

**PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 4, 2025**

**ONE NEW ISSUE/BOOK- ENTRY ONLY**

**RATING: Standard & Poor's: "AA/Stable"  
(See "RATING" herein)**

*In the opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2025 Bonds (as defined herein) is excludable from gross income for federal tax purposes pursuant to Section 103 of the Code (as defined herein), and such interest is not a specific preference item for purposes of the federal alternative minimum tax; however such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternate minimum tax imposed on such corporations. Such exclusion is conditioned on continuing compliance with certain tax covenants of the Issuer (as defined below) and the County (as defined below). In the opinion of Bond Counsel under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025 Bonds is exempt from all income taxation in the State of Mississippi. See "TAX MATTERS" herein and "APPENDIX D - FORM OF OPINION OF BOND COUNSEL" attached hereto.*

**\$38,500,000\***

**MISSISSIPPI DEVELOPMENT BANK  
SPECIAL OBLIGATION BONDS, SERIES 2025  
(DESOTO COUNTY, MISSISSIPPI CONVENTION CENTER GENERAL  
OBLIGATION BOND PROJECT)**

**Dated: Date of Delivery**

**Due: March 1, as shown on inside front cover**

The \$38,500,000\* Mississippi Development Bank Special Obligation Bonds, Series 2025 (DeSoto County, Mississippi Convention Center General Obligation Bond Project) (the "**Series 2025 Bonds**"), are being issued by the Mississippi Development Bank (the "**Issuer**"), will be dated the date of delivery thereof and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside front cover. The Series 2025 Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("**DTC**"). Purchases of beneficial interests in the Series 2025 Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2025 Bonds will not receive physical delivery of certificates representing their interests in the Series 2025 Bonds. Interest on the Series 2025 Bonds is payable on March 1 and September 1 of each year, commencing September 1, 2025. So long as DTC or its nominee is the Registered Owner of the Series 2025 Bonds, interest, together with the principal of and premium, if any, on the Series 2025 Bonds, will be paid directly to DTC by The Peoples Bank, Biloxi, Mississippi (the "**Trustee**") under the Indenture (as defined herein), as more fully described herein under the caption "DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry-Only System."

The Series 2025 Bonds are issued by the Issuer for the principal purpose of providing funds for the purchase of the County Bond (as defined herein) being issued by DeSoto County, Mississippi (the "**County**"), as more fully described in this Official Statement.

The Series 2025 Bonds are subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2025 BONDS – Redemption."

**THE SERIES 2025 BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE BANK AND ARE PAYABLE SOLELY OUT OF THE TRUST ESTATE OF THE BANK PLEDGED THEREFOR UNDER THE INDENTURE, INCLUDING THE COUNTY BOND AND PAYMENTS DERIVED THEREFROM, AS MORE FULLY DESCRIBED HEREIN. THE SERIES 2025 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MISSISSIPPI, OR A PLEDGE OF THE FULL FAITH AND CREDIT, TAXING POWER OR MORAL OBLIGATION OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF. THE BANK HAS NO TAXING POWER. THE COUNTY BOND SECURING THE SERIES 2025 BONDS IS, HOWEVER, A GENERAL OBLIGATION OF THE COUNTY, SECURED BY THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY AS MORE FULLY DESCRIBED HEREIN.**

Purchase of the Series 2025 Bonds involves a certain degree of risk, and reference is made to the section "RISKS TO THE OWNERS OF THE SERIES 2025 BONDS" for a discussion of such risks.

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS OFFICIAL STATEMENT. PROSPECTIVE INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

The Series 2025 Bonds are offered subject to the final approval of the legality thereof by Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the Issuer by Balch & Bingham, LLP, Jackson, Mississippi, and for the County by its counsel, Bridgforth, Buntin & Emerson PLLC, Southaven, Mississippi. Government Consultants, Inc., Madison, Mississippi, Mississippi, serves as the Municipal Advisor to the County in connection with the sale and issuance of the Series 2025 Bonds and the purchase of the County Bond. The Series 2025 Bonds are expected to be available in definitive form for delivery on or about March 6, 2025.\*

**RAYMOND JAMES®**

The date of this Official Statement is \_\_\_\_\_, 2025.

\* Preliminary, subject to change.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). This Preliminary Official Statement and the information contained herein are subject to revisions, completion or amendment in the final Official Statement. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. 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.

## SERIES 2025 BONDS

### MATURITY SCHEDULE\*

<b>Maturity (March 1)*</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2026	\$1,155,000			
2027	1,205,000			
2028	1,270,000			
2029	1,335,000			
2030	1,405,000			
2031	1,475,000			
2032	1,550,000			
2033	1,630,000			
2034	1,715,000			
2035	1,800,000			
2036	1,895,000			
2037	1,990,000			
2038	2,095,000			
2039	2,200,000			
2040	2,315,000			
2041	2,430,000			
2042	2,555,000			
2043	2,685,000			
2044	2,825,000			
2045	2,970,000			

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\* Preliminary, subject to change.

<sup>1</sup> The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2025 Bonds only, and the Issuer, the County and the Underwriter do not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of the Series 2025 Bonds.

**THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE SERIES 2025 BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT; AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2025 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE SERIES 2025 BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. ALL OPINIONS, ESTIMATES OR ASSUMPTIONS, WHETHER OR NOT EXPRESSLY IDENTIFIED, ARE INTENDED AS SUCH AND NOT AS REPRESENTATIONS OF FACT.**

**THE UNDERWRITER (AS DEFINED HEREIN) HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. INFORMATION HEREIN HAS BEEN OBTAINED FROM THE BANK, THE COUNTY, DTC AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITER.**

**UPON ISSUANCE, THE SERIES 2025 BONDS WILL NOT BE REGISTERED BY THE BANK UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE BANK (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2025 BONDS FOR SALE.**

**THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE BANK AND THE PURCHASERS OR HOLDERS OF THE SERIES 2025 BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.**

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY, AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISION OR SECTIONS OF THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2025 BONDS IS MADE ONLY BY MEANS OF THIS OFFICIAL STATEMENT.**

**THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IS PRINTED IN ITS ENTIRETY FROM SUCH WEBSITE.**

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## OFFICIAL STATEMENT

**\$38,500,000\***

**MISSISSIPPI DEVELOPMENT BANK  
SPECIAL OBLIGATION BONDS, SERIES 2025  
(DESOTO COUNTY, MISSISSIPPI CONVENTION CENTER GENERAL  
OBLIGATION BOND PROJECT)**

### INTRODUCTION

The purpose of this Official Statement, including its Appendices, is to set forth certain information concerning the sale and issuance by the Mississippi Development Bank (the "**Issuer**") of its Special Obligation Bonds, Series 2025 (DeSoto County, Mississippi Convention Center General Obligation Bond Project) (the "**Series 2025 Bonds**") issued in the aggregate principal amount of \$38,500,000.\*

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside front cover and all appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not defined in this Official Statement are defined in APPENDIX E – DEFINITIONS hereto and in the Indenture.

#### The Issuer

The Issuer was established in 1986 as a separate body corporate and politic of the State of Mississippi (the "**State**") for the public purposes set forth under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**Issuer Act**"). The Issuer is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power. The Issuer is governed by a Board of Directors composed of nine members.

Pursuant to the Issuer Act, the purpose of the Issuer is to assist "local governmental units," defined in the Issuer Act to be (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (b) the State or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under state law, through programs of purchasing the bonds, notes or evidences of indebtedness of such local governmental units under agreements between such local governmental units and the Issuer. DeSoto County, Mississippi (the "**County**"), as further described in APPENDIX A hereto, is such a local governmental unit.

#### Sources of Payment and Security for the Series 2025 Bonds

The Series 2025 Bonds will be issued by and under and secured by a Trust Indenture, dated as of March 6, 2025\* (the "**Indenture**"), by and between the Issuer and The Peoples Bank, Biloxi, Mississippi, as trustee (the "**Trustee**"). The principal of, premium, if any, and interest on any and all of the Series 2025 Bonds, are payable from those Funds and Accounts (as defined herein) of the Issuer, which, together with the general obligation bond issued by the County and designated as the \$38,500,000\* DeSoto County, Mississippi Convention Center General Obligation Bond, Series 2025 (the "**County Bond**"), are pledged pursuant to the Indenture for the benefit of the owners of the Series 2025 Bonds equally and ratably without priority. The full faith, credit and taxing power of the State is not pledged to the payment of the principal of, premium, if any, and interest on any of the Series 2025 Bonds. The Series 2025 Bonds are not a debt, liability, loan of the credit or pledge of the full faith and credit, or moral obligation of the Issuer, the State or of any political subdivision thereof other than the County. The Issuer has no taxing power and has

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\* Preliminary, subject to change.

only those powers and sources of revenue set forth in the Issuer Act. The Series 2025 Bonds are issued and secured separately from any other obligations issued by the Issuer.

The County Bond securing the Series 2025 Bonds is, however, a general obligation of the County, secured by the full faith, credit and taxing power of the County as provided herein; 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 bond fund of the County Bond, or has made other provisions for funds, including the proceeds of a convention tourist promotion tax (the "**Tourism Tax**") in an amount not to exceed two percent (2%) of the gross proceeds of sales or gross income of restaurants and hotels and motels (including but not limited to sales or beer and alcohol beverages) but shall not apply to restaurants not selling alcoholic beverages under an on-premises retailer's permit issued by the State Tax Commission and whose gross proceeds of sales of gross income is less than one hundred thousand dollars (\$100,000.00) per calendar year, said Tourism Tax being authorized by a majority of the qualified electors of the County in a Referendum Election duly held on November 5, 1996, pursuant to the County Act, to be applied toward the payment of the principal of and interest on the County Bond due during the ensuing fiscal year of the County, in accordance with the Bond Resolution.

The Series 2025 Bonds are secured by the pledge of the Trust Estate established under the Indenture (the "**Trust Estate**"), defined to be (a) cash and securities in the Funds and Accounts established by the Indenture and the investment earnings thereon and all proceeds thereof, (b) the County Bond, the payments thereunder, the earnings thereon and the proceeds thereof, and (c) all Funds and Accounts hereinafter pledged to the Trustee as security for the Series 2025 Bonds by the Issuer. All Series 2025 Bonds will be secured equally and ratably by all of the foregoing. The sources of payment for the Series 2025 Bonds are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein and APPENDIX C hereto.

The principal of and interest on the County Bond are payable out of County revenues as explained more fully below. The County Bond is being issued pursuant to the Issuer Act, Sections 19-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**County Bond Act**") and Senate Bill 3173, Local and Private Laws of the 1996 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill No. 3252, Local and Private Laws of the 1998 Regular Session of the Mississippi Legislature, as supplemented by House Bill 1741, Local and Private Laws of the 2005 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill 3055, Local and Private Laws of the 2008 Regular Session of the Mississippi Legislature (the "**County Act**") and together with the County Bond Act and the Issuer Act, the "**Act**"). The County Bond is scheduled to be purchased by the Issuer with the proceeds of the Series 2025 Bonds. The sources of payment for the County Bond are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein and APPENDIX C hereto.

### **Purpose of the Series 2025 Bonds**

The Series 2025 Bonds are being issued to provide funds (a) to purchase the County Bond, and (b) to pay the Costs of Issuance of the Series 2025 Bonds and the County Bond (collectively, the "**Project**"). See "PURCHASE OF THE COUNTY BOND – County Project" for a more detailed description of the use of the proceeds of the County Bond.

### **Authority for Issuance**

The Series 2025 Bonds are issued pursuant to the provisions of the Act and the Indenture.

### **Description of the Series 2025 Bonds**

**Redemption.** The Series 2025 Bonds are subject to redemption prior to maturity as more fully described under the caption "DESCRIPTION OF THE SERIES 2025 BONDS – Redemption" herein.

**Denominations.** The Series 2025 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

**Registration, Transfers and Exchanges.** The Series 2025 Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New



York, New York ("**DTC**"). Purchases of beneficial interests in the Series 2025 Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the Series 2025 Bonds will not receive physical delivery of certificates representing their respective interests in the Series 2025 Bonds.

**Payments.** Interest on the Series 2025 Bonds is payable on March 1 and September 1 of each year, commencing September 1, 2025. So long as DTC or its nominee is the Registered Owner of the Series 2025 Bonds, interest, together with the principal of and premium, if any, on the Series 2025 Bonds will be paid directly to DTC by the Trustee. The final disbursement of such payments to a Beneficial Owner of the Series 2025 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as described herein under the caption "DESCRIPTION OF THE SERIES 2025 BONDS -- Book-Entry-Only System."

**For a more complete description of the Series 2025 Bonds and the basic documentation pursuant to which the Series 2025 Bonds are being issued, see the captions "DESCRIPTION OF THE SERIES 2025 BONDS," "FUNDS AND ACCOUNTS" and "OPERATION OF FUNDS AND ACCOUNTS" in this Official Statement.**

### **Tax Matters**

In the opinion of Butler Snow LLP, Ridgeland, Mississippi ("**Bond Counsel**"), under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2025 Bonds is excludable from gross income for federal tax purposes, with such exclusion conditioned upon continuing compliance with certain tax covenants of the Issuer and the County, and under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2025 Bonds is exempt from all income taxation in the State. Interest on the Series 2025 Bonds is not a specific preference item for purposes of federal alternative minimum taxes. For a more complete description of such opinion and certain other tax consequences incident to the ownership of the Series 2025 Bonds, see the captions "TAX MATTERS" herein. Also, see "APPENDIX D" for the proposed form of opinion of Bond Counsel.

