allowance for uncollectible, \$1,387,004)	602,085			602,085
Intergovernmental receivables	1,832,604		79,640	1,912,244
Other receivables	332,735		191,939	524,674
Due from other funds	23,465	120,172	248,788	392,425
Advances to other funds	186,696		84,538	271,234
Total Assets	<u>49,864,774</u>	<u>15,252,063</u>	<u>26,074,465</u>	<u>91,191,302</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Claims payable	\$ 385,438		1,047,034	1,432,472
Intergovernmental payables	2,425,432			2,425,432
Due to other funds	368,960		23,465	392,425
Advances from other funds			271,234	271,234
Amounts held in custody of others	3,310,395			3,310,395
Claims and judgments payable	131,054			131,054
Total Liabilities	<u>6,621,279</u>	<u>-</u>	<u>1,341,733</u>	<u>7,963,012</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	\$ 18,353,727	12,153,996	10,545,563	41,053,286
Unavailable revenue - fines	602,085			602,085
Total Deferred Inflows of Resources	<u>18,955,812</u>	<u>12,153,996</u>	<u>10,545,563</u>	<u>41,655,371</u>
Fund Balances:				
Nonspendable:				
Advances	186,696			186,696
Restricted for:				
General government			704,207	704,207
Public safety			3,462,204	3,462,204
Public works			9,926,170	9,926,170
Culture and recreation			91,283	91,283
Economic development and assistance			36,125	36,125
Debt service		3,098,067	87,036	3,185,103
Unassigned	24,100,987		(119,856)	23,981,131
Total Fund Balances	<u>24,287,683</u>	<u>3,098,067</u>	<u>14,187,169</u>	<u>41,572,919</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 49,864,774</u>	<u>15,252,063</u>	<u>26,074,465</u>	<u>91,191,302</u>

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

MADISON COUNTY, MISSISSIPPIExhibit 3-1Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2018

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 41,572,919
Amounts reported for governmental services in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$116,368,139.	130,769,792
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	602,085
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(92,630,577)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(2,052,387)
Deferred amount on refunding	3,137,670
Pension Obligations:	
Pension obligations are not due and payable in the current period and, therefore, are not reported in the funds	
Net pension liability	(43,248,885)
Deferred inflows and outflows of resources related to pension obligations are applicable to future periods and, therefore, are not reported in the funds.	
Deferred inflows of resources related to pension obligations	(1,043,943)
Deferred outflows of resources related to pension obligations	1,100,436
Total Net Position - Governmental Activities	<u>\$ 38,207,110</u>

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

MADISON COUNTY, MISSISSIPPIStatement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2018

Exhibit 4

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	General County I & S Fund		
REVENUES				
Property Taxes	\$ 25,760,096	10,182,415	13,191,112	49,133,623
Road and bridge privilege taxes			1,206,480	1,206,480
Licenses, commissions and other revenue	3,435,350	1,665	82,586	3,519,601
Fines and forfeitures	683,626		144,943	828,569
Intergovernmental revenues	2,195,758		7,566,232	9,761,990
Charges for services	6,898,533		1,292,774	8,191,307
Interest income	60,887	6,938	35,455	103,280
Miscellaneous revenues	1,688,567	-	1,091,724	2,780,291
In Lieu Tax			786,980	786,980
Total Revenues	<u>40,722,817</u>	<u>10,191,018</u>	<u>25,398,286</u>	<u>76,312,121</u>
EXPENDITURES				
Current:				
General government	20,658,915		697,667	21,356,582
Public safety	12,632,630		5,874,826	18,507,456
Public works	4,015,307		23,309,094	27,324,401
Health and welfare	945,094			945,094
Culture and recreation			1,699,053	1,699,053
Conservation of natural resources	329,361			329,361
Economic development and assistance	561,149	215,143	691,883	1,468,175
Debt Service:				
Principal	435,846	7,936,318	703,759	9,075,923
Interest	63,610	2,544,464	212,546	2,820,620
Total Expenditures	<u>39,641,912</u>	<u>10,695,925</u>	<u>33,188,828</u>	<u>83,526,665</u>
Excess of Revenues over (under) Expenditures	<u>1,080,905</u>	<u>(504,907)</u>	<u>(7,790,542)</u>	<u>(7,214,544)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	123,515		108,370	231,885
Proceeds from long term debt			4,050,000	4,050,000
Transfers in	93,316	786,980	1,830,147	2,710,443
Transfers out	(671,830)	(22,797)	(2,015,816)	(2,710,443)
Total Other Financing Sources and Uses	<u>(454,999)</u>	<u>764,183</u>	<u>3,972,701</u>	<u>4,281,885</u>
Net Changes in Fund Balances	<u>625,906</u>	<u>259,276</u>	<u>(3,817,841)</u>	<u>(2,932,659)</u>
Fund Balance - Beginning of year	<u>23,661,777</u>	<u>2,838,791</u>	<u>18,005,010</u>	<u>44,505,578</u>
Fund Balances - End of year	<u>\$ 24,287,683</u>	<u>3,098,067</u>	<u>14,187,169</u>	<u>41,572,919</u>

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

MADISON COUNTY, MISSISSIPPI

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2018

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (2,932,659)
Amounts reported for governmental activities in the 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 allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$12,491,961 exceeded depreciation of \$4,876,525 in the current period.	7,615,436
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources and loss from the sale of capital assets decreases financial resources. Thus, the change in net position differs from the change in the fund balances by the amount of the gain of \$40,305, the loss of \$103,529 and the proceeds from the sale of \$231,885 in the current period.	(295,109)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(57,148)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$9,075,923 exceeded debt proceeds of \$4,050,000.	5,025,923
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Increase in compensated absences	(44,893)
Increase in accrued interest payable	(310,305)
The Amortization of:	
Premiums on bonds	466,712
Discount on bonds	(4,028)
Deferred amount on refunding bonds	(464,843)
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for current year	(5,553,356)
Recognition of contributions made during year	2,633,456
Change in Net Position of Governmental Activities	<u>\$ 6,079,186</u>

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

MADISON COUNTY, MISSISSIPPI
Statement of Fiduciary Assets and Liabilities
September 30, 2018

Exhibit 5

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 751,412
Total Assets	<u>751,412</u>
LIABILITIES	
Amounts held in custody for others	108,164
Intergovernmental payables	643,248
Total Liabilities	<u>\$ 751,412</u>

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

Madison County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2018

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

Madison County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Madison County, Mississippi to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

Management has chosen to omit from these financial statements the following component units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

- Lake Lorman Utility District
- West Madison Utility District
- Madison County Nursing Home
- Madison County Library System
- Farmhaven Fire District
- South West Madison Fire District
- West Madison Fire District
- Camden Fire District
- South Madison Fire District
- Madison County Economic Development Authority
- Madison County Citizens Service Agency
- Valley View Fire District

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the County's legal entity and therefore are reported as part of the primary government financial statements.

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor
- Tax Collector
- Sheriff

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

B. Individual Component Unit Disclosures

Blended Component Unit

Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, these component units are reported as if they are part of the primary government. The following component unit's balances and transactions are blended with the balances and transactions of the primary government.

- The Lost Rabbit Urban Renewal District is a legally separate entity, authorized under Mississippi Urban Renewal Law, Sections 43-35-1 of the Mississippi Code of 1972. Its purpose is to provide financing for infrastructure in the Lost Rabbit Subdivision.

C. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

The Statement of Net Position presents the financial condition of the governmental activities of the County at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, deferred inflows of resources, liabilities, fund balances, revenues and expenditures. Funds are organized into governmental and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

D. Measurement Focus and Basis of Accounting

The Government-wide and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major Governmental Funds:

General Fund- This fund is used to account for and report all financial resources

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

not accounted for and reported in another fund.

General County I & S Fund - This fund is used to account for monies from specific revenue sources that are restricted for repayment of general obligation debt.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

FIDUCIARY FUND TYPE

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the County, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

E. Account Classifications

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

F. Deposits and Investments

State law authorizes the County to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the County may invest in certain repurchase agreements.

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value.

G. Receivables

Receivables are reported net of allowances for uncollectible accounts, where applicable.

H. Interfund Transactions and Balances

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Non-current portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund, if applicable, to indicate they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed or assigned. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

I. Capital Assets

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

	<u>Capitalization Thresholds</u>	<u>Estimated Useful Life</u>
Land	\$ 0	n/a
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred amount of refunding - For current refunding and advance refunding resulting in defeasance of debt reported by governmental activities, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows related to pensions - This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County 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

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Property tax for future reporting period /unavailable revenue - property taxes - Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

Unavailable revenue - fines - When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

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

K. 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.

L. Long-term Liabilities

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general 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, long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

issued is reported as other financing sources. Premiums received on debt issuance are 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.

M. Equity Classifications

Government-wide Financial Statements:

Equity is classified as Net Position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvements of those assets.

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

Unrestricted net position - All other net position not meeting the definition of "restricted" or "net investment in capital assets."

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 County'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 County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

Nonspendable fund balance includes items that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed, or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Unassigned fund balance is 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 County'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 County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

N. Property Tax Revenues

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the County. 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 Board of Supervisors, 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

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

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.

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 collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

O. Intergovernmental Revenues in Governmental Funds

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the “available” criterion applies for certain federal grants and shared revenues when the expenditure is made because the expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

P. Compensated absences

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

Q. Change in accounting standards

The County implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The provisions of this standard has been incorporated into the financial statements and notes.

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

(2) Prior Period Adjustments

A summary of significant net position adjustments is as follows:

Exhibit 2 - Statement of Activities

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in capital assets.	\$ <u><u>(3,097)</u></u>

(3) Deposits and Investments

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2018, was \$46,217,894, and the bank balance was \$48,170,585. 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 Deposit Insurance Corporation (FDIC).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County's policy to manage custodial credit risk utilizes a multiple financial institution. Deposits are limited to FDIC coverage and placed in multiple financial institutions by the financial institution of the County. The financial institution of the County monitors these accounts to ensure that deposits and subsequent interest do not exceed FDIC coverage. In the event any funds exceed the FDIC coverage limitation, the Mississippi State Treasurer manages that risk on behalf of the County.

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

Investments:

Investments balances at September 30, 2018, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
Full Faith and Credit Bonds	6-10 years	\$ 183,645	AA+
Full Faith and Credit Bonds	6-10 years	94,708	AA+
Full Faith and Credit Bonds	10 + years	89,058	AA+
Government Agency Bonds	< 1 year	98,338	AA+
Government Agency Bonds	1-5 years	50,001	AA+
Government Agency Bonds	1-5 years	144,997	AA+
Taxable Municipal Bonds	6-10 years	47,990	AA
Taxable Municipal Bonds	6-10 years	50,133	AA
CMO's	6-10 years	95,435	AA+
Mortgage Backed Securities	6-10 years	<u>114,567</u>	AA+
Total		\$ <u>968,872</u>	

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972) limits the maturity period of any investment to no more than one year.

