



The Arbitrage Group, Inc.

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Houston, Texas 77007

Telephone 713 522 8527

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May 25, 2022

Ms. Na'Son S. White
Comptroller
Madison County
P.O. Box 608
Canton, Mississippi 39046

\$1,635,000
Madison County, Mississippi
General Obligation Note,
Series 2019
Final Rebate Calculation For the Period
July 30, 2019 to July 1, 2021

Dear Ms. White:

Attached please find a copy of our rebate report for the above noted issue. The report indicates there is no rebate liability as of the July 1, 2021 Final Rebate Computation Date. Based upon the report and underlying assumptions, no IRS payment or filing is otherwise currently required.

If you have any questions or comments, please do not hesitate to contact me at (713) 522-8527. It has been our pleasure working with your team and we look forward to being of service again in the very near future regarding any other arbitrage rebate compliance or verification service needs.

Very truly yours,
The Arbitrage Group, Inc.

H. Troy Merrill
Partner



The Arbitrage Group, Inc.

\$1,635,000
Madison County, Mississippi
General Obligation Note,
Series 2019

Rebate Computation for the Period
July 30, 2019 to July 1, 2021



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Canton, Mississippi

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General Obligation Note,
Series 2019

Madison County, Mississippi (the "County") issued the above referenced note (the "Note") dated and delivered July 30, 2019. At the request of the County, we have performed the procedures enumerated below for the period of July 30, 2019 to July 1, 2021 ("Computation Period"). These procedures, which were agreed to by the County, were performed solely to assist the County in evaluating compliance with the requirements of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended ("Code"). This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants for consulting services. The sufficiency of these procedures is solely the responsibility of the specified users of the report. This report is intended solely for your information and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not to be quoted or referred to without our prior written consent.

Our procedures and findings are as follows:

- (1) We read the Tax Compliance and No-Arbitrage Certificate ("Certificate"), IRS Form 8038-G ("8038-G") and General Ledger Account Detail Schedules provided to us by the County.
- (2) Pursuant to the Certificate, the Note was issued in order to finance the costs of the Project and pay costs of issuance.
- (3) Pursuant to Section 1.148-1 of the Income Tax Regulations ("Regulations"), gross proceeds of the Note subject to the rebate requirements of the Code, are defined as sale proceeds, investment proceeds, transferred proceeds and replacement proceeds.

Madison County, Mississippi
May 25, 2022
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- (4) A schedule of sources and uses of funds (Exhibit) was assembled based on the Certificate, 8038-G and General Ledger Account Detail Schedules.
- (5) As represented by the County, all sale proceeds of the Note were spent for their purpose by September 9, 2019. The General Ledger Account Schedules indicate no interest earnings were attributable to the sale proceeds. No arbitrage earnings are attributable to sale or investment proceeds.
- (6) The Note was not issued to refund a prior issue. There were no transferred proceeds of the Note.
- (7) As described in the Certificate, the only amounts which are pledged to pay debt service on the Note that represent replacement proceeds of the Note subject to the rebate requirements of the Code are amounts deposited in the Note Fund. The Note Fund is excludable from the computation pursuant to Section 148(f)(4)(A)(ii) of the Code, which excludes from the rebate computation bona fide debt service funds as defined in Section 1.148-1(b) of the Regulations. As described in the Certificate, the Note Fund is intended to function as a bona fide debt service fund.
- (8) Based on the information provided to us by the County it is our opinion there is no arbitrage rebate liability for the Note as of the July 1, 2021 Final Rebate Computation Date.

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

Very truly yours,

The Arbitrage Group, Inc.

Sources and Uses of Funds

*Madison County, Mississippi
General Obligation Note, Series 2019*

SOURCES	<u>The Note</u>
Principal Amount of the Note	\$1,635,000.00
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USES	
Deposit to Project Fund	\$1,635,000.00
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