### **Professionals Involved in the Offering**

The Peoples Bank, Biloxi, Mississippi, will act as Trustee under the Indenture for the Series 2025 Bonds. Government Consultants, Inc., Madison, Mississippi, Mississippi, is employed as the municipal advisor to the County with respect to the Series 2025 Bonds and the County Bond. Certain proceedings in connection with the issuance of the Series 2025 Bonds are subject to the approval of Bond Counsel. Certain legal matters will be passed upon for the Issuer by Balch & Bingham, LLP, Jackson, Mississippi. Certain legal matters will be passed upon for the County by its counsel, Bridgforth, Buntin & Emerson PLLC, Southaven, Mississippi. See the captions "LEGAL MATTERS" and "MUNICIPAL ADVISOR" in this Official Statement.

### **Offering and Delivery of the Series 2025 Bonds**

Raymond James & Associates, Inc., Memphis, Tennessee (the "**Underwriter**") has agreed to purchase all of the Series 2025 Bonds subject to certain conditions set forth in a bond purchase agreement by and among the Underwriter, the Issuer and the County (the "**Bond Purchase Agreement**"). The Series 2025 Bonds are expected to be available in definitive form for delivery in New York, New York on or about March 6, 2025.\*

### **Risks to the Owners of the Series 2025 Bonds**

There are certain risks involved in the ownership of the Series 2025 Bonds which should be considered by prospective purchasers. The ability of the Issuer to pay principal of, premium, if any, and interest on the Series 2025 Bonds depends upon the receipt by the Issuer of payments of principal (and premium, if any) and interest on the County Bond (the "**County Bond Payments**") from the County. There can be no representation or assurance that the County will levy a tax sufficient to make the required County Bond Payments. See the caption "SECURITY AND

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\* Preliminary, subject to change.

SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein. See the caption "RISKS TO THE OWNERS OF THE SERIES 2025 BONDS" in this Official Statement.

### **Other Information**

This Official Statement speaks only as of its date, and certain information contained herein is subject to change.

Copies of other documents and information are available, upon request, and upon payment to the Issuer of a charge for copying, mailing and handling, from Larry W. Mobley, Executive Director, Mississippi Development Bank, 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

**NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT; AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2025 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE BANK, THE COUNTY, DTC AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. 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 BANK OR THE COUNTY SINCE THE DATE HEREOF.**

**THE SERIES 2025 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

### **Format of Official Statement**

There follows in this Official Statement a description of the security and sources of payment for the Series 2025 Bonds, the Project, the Issuer, and summaries of certain provisions of the Series 2025 Bonds, the Indenture, and certain provisions of the Act. All discussions of the Act and the Indenture are qualified in their entirety by reference to the Act and the Indenture, copies of which are available from the Issuer, and all discussions of the Series 2025 Bonds are qualified in their entirety by reference to the definitive form and the information with respect to the Series 2025 Bonds contained in the Indenture.

Certain information relating to the County is set forth in APPENDIX A - INFORMATION CONCERNING THE COUNTY; certain financial information relating to the County is set forth in APPENDIX B - FINANCIAL INFORMATION CONCERNING THE COUNTY; certain information concerning the County Bond Resolution and the County Bond are set forth in APPENDIX C - FORM OF THE COUNTY BOND RESOLUTION AND THE COUNTY BOND; the proposed form of opinion of Bond Counsel with respect to the Series 2025 Bonds is set forth in APPENDIX D - FORM OF OPINION OF BOND COUNSEL; certain definitions of certain terms used in this Official Statement are set forth in APPENDIX E - DEFINITIONS; and the form of the Continuing Disclosure Certificate of the County is set forth in APPENDIX F - FORM OF CONTINUING DISCLOSURE CERTIFICATE. Each of the Appendices to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Series 2025 Bonds.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS**

### **General**

The Series 2025 Bonds are payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Series 2025 Bonds. The Series 2025 Bonds do not constitute a debt, liability or loan of the credit of the

Issuer, the State or any political subdivision thereof under the constitution of the State or a pledge of the full faith, credit and taxing power or moral obligation of the Issuer, the State or any political subdivision thereof other than the County. The Issuer has no taxing power. The County Bond securing the Series 2025 Bonds is, however, a general obligation of the County, secured by the full faith, credit and taxing power of the County. The sources of payment of, and security for, the Series 2025 Bonds are more fully described below.

Under the Indenture, the Series 2025 Bonds are secured by a pledge to the Trustee of the County Bond and all County Bond Payments, as described herein. In addition, the Indenture pledges to the payment of the Series 2025 Bonds all proceeds of the Trust Estate, including without limitation all cash and securities held in the Funds and Accounts created by the Indenture, together with investment earnings thereon and proceeds thereof, and all other funds, accounts and moneys pledged by the Issuer to the Trustee as security under the Indenture, to the extent of any such pledge.

### **The County and the County Bond**

From the proceeds of the Series 2025 Bonds, the Issuer intends to purchase from the County and, upon purchase, will pledge to the Trustee the County Bond as described in APPENDIX C. See "PURCHASE OF THE COUNTY BOND" herein.

### **Provisions for Payment of the County Bond**

The County Bond securing the Series 2025 Bonds is a general obligation of the County, secured by the full faith, credit and taxing power of the County. The issuance of the County Bond has been authorized by a resolution (the "County Bond Resolution") adopted by the Board of Supervisors of the County (the "Governing Body") pursuant to the Act on December 16, 2024. Under the County Bond Resolution, the County is unconditionally obligated to make payments secured by the full faith, credit and taxing power of the County in an aggregate amount sufficient, with any other funds legally available therefor, for the payment in full of the principal of, premium, if any, and interest on all Series 2025 Bonds issued and Outstanding under the Indenture to the date of payment thereof and certain costs, expenses and charges of the Issuer and the Trustee.

In the County Bond Resolution, the County covenants to levy 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, premium, if any, and the interest on the County Bond. 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; 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 bond fund for the County Bond, or has made other provisions for funds, including the Tourism Tax, to be applied toward the payment of the principal of and interest on the County Bond due during the ensuing Fiscal Year of the County, in accordance with the provisions of the County Bond Resolution. The avails of said tax are irrevocably pledged in the County Bond Resolution for the payment of the principal of, premium, if any, and interest on the County Bond as the same shall mature and accrue.

The County Bond will never, within the meaning of any constitutional or statutory limitation, be a debt, liability or obligation of the Issuer, the State or any political subdivision of the State, other than the County, and neither the full faith and credit nor taxing power or moral obligation of the State or any political subdivision thereof, other than the County, is pledged to the payment of the principal, premium, if any, and interest on the County Bond. The County Bond securing the Series 2025 Bonds is a general obligation of the County, secured by the full faith, credit and taxing power of the County.

The County Bond issued under the County Bond Resolution shall be issued for the purposes of providing funds to finance the costs of any of, (a) the acquisition, construction, expansion, equipping and maintenance of the DeSoto County Convention Center, also known as the DeSoto County Civic Center/Landers Center (the "Convention Center"), located in the County and shall include the acquisition of certain property to provide for construction and expansion of the Convention Center and the property or items in addition thereto which constitutes the "Expansion Project", pursuant to authority granted by the County Bond Act and the County Act; (b) site improvements to such

property in connection with the Expansion Project; (c) purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and/or the DeSoto County Convention and Visitors Bureau buildings; (d) the purchase of land therefor pursuant to authority granted by the County Act and the County Bond Act; and (e) for other authorized purposes under the County Bond Act and the County Act (the "**Project**") and to pay related Costs of Issuance of the Series 2025 Bonds and the County Bond. See APPENDIX C – FORM OF THE COUNTY BOND RESOLUTION AND THE COUNTY BOND for further description of the County Bond.

## **RISKS TO THE OWNERS OF THE SERIES 2025 BONDS**

### **General**

The Series 2025 Bonds will be payable solely from the payments to be made by the Issuer under the Indenture. Pursuant to the Indenture, such payments are limited to County Bond Payments payable by the County on the County Bond pursuant to the County Bond Resolution. No reserve fund is created in the Indenture or the County Bond Resolution to pay debt service on the Series 2025 Bonds or the County Bond. Purchasers of the Series 2025 Bonds are advised of certain risk factors with respect to the County Bond.

In addition, purchasers of the Series 2025 Bonds are advised of certain additional information in connection with the County as set forth in APPENDIX A and APPENDIX B.

### **County Bond**

The ability of the Issuer to pay the principal of, premium, if any, and interest on the Series 2025 Bonds depends upon the receipt by the Issuer of County Bond Payments from the County which is obligated under the County Bond Resolution to make such payments to the Issuer. There is no Fund or Account established by the Indenture which is required to contain amounts to make up for any deficiencies in the event of one or more "defaults" by the County in making the County Bond Payments, and there is no source from which the General Fund will be replenished except the County Bond Payments and investment income on moneys in the Funds and Accounts.

### **Tax Covenants**

The Issuer has covenanted under the Indenture that it will comply with certain requirements under the Internal Revenue Code of 1986, as amended (the "**Code**") to ensure the continuing excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds. Failure by the Issuer to comply with such covenants could cause the interest on the Series 2025 Bonds to be taxable retroactive to the date of issuance of the Series 2025 Bonds. Further, the County has covenanted in the County Bond Resolution that it will comply with certain requirements under the Code to ensure the continuing excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds. Failure by the County to comply with such requirements could cause the interest on the Series 2025 Bonds to be taxable retroactive to the date of issuance of the Series 2025 Bonds. See also "TAX MATTERS" herein.

### **Remedies; Litigation; Bankruptcy**

The remedies available to the Trustee, to the Issuer or to the owners of the Series 2025 Bonds upon an "event of default" under the Indenture or under the terms of the County Bond purchased by the Issuer are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The pledge of the full faith and credit and taxing power of the County for payment of the County Bond granted by the Governing Body in the County Bond Resolution may be limited by a number of factors, including the ability to collect levied taxes. Under current law, such a pledge and assignment as attempted to be effected by the County Bond Resolution may be further limited by the following: (a) statutory liens; (b) rights arising in favor of the United States of America or any agency thereof; (c) prohibitions against assignment set forth in federal statutes; (d) constructive trusts, equitable liens or other rights which might be impressed or conferred by any state or federal court in the exercise of equitable jurisdiction; (e) the Bankruptcy Code (as hereinafter defined) affecting taxes and other revenues of the County received within 90 days preceding and after any effectual institution of bankruptcy, liquidation or reorganization proceedings by or against the County; (f) rights of third parties in revenues converted to cash and

not in the possession of the Trustee; and (g) sales, liens and/or pledges made by the County. If an "event of default" does occur, it is uncertain that the Trustee could successfully obtain an adequate remedy at law or in equity.

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.

In the event the County were to become a debtor under the United States Bankruptcy Code, payments under the County Bond may be stayed or under certain circumstances may be subject to avoidance or disgorgement and the interest of the Trustee in such payments may not extend to payments required after the commencement of such bankruptcy case or within 90 days prior thereto. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code, the remedies provided in the Indenture and the County Bond Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

Furthermore, if a bankruptcy court concludes that the Trustee has "adequate protection," it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the "indubitable equivalent." Thus, in the event of the bankruptcy of the County, the amount realized by the Trustee may depend on the bankruptcy court's interpretation of "indubitable equivalent" and "adequate protection" under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the County Bond Resolution, the County Bond or related documents that make bankruptcy and related proceedings by the County an "event of default" thereunder. All of these events would adversely affect the payment of debt service on the Series 2025 Bonds.

### **Failure to Compel the Levy of Taxes on the County Bond**

The County Bond will be a general obligation of the County payable as to principal, premium, if any, and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually

without limitation as to rate or amount upon the taxable property within the geographical limits of the County. The County has agreed to 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 the principal of, premium, if any, and the interest on the County Bond 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 bond fund for the County Bond, or has made other provisions for funds, including the proceeds of a convention tourist promotion tax (the "**Tourism Tax**") in an amount not to exceed two percent (2%) of the gross proceeds of sales or gross income of restaurants and hotels and motels (including but not limited to sales of beer and alcohol beverages) but shall not apply to restaurants not selling alcoholic beverages under an on-premises retailer's permit issued by the State Tax Commission and whose gross proceeds of sales or gross income is less than one hundred thousand dollars (\$100,000.00) per calendar year, said Tourism Tax being authorized by a majority of the qualified electors of the County in a Referendum Election duly held on November 5, 1996, to be applied toward the payment of the principal of and interest on the County Bond due during the ensuing Fiscal Year of the County, in accordance with the provisions of the County Bond Resolution.

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

### **Cyber Security Management**

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cyber security threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "**Systems Technology**"). As a recipient and provider of sensitive information, the County may be the target of cyber security incidents that could result in adverse consequences to the County and its Systems Technology, requiring a response action to mitigate the consequences. The County has in place daily backup processes to help mitigate the eventuality of these risks. The County has structured their "technology" environment based upon best practice Zero Trust standards to mitigate these risks.