Credit Risk. State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The County does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. Of the County's investments, all of underlying securities were uninsured, unregistered, and held in trust accounts by the investment's counterparty on behalf of the County, not in the name of the County.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

The County has the following recurring fair value measurements as of September 30, 2018:

Level 1 type of investments of \$854,305 are valued using quoted market prices prices (Level 1 inputs)

Level 2 type of investments of \$114,567 are valued using a matrix pricing model (Level 2 inputs)

(4) Interfund Transactions and Balances

The following is a summary of interfund balances at September 30, 2018:

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 23,465
General County I & S Fund	General Fund	120,172
Other Governmental Funds	General Fund	248,788
Total		<u>\$ 392,425</u>

The receivables primarily represent the tax revenue collected but not settled until October 2018, error corrections and monies to fund operating costs. All interfund balances are not expected to be repaid within one year from the date of the financial statements.

B. Advances To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 186,696
Other Governmental Funds	Other Governmental Funds	84,538
Total		<u>\$ 271,234</u>

The balances represent cash advanced to alleviate funding shortages until grant monies are received and error corrections. All interfund balances are not expected to be repaid within one year from the date of the financial statements.

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

C. Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 93,316
General County I & S Fund	Other Governmental Funds	786,980
Other Governmental Funds	General Fund	671,830
Other Governmental Funds	General County I & S Fund	22,797
Other Governmental Funds	Other Governmental Funds	1,135,520
Total		<u>\$ 2,710,443</u>

The principal purpose of the interfund transfers was to provide funds to cover operating expenditures, to fund construction projects, and to match grant funds. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental Receivables

Intergovernmental receivables at September 30, 2018 consisted of the following:

Governmental Activities:

Description	Amount
Legislative tax credit	\$ 1,017,658
Housing prisoners	652,696
Alcohol open container requirements grant	44,087
Joint law enforcement operation	2,473
Emergency medical services	16,839
Motor vehicle fuel tax	41,651
Motor vehicle license	55,490
Payment in lieu of taxes	10,135
Timber severance tax	1,116
Reimbursement of welfare	8,031
Edward Byrne memorial justice assistance grant	10,005
Adult Drug Court	15,036
Youth Drug Court	11,833
Youth Court grant	23,673
Liquor privilege tax	1,500
Miscellaneous	21
Total	<u>\$ 1,912,244</u>

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

(6) Capital Assets

The following is a summary of capital assets activity for the year ended September 30, 2018:

Governmental activities:

	Balance Oct. 1, 2017	Additions	Deletions	Completed Construction	Adjustments	Balance Sept. 30, 2018
Non-depreciable capital assets:						
Land	\$ 3,109,237					3,109,237
Construction in progress	5,483,920	10,679,854		(5,257,236)		10,906,538
Total non-depreciable capital assets	8,593,157	10,679,854	0	(5,257,236)	0	14,015,775
Depreciable capital assets:						
Infrastructure	160,311,059			5,257,236		165,568,295
Buildings	43,264,847					43,264,847
Improvements other than buildings	5,312,370					5,312,370
Mobile equipment	11,200,445	1,611,452	852,512			11,959,385
Furniture and equipment	4,084,159	200,655	165,359			4,119,455
Leased property under capital leases	2,897,804					2,897,804
Total depreciable capital assets	227,070,684	1,812,107	1,017,871	5,257,236	0	233,122,156
Less accumulated depreciation for:						
Infrastructure	83,880,719	2,158,889				86,039,608
Buildings	16,581,487	971,051				17,552,538
Improvements other than buildings	844,449	238,670				1,083,119
Mobile equipment	7,331,398	938,050	572,584			7,696,864
Furniture and equipment	2,772,819	298,548	150,178		3,097	2,924,286
Leased property under capital leases	800,407	271,317				1,071,724
Total accumulated depreciation	112,211,279	4,876,525	722,762	0	3,097	116,368,139
Total depreciable capital assets, net	114,859,405	(3,064,418)	295,109	5,257,236	(3,097)	116,754,017
Governmental activities capital assets, net	\$ 123,452,562	7,615,436	295,109	0	(3,097)	130,769,792

Adjustments were made to correctly present capital assets.

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

Depreciation expense was charged to the following functions:

	<u>Amount</u>
Governmental Activities:	
General government	\$ 564,348
Public safety	1,249,721
Public works	2,719,729
Health and welfare	88,547
Culture and recreation	18,605
Economic development	<u>235,575</u>
Total depreciation expense	<u>\$ 4,876,525</u>

Commitments with respect to unfinished capital projects at September 30, 2018, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Sulphur Springs Park	\$ 1,900,000	09/2020
Bozeman Road	16,500,000	09/2021
Reunion Parkway III	6,300,000	09/2021
Purvis Road Bridge	749,000	02/2020
Gluckstadt Fire Station #3	226,000	10/2018
SW Madison Fire Station	1,198,000	09/2019
North Deerfield Reconstruction	553,000	06/2019
Gluckstadt Road Widening	2,784,000	02/2020
Harvey Crossing	175,000	12/2018
Total	<u>\$ 30,385,000</u>	

All other unfinished construction in progress are substantially complete as of September 30, 2018.

(7) Claims and Judgments

Risk Financing

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers'

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2018 to January 1, 2019. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

The County finances its exposure to risk of loss relating to employee health and accident coverage. Beginning in 1997 and pursuant to Section 25-15-101, Miss. Code Ann. (1972), the County established a risk management fund to account for and finance its uninsured risk of loss. The Madison County Board of Supervisors has extended coverage to the employees of the following public entities:

- Madison County Economic Development Authority (MCEDA)
- Madison County Soil and Water Conservation District (MCSWCD)
- Madison County Citizens' Services Agency (MCCSA)

Under the plan, amounts payable to the risk management fund are based on historical cost estimates. Each participating entity pays a premium on a single coverage policy for respective employees. Employees pay an additional individual premium, and if electing dependent coverage, pay any additional premium through payroll deduction. Premium payments to the risk management fund are determined on a historical cost basis. The County has uninsured risk retention for all participating entities, to the extent that actual claims submitted exceed the predetermined premium. The County has implemented the following plans to minimize this potential loss:

The County has purchased re-insurance which functions as stop loss coverage. The coverage is purchased from an outside commercial carrier. For the current fiscal year, there is an aggregate specific deductible of \$90,000, as well as an individual-specific deductible of \$100,000. The County must meet an overall deductible of \$90,000 as well as meeting the individual deductible of \$100,000 in claims paid.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At September 30, 2018, the amount of these liabilities was \$131,054. An analysis of claims activities is presented below:

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2016-2017	\$	93,717	3,492,920	3,367,191	219,446
2017-2018	\$	219,446	3,203,977	3,292,369	131,054

(8) Capital Leases

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2018:

Classes of Property		Amount
Mobile equipment	\$	2,691,124
Furniture and equipment		206,680
Total		2,897,804
Less: Accumulated depreciation		1,071,724
Leased property under capital leases	\$	<u>1,826,080</u>

The following is a schedule by years of the total payments due as of September 30, 2018:

Year Ending September 30,		Principal	Interest
2019	\$	370,112	7,769
2020		182,702	1,202
Total	\$	<u>552,814</u>	<u>8,971</u>

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

(9) Long-Term Debt

Debt outstanding as of September 30, 2018, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<u>Governmental Activities:</u>			
A. General Obligation Bonds:			
G.O. Road & Bridge Refunding Bond Series 2015	\$ 9,025,000	2.50-4.00%	03/2023
Series 2009 Mississippi Development Bank Special Obligation Refunding Bonds	1,130,000	1.50 - 4.00%	05/2024
Series 2011 Refunding Bonds (Jail)	4,690,000	2.00 - 3.25%	06/2024
Series 2012 Road and Bridge Refunding Bonds	7,695,000	2.00 - 3.00%	05/2026
Series 2014 Road and Bridge Refunding Bonds	11,315,000	2.00 - 4.00%	05/2027
Series 2014 Road and Bridge Bonds	12,585,000	3.50 - 4.50%	11/2029
Series 2014 Refunding Bonds	12,335,000	0.78 - 3.34%	09/2026
Series 2016 Refunding Bonds (Nissan)	6,895,000	3.00 - 4.00%	03/2028
Series 2017 Road and Bridge Bonds	7,700,000	2.12 - 3.00%	10/2037
Total General Obligation Bonds	\$ 73,370,000		
B. Limited Obligation Bonds:			
Urban Renewal Revenue Bond (Sulphur Springs)	\$ 795,000	2.50%	03/2023
Urban Renewal Revenue Bond (Lost Rabbit)	5,235,000	7.88%	09/2039
Tax Increment Financing Taxable Limited Obligation Bonds			
Series 2015 Galleria Parkway Project	1,052,900	5.37%	04/2035
Total Limited Obligation Bonds	\$ 7,082,900		
C. Capital Leases:			
Phone upgrade system	\$ 10,804	1.89%	12/2018
(8) Mack dump trucks	50,944	1.64%	05/2019
Heavy equipment (road)	491,066	1.97%	04/2020
Total Capital Leases	\$ 552,814		

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

D. Other Loans

South Madison Fire Station	\$	194,540	2.00%	05/2021
Farmhaven Fire Station		244,076	2.00%	02/2022
Industrial development capital improvement (CAP)		627,581	3.00%	12/2028
South Madison Annex - limited obligation promissory note		875,756	3.69%	09/2023
Valley View Fire Station		571,874	2.00%	02/2034
South Madison Fire Station		743,869	2.00%	08/2038
G.O, Note, Series 2018		3,300,000	2.41%	02/2023
		<hr/>		
Total Other Loans	\$	<u>6,557,696</u>		

Pledge of Future Revenues - The County has pledged future general county tax revenues to repay \$5,235,000 in limited obligation infrastructure acquisition revenue bonds issued on August 22, 2014. Proceeds from the bonds provided financing for the acquisition of land improvements within the Lost Rabbit Urban Renewal District. The bonds are not a general obligation of the County and, therefore, are not secured by the full faith and credit of the County. The bonds are payable solely from income derived from general county tax revenues collected from parcels of land located within the boundaries of the Lost Rabbit Urban Renewal District and income received from property fees assessed to land owners within the district and payable through 2039. The total principal and accrued interest remaining to be paid on the bonds is \$11,936,083. Interest paid for the current year was \$94,949.

