



The Arbitrage Group, Inc.

99 Detering Street
Suite 120
Houston, Texas 77007

Telephone 713 522 8527

www.thearbitragegroup.com

July 2, 2026

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

\$35,000,000
Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi
Public Improvement General Obligation Bond Project)
Interim Rebate Calculation for the Period
May 21, 2025 to May 31, 2026

Dear Ms. White:

Attached please find an electronic copy of our rebate report for the above noted issue along with our agreed-upon invoice. The report indicates there is no rebate liability as of the May 31, 2026 Interim Rebate Computation Date. Based upon the report and underlying assumptions, no IRS payment or filing is otherwise currently required.

Due to continued investment activity in the Project Fund alone, future calculations will continue to be required for minimum IRS and bond document compliance. Unless you prefer otherwise, we have scheduled the Bonds for a subsequent cumulative update to May 31, 2027. If there are any actual (or anticipated) changes to the Bonds beforehand, please let us know as it may impact the timing and substance of future analyses.

If you have any questions, please do not hesitate to contact me at (713) 522-8527 or tmerrill@thearbitragegroup.com. 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.

\$35,000,000

**Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi
Public Improvement General Obligation Bond Project)**

**Rebate Computation for the Period
May 21, 2025 to May 31, 2026**



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Madison County, Mississippi
Canton, Mississippi

\$35,000,000
Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi
Public Improvement General Obligation Bond Project)

The Mississippi Development Bank ("Issuer") issued the above referenced bonds ("Bonds") dated and delivered on May 21, 2025. At the request of the Madison County, Mississippi ("Borrower"), we have performed the procedures enumerated below for the period May 21, 2025 to May 31, 2026 ("Computation Period"). These procedures, which were agreed to by the Borrower were performed solely to assist the Borrower 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 IRS Form 8038-G ("8038"), Tax Regulatory Agreement and Arbitrage Certificate ("Certificate"), excerpts from the Official Statement ("OS"), and electronic prepared schedules of investment activity ("Investment Activity"), each provided to us by or on behalf of the Borrower.
- (2) A schedule of the sources and uses of funds (Exhibit A) was assembled based upon the 8038 and Certificate,
- (3) Schedules of the debt service requirements of the Bonds to maturity and early redemption, as well as the net original issue premium (Exhibits B-1 through B-3) were assembled based on the OS.
- (4) The yield on the Bonds was computed to be the discount rate that causes the present value of all principal and interest payments on the Bonds to equal the Issue Price to the Public. The yield on the Bonds to early redemption was computed to be 4.064876% (Exhibit B-1).

Madison County, Mississippi
July 2, 2026
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- (5) A schedule of actual earnings on the nonpurpose investments in the Project Fund (Exhibit C) was assembled based on the Investment Activity.
- (6) The allowable earnings amount on the nonpurpose investments in the Project Fund was calculated to be the amount that the nonpurpose investments would have earned if they had been invested at a rate equal to the yield on the Bonds to early redemption of 4.064876% (Exhibit C).
- (7) The arbitrage earnings amounts during the Computation Period for the Project Fund was calculated to be the difference between the actual earnings and allowable earnings for the nonpurpose investments. The arbitrage earnings amounts for the Computation Period are as follows:

Trust Fund	Exhibit	Arbitrage Earnings
Project Fund	C	(\$54,025.77)
Computation Date Credit	D	(2,172.42)
Total Negative Rebate Liability		<u>(\$56,198.19)</u>

- (8) The assumptions and computational information employed in the above calculations are explained in Exhibit E.
- (9) Based on the information provided to us by the Borrower and the assumptions employed, this report shows there is no rebate liability for the Bonds as of the May 31, 2026 Interim Rebate Computation Date. This amount is subject to change due to future investment activity, if any, subsequent to the end of the Computation Period.

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

Very truly yours,

The Arbitrage Group, Inc.