Cyber security incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the County's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. The County has implemented certain controls, including data and network security measures, malware protection, security configuration, website filtering and protection, and user training, to mitigate the risk of cyber security breaches from internal sources or activities. The County has personnel policies in place for the County's computer systems and networks detailing the security of the systems by only designated personnel and password securities in place by user.

## DESCRIPTION OF THE SERIES 2025 BONDS

### General Description

The Series 2025 Bonds are issuable under the Indenture as fully registered bonds. When issued, the Series 2025 Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests from DTC in the Series 2025 Bonds will be made in book-entry-only form (without certificates) in the denomination of \$5,000 or any integral multiple thereof. See "DESCRIPTION OF THE SERIES 2025 BONDS - Book-Entry-Only System" herein.

The Series 2025 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside cover page of this Official Statement. Interest on the Series 2025 Bonds will be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2025 (each, an "**Interest Payment Date**"). Interest will be calculated on the basis of a 360-day year consisting of 12 thirty-day months.

Each Series 2025 Bond will be dated the date of delivery thereof. If any Series 2025 Bond is authenticated on or prior to September 1, 2025, it will bear interest from the initial date of delivery thereof. Each Series 2025 Bond authenticated after September 1, 2025, will bear interest from the most recent Interest Payment Date on or prior to the date of authentication of such Series 2025 Bond, unless such Series 2025 Bond is authenticated after the fifteenth day of the calendar month preceding an Interest Payment Date (the "**Record Date**") and on or prior to the next following Interest Payment Date, in which case such Series 2025 Bond will bear interest from such following Interest Payment Date.

The principal of the Series 2025 Bonds will be payable upon maturity at the corporate trust office of the Trustee in Biloxi, Mississippi, and interest on the Series 2025 Bonds will be paid by check of the Trustee dated the due date and mailed or delivered on or before the Business Day prior to each Interest Payment Date to the Registered Owners of record as of the close of business on the most recent Record Date or, at the written election of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2025 Bonds delivered to the Trustee at least one Business Day prior to the Record Date for which such election will be effective, by wire transfer to such Registered Owner or by deposit into the account of such Registered Owner if such account is maintained by the Trustee.

So long as DTC or its nominee is the Registered Owner of the Series 2025 Bonds, payments of the principal of, premium, if any, and interest on the Series 2025 Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to Direct Participants will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners of the Series 2025 Bonds will be the responsibility of the Direct Participants and the Indirect Participants.

### Book-Entry-Only System

The Issuer has determined that it will be beneficial to have the Series 2025 Bonds held by a central depository system and to have transfers of the Series 2025 Bonds affected by book-entry on the books of DTC as such central depository system. Accordingly, Beneficial Ownership interests in the Series 2025 Bonds will be available in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of Beneficial Ownership interests in the Series 2025 Bonds (the "**Beneficial Owners**") will not receive certificates representing their interests in the Series 2025 Bonds purchased.

The information provided under this caption has been provided by DTC. No representation is made by the Issuer, the Underwriter or the Trustee as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be initially issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully-registered certificate for each maturity of the Series 2025 Bonds will be issued for the Series 2025 Bonds in the aggregate principal amount of each such maturity and will be deposited with 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/Stable. 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](http://www.dtcc.com).

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2025 Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' (together, the "**DTC 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 transaction, 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 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 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 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 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.

Redemption notices are to be sent to DTC. If less than all of the Series 2025 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2025 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an "Omnibus Proxy" to the Trustee 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 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments and interest payments on the Series 2025 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 detail information from the Issuer or the Trustee, 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 Trustee, or the Issuer subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments



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 Issuer or the Trustee, 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 2025 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, and in the event that a successor depository is not obtained, Series 2025 Bond certificates are required to be printed and delivered.

In addition, the Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2025 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the Underwriter believe to be reliable, but the Issuer and the Underwriter take no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered holder of the Series 2025 Bonds as nominee of DTC, references herein to the Holders, holders, or registered owners of the Series 2025 Bonds mean Cede & Co. and not the Beneficial Owners of the Series 2025 Bonds.

THE BANK, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2025 BONDS (A) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM, IF ANY, ON THE SERIES 2025 BONDS; (B) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2025 BONDS; OR (C) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2025 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 SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE BANK, THE TRUSTEE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM, IF ANY, ON THE SERIES 2025 BONDS; (C) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2025 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

## **Redemption**

***Optional Redemption***<sup>1</sup>. The Series 2025 Bonds (or any portions thereof in integral multiples of \$5,000 each) maturing on or after March 1, 2034, are subject to optional redemption, prior to their stated dates of maturity, in whole or in part, in principal amounts and maturities selected by the Issuer on any date on or after March 1, 2033, at par, plus accrued interest to the date of redemption. Under the Indenture, selection of Series 2025 Bonds to be redeemed within a maturity will be made by lot by the Trustee. In accordance with DTC's standard practices and its agreement with the Issuer, DTC and the DTC Participants will make this selection so long as the Series 2025 Bonds are in book-entry form.

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<sup>1</sup> Preliminary, subject to change.

**Mandatory Sinking Fund Redemption.** The Series 2025 Bonds are subject to mandatory sinking fund redemption as follows:

The Series 2025 Bonds maturing March 1, 20\_\_ in the principal amount of \$\_\_\_\_\_ are subject to mandatory sinking fund redemption, prior to their scheduled maturity on March 1 of the years listed below at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date from amounts on deposit in the General Account of the General Fund in accordance with the following schedule:

**\$ \_\_,000 Term Bonds  
Maturing March 1, 20\_\_  
\_.00%**

Year	Principal Amount
20	\$,000
20*	,000

\* Final Maturity

The Series 2025 Bonds maturing March 1, 20\_\_ in the principal amount of \$\_\_\_\_\_ are subject to mandatory sinking fund redemption, prior to their scheduled maturity on March 1 of the years listed below at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date from amounts on deposit in the General Account of the General Fund in accordance with the following schedule:

**\$ \_\_,000 Term Bonds  
Maturing March 1, 20\_\_  
\_.00%**

Year	Principal Amount
20	\$,000
20*	,000

\* Final Maturity

In the event less than all of the Series 2025 Bonds are to be redeemed, the principal amount and maturity to be redeemed shall be selected by the Issuer, and the Trustee, in its sole discretion, shall select the Series 2025 Bonds to be redeemed by lot within a selected maturity, provided that Series 2025 Bonds shall be redeemed only in whole multiples of \$5,000.

**Notice of Redemption.** Notice of the call for any redemption, identifying the Series 2025 Bonds (or any portions thereof in integral multiples of \$5,000 each) to be redeemed (which may be a conditional notice of redemption), will be given by the Trustee at least 30 days but not more than 45 days prior to the date fixed for redemption by mailing a copy of the redemption notice by first class mail, postage prepaid, to the Registered Owner of each Series 2025 Bond to be redeemed at the address shown on the registration records. Failure to mail such notice to any particular owner of Series 2025 Bonds, or any defect in the notice mailed to any such owner of Series 2025 Bonds, will not affect the validity of the call for the redemption of any other Series 2025 Bonds. No call notices will be delivered in connection with any scheduled mandatory sinking fund redemption. So long as DTC or its nominee is the Registered Owner of the Series 2025 Bonds, notice of the call for any redemption will be given to DTC, and not directly to Beneficial Owners. See the caption, "DESCRIPTION OF THE SERIES 2025 BOND -- Book-Entry-Only System."

**Redemption Payments.** The Trustee will apply funds deposited with the Trustee by the Issuer in an amount sufficient to pay the Redemption Price of the Series 2025 Bonds, or portions thereof called, together with accrued interest thereon to the redemption date. After the redemption date, if proper notice of redemption by mailing has been given and sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Series 2025 Bonds that have been called.

**APPLICATION OF THE PROCEEDS  
OF THE SERIES 2025 BONDS**

**Estimated Sources of Funds**

Par Amount of Bonds	\$38,500,000.00*
Plus Net Original Issue Premium	
Total Sources of Funds	

**Estimated Uses of Funds**

Deposit to the General Fund, Purchase Account for purchase of the County Bond	
Deposit to the General Fund, Bond Issuance Expense Account for payment of Costs of Issuance <sup>1</sup>	
Total Uses of Funds	

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<sup>1</sup> Includes payments for Costs of Issuance, which include but are not limited to, legal fees and expenses, municipal advisory fees and expenses and the Underwriter's Discount paid directly to the Underwriter.

## DEBT SERVICE REQUIREMENTS FOR THE SERIES 2025 BONDS

The following table sets forth the annual principal and interest requirements on the Series 2025 Bonds:

Fiscal Year	Principal*	Interest <sup>1</sup>	Total Debt Service on the Series 2025 Bonds
2026	\$1,155,000.00		
2027	1,205,000.00		
2028	1,270,000.00		
2029	1,335,000.00		
2030	1,405,000.00		
2031	1,475,000.00		
2032	1,550,000.00		
2033	1,630,000.00		
2034	1,715,000.00		
2035	1,800,000.00		
2036	1,895,000.00		
2037	1,990,000.00		
2038	2,095,000.00		
2039	2,200,000.00		
2040	2,315,000.00		
2041	2,430,000.00		
2042	2,555,000.00		
2043	2,685,000.00		
2044	2,825,000.00		
2045	2,970,000.00		
<b>TOTAL</b>	<b>\$38,500,000.00</b>		

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<sup>1</sup> Calculated based on interest rates set forth on the cover page hereof.

### THE MISSISSIPPI DEVELOPMENT BANK

#### General

The Issuer was created in 1986 and is organized and existing under and by virtue of the Issuer Act as a separate body corporate and politic for the public purposes set forth in the Issuer Act. The Issuer is not an agency of the State is separate from the State in its corporate and sovereign capacity and has no taxing power.

The purpose of the Issuer is to foster and promote, in accordance with the Issuer Act, the provision of adequate markets and facilities for the borrowing of funds for public purposes and purposes of (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (b) the State, or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under State law, including the County.

**THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON ANY OF THE SERIES 2025 BONDS, AND THE SERIES 2025 BONDS ARE NOT A DEBT, LIABILITY, LOAN OF THE CREDIT, MORAL OBLIGATION OR PLEDGE OF THE FULL FAITH, CREDIT AND TAXING POWER OF THE STATE.**

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\* Preliminary, subject to change.

Under the Issuer Act, the Issuer is granted the power to borrow money and issue its bonds in such principal amounts as it shall deem necessary to provide funds to accomplish a public purpose or purposes of the State provided for under the Issuer Act, including the purchasing of securities of local governmental units (as defined in the Issuer Act) and the making of loans to such local governmental units (the "**Program**").

**Organization and Membership of the Issuer**

The Issuer is governed by a nine-member Board of Directors. The members of the Board of Directors are elected by the members of the Mississippi Business Finance Corporation ("**MBFC**") at the time and place fixed by MBFC's bylaws. Appointments are for terms of one year. The members of the Board of Directors are as follows:

<b>NAME</b>	<b>OCCUPATION</b>	<b>TERM*</b>
Michael Boerner	Architect	08/01/24 – 07/31/25
Carolyn Boteler	Owner, TempStaff	08/01/24 – 07/31/25
Noel Daniels	Owner, Noel Daniels Motor Company	08/01/24 – 07/31/25
Merle Flowers	Real Estate	08/01/24 – 07/31/25
William L. Freeman, Jr.	Retired Bank President	08/01/24 – 07/31/25
Bobby James	Operations Manager, Atmos Energy	08/01/24 – 07/31/25
Colby Rogers	Director of Public Relations, The Cirlot Agency	08/01/24 – 07/31/25
William D. Sones	Bank Chairman	08/01/24 – 07/31/25
Mark Wiggins	Retired Business Owner	08/01/24 – 07/31/25

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\* Members of the Board of Directors of the Issuer serve until reappointed or new directors are appointed and approved.

The operations of the Issuer are administered by Larry W. Mobley, EDFP, Executive Director and Treasurer. Mr. Mobley is a graduate of California State University, Chico, California with a Bachelor of Science in Industrial Engineering Technology and the University of Southern Mississippi, Hattiesburg, Mississippi with a Master of Science in Business and Economic Development.

**Prior Bonds of Issuer**

The purpose of the Issuer is to foster and promote, in accordance with the Issuer Act, the provision of adequate markets and facilities for the borrowing of funds for public purposes by any Local Governmental Units. As of January 1, 2025, the Issuer has previously issued bonds for various purposes totaling in principal approximately \$10,416,244,402.00. Of such amount, approximately \$2,881,662,329.51 was outstanding as of January 1, 2025.

The full faith and credit and taxing power of the State and the Issuer are not pledged to the payment of the principal of, premium, if any, and interest on any of the bonds issued or planned for issuance by the Issuer; and all such bonds are not a debt, liability, loan of the credit or pledge of the full faith and credit and taxing power of the State or the Issuer.

The Issuer is presently considering the issuance under the Issuer Act of additional special obligation bonds for other purposes authorized under the Issuer Act.

**PURCHASE OF THE COUNTY BOND**

**General**

The Issuer has determined to purchase the County Bond of the County from the proceeds received upon the issuance of the Series 2025 Bonds. Upon the execution by the County of the County Bond Purchase Agreement with

the Issuer prior to or as of the date of the approval of the sale of the Series 2025 Bonds, the County will be obligated to sell the County Bond to the Issuer in accordance with the requirements of the Act and in accordance with the County Bond Purchase Agreement.