The County has pledged future general county tax revenues to repay \$1,500,000 in limited obligation recreational facility construction revenue bonds issued March 21, 2013. Proceeds from the bonds provided financing for the construction of a recreational facility within the Sulphur Springs Lake Project Urban Renewal District. The bonds are not a general obligation of the County and, therefore, are not secured by the full faith and credit of the County. The bonds are payable solely from income derived from general county tax revenues. The total principal and interest remaining to be paid on the bonds is \$845,688. Principal and interest paid for the current year and total net revenues at September 30, 2018 were \$150,000 and \$21,750, respectively.

The County has pledged 50% of the future incremental tax revenues from various funds to repay \$1,135,000 in taxable tax increment limited obligation refunding bonds issued on February 25, 2015. Proceeds from the bonds provided financing for the refunding of the 2011 Taxable Increment Financing bonds. The bonds are payable solely from income derived from general county tax revenues collected from parcels of land located within the boundaries of the Galleria Project Tax Increment Financing District. The bonds are not a general obligation of the County and therefore, are not secured by the full faith and credit of the County. Principal and interest paid for the current year and total net revenues at September 30, 2018 were \$31,500 and \$58,232, respectively. The total principal and interest remaining to be paid on the bonds is \$1,692,059.

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

Governmental Activities:

Year Ending September 30,	General Obligation Bonds		Limited Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 6,410,000	2,128,480	383,200	1,743,312	1,163,211	193,227
2020	6,900,000	2,132,579	300,000	465,452	1,173,974	126,009
2021	7,115,000	1,940,874	316,900	450,972	1,166,241	94,851
2022	7,340,000	1,722,917	333,900	435,478	939,022	64,532
2023	7,605,000	1,480,059	346,000	419,027	789,716	40,190
2024 - 2028	30,940,000	3,512,012	1,125,300	1,865,465	698,902	110,865
2029 - 2033	4,600,000	623,097	1,602,100	1,386,007	413,112	43,487
2034 - 2038	2,460,000	186,169	2,205,500	683,206	213,518	10,559
2039 - 2043			470,000	37,012		
Total	\$ 73,370,000	13,726,187	7,082,900	7,485,931	6,557,696	683,720

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County 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 County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2018, the amount of outstanding debt was equal to 4.53% of the latest property assessments.

Prior Year Defeasance of Debt - In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On September 30, 2018, \$65,605,000 of bonds outstanding were considered defeased.

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2018:

	Balance			Balance		Amount
	Oct. 1, 2017	Additions	Reductions	Sept. 30, 2018		due within
						one year
<u>Governmental Activities:</u>						
General obligation bonds	\$ 79,910,000		6,540,000	73,370,000		6,410,000
Limited obligation bonds	7,264,400		181,500	7,082,900		383,200
Capital leases	1,033,980		481,166	552,814		370,112
Other loans	4,380,953	4,050,000	1,873,257	6,557,696		1,163,211
Compensated absences	1,313,107	45,118	225	1,358,000		
Total	\$ <u>93,902,440</u>	<u>4,095,118</u>	<u>9,076,148</u>	<u>88,921,410</u>		<u>8,326,523</u>

	Balance			Balance	
	Oct. 1, 2017	Additions	Reductions	Sept. 30, 2018	
Premiums	\$ 4,198,625		466,712	3,731,913	
Discounts	(26,774)		(4,028)	(22,746)	
	\$ <u>4,171,851</u>	<u>0</u>	<u>462,684</u>	<u>3,709,167</u>	

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Planning & Zoning, E911 Communications, Solid Waste, 1/4-mill Fire District, Road Maintenance Fund and Bridge and Culvert Fund.

(10) Deficit Fund Balances of Individual Funds

The following funds reported a deficit in fund balance and net position at September 30, 2018:

Fund	Deficit Amount
Mannsdale Turn Lane Fund	\$ 119,856

(11) Contingencies

Federal Grants - The County 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 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 of the County. No provision for any liability that may result has been recognized in the County's

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

financial statements.

Litigation - The County 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 County with respect to the various proceedings. However, the County's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

Hospital Revenue Bond Contingencies - On September 27, 2017, Madison County Nursing home deposited \$5,900,000 with the County to be held in custody until the defeasance of the Madison County Nursing Home's \$8,000,000 Mississippi Development Bank Special Obligation Refunding Bonds, Series 2009. On October 12, 2017, the Mississippi Development Bank, Madison County Mississippi and Trustmark National Bank entered into an agreement to defease the Madison County Nursing Home's \$8,000,000 Mississippi Development Bank Special Obligation Refunding Bonds, Series 2009. The bonds were defeased October 16, 2017.

Parkway South Public Improvement District - The County entered into a limited agreement with the Parkway South Public Improvement District, pursuant to the "Public Improvement District Act", codified as Section 19-31-1 Miss. Code (1972), as amended. The purpose of the agreement was to construct a parkway financed by a bond issue to be repaid by special assessments to landowners along the parkway. The agreement provided that, in the event Parkway South fails, for any reason, to levy and/or collect a sufficient amount of special assessments from the owners of land within Parkway South to satisfy any debt service payment, the County shall pay the outstanding amount required to satisfy the deficient debt service payment. In the event of a sale of a parcel of land for taxes upon which a special assessment was levied but not collected, the County's reimbursement, plus interest would come from the tax sale. Parkway South contractually agreed to reimburse the County no later than two years after the deficiency payment was made. The agreement indicates that breach of the agreement by Parkway South relieves the County of additional liability for payment of the bonds.

As of September 30, 2018, the County has advanced \$3,613,669 to parkway South, under the Contribution Agreement. Parkway South has repaid \$2,498,870 to the County, leaving a balance due of \$1,114,799 with the next required payment of \$385,399 due on May 1, 2020.

(12) No Commitment Debt (Not Included in Financial Statements)

No commitment debt is repaid only by the entities for which the debt was issued and includes debt that either bears the County's name or for which a moral responsibility may exist that is not an enforceable promise to pay. No commitment debt explicitly states the absence of obligation by the County other than possibly an agreement to assist creditors in exercising their rights in event of default.

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

Madison County and the Mississippi Transportation Commission (Mississippi Department of Transportation) entered into an Interlocal Cooperative Agreement, dated October 11, 2006 and amended May 8, 2013 allowing the County to provide proper funds necessary to the Commission (MDOT) for the construction of a Highway project. Funding was obtained from the \$145,000,000 Mississippi Development Bank Bonds, Series 2006 (Madison County, Mississippi Highway Construction Project), and the \$88,865,000 Mississippi Development Bank Special Obligation Refunding Bonds, Series 2013C (Madison County, Mississippi Highway Construction Project) dated May 8, 2013. Under the Cooperative Agreement, the Commission (MDOT) agrees to pay to the Trustee amounts sufficient to pay the principal and interest on the Series 2006 and Series 2013C Bonds. Nothing in the bonds themselves or any other document executed by the County will obligate the County financially in any way or be a charge against its general credit or taxing powers. The principal amount of such debt outstanding at September 30, 2018 is as follows:

<u>Issue</u>	<u>Outstanding Amount</u>
Mississippi Development Bank Bonds, Series 2013C	\$ <u>81,845,000</u>

(13) Jointly Governed Organizations

The County participates in the following jointly governed organizations:

Holmes Community College operates in a district composed of the counties of Attala, Carroll, Choctaw, Grenada, Holmes, Madison, Montgomery, Webster and Yazoo. The Madison County Board of Supervisors appoints two of the twenty-two members of the college board of trustees. Madison County appropriated \$3,488,363 for maintenance and support of the College in fiscal year 2018.

Region 8 Mental Health - Mental Retardation Commission operates in a district composed of the counties of Copiah, Madison, Rankin, and Simpson. The Madison County Board of Supervisors appoints one of the four board of commissioners. The County appropriated \$110,000 for maintenance and support of the center in fiscal year 2018.

Central Mississippi Planning and Development District operates in a district composed of the counties of Copiah, Hinds, Madison, Rankin, Simpson, Warren and Yazoo. The Madison County Board of Supervisors appoints three of thirty-three members of the board of directors. Madison County appropriated \$11,279 for maintenance and support of the district in fiscal year 2018.

The Madison County Wastewater Authority was organized under House Bill Number 1640 Local and Private Laws of the State of Mississippi, 2001, for the acquisition, construction and operation of user-funded wastewater systems, in order to prevent and control the

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

pollution of the waters of the County. The Madison County Board of Supervisors appoints one of the nine members of the board of directors. The County made no appropriation to the Authority in fiscal year 2018.

(14) Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description. Madison County, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Benefits provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. 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. 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. 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

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2018, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2018 was 15.75% 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 County's contributions (employer share only) to PERS for the fiscal years ending September 30, 2018, 2017 and 2016 were \$2,633,456, \$2,568,712, and \$2,576,920, respectively, equal to 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, 2018, the County reported a liability of \$43,248,885 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2018 net pension liability was .260019 percent, which was based on a measurement date of June 30, 2018. This was an increase of .002283 percent from its proportionate share used to calculate the September 30, 2017 net pension liability, which was based on a measurement date of June 30, 2017.

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

For the year ended September 30, 2018, the County recognized pension expense of \$5,553,356. At September 30, 2018 the County 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 187,637	\$ 180,715
Net difference between projected and actual earnings on pension plan investments		863,228
Change of assumptions	1,723	
Changes in proportion and differences between County's contributions and proportionate share of contributions	266,479	
County contributions subsequent to the measurement date	644,597	
Total	<u>\$ 1,100,436</u>	<u>\$ 1,043,943</u>

\$644,597 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending September 30, 2019. 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 ending September 30:	
2019	\$ 570,655
2020	(35,145)
2021	(929,120)
2022	(194,494)
Total	<u>\$ (588,104)</u>

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

Inflation	3.0 percent
Salary increases	3.25 - 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table Projected with Scale BB to 2022, with males rates set forward one year.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected
		Real Rate of Return
U.S. Broad	27%	4.60%
International Equity	18%	4.50%
Emerging Markets Equity	4%	4.75%
Global	12%	4.75%
Fixed Income	18%	0.75%
Real Estate	10%	3.50%
Private Equity	8%	5.10%
Emerging Debt	2%	2.25%
Cash	1%	0.00%
Total	<u>100%</u>	

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

Discount rate. The discount rate used to measure the total pension liability was 7.75 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 (15.75%). 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 County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 56,946,371	\$ 43,248,885	\$ 31,864,465

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

(15) Effect of Deferred Amounts on Net Position

The governmental activities' unrestricted net position amount of (\$26,695,961) includes the effect of deferred inflows / outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$644,597 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019. The \$455,839 balance of the deferred outflow of resources related to pensions at September 30, 2018, will be recognized in pension expense over the next three years. The \$1,043,943 balance of the deferred inflow of resources related to pension at September 30, 2018, will be recognized in revenue over the next four years.