Exhibits

- A. Sources and Uses of Funds
- B. Computation of Yield on the Bonds
 - B-1. Debt Service Requirements to Early Redemption and Proof of Yield on the Bonds
 - B-2. Debt Service Requirements of the Bonds to Maturity
 - B-3. Computation of Net Original Issue Premium
- C. Computation of Arbitrage Earnings on the Project Fund
- D. Computation Date Credit
- E. Assumptions and Computational Information

Sources and Uses of Funds

*Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi Public Improvement
General Obligation Bond Project)*

SOURCES	The Bonds
Principal Amount of the Bonds	\$35,000,000.00
Net Original Issue Premium	1,925,593.70
	\$36,925,593.70
USES	
Project Fund	\$36,205,256.70
Costs of Issuance	457,837.00
Underwriter's Discount	262,500.00
	\$36,925,593.70

Debt Service Requirements to Early Redemption and Proof of Yield on the Bonds

*Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi Public Improvement
General Obligation Bond Project)*

Date	\$35,000,000 Serial Bonds			Debt Service Requirements of the Bonds	Present Value of Future Payments at 05/21/25 Using a Rate of 4.064876%
	Principal	Coupon Rate	Interest		
05/01/26	\$1,150,000.00	5.000%	\$1,640,783.33	\$2,790,783.33	\$2,686,708.25
11/01/26			839,900.00	839,900.00	792,471.60
05/01/27	1,110,000.00	5.000%	839,900.00	1,949,900.00	1,803,143.11
11/01/27			812,150.00	812,150.00	736,064.45
05/01/28	1,165,000.00	5.000%	812,150.00	1,977,150.00	1,756,228.20
11/01/28			783,025.00	783,025.00	681,677.08
05/01/29	1,225,000.00	5.000%	783,025.00	2,008,025.00	1,713,301.97
11/01/29			752,400.00	752,400.00	629,180.60
05/01/30	1,285,000.00	5.000%	752,400.00	2,037,400.00	1,669,800.44
11/01/30			720,275.00	720,275.00	578,559.92
05/01/31	1,350,000.00	5.000%	720,275.00	2,070,275.00	1,629,820.50
11/01/31			686,525.00	686,525.00	529,699.83
05/01/32	1,415,000.00	5.000%	686,525.00	2,101,525.00	1,589,167.85
11/01/32			651,150.00	651,150.00	482,589.63
05/01/33	23,760,000.00	5.000%	651,150.00	24,411,150.00	17,731,558.86
11/01/33			57,150.00	57,150.00	40,685.22
05/01/34			57,150.00	57,150.00	39,874.79
11/01/34			57,150.00	57,150.00	39,080.50
05/01/35			57,150.00	57,150.00	38,302.04
11/01/35			57,150.00	57,150.00	37,539.08
05/01/36			57,150.00	57,150.00	36,791.32
11/01/36			57,150.00	57,150.00	36,058.45
05/01/37			57,150.00	57,150.00	35,340.18
11/01/37			57,150.00	57,150.00	34,636.22
05/01/38			57,150.00	57,150.00	33,946.29
11/01/38			57,150.00	57,150.00	33,270.09
05/01/39			57,150.00	57,150.00	32,607.37
11/01/39			57,150.00	57,150.00	31,957.84
05/01/40			57,150.00	57,150.00	31,321.26

Debt Service Requirements to Early Redemption and Proof of Yield on the Bonds

*Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi Public Improvement
General Obligation Bond Project)*

Date	\$35,000,000 Serial Bonds			Debt Service Requirements of the Bonds	Present Value of Future Payments at 05/21/25 Using a Rate of 4.064876%
	Principal	Coupon Rate	Interest		
11/01/40			57,150.00	57,150.00	30,697.35
05/01/41			57,150.00	57,150.00	30,085.88
11/01/41			57,150.00	57,150.00	29,486.58
05/01/42			57,150.00	57,150.00	28,899.22
11/01/42			57,150.00	57,150.00	28,323.56
05/01/43			57,150.00	57,150.00	27,759.37
11/01/43			57,150.00	57,150.00	27,206.42
05/01/44	2,540,000.00	4.500%	57,150.00	2,597,150.00	1,211,752.38
	<u>\$35,000,000.00</u>		<u>\$13,388,933.33</u>	<u>\$48,388,933.33</u>	<u>\$36,925,593.70</u>
			Principal Amount of the Bonds		\$35,000,000.00
			Net Original Issue Premium		1,925,593.70
					<u>\$36,925,593.70</u>

NOTE:

Bonds are treated as being called on May 1, 2033 for yield computation purposes. See Exhibit B-2 for scheduled maturity information.