The Issuer Act provides that the County Bond purchased by the Issuer, upon delivery to the Issuer, must be accompanied by all documentation required by the Board of Directors of the Issuer, including the approving opinion of Bond Counsel. The Issuer will be prepared to cause the purchase price of the County Bond to be paid to the County promptly after the receipt of such proceeds by the Issuer. Under the Indenture, any purchase of the County Bond is subject to the receipt by the Trustee of certain documents and opinions as described in Section 2.04 of the Indenture.

### **County Project**

The County will use the proceeds from the sale of the County Bond to the Issuer for the purpose of providing funds to pay the costs of any of, (a) the acquisition, construction, expansion, equipping and maintenance of the DeSoto County Convention Center, also known as the DeSoto County Civic Center/Landers Center (the “**Convention Center**”), located in the County and shall include the acquisition of certain property to provide for construction and expansion of the Convention Center and the property or items in addition thereto which constitutes the “Expansion Project”, pursuant to authority granted by the County Bond Act and the County Act; (b) site improvements to such property in connection with the Expansion Project; (c) purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and/or the DeSoto County Convention and Visitors Bureau buildings; (d) the purchase of land therefor pursuant to authority granted by the County Act and the County Bond Act; and (e) for other authorized purposes under the County Bond Act and the County Act, including paying the costs of such borrowing (the “**Project**”).

## **FUNDS AND ACCOUNTS**

### **Creation of Funds and Accounts**

The Indenture establishes the following special Funds and Accounts to be held by the Trustee:

1. General Fund - comprised of the following:
  - (a) General Account,
  - (b) Purchase Account,
  - (c) Redemption Account, and
  - (d) Bond Issuance Expense Account.
2. Rebate Fund

### **Deposit of Net Proceeds of the Series 2025 Bonds and Other Receipts**

The Trustee will deposit the net proceeds from the sale of the Series 2025 Bonds as follows:

(a) To the Bond Issuance Expense Account of the General Fund, the amount of \$ \_\_\_\_\_ (which does not include the Underwriter's discount of \$ \_\_\_\_\_) to pay a portion of the Costs of Issuance of the Series 2025 Bonds and the County Bond; and

(b) To the Purchase Account of the General Fund, the sum of \$ \_\_\_\_\_ to be used to purchase the County Bond.

The Trustee will deposit County Bond Payments and other receipts (except the proceeds of the Series 2025 Bonds) into the General Account of the General Fund based on the amount due under the County Bond.

## OPERATION OF FUNDS AND ACCOUNTS

### General Fund

**General Account.** The Trustee will disburse the amounts held in the General Account for the following purposes and, in the event of insufficient funds to make all of such required disbursements, in the following order of priority:

- (a) On or before each Interest Payment Date, to the Registered Owners such amount (including Investment Securities held by the Trustee maturing or callable on or before the applicable Interest Payment Date) as may be necessary to pay the principal and interest coming due on the Series 2025 Bonds on such Interest Payment Date.
- (b) At such times as shall be necessary, to pay Program Expenses.
- (c) The amounts to be transferred to the Rebate Fund as provided in the Arbitrage Rebate Agreement and Section 6.09 of the Indenture.
- (d) After making all required payments under subparagraphs (a) through (c) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the form of County Bond Payments in the succeeding twelve (12) months and shall transfer all monies in the General Account, which, together with such expected receipts for the succeeding 12 months are in excess of the amounts needed to pay principal and interest on the Series 2025 Bonds within the immediately succeeding twelve month period, to the County at the request of the County with the prior written approval of the Issuer.

**Bond Issuance Expense Account.** Upon the Trustee's receipt of invoices or requisitions acceptable to the County and the Issuer, the Trustee will disburse the amounts held in the Bond Issuance Expense Account for the payment of the Costs of Issuance of the Series 2025 Bonds and the County Bond or to reimburse the Issuer or the County for amounts previously advanced for such costs. On the date which is 60 days after the date of issuance of the Series 2025 Bonds, any amounts remaining in the Bond Issuance Expense Account will be transferred to the General Account.

**Purchase Account.** Upon submission of duly authorized written requisitions of an Authorized Officer of the Issuer stating that all requirements for purchases under the Act, the Indenture and the established policies of the Issuer have been or will be met, the Trustee will disburse the amounts held in the Purchase Account for the purchase of the County Bond. Upon purchase of the County Bond, the County will provide for the deposit of such funds in the 2025 Construction Fund of the County established under the County Bond Resolution, which fund will be used by the County to finance the cost of the Project. Any amounts remaining in the Purchase Account after the purchase of the County Bond shall be transferred to the General Account.

**Redemption Account.** The Trustee will deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of the County Bond or otherwise received under the Indenture and will disburse the funds in the Redemption Account to redeem Series 2025 Bonds of such maturity or maturities as directed by an Authorized Officer if such Bonds are then subject to redemption.

### Rebate Fund

Upon the direction of the Issuer and in accordance with the arbitrage rebate agreement or similar document regarding the expenditures and investments of the proceeds of the Series 2025 Bonds provided by the Issuer under the Indenture (the "**Arbitrage Rebate Agreement**"), the Trustee will deposit amounts for the benefit of the Issuer from the General Account in the General Fund into the Rebate Fund and will deposit into the Rebate Fund all income from investments in the Rebate Fund. In the event and to the extent that amounts in the Rebate Fund exceed the amounts required to be rebated to the United States of America, the Trustee will transfer such excess amounts to the General Account in the General Fund upon the direction of the Issuer in accordance with the Arbitrage Rebate Agreement.

Not later than 60 days after five years following the date of delivery of the Series 2025 Bonds, and at intervals of every five years thereafter, the Trustee shall, upon the written request of the Issuer in accordance with the Arbitrage

Rebate Agreement, pay to the United States of America one hundred percent (100%) of the amount required to be paid to the United States of America as of such payment date. Not later than 60 days following the retirement of all of the Series 2025 Bonds, upon the written request of the Issuer the Trustee will pay to the United States of America one hundred percent (100%) the amount to be paid to the United States of America. Each payment to the United States of America will be accompanied by a statement of the Issuer summarizing the determination of the amount of such payment, together with copies of any reports originally filed with the Internal Revenue Service with respect to the Series 2025 Bonds.

With respect to the Rebate Fund, the Issuer may direct the Trustee to proceed other than as set forth in the Indenture and described above by delivering to the Trustee a new Arbitrage Rebate Agreement accompanied by an Opinion of Bond Counsel to the effect that compliance with such memorandum will not adversely affect the excludability from gross income for federal income tax purposes of the interest on the Series 2025 Bonds.

### **Amounts Remaining in Funds**

Any amounts remaining in any Fund or Account after full payment of all of the Series 2025 Bonds outstanding under the Indenture, all required rebates to the United States of America and the fees, charges and expenses of the Trustee, will be distributed to the County, except for any moneys owing to the Issuer which shall be paid to such party and except as provided in Section 3.08 of the Indenture.

### **Investment of Funds**

Any monies held as part of any Fund or Account created under or pursuant to Article VI of the Indenture shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed in writing by the County or its Investment Advisor. If the County purchases open market securities to be held in the [Project] Fund, Raymond James & Associates, Inc. (“Raymond James”) will act as a registered Investment Advisor by and through its Public Finance Investment Strategies Group to the County in its capacity as bidding agent in conducting a competitive bid procurement process for such securities. Raymond James will receive compensation for bidding agent services contingent on the sale and delivery of the Series 2025 Bonds. All such investments shall at all times be a part of the Fund or Account in which the monies used to acquire such investments had been deposited. Monies in separate Funds and Accounts for the Bonds may not be commingled for the purpose of investment or deposit. Any investment losses shall be charged to the Fund or Account in which monies used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of the Indenture, the Trustee shall not be liable for any investment losses. Monies in any Fund or Account shall be invested in Investment Securities with a maturity date, which shall coincide as nearly as practicable with times at which monies in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid.

## **THE SERIES 2025 BONDS AS LEGAL INVESTMENTS**

The Series 2025 Bonds are legal investments in which all public officers and public bodies of the State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons may invest. The Series 2025 Bonds may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivisions of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

## **RATING**

Standard & Poor’s Rating Group (“**S&P**”), have assigned a rating of “AA/Stable” to the Series 2025 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.

Information on the rating may be obtained from the Clerk. Such rating reflects only the view of such organization, and an explanation of the significance of the rating may be obtained only from said rating agency. The



rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Series 2025 Bonds. Such rating is not a recommendation to buy, sell or hold the Series 2025 Bonds.

## **LITIGATION**

There is not now pending nor, to the Issuer's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2025 Bonds or prohibiting the Issuer from purchasing the County Bond with the proceeds of such Series 2025 Bonds or in any way contesting or affecting the validity of the Series 2025 Bonds, any proceedings of the Issuer taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Series 2025 Bonds. The creation, organization or existence of the Issuer or the title of any of the present directors or other officers of the Issuer to their respective offices is not being contested.

There is not now pending nor, to the knowledge of the County, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the County Bond or prohibiting the County from selling the County Bond to the Issuer or in any way contesting or affecting the validity of the Series 2025 Bonds, the County Bond, or any proceedings of the County taken with respect to the issuance or sale of the County Bond or the pledge or application of any moneys or security provided for the payment of the County Bond. Neither the creation, organization or existence, nor the title of the members of the Governing Body to their offices, is being challenged or questioned. While the County is involved in numerous legal proceedings, there is no action, suit, proceeding or investigation, at law or in equity before or by any court, public body or other body pending or, to its knowledge, threatened against or affecting the County wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated under the Series 2025 Bonds or the County Bond or the performance of the obligations of the County under the County Bond.

## **TAX MATTERS**

### **General**

In the opinion of Butler Snow LLP, Ridgeland, Mississippi, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes, pursuant to Section 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax; however such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternate minimum tax imposed on such corporations. The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Issuer and the County and is conditioned on continuing compliance therewith.

In the opinion of Bond Counsel, interest on the Series 2025 Bonds is exempt from all income taxation in the State of Mississippi under existing laws, regulations, rulings and judicial decisions. The opinion addresses only the exemption of interest on the Series 2025 Bonds under the income tax laws of the State of Mississippi and does not address the tax treatment of the Series 2025 Bonds in any other state or jurisdiction.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2025 Bonds as a condition to the excludability from gross income of interest on the Series 2025 Bonds for federal tax purposes. Non-compliance with such requirements by the Issuer or the County may cause interest on the Series 2025 Bonds to be includable in gross income for federal income tax purposes retroactive to their date of issue irrespective of the date on which such noncompliance occurs. Should the Series 2025 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2025 Bonds would be materially and adversely affected.

The Indenture and the County Bond Resolution include covenants that (a) the Issuer and the County will not take or fail to take any action with respect to the Series 2025 Bonds if such action or omission would result in the loss of the excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds, under Section 103 of the Code, and neither the Issuer nor the County will act in any manner which would adversely affect such excludability; (b) the Issuer and the County will not make any investment or do any other act or thing during the period that the Series 2025 Bonds are Outstanding which would cause the Series 2025 Bonds to be "arbitrage bonds"

within the meaning of Section 148 of the Code; and (c) if required by the Code, the Issuer and the County will rebate any necessary amounts to the United States of America. It is not an "event of default" under the Indenture if interest on the Series 2025 Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code.

Although Bond Counsel has rendered an opinion that interest on the Series 2025 Bonds is excludable from federal gross income and that the Series 2025 Bonds are exempt from all State of Mississippi income tax, the accrual or receipt of interest on the Series 2025 Bonds may otherwise affect a bondholder's federal income tax, Mississippi or other state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2025 Bonds. Bond Counsel expresses no opinion regarding any other such federal or state tax consequences. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2025 Bonds.

### **Original Issue Premium Bonds**

The Series 2025 Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "**Premium Bonds**"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

### **Original Issue Discount Bonds**

The Series 2025 Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "**Discount Bonds**"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts

that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the "adjusted issue price" of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

### **Backup Withholding**

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Series 2025 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2025 Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2025 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2025 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2025 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2025 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2025 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

**PROSPECTIVE PURCHASERS OF THE SERIES 2024 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2024 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2024 BONDS.**

### **LEGAL MATTERS**

Certain legal matters incident to the authorization and issuance of the Series 2025 Bonds by the Issuer are subject to the approval of Bond Counsel, whose approving opinion will be delivered concurrently with the delivery of the Series 2025 Bonds. Bond Counsel has not been requested to review any information contained in this Official Statement or the Appendices hereto, other than the information pertaining to the Series 2025 Bonds under the captions "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS," "DESCRIPTION OF THE SERIES 2025 BONDS," "FUNDS AND ACCOUNTS," "OPERATION OF FUNDS AND ACCOUNTS," "TAX MATTERS," "LEGAL MATTERS," "CONTINUING DISCLOSURE," and in APPENDIX D - FORM OF OPINION OF BOND COUNSEL, and expresses no opinion thereon and assumes no responsibility in connection therewith. Certain legal matters will be passed upon for the Issuer by its counsel, Balch & Bingham, LLP, Jackson, Mississippi, and for the County by its counsel, Bridgforth, Buntin & Emerson PLLC, Southaven, Mississippi.