The governmental activities' net investment in capital assets net position amount of \$49,550,366 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County's debt. \$3,137,670 of the \$4,238,106 balance of deferred outflows of resources at September 30, 2018, will be recognized as an expense and will decrease the net investment in capital assets net position over the next few years.

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

(16) Tax Abatements

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, Tax Abatements Disclosures. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or the citizens of those governments.

The Madison County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for 10 years and are for economic development purposes. Madison County has abated the following taxes:

	Year of Expiration	Tax Abated
Section 27-31-101, Miss. Code Ann. (1972)		
Industrial new enterprise exemption		
American Howa Kentucky Inc	2024	17,705
Axiall LLC	2025	3,001
Capital Hardware CO./CFL Properties Inc	2018	106
CFL Properties LLC	2018	26,240
Eastgroup Properties LP	2022	14,067
Euro American Plastics Inc	2018	2,258
Euro American Investments LLC	2018	155
Euro American Investments LLC	2018	4,471
Euro American Investments LLC	2018	192
Monsanto	2020	997
Southeast Industrial Properties I L	2020	75
Southeast Industrial Properties I L	2020	12,818
Steel Technology LLC	2023	18,101
Sun Pine Corp	2020	467
Sun Pine Corp	2021	709
Sun Pine Corp	2022	1,307
Section 27-31-102, Miss. Code Ann. (1972)		
Equipment used in connection with enhanced oil recovery projects		
Denbury Gulf Coast	2022	3,940
Denbury Onshore LLC	2020	9,450
Denbury Onshore LLC	2021	18,940
Denbury Onshore LLC	2018	12,887
Denbury Onshore LLC	2018	7,882
Denbury Onshore LLC	2019	33,514
Denbury Onshore LLC	2021	309
Denbury Onshore LLC	2022	2,755
Denbury Onshore LLC	2024	252

Madison County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2018

Denbury Onshore LLC	2023	8,990
Section 27-31-104 , Miss. Code Ann. (1972)		
Industrial fee-in-lieu of taxes		
Mississippi Major Economic Impact	2024	387,667
Mississippi Major Economic Impact	2026	2,443
Mississippi Major Economic Impact	2027	3,492
Nissan North America	2027	2,046,357
Section 27-31-105, Miss. Code Ann. (1972)		
Industrial expansion or addition to existing entity exemption		
Arrowhead real Estate LLC	2027	25,203
Axiall LLC	2027	399
Business Communications-Data Center	2021	4,242
Calsonic Kansei North America Inc	2027	37,195
D.B.C.	2024	2,645
D.B.C.	2021	1,045
Denbury Gulf Coast	2023	4,874
Denbury Onshore LLC	2023	32,065
Euro American Plastics Inc	2026	569
Euro American Plastics Inc	2027	1,055
Hederman Borthers, LLC	2027	1,751
Hederman Borthers, LLC	2018	3,524
Hederman Borthers, LLC	2026	23,481
Kasai North America Inc	2018	507
Kasai North America Inc	2022	62,594
Kasai North America Inc	2023	3,658
Kasai North America Inc	2024	31,505
Kasai North America Inc	2027	6,823
Levi Strauss & Co	2018	1,418
Musce Properties LLC	2028	9,418
Primos Inc	2018	63
Systems Electro Coating LLC	2024	12,718
Topre America Corp	2023	28,521
Topre America Corp	2024	23,329
Tower Automotive	2020	17,320
Tower Automotive	2022	8,297
Tower Automotive	2024	2,712
Tower Automotive	2025	44,092
Tower Automotive	2026	17,390
Tower Automotive	2027	27,883
Vari Form US Holding Corp	2024	387
Kasai North America Inc	2026	8,042
Freeport Warehouse Exemption		
Axiall LLC		132,430
Cardinal Health 110 Inc		2,975,099
D.B.C. (Freeport Whse and Full TAX)		34,252

Madison County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2018

L-3 Vertex,LLC (FKA Raytheon)	762,295
Lacour J A and Company	7,020
Levi Strauss & Co (Full Tax & Fw)	3,011,619
McKesson Medical Surgical Inc	92,594
McKesson Medical Surgical Inc	15,961
Nissan Trading Corp (Freeport Warehouse)	269,237
Parker Hannifin Corp Fluidex	10,386
Parker Hannifin Corp Fluidex	1,558
Presto Manufacturing Co (Freeport Whse)	333,211
Primos Hunting-(Full Tax W/INV)	39,424
Robot Coupe USA Inc	125,445
Robot Coupe USA Inc	18,830
Skyhawke Technologies LLC	68,696
Skyhawke Technologies LLC	10,304
Sun-Pine Corp (Full Tax Parcel)	7,879

(17) 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 Madison County evaluated the activity of the County, through the date the financial statements were available to be issued, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements:

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
11/2018	2.38%	\$ 5,700,000	General obligation note	Ad valorem taxes
04/2019	2.86%	270,789	Capital lease	Ad valorem taxes
07/2019	1.51%	1,635,000	General obligation note	Ad valorem taxes

REQUIRED SUPPLEMENTARY INFORMATION

MADISON COUNTY, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 24,861,908	26,381,167	26,381,167	-
Licenses, commissions and other revenue	3,341,460	3,998,398	3,998,398	-
Fines and forfeitures	920,000	691,664	691,664	-
Intergovernmental revenues	2,690,000	2,729,679	2,729,679	-
Charges for services	2,350,000	6,479,664	6,479,664	-
Interest income	50,400	68,957	68,957	-
Miscellaneous revenues	635,000	2,045,999	2,045,999	-
Total Revenues	<u>34,848,768</u>	<u>42,395,528</u>	<u>42,395,528</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	18,471,579	27,386,628	27,386,167	461
Public Safety	12,940,853	12,886,344	12,886,344	-
Public Works	1,828,050	3,158,071	3,158,071	-
Health and welfare	1,001,895	952,624	952,624	-
Conservation of natural resources	342,624	334,516	334,516	-
Economic development and assistance	11,279	11,279	11,279	-
Debt service expenditures	1,411,913	1,966,933	1,966,933	-
Total Expenditures	<u>36,008,193</u>	<u>46,696,395</u>	<u>46,695,934</u>	<u>461</u>
Excess of Revenues over (under) Expenditures	<u>(1,159,425)</u>	<u>(4,300,867)</u>	<u>(4,300,406)</u>	<u>461</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources	2,986,736	9,436,768	6,136,769	(3,299,999)
Total Other Financing Sources and Uses	<u>2,986,736</u>	<u>9,436,768</u>	<u>6,136,769</u>	<u>(3,299,999)</u>
Net Change in Fund Balance	<u>1,827,311</u>	<u>5,135,901</u>	<u>1,836,363</u>	<u>(3,299,538)</u>
Fund Balances - Beginning	<u>1,919,023</u>	<u>6,475,078</u>	<u>21,833,787</u>	<u>15,358,709</u>
Fund Balances - Ending	<u>\$ 3,746,334</u>	<u>11,610,979</u>	<u>23,670,150</u>	<u>12,059,171</u>

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Madison County, Mississippi
 Schedule of the County's Proportionate Share of the Net Pension Liability
 PERS
 Last 10 Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (asset)	\$ 43,248,885	42,844,471	45,831,595	40,110,027	30,143,808
County's proportion of the net pension liability (asset)	0.260019 %	0.257736 %	0.25658 %	0.259477 %	0.248339 %
County's covered payroll	\$ 16,604,692	16,533,930	16,414,032	16,210,616	15,181,708
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	260.46 %	259.13 %	279.22 %	247.43 %	198.55 %
Plan fiduciary net position as a percentage of the total pension liability	62.54 %	61.49 %	57.47 %	61.70 %	67.21 %

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

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 6-30-15, and until a full 10-year trend is compiled the County has only presented information for the years in which information is available.

Madison County, Mississippi
Schedule of the County's Contributions
PERS
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,633,456	2,568,712	2,576,920	2,533,214	2,388,961
Contributions in relation to the contractually required contribution	<u>2,633,456</u>	<u>2,568,712</u>	<u>2,576,920</u>	<u>2,533,214</u>	<u>2,388,961</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
County covered payroll	16,720,356	16,309,283	16,361,397	16,083,898	15,168,006
Contributions as a percentage of covered payroll	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

Madison County, Mississippi

Notes to the Required Supplementary Information
For the year ended September 30, 2018

Budgetary Comparison Schedule

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff, the Tax Assessor and Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

The County's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

C. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Madison County, Mississippi

Notes to the Required Supplementary Information For the Year Ended September 30, 2018

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

	<u>Governmental Fund</u>
	<u>General Fund</u>
Budget (Cash Basis)	\$ 1,836,363
Increase (Decrease)	
Net adjustments for revenue accruals	(1,739,634)
Net adjustments for expenditure accruals	529,177
GAAP Basis	\$ <u>625,906</u>

Pension Schedules

A. 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%.

Madison County, Mississippi

Notes to the Required Supplementary Information
For the Year Ended September 30, 2018

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%.

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 6% to 7%.

B. Change in Benefit Provisions.

2016:

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.

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	36.6 years
Asset valuation method	5-year smoothed market
Price inflation	3.00 percent
Salary increase	3.75 percent to 19.00 percent, including Inflation
Investment rate of return	7.75 percent, net of pension plan Investment expense, including inflation

SUPPLEMENTARY INFORMATION

MADISON COUNTY, MISSISSIPPI
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2018

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed-through the Mississippi Home Corporation			
Home Investment Partnership Program	14.239	1228-M16-SG-280-045	\$ 5,600
Total passed-through the Mississippi Home Corporation			<u>5,600</u>
Total U.S. Department of Housing and Urban Development			<u>5,600</u>
U.S. Department of Justice			
Passed-through the MS Department of Public Safety			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	14DC1452	34,825
Edward Byrne Memorial Justice Assistance Grant Program	16.738	14DC1451	30,435
Total passed-through the MS Department of Public Safety			<u>65,260</u>
Direct Program:			
Equitable Sharing Program	16.922	N/A	11,660
Total U.S. Department of Justice			<u>76,920</u>
U.S. Department of Transportation			
Passed-through the MS Department of Transportation			
Highway Planning and Construction*	20.205	STP-0045-000-0027	3,059,878
Highway Planning and Construction*	20.205	BR NBIS 079 B(45)	21,650
Total passed-through the MS Department of Transportation			<u>3,081,528</u>
Passed-through the MS Department of Public Safety			
National Priority Safety Programs	20.616	MSX-16-MD-14-51	69,501
Total passed-through the MS Department of Public Safety			<u>69,501</u>
Total U.S. Department of Transportation			<u>3,151,029</u>
U.S. Department of Homeland Security			
Passed-through the MS Emergency Management Agency			
Emergency Management Performance Grants	97.042	16EMPL	76,324
Total passed-through the MS Emergency Management Agency			<u>76,324</u>
Total U.S. Department of Homeland Security			<u>76,324</u>
Total Expenditures of Federal Awards			<u>\$ 3,309,873</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Madison County, Mississippi under programs of the federal government for the year ended September 30, 2018. 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 Madison County, Mississippi, it is not intended to and does not present the financial position, changes in net position, or cash flows of Madison County, Mississippi.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