Debt Service Requirements of the Bonds to Maturity

*Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi Public Improvement
General Obligation Bond Project)*

Date	\$35,000,000 Serial Bonds			Debt Service Requirements of the Bonds to Maturity
	Principal	Coupon Rate	Interest	
05/01/26	\$1,150,000.00	5.000%	\$1,640,783.33	\$2,790,783.33
11/01/26			839,900.00	839,900.00
05/01/27	1,110,000.00	5.000%	839,900.00	1,949,900.00
11/01/27			812,150.00	812,150.00
05/01/28	1,165,000.00	5.000%	812,150.00	1,977,150.00
11/01/28			783,025.00	783,025.00
05/01/29	1,225,000.00	5.000%	783,025.00	2,008,025.00
11/01/29			752,400.00	752,400.00
05/01/30	1,285,000.00	5.000%	752,400.00	2,037,400.00
11/01/30			720,275.00	720,275.00
05/01/31	1,350,000.00	5.000%	720,275.00	2,070,275.00
11/01/31			686,525.00	686,525.00
05/01/32	1,415,000.00	5.000%	686,525.00	2,101,525.00
11/01/32			651,150.00	651,150.00
05/01/33	1,485,000.00	5.000%	651,150.00	2,136,150.00
11/01/33			614,025.00	614,025.00
05/01/34	1,560,000.00	5.000%	614,025.00	2,174,025.00
11/01/34			575,025.00	575,025.00
05/01/35	1,640,000.00	5.000%	575,025.00	2,215,025.00
11/01/35			534,025.00	534,025.00
05/01/36	1,720,000.00	5.000%	534,025.00	2,254,025.00
11/01/36			491,025.00	491,025.00
05/01/37	1,805,000.00	5.000%	491,025.00	2,296,025.00
11/01/37			445,900.00	445,900.00
05/01/38	1,895,000.00	5.000%	445,900.00	2,340,900.00
11/01/38			398,525.00	398,525.00
05/01/39	1,990,000.00	5.000%	398,525.00	2,388,525.00
11/01/39			348,775.00	348,775.00
05/01/40	2,090,000.00	5.000%	348,775.00	2,438,775.00
11/01/40			296,525.00	296,525.00
05/01/41	2,195,000.00	5.000%	296,525.00	2,491,525.00

Debt Service Requirements of the Bonds to Maturity

*Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi Public Improvement
General Obligation Bond Project)*

Date	\$35,000,000 Serial Bonds			Debt Service Requirements of the Bonds to Maturity
	Principal	Coupon Rate	Interest	
11/01/41			241,650.00	241,650.00
05/01/42	2,305,000.00	5.000%	241,650.00	2,546,650.00
11/01/42			184,025.00	184,025.00
05/01/43	2,420,000.00	5.000%	184,025.00	2,604,025.00
11/01/43			123,525.00	123,525.00
05/01/44	2,540,000.00	4.500%	123,525.00	2,663,525.00
11/01/44			66,375.00	66,375.00
05/01/45	2,655,000.00	5.000%	66,375.00	2,721,375.00
	<u>\$35,000,000.00</u>		<u>\$20,770,433.33</u>	<u>\$55,770,433.33</u>
	=====		=====	=====

Computation of Net Original Issue Premium

*Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi Public Improvement
General Obligation Bond Project)*