Bond Counsel is also serving as Bond Counsel for the County in connection with the issuance and sale of the County Bond.

The remedies available to the Trustee, to the Issuer or to the owners of the Series 2025 Bonds upon an "event of default" under the Indenture or under the terms of the County Bond purchased by the Issuer are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and under the County Bond may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

### **PENSION PLAN**

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).

PERS members are required to contribute 9.00% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2018 was 15.75% of annual covered payroll. On June 26, 2018, the PERS Board of Trustees voted to increase the employer contribution rate from 15.75 to 17.40 percent, effective July 1, 2019. On August 22, 2023, the PERS Board of Trustees voted to phase in an employer contribution rate increase by 2% each State fiscal year beginning July 1, 2024, and thereafter until the rate reaches the amount recommended by the PERS actuary and approved by the Board of Trustees, which is currently estimated to be 27.40%. During the 2024 legislative session, the State Legislature passed Senate Bill 3231 which rescinded this increase and gives the State Legislature sole authority to approve any future rate increases, stripping away that power from the Board of Trustees. Senate Bill 3231 provides for a 0.5% increase in the employer's contribution rate annually on July 1 of each year from 2024 through 2028. It also states that the State Legislature is committed to maintaining current benefits for retirees and current PERS members and expresses an intent to create a new PERS tier for future members with a different payment and benefits structure. The County contributions (employer share only) to PERS for the years ending September 30, 2023, 2022 and 2021 were \$6,513,051, \$6,125,998, and \$5,461,266, respectively, which equaled the required contributions for each year.

As of September 30, 2023, the County reported a liability of \$124,750,547 for its proportionate share of the net pension liability. See Page 12 in the County's 2023 Audited Financial Statements included in "APPENDIX B - Financial Information Concerning the County.

### **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 County has not requested and will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. Bridgers, Goodman, Baird & Clarke, PLLC, CPAs, the County's independent auditor (the "**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. The Auditor also has not performed any procedures relating to this Official Statement.

## CONTINUING DISCLOSURE

The County will execute a continuing disclosure agreement (the "**Disclosure Certificate**") at the time of the closing for the Series 2025 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds and the County has covenanted in the Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the County will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access ("**EMMA**") system: (i) annually, certain financial information and operating data; and (ii) timely notice of the occurrence of certain listed events; all as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX F.

The County has previously entered into continuing disclosure undertakings with respect to bonds it has issued or for which it is the "obligated person" within the meaning of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The County's audited financial statements and unaudited financial statements for fiscal years September 30, 2019, through and including September 30, 2023 were not timely filed as they were unavailable at the time of filing, however, Notices of Failure to File audited financial statements and unaudited financial statements for fiscal years September 30, 2019, through and including September 30, 2023 were timely filed.

Without a determination of materiality, there have been instances in which some tables included in its prior continuing disclosure undertakings were not included in every filing on EMMA and notices of failure to file were not posted on EMMA, including but not limited to "Assessed Values of Exempt Properties" and "Accounting Principles," and some of the past filings required of the County were not filed under all outstanding CUSIPs. The County has hired a dissemination agent to file the County's required annual report.

For a summary of the County's undertaking, see **APPENDIX F - FORM OF CONTINUING DISCLOSURE CERTIFICATE** attached hereto.

## UNDERWRITING

The Series 2025 Bonds are being purchased by Raymond James & Associates, Inc. (the "**Underwriter**"). The Underwriter has agreed, subject to certain conditions, to purchase all of the Series 2025 Bonds from the Issuer at a purchase price of \$\_\_\_\_\_, which is equal to the principal amount thereof plus an original issue premium of \$\_\_\_\_\_ and minus the Underwriter's discount of \$\_\_\_\_\_. The Underwriter is obligated to purchase all the Series 2025 Bonds, if any are purchased, the obligation to make such purchases being subject to certain terms and conditions set forth in the Bond Purchase Agreement with respect to the Series 2025 Bonds, the approval of certain legal matters by counsel and certain other conditions.

## MUNICIPAL ADVISOR

The County has retained Government Consultants, Inc., Madison, Mississippi, Mississippi, as independent registered municipal advisor (the "**Municipal Advisor**") to the County in connection with the issuance of the Series 2025 Bonds. In such capacity the Municipal 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 2025 Bonds and the time of the sale, market conditions and other factors related to the sale of the Series 2025 Bonds.

Although the Municipal 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.

#### **VALIDATION**

The Series 2025 Bonds will be validated before the Chancery Court of the First Judicial District of Hinds County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended. The County Bond will be validated by the Chancery Court of DeSoto County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

#### **MISCELLANEOUS**

The Issuer's offices are located at 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

All quotations from, and summaries and explanations of, the Act and the Indenture contained in this Official Statement do not purport to be complete, and reference is made to each such document or instrument for full and complete statements of their provisions. In the event a reference is made to the Act of Indenture, which does not related directly to the purpose for which the reference is made, then the section citation should be disregarded and the most sensible and related reference shall be considered and applied. The attached Appendices are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in reasonable quantity of the Act, the Indenture and the supplemental materials furnished to the Issuer by the County may be obtained upon request directed to the Issuer.

Neither any advertisement of the Series 2025 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2025 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed and delivered by the Issuer. The Issuer will provide copies of this Official Statement to be distributed to the purchasers of the Series 2025 Bonds.

#### **MISSISSIPPI DEVELOPMENT BANK**

By: \_\_\_\_\_  
Executive Director

**APPENDIX A**  
**INFORMATION CONCERNING THE COUNTY**

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**DESOTO COUNTY, MISSISSIPPI  
ECONOMIC AND DEMOGRAPHIC INFORMATION**

**General Description**

DeSoto County, Mississippi (the “**County**”), located partly in the Yazoo-Mississippi Delta soil area and partly in the Northwest Brown Loam soil area, is bordered to the west by the Mississippi River and Tunica County, Mississippi; to the south by Tate County, Mississippi; to the east by Marshall County, Mississippi; and to the north by the State of Tennessee.

The City of Hernando, the County seat, is located approximately 15 miles south of Memphis, Tennessee, and approximately 190 miles northwest of Jackson, Mississippi, the capital of Mississippi (the “**State**”).

**Population**

The population of the County has been recorded as follows:

1990	2000	2010	2020	2023 Estimate
68,620	107,199	161,252	185,314	193,247

SOURCE: Census Data information at website: [www.census.gov](http://www.census.gov); January 2025.

**Government**

The governing body of the County is the Board of Supervisors, which consists of five members, each of whom is elected from a separate district or “beat” for concurrent four-year terms. The current members of the Board of Supervisors are as follows:

Name	Occupation	Position Held Since
Mark Gardner	Realtor	2012
Jessie L. Medlin	Farmer	1992
Ray Denison	General Contractor	2020
Ms. Lee Caldwell	Instructional Coach	2012
Robert Foster	Business Owner	2024

## **Transportation**

Interstate 55, U. S. Highways 51, 61 and 78 and State Highways 301, 302, 304 and 305 provide access to all areas within the County as well as to other areas of the State. A number of County highways provide access to many outlying areas in the County.

Commercial air transportation is available at the Memphis International Airport in Memphis, Tennessee, featuring more than 150 daily non-commuter flights by various airlines. Non-commercial air transportation is available within the County at the Olive Branch Airport in Olive Branch, Mississippi. Numerous motor freight carriers serve the County, as the northern section of the County is in the Memphis commercial delivery zone. The Canadian National provides rail service to the County, while intercity bus service is provided by Continental Trailways. The County is served by the Port of Memphis, which has a channel depth of nine feet.

## **Per Capita Income**

Year	County	Mississippi	United States	County as % Of U.S.
2023	56,470	49,652	69,810	81%
2022	53,228	47,134	66,244	80%
2021	52,130	46,869	64,460	81%
2020	47,055	42,448	59,123	80%
2019	43,840	39,143	55,566	79%

SOURCE: Bureau of Economic Analysis: Regional Economic Accounts at website: [www.bea.gov](http://www.bea.gov), (BEA data last updated November 14, 2024). Information available as of January 2025.

**Major Employers**

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

Employer	Employees	Product/Service
DeSoto County School District	4,206	Education
Amazon	3,300	E-Commerce Fulfillment Center
Milwaukee Electric Tool	3,000	Distribution of portable electric tools
Baptist Memorial Hospital	1,750	Healthcare
Williams-Sonoma	1,000	Distribution of specialty cooking products
Fed Ex Ground	800	Package sorting hub
Helen of Troy	600	Distribution of personal care products
Synnex	600	Manufacturing and distribution
Associated Wholesale Grocers	580	Distribution of Groceries
Methodist Olive Branch Hospital	450	Healthcare
McKesson	400	Distribution Center
Future Electronics	360	Electronic equipment & supplies

SOURCE: DeSoto County Economic Development Council at <http://desotocounty.com/economic-development/major-employers>; Information available as of January 2025.

**Unemployment Statistics**

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual Average
2019	4.6	4.4	4.3	4.1	4.2	5.4	5.3	4.9	4.5	4.1	4.2	3.9	4.5
2020	4.4	4.2	5.0	10.2	8.1	7.6	7.1	6.0	5.5	4.7	4.7	4.5	5.9
2021	4.9	4.9	4.8	4.6	4.7	5.7	5.2	4.5	3.8	3.4	3.0	2.8	4.3
2022	3.7	3.4	2.8	2.9	3.0	3.8	3.7	3.3	3.0	2.8	2.8	2.6	3.2
2023	2.9	2.8	2.7	2.3	2.7	3.5	3.3	3.2	2.7	2.5	2.3	2.3	2.8
2024	3.0	2.5	2.4	1.7	2.6	3.4	3.0	3.0	2.9	3.0	3.0	--	2.8

SOURCE: Mississippi Department of Employment Security: Labor Market Data at website: [www.mdes.ms.gov](http://www.mdes.ms.gov); January 2025.

**Employment Statistics**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
RESIDENCE BASED EMPLOYMENT					
I. Civilian Labor Force	93,130	91,130	92,710	93,460	91,440
II. Unemployed	4,220	5,410	4,030	2,950	2,530
Rate	4.5	5.9	4.3	3.2	2.8
III. Employed	88,910	85,720	88,680	90,510	88,910

SOURCE: Mississippi Department of Employment Security (“MDES”): Annual Averages: Labor Force and Establishment Based Employment 2011-2019, Labor Market Information Department at website: [www.mdes.ms.gov](http://www.mdes.ms.gov); Last revision date of information 5/11/2020. Annual Averages 2020 Forward released April 2024, are limited to “Residence Based Amounts” and MDES no longer tracks data for “Establishment Based Employment”. Information available as of January 2025.

**Retail Sales**

State Fiscal Year Ended June 30	Amount
2024	\$4,645,128,780
2023	4,604,973,669
2022	4,418,370,962
2021	4,101,414,935
2020	3,539,441,118

SOURCE: Annual Reports for fiscal years indicated, Mississippi Department of Revenue website: [www.dor.ms.gov](http://www.dor.ms.gov); information available as of January 2025.

**Education**

The DeSoto County School District (the “**District**”) is a county unit system with an elected superintendent and an elected board of education, with one member from each supervisor district. It consists of twenty-two (22) elementary schools, eight (8) middle schools, eight (8) high schools, one (1) alternative school and two (2) Career and Technology Center. The District is the largest employer of personnel in the County with more than 4,206 employees.

Enrollment figures for the current scholastic year and the four preceding years are as follows:

Scholastic Year	Enrollment
2023-2024	34,819
2022-2023	35,003
2021-2022	34,469
2020-2021	34,067
2019-2020	34,752

SOURCE: Office of Research and Statistics, Mississippi Department of Education's website: <http://reports.mde.k12.ms.us/data/>.

## TAX INFORMATION

### Assessed Valuation of the County<sup>2</sup>

Assessment Year	Real Property	Personal Property	Public Utility Property	Mobile Homes	Automobiles	Total
2024	\$1,905,070,678	\$430,883,234	\$75,937,656	\$1,085,642	\$378,952,895	\$2,791,930,105
2023	1,829,706,574	452,575,773	68,683,171	958,228	361,231,450	2,713,155,196
2022	1,711,376,464	342,606,065	58,755,640	901,749	356,627,624	2,470,267,542
2021	1,602,490,830	314,564,828	52,446,842	842,814	356,590,015	2,326,935,329
2020	1,439,256,560	286,944,422	51,378,386	834,869	325,650,383	2,104,064,620

SOURCE: DeSoto County Tax Assessor; January 2025.

Assessed valuations are based upon the following assessment ratios:

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

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 (the “Resolution”), pursuant to which there was proposed an amendment to the Mississippi Constitution of 1890 (the “Amendment”). The 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 Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as it existed prior to the Amendment, except that the assessment ratio for single-family, owner-occupied residential real property under the Amendment is set at ten percent (10%) of true value as opposed to fifteen percent (15%) of true value under previously existing law.

### 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 of the County 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

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<sup>2</sup> 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 2024 are collected starting in January 2025 for the 2024-25 fiscal year budget of the County.

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 Mississippi Department of Revenue, which examines them on receipt. The Mississippi Department of Revenue may then accept the rolls or, if it finds a roll incorrect in any particular, return the rolls to the Board of Supervisors to be corrected in accordance with the recommendations of the Mississippi Department of Revenue. If the Board of Supervisors has any objections to the order of the Mississippi Department of Revenue, it may arrange a hearing before the Commission. Otherwise, the assessment roll is finalized and 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 Mississippi Department of Revenue. With minor exceptions the property of public utilities is assessed each year by the Mississippi Department of Revenue.