Madison County, Mississippi has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER INFORMATION

MADISON COUNTY, MISSISSIPPI
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2018
UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Shelia Jones	Supervisor District 1	Liberty Mutual Surety	\$100,000
Trey Herron Baxter	Supervisor District 2	Liberty Mutual Surety	\$100,000
Gerald D. Steen	Supervisor District 3	Liberty Mutual Surety	\$100,000
David Bishop	Supervisor District 4	Liberty Mutual Surety	\$100,000
Paul Griffin	Supervisor District 5	Liberty Mutual Surety	\$100,000
Shelton Vance	County Administrator	Liberty Mutual Surety	\$100,000
Ronald W. Lott	Chancery Clerk	Liberty Mutual Surety	\$100,000
Shelton Vance	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Regina Ferguson	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Cynthia Parker	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Holli McCarra	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Jeff Luckett	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Stacey Toten	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Charles Laseter	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Marie Luckett	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Harold Voelkel	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Kimberly Sievers	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Megan Mawhorter	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Kim Arnold	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Cheryl Houston	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Emily Anne Robertson	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Ivy Brock	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Rhonda Kammerdeiner	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Susan Edgar	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Greg Higginbotham	Deputy Chancery Clerk	Liberty Mutual Surety	\$50,000
Hardy Crunk	Purchase Clerk	Liberty Mutual Surety	\$75,000
Cynthia Parker	Assistant Purchase Clerk	Liberty Mutual Surety	\$50,000
Myrtis Sims	Receiving Clerk	Liberty Mutual Surety	\$75,000
Laura Leathers	Assistant Receiving Clerk	Liberty Mutual Surety	\$50,000
Lynn Thornburg	Assistant Receiving Clerk	Liberty Mutual Surety	\$50,000
Leeann Sanders	Assistant Receiving Clerk	Liberty Mutual Surety	\$50,000
Yahatta Johnson	Assistant Receiving Clerk	Liberty Mutual Surety	\$50,000
Clara Latiker	Assistant Receiving Clerk	Liberty Mutual Surety	\$50,000
Jay Hilliard	Inventory Control Clerk	Liberty Mutual Surety	\$75,000
Cornelius Bacon	Road Manager	Liberty Mutual Surety	\$100,000
Dan Gaillet	Road Manager	Liberty Mutual Surety	\$50,000
William L. Weisenberger Jr.	Constable	Liberty Mutual Surety	\$50,000
Johnny Sims	Constable	Liberty Mutual Surety	\$50,000
Brad Harbour	Constable	Liberty Mutual Surety	\$50,000
Michael Brown	Constable	Liberty Mutual Surety	\$50,000
Anita Wray	Circuit Clerk	Liberty Mutual Surety	\$100,000
Priscilla D Blankenship	Deputy Circuit Clerk	Liberty Mutual Surety	\$50,000
Monica L Henderson	Deputy Circuit Clerk	Liberty Mutual Surety	\$50,000
Wanda Jefferson	Deputy Circuit Clerk	Liberty Mutual Surety	\$50,000
Margaret Jones	Deputy Circuit Clerk	Liberty Mutual Surety	\$50,000
Laurie A Prince	Deputy Circuit Clerk	Liberty Mutual Surety	\$50,000
Fannie M Sanders	Deputy Circuit Clerk	Liberty Mutual Surety	\$50,000
Maria Wray	Deputy Circuit Clerk	Liberty Mutual Surety	\$50,000
Randall Tucker	Sheriff	Liberty Mutual Surety	\$100,000
Albert Jones, Jr.	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Sam Howard	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Kristopher J Stone	Deputy Sheriff	Liberty Mutual Surety	\$50,000
James C Mangum	Deputy Sheriff	Liberty Mutual Surety	\$50,000
James Cannon	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Tommy Squires	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Joseph Butler	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Don Hicks	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Earl Taylor	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Elton Flax	Deputy Sheriff	Liberty Mutual Surety	\$50,000
George Elliot	Deputy Sheriff	Liberty Mutual Surety	\$50,000
George Smith	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Harold Curtis	Deputy Sheriff	Liberty Mutual Surety	\$50,000
James Knight	Deputy Sheriff	Liberty Mutual Surety	\$50,000
James Thomas	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Jason Barnes	Deputy Sheriff	Liberty Mutual Surety	\$50,000

MADISON COUNTY, MISSISSIPPI

Schedule of Surety Bonds for County Officials

For the Year Ended September 30, 2018

UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
William H Hudson	Deputy Sheriff	Liberty Mutual Surety	\$50,000
William L. Weisenberger Jr	Deputy Sheriff	Liberty Mutual Surety	\$50,000
William Lee Brock	Deputy Sheriff	Liberty Mutual Surety	\$50,000
John M Chapman	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Rylon Thompson	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Donovan Gerlach	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Terry Barfield	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Taylor Chastain	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Scott McDonald	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Russell Kirby	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Robbin Welch	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Robert S Graves	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Richard T Davis III	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Randall Grewe	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Radford G Shearrill	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Perry Christopher Ables	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Michael Todd Wilson	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Mark Sandridge	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Kim W Henderson	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Joshua H Fish	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Newman Bernard Newsome	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Howard Young	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Jeremy Williams	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Slade Moore	Deputy Sheriff	Liberty Mutual Surety	\$50,000
JP Pilgrim	Deputy Sheriff	Liberty Mutual Surety	\$50,000
James Hall	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Joel Evans	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Joseph Mangino	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Kevin Moffett	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Richard Ladner	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Thomas Guy Jones	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Thomas Kip Luby	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Kyrie Lucas	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Glen William Fox	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Michael Seth Everett	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Thomas Strait	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Watts Johnson	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Jeffery M Waldrop	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Brad Sullivan	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Brian Loveall	Deputy Sheriff	Liberty Mutual Surety	\$50,000
David Redd	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Andre Jones	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Daniel Conner Smith	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Gregory Scott Phillips	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Jamal Watkins	Deputy Sheriff	Liberty Mutual Surety	\$50,000
John Chapman	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Matthew Holcomb	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Paul Cox	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Wesley Schneider	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Robert Parker	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Kyle Michael Millican	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Michael Irving McGowan	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Cline Wyman	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Gary A. Copeland, III	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Jacoby Cowan	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Jeffery Todd Harrell	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Skyler Smith	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Jeremiah W. Thornton	Deputy Sheriff	Liberty Mutual Surety	\$50,000
John F. Garcia	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Tony R. Alexander	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Christopher Blake Kimbrough	Deputy Sheriff	Liberty Mutual Surety	\$50,000
Kathy Kehle	Sheriff's Bookkeeper	Liberty Mutual Surety	\$50,000
Albert Jones III	County Patrolman	Liberty Mutual Surety	\$50,000
Kyrie Lucas	County Patrolman	Liberty Mutual Surety	\$50,000

MADISON COUNTY, MISSISSIPPI

Schedule of Surety Bonds for County Officials

For the Year Ended September 30, 2018

UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Michael Seth Everett	County Patrolman	Liberty Mutual Surety	\$50,000
Martina Bridges Griffin	Justice Court Judge	Liberty Mutual Surety	\$50,000
Marsha Weems Stacey	Justice Court Judge	Liberty Mutual Surety	\$50,000
Lloyd Spivey, III	Justice Court Judge	Liberty Mutual Surety	\$50,000
William Bruce McKinley	Justice Court Judge	Liberty Mutual Surety	\$50,000
Cheryl Horn	Justice Court Clerk	Liberty Mutual Surety	\$50,000
Sarah Steele	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Lauren Canoy	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Stephanie Burton	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Renata Carr	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Brittany Hollins	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Brittany Horn	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Richard T. Davis	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
James Ransburg	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Shelia Taylor	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Seth Everett	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Donovan Gerlach	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Lisa Simmons Lee	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Mary Luckett	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Mark Sandridge	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Matthew Taylor Chastain	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Michael Seth Everett	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Michael Todd Wilson	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Russell Kirby	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Taylor Chastain	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Tommy Squires	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
William L. Weisenberger Jr.	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Angela Tramble	Deputy Justice Court Clerk	Liberty Mutual Surety	\$50,000
Kay S. Pace	Tax Collector	Liberty Mutual Surety	\$100,000
Norman Cannady	Tax Assessor	Liberty Mutual Surety	\$50,000
Lisa K Duvall	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Lori A Butler	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Myrtle Rayburn	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Brenda Y Winn	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Margaret Hayman	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Brenda McKenzie	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Rosemarie Jones	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Brooke Burchfield	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Wanda Lancaster	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Debra Nason	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Sheila Woodard	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
Laura Sullivan	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
LaJuana Johnson	Deputy Tax Collector	Liberty Mutual Surety	\$50,000
William Stewart	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Vent Mixon	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Jeff Hodgins	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Margaret E Anderson	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Payton Annette Ray	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Kathleen Ketchum	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
John F Fox	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
John Anderson	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Ira H Thorn	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Evelyn Mixon	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Steven Todd Meador	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Christopher J Garavelli	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Brad D Harbour	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Angelina Brown	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Adriane D Odom	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Leslie Lacour	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Randi Jerome	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Brent Smith	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Carolyn Bryant	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Lesly Barthel	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000

MADISON COUNTY, MISSISSIPPI
 Schedule of Surety Bonds for County Officials
 For the Year Ended September 30, 2018
 UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Stacy Powell	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Don Jorgenson	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Nicole Mann	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Sommer Jackson	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Sue Anglin	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Annie B. Gillum	Deputy Tax Assessor	Liberty Mutual Surety	\$10,000
Dan Gaillet	County Engineer	Liberty Mutual Surety	\$50,000
Richard Tolbert	County Surveyor	Liberty Mutual Surety	\$50,000
Harold Voelkel	Comptroller	Liberty Mutual Surety	\$75,000
Greg Higginbotham	Comptroller	Liberty Mutual Surety	\$75,000
Keith O'Keefe	Wastewater Authority	Liberty Mutual Surety	\$50,000
Suzanne Hidalgo	Drug Coordinator	Liberty Mutual Surety	\$50,000

SPECIAL REPORTS

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors
Madison County, 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, each major fund, and the aggregate remaining fund information of Madison County, Mississippi, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 5, 2019. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Madison County'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 Madison County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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.