Date	Principal	Coupon Rate	Yield	Price	Purchase Price	Accrued Interest	Original Issue Premium/(Discount)
05/01/26	\$1,150,000.00	5.000%	3.160%	101.696%	\$1,169,504.00	\$0.00	\$19,504.00
05/01/27	1,110,000.00	5.000%	3.180%	103.403%	1,147,773.30	0.00	37,773.30
05/01/28	1,165,000.00	5.000%	3.180%	105.075%	1,224,123.75	0.00	59,123.75
05/01/29	1,225,000.00	5.000%	3.230%	106.504%	1,304,674.00	0.00	79,674.00
05/01/30	1,285,000.00	5.000%	3.290%	107.742%	1,384,484.70	0.00	99,484.70
05/01/31	1,350,000.00	5.000%	3.360%	108.768%	1,468,368.00	0.00	118,368.00
05/01/32	1,415,000.00	5.000%	3.410%	109.756%	1,553,047.40	0.00	138,047.40
05/01/33	1,485,000.00	5.000%	3.490%	110.396%	1,639,380.60	0.00	154,380.60
05/01/34	1,560,000.00	5.000%	3.610%	109.524%	1,708,574.40	0.00	148,574.40
05/01/35	1,640,000.00	5.000%	3.700%	108.875%	1,785,550.00	0.00	145,550.00
05/01/36	1,720,000.00	5.000%	3.820%	108.017%	1,857,892.40	0.00	137,892.40
05/01/37	1,805,000.00	5.000%	3.920%	107.309%	1,936,927.45	0.00	131,927.45
05/01/38	1,895,000.00	5.000%	4.010%	106.676%	2,021,510.20	0.00	126,510.20
05/01/39	1,990,000.00	5.000%	4.090%	106.117%	2,111,728.30	0.00	121,728.30
05/01/40	2,090,000.00	5.000%	4.200%	105.354%	2,201,898.60	0.00	111,898.60
05/01/41	2,195,000.00	5.000%	4.280%	104.803%	2,300,425.85	0.00	105,425.85
05/01/42	2,305,000.00	5.000%	4.390%	104.051%	2,398,375.55	0.00	93,375.55
05/01/43	2,420,000.00	5.000%	4.470%	103.508%	2,504,893.60	0.00	84,893.60
05/01/44	2,540,000.00	4.500%	4.690%	97.629%	2,479,776.60	0.00	(60,223.40)
05/01/45	2,655,000.00	5.000%	4.590%	102.700%	2,726,685.00	0.00	71,685.00
	<u>\$35,000,000.00</u>				<u>\$36,925,593.70</u>	<u>\$0.00</u>	<u>\$1,925,593.70</u>

Computation of Arbitrage Earnings on the Project Fund

*Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi Public Improvement
General Obligation Bond Project)*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/26 Using a Bond Yield of 4.064876%
		Interest	Gain (Loss)		
05/21/25	(\$36,205,256.70)	\$0.00	\$0.00	(\$36,205,256.70)	(\$37,734,067.15)
06/30/25	(275,942.81)	275,942.81	0.00	0.00	0.00
09/30/25	(353,633.78)	353,633.78	0.00	0.00	0.00
11/17/25	108,778.61	0.00	0.00	108,778.61	111,163.29
12/01/25	539,166.37	0.00	0.00	539,166.37	550,124.59
12/15/25	3,690,583.95	0.00	0.00	3,690,583.95	3,759,704.48
12/31/25	(308,150.64)	308,150.64	0.00	0.00	0.00
01/22/26	24,852.16	0.00	0.00	24,852.16	25,213.11
02/02/26	3,019,412.31	0.00	0.00	3,019,412.31	3,059,844.69
02/17/26	123,755.63	0.00	0.00	123,755.63	125,202.71
03/02/26	804,835.29	0.00	0.00	804,835.29	812,882.16
03/16/26	3,243,806.25	0.00	0.00	3,243,806.25	3,271,115.27
04/06/26	205,291.35	0.00	0.00	205,291.35	206,557.36
04/20/26	2,097,144.74	0.00	0.00	2,097,144.74	2,106,778.06
05/01/26	(240,680.67)	240,680.67	0.00	0.00	0.00
05/18/26	2,801,771.36	0.00	0.00	2,801,771.36	2,805,845.72
05/31/26	20,724,266.58	121,343.36	0.00	20,845,609.94	20,845,609.94
05/31/26	0.00	0.00	0.00	(1,299,751.26)	(1,299,751.26)
	<u>\$0.00</u>	<u>\$1,299,751.26</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$1,353,777.03)</u>
		Actual Earnings			\$1,299,751.26
		Allowable Earnings			(1,353,777.03)
		Arbitrage Earnings			<u>(\$54,025.77)</u>