**Tax Levy per \$1,000 Valuation**<sup>3</sup>

	2024-25	2023-24	2022-23	2021-22	2020-21
<b>County Purposes:</b>					
General County	26.11	26.11	25.49	24.09	24.09
Bridge and Culvert	4.44	4.44	4.44	4.44	4.44
Road Maintenance	2.97	2.97	2.97	2.97	2.97
Solid Waste Collection	2.00	2.00	1.47	1.47	1.47
Section 27-39-329 Levy	4.00	4.00	4.00	4.00	4.00
2009 Public Improvement Refunding Bonds	0.00	0.00	0.00	0.00	0.00
2010 Refunding Bonds	0.00	0.00	0.00	0.00	0.00
2010 Bonds	0.00	0.00	0.00	0.00	0.00
2012 Refunding Bonds	0.00	0.00	0.15	0.90	0.90
2013 Bonds	0.00	0.00	0.40	0.50	0.50
2015 Refunding Bonds	0.00	0.00	0.00	1.20	1.20
2016 Refunding Bonds	0.00	0.00	0.00	0.50	0.50
2020 GO Public Improvement Bonds	1.00	1.00	2.00	0.95	0.95
2021 Refunding Bonds	.50	.50	0.10	0.00	0.00
<b>Sub-Total</b>	41.02	41.02	41.02	41.02	41.02

<sup>3</sup> Tax levy figures are given in mills. Does not include forest tax of \$0.09 per acre on uncultivated land, or a Walls Sewer District tax of \$44,593 to be divided and levied equally per acre within the special assessment area.

	2024-25	2023-24	2022-23	2021-22	2020-21
<b>School Purposes:</b>					
DeSoto County School Maintenance	49.85	49.85	49.85	49.85	47.32
Board of Educ. Interest & Sinking Fund	3.00	3.00	3.00	3.00	2.50
Board of Educ. Building & Improvement	0.00	0.00	0.00	0.00	3.03
<b>Sub-Total</b>	52.85	52.85	52.85	52.85	52.85
<b>Northwest Operations:</b>					
NW MS Comm. College Support	1.99	1.99	1.99	1.99	1.99
NW MS Comm. College Bldg. Fund	2.12	2.12	2.12	2.12	2.12
<b>Sub-Total</b>	4.11	4.11	4.11	4.11	4.11
<b>Total County Levy</b>	97.98	97.98	97.98	97.98	97.98
<b>Other Tax Levy Districts:</b>					
<b>Drainage Districts:</b>					
Cane Mussacuna Drainage Dist.	8.00	8.00	8.00	8.00	8.00
NW MS Cons. Drainage Dist.	3.50	3.50	3.50	3.50	3.50
Short Fork Creek Drainage Dist.	.25	.25	0.25	0.25	0.25
Horn Lake Creek Watershed Drainage Dist.	2.60	2.60	2.60	2.60	2.60
Lake Cormorant Drainage District	2.00	2.00	2.00	2.00	2.00
<b>Sub-Total</b>	16.35	16.35	16.35	16.35	16.35
<b>Fire Protection Districts:</b>					
Brights/Lewisburg Fire Protection Dist.	1.00	1.00	1.00	1.00	1.00
Walls Fire Protection Dist.	1.00	1.00	1.00	1.00	1.00
Eudora Fire Protection Dist.	1.00	1.00	1.00	1.00	1.00
Love Fire Protection Dist.	1.00	1.00	1.00	1.00	1.00
Nesbit Fire Protection Dist.	1.00	1.00	1.00	1.00	1.00
All property, exclusive of Municipalities	2.00	2.00	2.00	2.00	2.00
<b>Sub-Total</b>	7.00	7.00	7.00	7.00	7.00
<b>Water Mgmt. Districts:</b>					
Yazoo-MS Delta Joint Water Mgmt. Dist.	0.75	0.75	0.75	0.75	0.75
Yazoo-MS Delta Levee Dist.	2.20	2.20	2.00	2.00	2.00

	2024-25	2023-24	2022-23	2021-22	2020-21
<b>Sub-Total</b>	2.95	2.95	2.75	2.75	2.75
<b>TOTAL COUNTY AND OTHER TAX LEVEE DISTRICTS</b>	124.28	124.28	124.08	124.08	124.08

SOURCE: DeSoto County Chancery Clerk; January 2025.

**Ad Valorem Tax Collections**

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over/(Under)
2024	\$85,191,388	\$87,008,482	\$1,817,094
2023	79,648,619	81,009,470	1,360,851
2022	76,088,060	76,632,617	544,557
2021	67,956,950	70,605,851	2,648,901
2020	65,981,253	67,303,343	1,322,090

SOURCE: DeSoto County Tax Collector/Comptroller; January 2025.

**Procedure for Tax Collections**

The Board of Supervisors is required under the Act and the Bond Resolution to levy annually a special tax upon all taxable property within the County sufficient to provide for the payment of the principal of and the interest on the general obligation indebtedness of the County. 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 (1%) 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 property and personal property are subject to public tax sale.

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, provides that upon failure of the 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 the 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 the county, one of which must be the courthouse, is required. Municipal tax collectors are required to follow any special ordinance adopted by a municipality on personal property sales. Interest, fees, costs and expenses of sale are recoverable in addition to the taxes delinquent. If sufficient personal property cannot be found, the tax collector may make a list of debts due the taxpayer by other persons and sell such debts and is further directed to distrain and sell sufficient other properties of the 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 the 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 the county or any place within the courthouse that the tax collector deems suitable to hold such sale, provided that the place of such sale shall be designated by the tax collector in the advertisement of the notice of tax sale on the last Monday of August following. The owner, or any person with an interest in the land sold for taxes, may redeem the land at any time within two years after the day of sale by paying all taxes, costs, interest and damages



due to the 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 lands or personal property, are entitled to preference over all judgments, executions, encumbrances or liens however created.

### **Reappraisal of Property and Limitation 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 (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 ensure that property taxes do not increase dramatically as the counties complete reappraisals, the Reappraisal Act provides for the limit on increase in tax revenues discussed below.

The statute limits ad valorem tax levies by the County subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (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 *State Tax Commission v. Fondren*, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the Mississippi Department of Revenue (formerly the State Tax Commission) was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the Mississippi 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 Chancellor's decree, on November 15, 1980, the Mississippi Department of Revenue filed a master plan to assist counties in determining true value. On February 7, 1983, the Chancery Court granted an extension until July 1, 1984, of its previous deadline past which the Mississippi Department of Revenue could not accept and approve tax rolls from counties which had not yet reappraised. The County has completed 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. The exemption is not applicable to taxes levied for the payment of the Bonds, except as hereinafter noted.

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

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the Mississippi Department of Revenue. Beginning with the 1984 supplemental ad valorem tax roll and for each roll

thereafter, no taxing unit shall be reimbursed an amount in excess of one hundred six percent (106%) of the total net reimbursement made to such taxing unit in the next proceeding year.

**Ten Largest Taxpayers**

The ten largest taxpayers in the County for assessment year 2024 are as follows:

Taxpayer	Assessed Value	Taxes Collected
GRANITE REIT	25,497,016	2,710,342.00
VIEW, INC. (FEE-IN-LIEU)	16,738,622	2,284,487.00
NEW AGE LOGISTICS INC**AWG-FIL**	13,658,852	1,895,028.00
IDI LOGISTICS	14,115,799	1,679,643.00
FEDEX GROUND PACKAGE SYSTEM	12,355,896	1,602,777.00
AMAZON.COM SERVICES LLC	11,006,378	1,593,410.00
MID-SOUTH OUTLET SHOPS LLC (PID)	5,085,191	1,558,742.00
US INDUSTRIAL REIT II	11,001,565	1,507,391.00
G & I X INDUSTRIAL MS LLC	11,259,227	1,458,429.00
SXP SCHULZ XTRUDED PRODUCTS LP	9,364,040	1,299,167.00
<b>TOTALS</b>	<b>\$130,082,586.00</b>	<b>\$17,589,416.00</b>

SOURCE: DeSoto County Tax Collector; January 2025.

## DEBT INFORMATION

### Legal Debt Limit Statement

(As of January 1, 2025)

	<b>15% Limit</b>	<b>20% Limit</b>
Authorized Debt Limit (Last Completed Assessment for Taxation - \$2,791,930,105)	\$418,789,516	\$558,386,021
<b>Present Debt Subject to Debt Limits</b>	<b>34,397,000</b>	<b>34,397,000</b>
Margin for Further Debt Under Debt Limits	\$384,392,516	\$523,989,021
Less this Offering	(38,00,000)	(38,500,000)
Margin for Further Debt Under Debt Limits	\$346,392,516	\$485,489,021

### Statutory Debt Limits

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 fifteen percent (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 fifteen percent (15%) limitation, there may be deducted all bonds or other evidence of indebtedness issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospital, port or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county.

However, in no case shall any county contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes when added to all of the outstanding general obligation indebtedness, both bonded and floating, which shall exceed twenty percent (20%) of the assessed value of all taxable property within such county, but bonds issued for school purposes and bonds issued under Sections 57-1-1 through 57-1-51 are specifically excluded from both the fifteen percent (15%) limitation and the twenty percent (20%) limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the twenty percent (20%) limitation. Industrial development revenue bonds are excluded from all limitations on indebtedness, as are contract obligations subject to annual appropriations.

**Outstanding General Obligation Bonded Debt**

(As of January 1, 2025)

<b>Issue</b>	<b>Date of Issue</b>	<b>Outstanding Principal</b>
General Obligation Refunding Bonds, Series 2016	09/22/16	<b>\$ 1,760,000</b>
General Obligation Refunding Bonds, Series 2019	8/05/19	<b>6,190,000</b>
General Obligation Public Improvement Bonds, Series 2020	4/15/20	<b>17,660,000</b>
General Obligation Refunding Bonds, Series 2021	9/16/21	<b>8,787,000</b>
<b>Total</b>		<b>\$34,397,000</b>

**Other Outstanding Indebtedness**

(As of January 1, 2025)

<b>Issue</b>	<b>Date of Issue</b>	<b>Outstanding Principal</b>
Promissory Note (DeSoto County, Mississippi Highway Construction Project) Series 2014	7/02/14	37,830,000
Promissory Note (DeSoto County, Mississippi Highway Construction Project), Series 2017A	1/31/17	27,160,000
Promissory Note (DeSoto County, Mississippi Highway Refunding Project) Series 2019	11/1/19	39,295,000
Promissory Note (DeSoto County, Mississippi Highway Refunding Project) Series 2024	10/10/24	147,725,000
<b>Total</b>		<b>\$252,010,000</b>

SOURCE: DeSoto County Chancery Clerk's Office; January 2025.

**Annual Debt Service Requirements**

FY Ending September 30	General Obligation Debt		
	Principal	Interest	Total
2025	4,066,000.00	1,024,523.10	5,090,523.10
2026	4,207,000.00	895,700.00	5,102,700.00
2027	3,917,000.00	766,331.20	4,683,331.20
2028	4,035,000.00	636,527.80	4,671,527.80
2029	4,168,000.00	501,525.70	4,669,525.70
2030	2,189,000.00	412,085.80	2,601,085.80
2031	1,702,000.00	372,800.60	2,074,800.60
2032	1,738,000.00	335,143.60	2,073,143.60
2033	1,775,000.00	296,525.50	2,071,525.50
2034	1,140,000.00	260,100.00	1,400,100.00
2035	1,170,000.00	225,900.00	1,395,900.00
2036	1,205,000.00	190,800.00	1,395,800.00
2037	1,240,000.00	154,650.00	1,394,650.00
2038	1,270,000.00	117,450.00	1,387,450.00
2039	1,305,000.00	79,350.00	1,384,350.00
2040	1,340,000.00	40,200.00	1,380,200.00
<b>Totals:</b>	<b>\$36,467,000.00</b>	<b>\$6,309,613.30</b>	<b>\$42,776,613.30</b>

General Obligation Bonded Debt	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
General Obligation Public Improvement Refunding Bonds (3/18/09)	-0-	-0-	-0-	-0-	1,415,000
General Obligation Refunding Bonds, Series 2012 (3/21/12)	-0-	1,580,000	3,130,000	4,625,000	6,075,000
General Obligation Bonds, Series 2013 (6/06/13)	-0-	-0-	510,000	1,005,000	7,505,000
General Obligation Refunding Bonds, Series 2015 (3/03/15) <sup>4</sup>	-0-	1,980,000	3,855,000	5,640,000	7,330,000
General Obligation Bonds, Series 2015 E-911 (3/05/15)	-0-	-0-	-0-	415,000	4,675,000
General Obligation Refunding Bonds, Series 2016 (9/22/16)	2,465,000	3,145,000	3,995,000	5,270,000	6,065,000
General Obligation Refunding Bonds, Series 2019 (8/05/19)	7,555,000	8,850,000	10,925,000	12,900,000	15,210,000
General Obligation Public Improvement Bonds, Series 2020 (4/15/20)	17,660,000	18,530,000	19,375,000	20,200,000	21,000,000
Taxable General Obligation Refunding Bonds, Series 2021 (9/16/21)	8,787,000	9,879,000	10,424,000	10,535,000	-0-
<b>Totals</b>	<b>\$36,467,000</b>	<b>\$43,964,000</b>	<b>\$52,214,000</b>	<b>\$60,590,000</b>	<b>\$69,275,000</b>

---

<sup>4</sup> The debt service for the Series 2015 GO Bonds is paid by the DeSoto County Convention and Visitors Bureau.