1929 SPILLWAY ROAD, SUITE B
BRANDON, MISSISSIPPI 39047
TELEPHONE 601-992-5292 FAX 601-992-2033

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Finding and Questioned Costs as Finding 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Madison County's Response to the Finding

Madison County's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. Madison County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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. However, this report is a matter of public record and its distribution is not limited.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard PC
December 5, 2019

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Members of the Board of Supervisors
Madison County, Mississippi

Report on Compliance for the Major Federal Program

We have audited Madison County, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Madison County, Mississippi's major federal program for the year ended September 30, 2018. Madison County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on Madison County, Mississippi's compliance.

Opinion on the Major Federal Program

In our opinion, Madison County, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of Madison County, Mississippi is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Madison County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Madison County, Mississippi's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. However, this report is a matter of public record and its distribution is not limited.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC
December 5, 2019

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES
(REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))

Members of the Board of Supervisors
Madison County, Mississippi

We have examined Madison County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2018. The Board of Supervisors of Madison County, Mississippi, is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Madison County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, Madison County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2018.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination and, in our opinion, is fairly presented in relation to that examination.

This report is intended for use in evaluating Madison County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
December 5, 2019

Certified Public Accountants

Madison County, Mississippi
Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2018

Schedule 1

Our tests did not identify any purchases from other than lower bidder.

Madison County, Mississippi
Schedule of Emergency Purchases
For the Year Ended September 30, 2018

Schedule 2

Our tests did not identify any emergency purchases.

Madison County, Mississippi

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2018

Date	Item Purchased	Amount Paid	Vendor
04-16-18	Fifty refurbished sealable hard side tote bins	\$8,250.00	ES&S
03-19-18	Fifteen tasers	\$66,489.75	Axon

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**LIMITED INTERNAL CONTROL
AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors
Madison County, Mississippi

In planning and performing our audit of the financial statements of Madison County, Mississippi for the year ended September 30, 2018, we considered Madison County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Madison County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated December 5, 2019, on the financial statements of Madison County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
December 5, 2019

Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Madison County, Mississippi

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2018

Section I: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued on the financial statements:
- | | |
|--|------------|
| Governmental activities | Unmodified |
| Aggregate discretely presented component units | Adverse |
| General Fund | Unmodified |
| General County I & S Fund | Unmodified |
| Aggregate remaining fund information | Unmodified |
2. Internal control over financial reporting:
- a. Material weakness identified? Yes.
- b. Significant deficiency identified? None reported.
3. Noncompliance material to financial statements noted? No.

Federal Awards:

- 4.. Internal control over major program:
- a. Material weakness(es) identified? No.
- b. Significant deficiency(ies) identified? None reported.
5. Type of auditor's report issued on compliance for major program: Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No.
7. Identification of major program:
- | CFDA Number: | Name of Federal Program or Cluster |
|--------------|------------------------------------|
| 20.205 | Highway Planning and Construction |
8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
9. Auditee qualified as low-risk auditee? No

Section II: Financial Statement Findings

The results of our tests disclosed the following finding related to the financial statements that is required to be reported by *Government Auditing Standards*.

Finding 2018 - 001:

Board of Supervisors

Material Weakness

Criteria:

Generally accepted accounting principles require the financial data of component units to be reported with the financial data of the County's primary government unless the County issues financial statements for the financial reporting entity that include the financial data of its component units.

Condition:

As reported in the prior nine years' audit reports, the County's financial statements do not include the financial data of the County's component units.

Cause:

The County did not provide audited financial statements for the required presentation of the aggregate discretely presented component units (not presented in this report).

Effect:

Failure to include the data required by generally accepted accounting principles resulted in an adverse opinion on the aggregate discretely presented component units.

Recommendation:

The Board of Supervisors should provide the financial data of all its component units in accordance with generally accepted accounting principles.

View of responsible official:

Madison County made a conscious decision to exclude the discrete presentation of the County's component units in its financial statements because the cost and effort of this reporting requirement outweighs the benefit to Madison County. Management intends to review this GAAP reporting requirement annually to determine if the benefit to Madison County gives rise to presenting component units in the financial statement.

Section III: Federal Awards Findings and Questioned Costs

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

CORRECTIVE ACTION PLAN



MADISON COUNTY BOARD OF SUPERVISORS

125 West North Street • Post Office Box 608
Canton, Mississippi 39046
601-855-5500 • Facsimile 601-855-5759
www.madison-co.com

AUDITEE'S CORRECTIVE ACTION PLAN

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards (UG), Madison County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Cost for the year ended September 30, 2018:

Finding

Corrective Action Plan Details

2018-001

a. Name of Contact Person Responsible for Corrective Action

Name: Shelton Vance, CPA
Phone Number: 601-855-5502

b. Corrective Action Planned:

Madison County made a conscious decision to exclude the discrete presentation of the County's component units in its financial statements because the cost and effort of this reporting requirement outweighs the benefit to Madison County. Management intends to review this GAAP reporting requirement annually to determine if the benefit to Madison County gives rise to presenting component units in the financial statements.

c. Anticipated Completion Date:

December 10, 2019



MADISON COUNTY BOARD OF SUPERVISORS

125 West North Street • Post Office Box 608
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www.madison-co.com

SUMMARY OF PRIOR AUDIT FINDINGS

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards (UG), Madison County has prepared and hereby submits the following summary of prior year audit findings follow up as of September 30, 2018:

Finding

Status

2017-001

Not Corrected (See Finding 2018-001)

2018-2019 FISCAL YEAR BUDGET

Madison County
 Combined Budget for Publication
 For the Fiscal Year Ending September 30, 2019
 FY 2019 BUDGET

	Governmental Fund Types				Proprietary Funds			Total
	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Priv. Purpose/ Service Agency	
REVENUES								
Amount Necessary to be Raised by Tax Levy	22560158	12394604	14587076				3602064	53143903
Taxes and Ad Valorem other than Tax Levy	430000							430000
Road and Bridge Privilege Taxes		1000000						1000000
Licenses, Commissions and Other Revenue	3295500	63571						3359071
Fines and Forfeitures	800000	22436						822436
Special Assessments								
Intergovernmental Revenue:								
Federal Sources	147395	135000						282395
State Sources	2400000	1385500	750000	8000000				12535500
Local Sources:								
Charges for Services	7271924	1204000						8475924
Interest Income	83000	31500	12000					126500
Miscellaneous Revenue	606000	920000						1526000
Contributions to Permanent Funds	10000							10000
Other Financing Sources	4594252	1639123	839740	12516643				19589760
Special Items	300000			6169927				6469927
Extraordinary Items								
TOTAL REVENUES	42498230	18795735	16188816	26686570			3602064	107771417
BEGINNING CASH BALANCE								
Total Revenue & Beginning Cash Balance	42498230	18795735	16188816	26686570			3602064	107771417
EXPENDITURES								
General Government	23947289	865830						24813120
Public Safety	13955070	5655643		2014100				21624814
Public Works	1411000	9763056		15043109				26217165
Health and Welfare	1070825							1070825
Culture and Recreation		1692859		1500000				3192859
Education						3602064		3602064
Conservation of Natural Resources	338261							338261
Economic Development and Assistance	11279	736307						747586
Undesignated								
Debt Service	1425179		16188816					17613996
Interfund Transactions/Other								
Other Financing Uses								
Special Items								
Extraordinary Items								
Total Expenditures	42158906	18713696	16188816	18557209			3602064	99220693
Ending Cash Balance	339324	82038		8129360				8550724
Total Expenditures & Ending Cash Balance	42498230	18795735	16188816	26686570			3602064	107771417

2019-2020 FISCAL YEAR BUDGET

Madison County
 Combined Budget for Publication
 For the Fiscal Year Ending September 30, 2020

	Governmental Fund Types				Proprietary Funds			Priv. Purpose/ Agency	Total
	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Service		
REVENUES									
Amount Necessary to be Raised by Tax Levy	24045178	13725037	13084046					3701926	54556187
Taxes and Ad Valorem other than Tax Levy	440000								440000
Road and Bridge Privilege Taxes		1200000							1200000
Licenses, Commissions and Other Revenue	3016800	68200							3085000
Fines and Forfeitures	700000	12000							712000
Special Assessments									
Intergovernmental Revenue:									
Federal Sources	147000	519261							666261
State Sources	2288000	1403788	750000	976000					5419788
Local Sources:									
Charges for Services	7053824	1200000							8253824
Interest Income	524843	112391	76938	140048					854220
Miscellaneous Revenue	1339400	545000							1884400
Contributions to Permanent Funds	5000								5000
Other Financing Sources	8416454	10768208	4350975	21625680					45161319
Special Items	300000								300000
Extraordinary Items									
TOTAL REVENUES	48276500	29555886	18261959	22741728				3701926	122538000
BEGINNING CASH BALANCE									
Total Revenue & Beginning Cash Balance	48276500	29555886	18261959	22741728				3701926	122538000
EXPENDITURES									
General Government	28671823	1352121		3162200					33185144
Public Safety	14727298	6229834							20957132
Public Works	918568	19284913		18092817					38296298
Health and Welfare	1100064								1100064
Culture and Recreation		1739121		1346000					3085121
Education							3701926		3701926
Conservation of Natural Resources	244412								244412
Economic Development and Assistance	11279	750296							761575
Undesignated									
Debt Service	2235290		18261959						20497250
Interfund Transactions/Other									
Other Financing Uses									
Special Items									
Extraordinary Items									
Total Expenditures	47908735	29356287	18261959	22601017				3701926	121829925
Ending Cash Balance	367765	199599		140711					708075
Total Expenditures & Ending Cash Balance	48276500	29555886	18261959	22741728				3701926	122538000

APPENDIX B
FORM OF BOND COUNSEL OPINION

[FORM OF BOND COUNSEL OPINION]

November __, 2020

Board of Supervisors
Madison County, Mississippi

RE: \$11,000,000 Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C,
dated November __, 2020

Ladies and Gentlemen:

We have acted as Bond Counsel ("Bond Counsel") for Madison County, Mississippi (the "County"), in connection with the issuance of the Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C, dated November __, 2020, in the total authorized aggregate principal amount of \$11,000,000 (the "Bonds").

The Bonds bear interest, mature and may be transferred and exchanged as set out in the Bonds and in the resolution adopted by the Board of Supervisors of the County on September 14, 2020, authorizing their issuance (the "Bond Resolution"). The Bonds are subject to optional redemption prior to maturity to the extent provided in the Bond Resolution. Capitalized terms contained and not defined herein shall have the same meaning as set forth in the Bond Resolution.