Computation Date Credit

*Mississippi Development Bank
Special Obligation Bonds, Series 2025A
(Madison County, Mississippi Public Improvement
General Obligation Bond Project)*

Date	Annual Computation Credit	Future Value of Annual Computation Credit Amounts at 05/31/26 Using a Bond Yield of 4.064876%
05/21/26	(\$2,170.00)	(\$2,172.42)
Computation Date Credit		(\$2,172.42)

Assumptions and Computational Information

*Mississippi Development Bank
Special Obligation Bonds, Series 2025
(Madison County, Mississippi
Public Improvement General Obligation Bond Project)*

Unless otherwise noted, the following computational assumptions are based upon Borrower-provided representations, Certificate, bank statement, or investment activity details.

- (1) Present value and future value computations were made on the basis of a 30/360 day year and semiannual compounding. The Bonds constitute one issue for arbitrage purposes and remain outstanding through the end of the Computation Period ("Computation Date").
- (2) A bond year ending on May 21st has been assumed for arbitrage computation purposes. May 21, 2030 is the first expected IRS Installment Computation Date.
- (3) In calculating the bond yield (Exhibit B-1), we have assumed: (i) there are no includable qualified guarantee or hedge amounts; (ii) in calculating the net original issue premium, we utilized applicable prices or yields as detailed in the OS; and, (iii) certain bonds were called earlier at their optional redemption date as detailed therein.
- (4) It was assumed that the only funds which were funded and contained gross proceeds of the Bonds were the Project Fund and Bond Fund. All proceeds for issuance costs were assumed allocated prior to being invested. No arbitrage earnings were computed for those amounts.
- (5) The Project Fund was afforded an initial three-year temporary period with respect to yield. Other than the Bond Fund (as detailed below), there are no other amounts or accounts (including reserve or similar funds) pledged with respect to debt service on the Bonds to otherwise constitute replacement proceeds.
- (6) The transaction amounts in the Principal Amounts, Interest, and Gain (Loss) column shown in Exhibit C for each date represent the net transaction activity for that date. Net investment and interest purchases are denoted by parentheses. The Gain (Loss) column represents the net gains and losses, if any, on investments purchased and/or sold at discounts and premiums.
- (7) The purchase price of each non-purpose investment was at fair market value and represented an arm's length transaction, which did not reduce any arbitrage amounts otherwise deemed payable to the United States Treasury. Brokerage, acquisition, or other similar fees (if applicable) were assumed to constitute qualified administrative costs paid on the Borrower's behalf. Such fees (if any) are deemed reasonable and within applicable safe harbor limitations, which do not otherwise increase or decrease the investment yield on any includable nonpurpose investments for arbitrage purposes. The scope of our engagement specifically does not analyze or reflect any arbitrage analyses related to purpose investments nor does it address any analyses related to private use or related regulations.
- (8) All amounts withdrawn from the bond accounts were assumed to be allocated for the purpose of the bond issue on the day they were withdrawn.
- (9) Investments outstanding on the Computation Date were assumed to be sold at the purchase price of the investment plus accrued interest to this date.
- (10) The Income Tax Regulations are silent as to the treatment of imputed earnings for uninvested bond proceeds. No interest earnings were imputed on uninvested amounts, if any.
- (11) The collective Bond Fund was assumed not subject to arbitrage because it operated as a bona fide debt service fund, which also satisfied the applicable yearly \$100,000 limitation.