**Debt Ratios**

FY Ended Sept. 30	General Obligation Debt	General Obligation Debt to Assessed Value
2024	\$36,467,000	1.31%
2023	43,964,000	1.62
2022	52,214,000	2.11
2021	60,590,000	2.60
2020	69,275,000	3.29



**FINANCIAL INFORMATION CONCERNING THE COUNTY**

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**APPENDIX B**

**FISCAL YEAR 2023  
AUDITED FINANCIAL STATEMENT**

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**DESOTO COUNTY, MISSISSIPPI**  
**Audited Financial Statements and Special Reports**  
**For the Year Ended September 30, 2023**

**Bridgers, Goodman, Baird & Clarke, PLLC**  
**Certified Public Accountants**  
**Vicksburg, Mississippi**

**DESOTO COUNTY  
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**DESOTO COUNTY**

**FINANCIAL SECTION**



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
DeSoto County, Mississippi

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of DeSoto County, Mississippi, (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeSoto County, Mississippi, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Emergency Communication District of DeSoto County, which represents 5.9 percent, 1.4 percent, and 8.3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of September 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Emergency Communication District of DeSoto County are based solely on the report of the other auditors.

#### *Basis for Opinions*

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



### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County's Contributions, and the DeSoto County Convention and Visitors Bureau Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise DeSoto County, Mississippi'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.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the accompanying Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Surety Bonds for County Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of DeSoto 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 DeSoto 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 DeSoto County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

December 9, 2024

**DESOTO COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**INTRODUCTION**

The discussion and analysis of DeSoto County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2023. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance.

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

Information contained in this section is supplemented by the more detailed information contained elsewhere in this County's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the County's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

**FINANCIAL HIGHLIGHTS**

DeSoto County is financially stable. The County has committed itself to financial excellence for many years by using sound financial planning, budgeting, and strong internal controls. The County is committed to maintaining sound fiscal management to meet the challenges of the future.

DeSoto County continues to grow both economically and in population. This has allowed the County to maintain a steady growth in tax revenues without a significant tax increase.

- Total net position decreased \$12,545,467, which represents a 4.4% decrease from fiscal year 2022.
- General revenues account for \$99,176,878 in revenues, or 79.82% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$25,082,025 or 20.18% of total revenues.
- The County had \$113,440,402 in total expenses; only \$25,082,025 of these expenses were offset by program specific charges for services, grants, and contributions. General revenues of \$99,176,878 and beginning net position were adequate to provide for the remainder of these programs.
- Among major funds, the General Fund had \$79,654,717 in revenues, \$61,274,716 in expenditures, \$13,336,958 in transfers out, \$139,039 in transfers in, and \$186,170 in lease payments received. The General Fund's fund balance increased by \$5,368,252.
- Among major funds, the Coronavirus Fund had \$5,199,442 in revenues, \$4,709,919 in expenditures, and \$240,000 in transfers out. The Coronavirus Fund's fund balance increased by \$249,523.
- Among major funds, the Bridge and Culvert Fund had \$12,563,844 in revenues, \$9,132,746 in expenditures, \$147,500 in transfers out and \$105,000 in transfers in. The Bridge and Culvert Fund's fund balance increased by \$3,388,598.

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

- Capital assets, net of accumulated depreciation and adjustments, decreased by \$15,054,580, primarily due to a prior period adjustment.
- Long-term debt decreased by \$8,559,277, primarily due to the timely payment of existing debt.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**Figure 1: Required Components of the County's Annual Report**

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

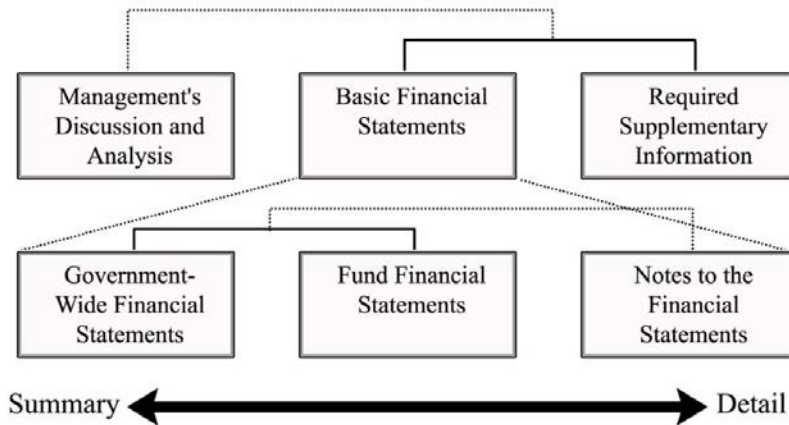


Figure 2 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Figure 2: Major Features of the County's Government-Wide and Fund Financial Statements**

Government-Wide Financial Statements		Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<b>Scope</b>	Entire County government (except fiduciary funds)	All activities of the County that are not proprietary or fiduciary in nature	The County has one type of proprietary fund, which is the Internal Service Fund type. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's various activities.	Instances in which the County administers resources on behalf of someone else.
<b>Required financial statements</b>	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position  Statement of Revenues, Expenses and Changes in Net Position  Statement of Cash Flows	Statement of Fiduciary Net Position  Statement of Changes in Fiduciary Net Position
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset, deferred outflow, liability, and deferred inflow information</b>	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital and short and long term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, and deferred inflows	All assets, deferred outflows, liabilities, and deferred inflows
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

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

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

Both of these government-wide financial statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt, and pension expense.

The proprietary fund activities of the County are for the self-funded health insurance plan for county employees and are accounted for within governmental activities.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same Board as the County or provide services entirely to the County.

The discretely presented component units are as follows:

DeSoto County Emergency Communications District  
DeSoto County Convention and Visitors Bureau

These discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government.

Further information may be obtained from the various component units as follows:

Emergency Communications District	P.O. Box 156 Nesbit, Mississippi 38651
DeSoto County Convention and Visitors Bureau	4560 Venture Drive Southaven, Mississippi 38671

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.



**DESOTO COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's current financing requirements. Governmental funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The governmental funds statements provide a detailed short-term view of the County's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's current financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual government funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental fund.

**Proprietary funds.** The Internal Service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its self-funded health insurance plan for county employees. The proprietary fund is reported as distinct from the governmental funds on the fund financial statements. However, because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fund financial statements for the proprietary fund provide the same type of information as the government-wide financial statements, only in more detail. The self-funded health insurance fund is considered the only proprietary fund of the County.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The County's fiduciary balances are presented in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules and pension data as required supplementary information.

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund, Coronavirus Fund, and Bridge & Culvert Fund.

This report also presents a Schedule of the County's Proportionate Share of the Net Pension Liability of the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. This schedule is presented to show trending data over the most recent ten fiscal year period as required by the Governmental Accounting Standards Board (GASB).

This report also presents a Schedule of County Contributions to PERS over the most recent ten fiscal year period as required by the Governmental Accounting Standards Board (GASB).

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position.** Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$272,401,433 as of September 30, 2023.

The largest portion of the County's net position (58.89%) reflects its investment in capital assets (e.g. land, buildings, improvement other than buildings, mobile equipment, furniture and equipment, right-to-use leased assets, infrastructure assets, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

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

The following table presents a summary of the County's net position at September 30, 2023 and 2022.

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<u>Assets</u>		
Current and other assets	\$ 343,059,902	334,696,904
Capital assets, net	201,300,261	216,354,841
Total Assets	544,360,163	551,051,745
<u>Deferred outflows</u>		
	29,282,880	16,383,298
<u>Liabilities</u>		
Current and other liabilities	45,122,993	49,332,135
Net pension liability	124,750,547	98,801,467
Long-term debt	45,858,421	54,417,698
Total Liabilities	215,731,961	202,551,300
<u>Deferred inflows</u>		
	85,509,649	79,936,843
<u>Net Position:</u>		
Net investment in capital assets	160,919,057	168,182,610
Restricted	118,879,839	132,281,314
Unrestricted	(7,397,463)	(15,517,024)
Total Net Position	\$ 272,401,433	284,946,900

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Additional information on net position:

In connection with standards on accounting and financial reporting for pensions, management presents the following additional information:

	2023	2022
Total unrestricted net position	\$ (7,397,463)	(15,517,024)
Less: unrestricted deficit in net position resulting from recognition of GASB 68 & 71	96,054,149	83,182,936
Unrestricted net position, exclusive of the net pension liability effect	\$ 88,656,686	67,665,912

**Changes in net position.** The County's total revenues for the fiscal year ended September 30, 2023, were \$124,258,903. The total cost of all programs and services was \$113,440,402. The increase in net position was \$10,818,501.

The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2023 and 2022.

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Program Revenues:</b>		
Charges for services	\$ 11,809,632	12,989,380
Operating Grants	9,925,165	2,609,794
Capital Grants	3,347,228	7,440,206
<b>General Revenues:</b>		
Property taxes	86,742,623	82,264,328
Road and Bridge Privilege Taxes	2,599,931	2,540,353
Unrestricted Grants and Contributions	4,916,576	6,499,955
Other General Revenue	4,917,748	3,112,080
<b>Total Revenues</b>	<b>124,258,903</b>	<b>117,456,096</b>
<b>Program Expenses:</b>		
General Government	18,294,474	21,075,333
Public Safety	41,700,328	33,466,205
Public Works	22,332,769	11,943,414
Health and Welfare	5,309,749	1,889,345
Culture and Recreation	2,295,322	2,893,088
Conservation of Natural Resources	3,165,574	259,549
Economic Development and Assistance	308,653	592,467
Interest on Long-Term Debt	649,269	539,586
Pension Expense	19,384,264	10,664,375
<b>Total Expenses</b>	<b>113,440,402</b>	<b>83,323,362</b>
	<b>\$ 10,818,501</b>	<b>34,132,734</b>
<b>Changes in Net Position</b>		

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Governmental activities.** The following table presents the cost of nine major county functional activities: general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt and pension expense.

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

	<u>Total Costs</u>	<u>Net Costs</u>
General Government	\$ 18,294,474	(9,912,735)
Public Safety	41,700,328	(36,048,470)
Public Works	22,332,769	(13,363,380)
Health and Welfare	5,309,749	(5,010,938)
Culture and Recreation	2,295,322	(2,035,810)
Conservation of Natural Resources	3,165,574	(3,065,574)
Economic Development	308,653	1,112,063
Interest on Long-Term Debt	649,269	(649,269)
Pension Expense	19,384,264	(19,384,264)
Total	<u>\$ 113,440,402</u>	<u>(88,358,377)</u>

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the county's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. Fund balance may serve as a useful measure of the county's net resources available for spending at the end of the fiscal year.

The financial performance of the county as a whole is reflected in its governmental funds. As the county completed the year, its governmental funds reported a combined fund balance of \$195,375,666 an increase of \$9,638,263 or 5.19% from the previous year.

The General Fund is the principal operating fund of the county. The increase in fund balance in the General Fund for the fiscal year was \$5,368,252.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the county revised the annual operating budget whenever actual expenditures in a line item exceeded the budgeted expenditures. The amendments were approved by the County Board of Supervisors and then posted to the accounting record by the Finance Director.

At least once a month the budgetary reports are sent to each department head for their review. The county requires a budget amendment for any line items that exceed the budget. Also, when a purchase order is requested

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

by the various departments, the procurement department verifies that the funds are available in that budget line item to cover the requested purchase. If funds are not available, the department who requested the purchase is required to submit a budget amendment to the Office of Finance and Accounting to present to the County Board of Supervisors and post to the accounting records to ensure that the funds are available in the appropriate line item. This ensures that the County complies with state law and the State Audit Department guidelines.

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** As of September 30, 2023, the county's total capital assets were \$349,336,598, including land, construction in progress, buildings, improvements other than buildings, infrastructure, mobile equipment, intangible assets, and furniture and equipment. This amount represents an increase of \$6,438,466 from the previous year. The majority of this increase is due to construction in progress and equipment expenditures.

Total accumulated depreciation as of September 30, 2023, was \$148,036,337 and total depreciation expense for the year was \$7,578,599.

The balance in total net capital assets was \$201,300,261 at year end.

Additional information on the county's capital assets can be found in Note 7 of this report.

**Debt Administration.** At September 30, 2023, the county had \$44,017,385 in long-term debt outstanding. This includes general obligation bonds and unamortized premiums. As of September 30, 2023, \$7,497,000 is due within one year.

The remaining long-term liability, \$126,591,583, consisted of compensated absences, lease liabilities and net pension liability.

Additional information on the county's long-term debt can be found in Note 10 of this report.