We have acted as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the laws of the State of Mississippi (the "State"), and with respect to the excludability of interest on the Bonds from State income taxation. Regarding questions of fact material to our opinions, we have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the certified transcript of proceedings described in the following paragraph and on the authenticity, truthfulness and completeness set forth in such documents, instruments and certificates, without undertaking to verify same by independent investigation. We have not assumed any responsibility with respect to the financial condition or capabilities of the County or the disclosure thereof in connection with the sale of the Bonds.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a certified transcript of proceedings pertaining to the Bonds which contains copies of certain proceedings of the County, customary certificates of officers, agents and representatives of the County and other public officials and other matters relating to the authorization and issuance of the Bonds.

Based upon the foregoing examinations, and subject to the qualifications, assumptions and statements of reliance herein, it is our opinion as Bond Counsel, on the date hereof, that:

1. The transcript of proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the laws of the State presently in effect, and that the Bonds constitute valid and legally binding obligations of the County, payable from and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the County, in accordance with the provisions of the Bond Resolution; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the County on or prior to September 1 of that year has transferred money to the 2020 Bond Fund established pursuant to 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 County.

2. Under existing law, regulations and court decisions, as presently interpreted and construed, interest on the Bonds is exempt from all present income taxes imposed by the State.

3. Under existing law, regulations and court decisions, as presently interpreted and construed, interest on the Bonds is includable in gross income of the owners thereof for federal income tax purposes.

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.

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.

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.

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. In rendering this opinion we have relied upon the opinion of Mike Espy, PLLC, Jackson, Mississippi, acting as counsel for the County, dated the date hereof, as to the due authorization and execution by and enforceability against the County as to the Bonds and the Bond Resolution. 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.

Very truly yours,

BUTLER SNOW LLP

APPENDIX C
FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the Board of Supervisors (the "Governing Body") of Madison County, Mississippi (the "County"), acting for and on behalf of the County, in connection with the execution and delivery of \$11,000,000 Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C (the "Series 2020C Bonds"). The Series 2020C Bonds are being executed and delivered pursuant to a resolution adopted by the Governing Body September 14, 2020 (the "Resolution"). The County covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County for the benefit of the owners of the Series 2020C Bonds and the beneficial owners of the Series 2020C Bonds and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12.

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

"Annual Report" shall mean the County's annual report as more particularly described in Section 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean the Chancery Clerk of the County or such officer's designee, or such other person as the Governing Body shall designate in writing from time to time.

"EMMA" shall mean the Electronic Municipal Market Access System found at <http://emma.msrb.org>, which is the electronic format prescribed by the MSRB pursuant to the Rule.

"Fiscal Year" shall mean a period beginning on October 1 in any year and ending on September 30 of the following year or such other twelve-month period as may be adopted by the County in accordance with law.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board. The electronic filings with the MSRB shall be through EMMA.

"National Repository" shall mean (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" shall mean the final Official Statement of the County dated _____, ___, 2020, in connection with the Series 2020C Bonds.

"Participating Underwriters" shall mean the original purchaser of the Series 2020C Bonds required to comply with the Rule in connection with the offering of the Series 2020C Bonds.

"Repository" shall mean each National Repository and each State Repository, if any.

"Rule" shall mean Rule 15c2-12 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 Repository" shall mean any public or private repository or entity designated by the State of Mississippi as a state repository for the purpose of the Rule. As of the date of this Disclosure Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The County shall or shall cause the Dissemination Agent to provide to each Repository, no later than twelve (12) months following the end of the County's Fiscal Year of each year, commencing with fiscal year ending September 30, 2020, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) business days prior to said date, the County shall provide the Annual Report to the Dissemination Agent. 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 Agreement; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report. Notwithstanding the foregoing, the County notes that due to certain statutory requirements requiring review of financial statements by the Office of the State Auditor and other regulatory agencies, it does not always receive and accept its audited financial statements for the immediately preceding fiscal year within the timeframe set forth in this paragraph (a). The County therefore agrees to file its audited financial statements in each year within sixty (60) days of such financial statements becoming publicly available.

(b) If the County is unable to provide to the Repositories an Annual Report by the date required in subsection (a) above, the County shall send a notice to each Repository in the form attached hereto as Exhibit A or in another form as determined by the County.

(c) The Dissemination Agent shall determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any.

SECTION 4. Content of Annual Reports. The County's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements, if available, and, if unavailable, reasonably available and assessable unaudited financial information describing the County's financial situation for the prior Fiscal Year, or adopted budgets of the County will be provided and audited financial statements will be provided if and when they become available; and

(b) Updated financial and operating information relating to the County in the form attached hereto as Exhibit C.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the County is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The County shall give or cause to be given notice of the occurrence of any of the following Listed Events with respect to the Series 2020C Bonds, in a timely manner not in excess of ten (10) business days after the occurrence thereof, together with any accompanying information in the form attached hereto as Exhibit D. All sixteen (16) events mandated by the Rule are listed below; however, some may not apply to the Series 2020C Bonds:

- (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 the 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) Modification 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 County.¹
- (13) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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, if material.
- (14) The appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation² of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material.
- (16) The occurrence of a default, an event of acceleration, a termination event, a modification of terms, or other similar event under the terms of a financial obligation² of the County, any of which reflect financial difficulties.

SECTION 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of the Series 2020C Bonds.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the County elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Agreement.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

¹For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

²For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the County intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

SECTION 9: Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County 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 financial information or operating data provided or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any financial information or operating data provided or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future financial information or operating data provided or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the County to comply with any provision of this Disclosure Agreement any owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under and as defined in the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the County 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 Agreement, and the County 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 gross negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2020C Bonds.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, owners from time to time of the Series 2020C Bonds and beneficial owners of the Series 2020C Bonds and shall create no rights in any other person or entity.

Date: _____, 2020

MADISON COUNTY, MISSISSIPPI

By _____
President, Board of Supervisors

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Madison County, Mississippi

Name of Bond Issue: \$_____ Madison County, Mississippi Taxable General Obligation Bonds, Series
2020C

Date of Issuance: _____, 2020

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated _____, 2020. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

MADISON COUNTY, MISSISSIPPI

By: _____
Authorized Officer

EXHIBIT B

ANNUAL REPORT COVER SHEET

Name of Issuer: Madison County, Mississippi

Name of Bond Issue: \$ _____ Madison County, Mississippi Taxable General Obligation Bonds, Series
2020C

Date of Issuance: _____, 2020

CUSIP Number: _____

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____

Title: _____

Employer: _____

Address: _____

Issuer, State, Zip Code: _____

Voice Telephone Number: _____

EXHIBIT C

Name of Issuer: Madison County, Mississippi

Name of Bond Issue: \$_____ Madison County, Mississippi Taxable General Obligation Bonds, Series
2020C

Date of Issuance: _____, 2020

CUSIP Number: _____

Government

The County is governed by a five-member Board of Supervisors, each of whom is elected from a separate district or "beat," to concurrent four-year terms. Current members of the Board of Supervisors are:

Name	District	Beginning of Current Term	End of Current Term

[The remainder of this page is intentionally left blank.]

TAX INFORMATION

Assessed Valuation of the County⁷

Assessment Year	Real Property	Personal Property	Public Utility Property	Automobiles/ Mobile Homes	Total

The assessed valuation figures above do not include property exempt from all County ad valorem tax for a period of up to ten years, primarily for new or expanded manufacturing facilities. Set forth below is a schedule of the assessed valuation of such exempt property which will become subject to County ad valorem tax in the next ten years:

Exempt Property	Current Assessed Valuation	Year Exemption Ends (December 31)
Total		

⁷ The total assessed valuation is approved in September preceding the fiscal year of the County and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 20__ are collected starting in October __0__ for the 20__-20__ fiscal year budget of the County.

Tax Levy Per \$1,000 Valuation⁸

	<u>2020-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-14</u>
General Purposes:					
Economic Development					
Reappraisal Trust Fund					
General Fund					
Road & Bridge Maintenance Fund					
County Wide Int. & Skg. Fund					
Library Fund					
Holmes Jr. College Maintenance Fund					
Holmes Jr. College Special Fund					
Mapping and Reappraisal					
Fire Protection Fund					
Bridge & Culvert Fund					
Solid Waste					
Total					
County School District:					
Maintenance Fund					
Maintenance					
Bond Int. & Skg. Fund					
Emer. Lease Purchase Acct.					
Short Fall Note					
Total:					
Canton School District:					
District Maintenance Fund					
District Debt Service					
Total:					
Fire Districts:					
Valley View Fire District					
South Madison County Fire District					
West Madison Utility District					
Southwest Madison Fire District					
Farmhaven Fire District					
Camden Fire District					
Total:					
Total County Tax Levy:					

⁸ Tax levy figures are given in mills. The County levies a tax of nine cents per acre on all timbered and/or uncultivated land located in the County.

Ad Valorem Tax Collections

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over/(Under)

Ten Largest Taxpayers

The ten largest taxpayers in the County for assessment year ____, are as follows:

Taxpayer	Assessed Valuation	Taxes Collected

DEBT INFORMATION

Legal Debt Limit Statement

(as of _____)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation - \$ 0)		
Present Debt Subject to Debt Limits		
Margin for Further Debt Under Debt Limits		

Outstanding General Obligation Bonded Debt

(as of _____)

Issue	Date of Issue	Outstanding Principal

Other Outstanding Debt

(as of _____)

Issue	Date of Issue	Outstanding Principal

[The remainder of this page is intentionally left blank.]

Debt Ratios

FY Ended September 30	General Obligation Debt	General Obligation Debt to Assessed Value

[The remainder of this page is intentionally left blank.]

EXHIBIT D
MATERIAL EVENT NOTICE COVER SHEET

Name of Issuer: Madison County, Mississippi
 Name of Bond Issue: \$ _____ Madison County, Mississippi Taxable General Obligation Bonds,
 Series 2020C
 Date of Issuance: _____, 2020
 CUSIP Number: _____

Description of the attached Material Event Notice (Check One):

1. _____ Principal and interest payment delinquencies
2. _____ Non-Payment related defaults, if material
3. _____ Unscheduled draws on debt service reserves, if any, 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 (ITS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020C Bonds, or other material events affecting the tax status of the Series 2020C Bonds
7. _____ Modifications to rights of Bondholders, if material
8. _____ Bond calls, if material, and tender offers
9. _____ Defeasances
10. _____ Release, substitution, or sale of property, if any, securing repayment of the securities
11. _____ Rating changes
12. _____ Bankruptcy, insolvency, receivership or other similar event of the County
13. _____ The consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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, if material
14. _____ Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. _____ Failure to provide annual financial information as required by the Rule
16. _____ Incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material.
17. _____ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.
18. _____ Other material event notice (specify) _____

I hereby represent that I am authorized by the Issuer/Other Obligated Person or its agent to distribute this information publicly:

Signature: _____
 Name: _____ Title: _____
 Employer: _____
 Address: _____
 Issuer, State, Zip Code: _____
 Voice Telephone Number: _____

APPENDIX D
NOTICE OF BOND SALE

NOTICE OF BOND SALE

\$11,000,000

**MADISON COUNTY, MISSISSIPPI
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2020C**

NOTICE IS HEREBY GIVEN that the Board of Supervisors (the "Governing Body") of Madison County, Mississippi (the "County") will receive sealed bids in the Board of Supervisors' meeting room in the Madison County Chancery Court Building located at 125 West North Street, Canton, Mississippi until the hour of 4:00 p.m. on Monday, October 19, 2020, and at 5:00 p.m. on such date said bids will be publicly opened by the Governing Body and read for the purchase at not less than par plus accrued interest to the date of delivery of \$11,000,000 aggregate principal amount Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C (the "Bonds").

The Bonds will be dated and bear interest from their date of delivery, will be delivered in definitive form as fully registered Bonds, will be in the denominations of \$5,000 or any integral multiple thereof, will be payable as to principal at a bank or banks to be named by the County (the "Paying and Transfer Agent") and will bear interest, payable semiannually on May 1 and November 1 of each year, commencing on May 1, 2021, at the rate or rates of interest specified in the bid submitted by the successful bidder in accordance with this Notice of Bond Sale.

The Bonds will be issued in registered, book-entry-only form and all bidders for the Bonds must be participants of The Depository Trust Company, New York, New York ("DTC"), or affiliated with its participants. The Bond certificates will be deposited with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and for the transfer of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any multiple thereof through book entries made on the books and records of DTC and its participants. Unless the book-entry-only system is discontinued, Bond principal and interest payments will be made by the County to DTC through the Paying and Transfer Agent. DTC will then be responsible for distributing such payments to DTC participants for subsequent remittance to the owners of beneficial interests in the Bonds. Payment of principal and interest on the Bonds to DTC is the responsibility of the County, disbursement of such payments to DTC participants shall be the responsibility of DTC, and disbursements of such payments to the owners of beneficial interests shall be the responsibility of DTC participants and not the responsibility of the County. The County will have no responsibility or obligation to DTC participants or owners of beneficial interests in the Bonds, with respect to the payment by DTC or any DTC participants, of the principal of or interest on the Bonds or the providing of notice to DTC participants or owners of beneficial interests in the Bonds or with respect to: (a) the accuracy of any records maintained by DTC or any DTC participant; or (b) any consent given or other action taken by DTC as owner of the Bonds.

The Bonds will mature on November 1 in the years and in the principal amounts shown below:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2021	\$430,000	2031	\$550,000
2022	440,000	2032	565,000
2023	450,000	2033	580,000
2024	465,000	2034	595,000
2025	475,000	2035	610,000
2026	485,000	2036	625,000
2027	500,000	2037	640,000
2028	510,000	2038	655,000
2029	525,000	2039	670,000
2030	540,000	2040	690,000

The Bonds maturing November 1, 2031 and thereafter will be subject to redemption prior to their respective maturities, at the option of the County, on and after November 1, 2030, either in whole or in part on any date, as selected by the County among maturities, and by lot within each maturity, at the principal amount thereof, together with accrued interest to the date fixed for redemption and without premium.

The Bonds will be issued pursuant to the provisions of Sections 19-9-1 *et seq.*, and 19-5-92 Mississippi Code of 1972, as amended and supplemented from time to time (the "County Act"), Sections 57-64-1 through 57-64-31, Mississippi Code of 1972, as amended (the "REDA Act"), and resolutions adopted or to be adopted by the Governing Body, including

the bond resolution of the County approved and adopted on September 14, 2020 (the "Bond Resolution"). The Bonds are being issued to raise money for the purpose of providing funds for (a) purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging county buildings, courthouses, office buildings, jails, hospitals, nurses' homes, health centers, clinics, and related facilities, and the purchase of land therefor, and for other purposes authorized by the County Act, (b) the continued development of an industrial park located in the County, together with any economic development project to be located in such industrial park as authorized by the REDA Act and further described in the Bond Resolution, and (c) paying the costs of issuance of the Bonds.

The Bonds shall be general obligations of the County and the full faith, credit and taxing power of the County shall be pledged to secure the payment of the principal of and interest on the Bonds; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the County on or prior to September 1 of that year has transferred money to the 2020 Bond Fund established pursuant to 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 County.

The Bonds are to be sold at not less than \$11,000,000 aggregate par plus interest on the Bonds accrued to the date of delivery, and are to be awarded to the bidder complying with the terms hereof and offering to purchase all of the Bonds at the lowest net interest cost to the County. The net interest cost 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 six decimal places), but such statement will not be considered a part of the bid. No Bond shall bear more than one (1) rate of interest; each Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; all Bonds of the same maturity shall bear the same rate of interest from their date to maturity; the lowest rate of interest specified for any of the Bonds shall not be less than seventy percent (70%) of the highest rate of interest specified for any of the Bonds; and the highest rate of interest specified for any of the Bonds shall not exceed eleven percent (11%) per annum. Each interest rate specified in any bid must be a multiple of one-eighth of one percent (1/8 of 1%) or a multiple of one-tenth of one percent (1/10 of 1%) and a zero rate of interest cannot be named.

Bidders must acknowledge in their respective bids that they have received and reviewed the County's preliminary official statement in connection with the issuance of the Bonds (the "Preliminary Official Statement"). The County deems the Preliminary Official Statement to be "final" as described in SEC Rule 15c2-12(b)(1) for the purposes of such Rule. Upon award of the Bonds to the successful bidder, the County will prepare a final official statement in connection with the Bonds (the "Official Statement") in substantially the form of the Preliminary Official Statement, subject to minor amendments and supplementations. A reasonably sufficient number of Official Statements will be made available to the successful bidder at the expense of the County within seven (7) business days of the award of the Bonds to such bidder. Copies of the Preliminary Official Statement may be obtained from Shelton Vance, County Administrator, 125 West North Street, Canton, Mississippi 39046, telephone: (601) 855-5502 and the County's financial advisor, Government Consultants, Inc., 116 Village Boulevard, Madison, Mississippi 39110, telephone: (601) 982-0005, attention: Mr. Steve Pittman.

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the County, pursuant to a resolution of the Governing Body and a continuing disclosure agreement, will agree to provide annual reports and notices of certain events. A summary of the County's procedures with regard to continuing disclosure is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

All bids must be enclosed in a sealed envelope and should be addressed to the Governing Body, at their offices located at 125 West North Street, Canton, Mississippi 39046, attention: Shelton Vance, County Administrator, and worded on the outside, in substance, "Bid for Madison County, Mississippi Taxable General Obligation Bonds, Series 2020C". **ALL BIDS MUST BE UNCONDITIONAL AND, AS A CONDITION PRECEDENT TO THE CONSIDERATION OF ITS BID, EACH BIDDER MUST ENCLOSE WITH IT, AS A GOOD FAITH DEPOSIT, A CERTIFIED OR CASHIER'S CHECK ISSUED OR CERTIFIED BY A BANK LOCATED WITHIN THE STATE OF MISSISSIPPI PAYABLE TO THE ORDER OF MADISON COUNTY, MISSISSIPPI FOR TWO HUNDRED TWENTY THOUSAND AND NO/100THS DOLLARS (\$220,000.00).** No interest will be allowed on any good faith deposit. Bids will be accepted or rejected by the Governing Body on the date above shown for the sale of the Bonds. When a bid is rejected by the Governing Body, the good faith deposit accompanying said bid will be returned to the bidder. When a bid is accepted by the Governing Body, the good faith deposit accompanying said bid will be applied as part payment for the Bonds or, if the successful bidder fails to comply with this agreement to purchase the Bonds, will be retained as liquidated damages. Pending the application of the good faith deposit of the successful bidder as aforesaid, such deposit may be invested in direct obligations of, or obligations guaranteed by the United States of America or in repurchase agreements with banks fully secured by such obligations, and the County shall be entitled to any income from any such investment.

The Governing Body reserves the right to reject any or all bids as well as the right to waive any irregularity or informality in any bid. All bids shall be submitted on the Official Bid Form which may be obtained from Shelton Vance, County Administrator, 125 West North Street, Canton, Mississippi 39046, telephone: (601) 855-5502 and the County's financial advisor, Government Consultants, Inc., 116 Village Boulevard, Madison, Mississippi 39110, telephone: (601) 982-0005, attention: Mr. Steve Pittman.

In the opinion of Butler Snow LLP ("Bond Counsel") interest on the Bonds is includable in gross income for federal income tax purposes. Bond Counsel will express no other opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on or disposition of the Bonds. In addition, Bond Counsel is of the opinion that under and pursuant to the Act, the Bonds and interest thereon are exempt from income taxation in the State of Mississippi. The County will NOT designate the Bonds as qualified tax-exempt obligations within the meaning and for the purposes of Section 265(b)(3) of the Internal Revenue Code.

The final approving opinion of Bond Counsel, relating to the validity and State of Mississippi tax exemption of the Bonds, together with a non-litigation certificate of the County dated the date of delivery of the Bonds, and a transcript of the proceedings relating to the Bonds will be delivered to the successful bidder without charge.

It is anticipated that CUSIP identification numbers will be secured and printed on the Bonds, but neither the failure to secure or print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with its agreement to purchase the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the County; provided, however, that the CUSIP Global Services charge for the assignment of said numbers shall be paid for by the successful bidder.

The successful bidder will be given at least seven (7) business days advanced notice of the proposed date of delivery of the Bonds when that date has been tentatively determined. It is expected that the Bonds will be delivered through the facilities of DTC and payment therefor shall be made in federal or other immediately available funds.

The successful bidder shall have the right, at its option, to cancel its agreement to purchase the Bonds if the Bonds to be delivered by the County in accordance with the preceding paragraph are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the County shall return to said bidder its good faith deposit without interest. The County shall have the right, at its option, to cancel its agreement to sell the Bonds if within five (5) days after the tender of the Bonds for delivery the successful bidder shall not have accepted delivery of and paid for the Bonds, and in such event the County shall retain the successful bidder's good faith deposit as liquidated damages.

Further information may be obtained from Shelton Vance, County Administrator, 125 West North Street, Canton, Mississippi 39046, telephone: (601) 855-5502 and the County's Financial Advisor, Government Consultants, Inc., 116 Village Boulevard, Madison, Mississippi 39110, telephone: (601) 982-0005, attention: Mr. Steve Pittman.

DATED: September 14, 2020

MADISON COUNTY, MISSISSIPPI

By /s/Gerald Steen
President of the Board of Supervisors