**CURRENT ISSUES**

The DeSoto County Board of Supervisors has always strived to ensure that the county is financially stable and has accomplished this by committing itself to financial excellence for many years. DeSoto County has been experiencing growth over the past several years. The amount of growth remains relatively steady and the trend is for continued growth for the next several years. The county's population has grown over the past 30 years and that growth is expected to continue as follows:

Between seven to ten companies locate to DeSoto County each year. The County averages several industrial expansions annually. Unemployment is at 3.2% in the State of Mississippi. The County's growth has been complemented by conservative, yet progressive leadership. The catalyst of the growth is a strong school system and proactive leadership from the County Board of Supervisors that has allowed the county to keep the tax millage rate low from year to year. In the 2023 fiscal year, the County Board of Supervisors financed the County's operations without raising the tax rate. Due to the County Board of Supervisors' conservative financial approach,

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

the County has been able to establish substantial cash reserves to ensure the County remains in a good position to endure the economic cycles that come and go from year to year.

**DeSoto County Tax Millage Rates 2013-2023**

Fiscal Year	General County	Road/ Bridge	Debt Service	Solid Waste	Total
2013	27.42	7.00	5.38	1.22	41.02
2014	26.92	7.00	5.88	1.22	41.02
2015	26.65	6.97	6.18	1.22	41.02
2016	26.65	6.97	6.03	1.37	41.02
2017	27.09	6.97	5.59	1.37	41.02
2018	27.09	6.97	5.59	1.37	41.02
2019	27.09	6.97	5.59	1.37	41.02
2020	28.09	7.41	3.40	2.12	41.02
2021	28.09	7.41	4.05	1.47	41.02
2022	28.09	7.41	4.05	1.47	41.02
2023	29.49	7.41	2.65	1.47	41.02

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

If you have any questions about this report, contact the Office of Finance and Accounting, 365 Loshier Street, Suite 320, Hernando, Mississippi 38632. The telephone number is (662)469-8001 and the fax number is (662)469-8275.

**DESOTO COUNTY**

**FINANCIAL STATEMENTS**

**DESOTO COUNTY**  
**Statement of Net Position**  
**September 30, 2023**

**Exhibit 1**

	Primary Government Governmental Activities	Component Units
<b>ASSETS</b>		
Cash	\$ 197,346,565	35,731,399
Investments	30,000,000	
Property tax receivable	85,066,974	
Accounts receivable (net of allowance for uncollectibles of \$322,022 and \$5,000, respectively)	469,139	1,856,440
Fines receivable (net of allowance for uncollectibles of \$6,307,635)	1,848,824	
Loans receivable	7,136,984	
Lease receivable	355,141	229,999
Intergovernmental receivables	4,374,804	1,090,643
Other receivables	216,645	
Receivable from Component Unit	15,296,000	
Inventories and prepaid items	948,826	842,930
Capital assets:		
Land and construction in progress	28,384,593	7,292,688
Other capital assets, net	172,915,668	38,238,718
<b>Total Assets</b>	<b>544,360,163</b>	<b>85,282,817</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	28,783,932	1,825,892
Deferred amount on refunding	498,948	
<b>Total Deferred Outflows of Resources</b>	<b>29,282,880</b>	<b>1,825,892</b>
<b>LIABILITIES</b>		
Claims payable	7,307,354	2,519,103
Accrued liabilities		883,803
Intergovernmental payables	6,275,528	
Accrued interest payable	105,035	422,456
Event security deposits		20,000
Unearned revenue	30,980,522	422,521
Amounts held in custody for others	454,554	
Long-term liabilities		
Due within one year:		
Lease Liabilities	7,767	
Non-capital debt	680,000	
Capital debt	6,817,000	2,487,448
Due in more than one year:		
Non-capital debt	4,298,269	149,154
Capital debt	34,055,385	17,336,549
Net pension liability	124,750,547	7,570,547
<b>Total Liabilities</b>	<b>215,731,961</b>	<b>31,811,581</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	87,534	2,592
Deferred revenues related to leases	355,141	229,999
Deferred revenues - property taxes	85,066,974	
<b>Total Deferred Inflows of Resources</b>	<b>85,509,649</b>	<b>232,591</b>
<b>NET POSITION</b>		
Net investment in capital assets	160,919,057	29,209,409
Restricted for:		
Expendable:		
General government	1,334,518	
Public safety	9,763,354	
Public works	73,520,500	
Health and welfare	17,282,493	
Culture and recreation	1,870,359	
Debt service	15,108,615	
Unrestricted	(7,397,463)	25,855,128
<b>Total Net Position</b>	<b>\$ 272,401,433</b>	<b>55,064,537</b>

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



**DESOTO COUNTY**  
**Statement of Activities**  
**For the Year Ended September 30, 2023**

**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 Governmental Activities	Component Units
Primary government:						
Governmental activities:						
General government	\$ 18,294,474	6,310,141	1,574,958	496,640	(9,912,735)	
Public safety	41,700,328	4,902,912	305,235	443,711	(36,048,470)	
Public works	22,332,769	519,630	7,478,262	971,497	(13,363,380)	
Health and welfare	5,309,749	76,949	207,198	14,664	(5,010,938)	
Culture and recreation	2,295,322		259,512		(2,035,810)	
Conservation of natural resources	3,165,574		100,000		(3,065,574)	
Economic development and assistance	308,653			1,420,716	1,112,063	
Interest on long-term debt	649,269				(649,269)	
Pension expense	19,384,264				(19,384,264)	
Total Governmental Activities	<u>113,440,402</u>	<u>11,809,632</u>	<u>9,925,165</u>	<u>3,347,228</u>	<u>(88,358,377)</u>	
Component units:						
Emergency Communications District	\$ 1,377,728	1,965,283				587,555
Convention and Visitors Bureau	12,916,699	7,670,395	108,509			(5,137,795)
Total Component Units	<u>\$ 14,294,427</u>	<u>9,635,678</u>	<u>108,509</u>	<u>-</u>		<u>(4,550,240)</u>
General revenues:						
Property taxes				\$ 86,742,623		
Road & bridge privilege taxes				2,599,931		
Tourism tax						13,516,646
Grants and contributions not restricted to specific programs				4,916,576		
Unrestricted interest income				1,482,763		250,979
Miscellaneous				3,777,694		215,995
Lease principal payments				186,170		
Internal Service Fund				(2,309,698)		
Transfers from outside sources				1,780,819		
Total General Revenues, Contributions and Transfers				<u>99,176,878</u>		<u>13,983,620</u>
Changes in Net Position				<u>10,818,501</u>		<u>9,433,380</u>
Net Position - Beginning, as previously reported				284,946,900		45,623,363
Prior period adjustments				(23,363,968)		7,794
Net Position - Beginning, as restated				<u>261,582,932</u>		<u>45,631,157</u>
Net Position - Ending				<u>\$ 272,401,433</u>		<u>55,064,537</u>

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

**DESOTO COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2023**

**Exhibit 3**

	Major Funds			Other	Total
	General Fund	Coronavirus Fund	Bridge & Culvert Fund	Governmental Funds	Governmental Funds
<b>ASSETS</b>					
Cash	\$ 44,896,935	32,520,148	44,485,880	74,973,536	196,876,499
Investments	30,000,000				30,000,000
Property tax receivable	62,430,661		10,185,819	12,450,494	85,066,974
Accounts receivable (net of allowance for uncollectibles of \$322,022)	469,139				469,139
Fines receivable (net of allowance for uncollectibles of \$6,307,635)	1,848,824				1,848,824
Loans receivable	7,136,984				7,136,984
Lease receivable	355,141				355,141
Intergovernmental receivables	2,726,522			1,648,282	4,374,804
Other receivables	183,908			32,737	216,645
Due from other funds	410,891		132,063	426,479	969,433
Due from component units				15,296,000	15,296,000
Prepaid items	948,826				948,826
<b>Total Assets</b>	<b>\$ 151,407,831</b>	<b>32,520,148</b>	<b>54,803,762</b>	<b>104,827,528</b>	<b>343,559,269</b>
<b>LIABILITIES</b>					
Liabilities:					
Claims payable	\$ 2,237,089	1,086,655	1,102,322	2,041,422	6,467,488
Intergovernmental payables	5,908,230			201,805	6,110,035
Due to other funds	691,298			410,891	1,102,189
Unearned revenue	90,418	30,890,104			30,980,522
Amounts held in custody for others	487,291				487,291
Other payables					-
<b>Total Liabilities</b>	<b>\$ 9,414,326</b>	<b>31,976,759</b>	<b>1,102,322</b>	<b>2,654,118</b>	<b>45,147,525</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	62,430,661		10,185,819	12,450,494	85,066,974
Unavailable revenue - leases	355,141				355,141
Unavailable revenue - accounts receivable	469,139				469,139
Unavailable revenue - accounts receivable- component unit				15,296,000	15,296,000
Unavailable revenue - fines	1,848,824				1,848,824
<b>Total Deferred Inflows of Resources</b>	<b>\$ 65,103,765</b>	<b>-</b>	<b>10,185,819</b>	<b>27,746,494</b>	<b>103,036,078</b>
<b>Fund balances:</b>					
Nonspendable:					
Inventories and prepaid items	948,826				948,826
Restricted for:					
General government				1,334,518	1,334,518
Public safety				9,763,354	9,763,354
Public works		543,389	43,515,621	29,461,490	73,520,500
Health and welfare				17,282,493	17,282,493
Culture and recreation				1,870,359	1,870,359
Debt service				14,714,702	14,714,702
Unassigned	75,940,914			-	75,940,914
<b>Total Fund Balances</b>	<b>\$ 76,889,740</b>	<b>543,389</b>	<b>43,515,621</b>	<b>74,426,916</b>	<b>195,375,666</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 151,407,831</b>	<b>32,520,148</b>	<b>54,803,762</b>	<b>104,827,528</b>	<b>343,559,269</b>

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

**DESOTO COUNTY**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**September 30, 2023**

**Exhibit 3-1**

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 195,375,666
Amounts reported for governmental activities in the statement of net position 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 \$172,915,668.	201,300,261
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Due from Component Unit	15,296,000
Accounts Receivable	469,139
Fines Receivable	1,848,824
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(45,858,421)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(124,750,547)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(105,035)
Deferred amount on refunding	498,948
Deferred outflows and inflows of resources related to pensions are applicable to to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	28,783,932
Deferred inflows of resources related to pensions	(87,534)
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	<u>(369,800)</u>
Total Net Position - Governmental Activities	\$ <u><u>272,401,433</u></u>

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

**DESOTO COUNTY**

**Exhibit 4**

**Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds  
For the Year Ended September 30, 2023**

	Major Funds			Other	Total
	General Fund	Coronavirus Fund	Bridge & Culvert Fund	Governmental Funds	Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 62,936,595		9,986,399	13,819,629	86,742,623
Road and bridge privilege taxes				2,599,931	2,599,931
Licenses, commissions and other revenue	4,340,379		72,159	809,494	5,222,032
Fines and forfeitures	1,420,565			581,661	2,002,226
Intergovernmental revenues	7,123,565	4,949,919		6,115,485	18,188,969
Charges for services	1,975,018		12,882	2,361,740	4,349,640
Interest income	466,989	249,523	286,416	479,835	1,482,763
Miscellaneous revenues	1,391,606		2,205,988	1,772,374	5,369,968
<b>Total Revenues</b>	<b>79,654,717</b>	<b>5,199,442</b>	<b>12,563,844</b>	<b>28,540,149</b>	<b>125,958,152</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	20,260,947			1,940,799	22,201,746
Public safety	36,087,448	796,353		6,956,928	43,840,729
Public works	686,635	339,019	9,132,746	21,734,353	31,892,753
Health and welfare	2,031,905	3,338,265		1,755	5,371,925
Culture and recreation	1,545,791			870,996	2,416,787
Conservation of natural resources	305,562			2,862,355	3,167,917
Economic development and assistance	356,428	236,282		67,081	659,791
<b>Debt service:</b>					
Principal				8,250,000	8,250,000
Interest				1,082,208	1,082,208
<b>Total Expenditures</b>	<b>61,274,716</b>	<b>4,709,919</b>	<b>9,132,746</b>	<b>43,766,475</b>	<b>118,883,856</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>18,380,001</b>	<b>489,523</b>	<b>3,431,098</b>	<b>(15,226,326)</b>	<b>7,074,296</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets					-
Lease payments received	186,170				186,170
Transfers in	139,039		105,000	14,840,884	15,084,923
Transfers out	(13,336,958)	(240,000)	(147,500)	(2,838,487)	(16,562,945)
Transfers in from component units				3,855,819	3,855,819
<b>Total Other Financing Sources and Uses</b>	<b>(13,011,749)</b>	<b>(240,000)</b>	<b>(42,500)</b>	<b>15,858,216</b>	<b>2,563,967</b>
<b>Net Changes in Fund Balances</b>	<b>5,368,252</b>	<b>249,523</b>	<b>3,388,598</b>	<b>631,890</b>	<b>9,638,263</b>
Fund Balances - Beginning	71,521,488	293,866	40,127,023	73,795,026	185,737,403
Fund Balances - Ending	\$ 76,889,740	543,389	43,515,621	74,426,916	195,375,666

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

**DESOTO COUNTY**  
**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, 2023**

**Exhibit 4-1**

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 9,638,263
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 \$17,480,261 exceeded depreciation of \$7,565,879 in the current period.	9,914,382
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. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of \$1,592,274.	(1,592,274)
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.	158,785
Ambulance 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.	76,949
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 \$8,250,000 exceeded debt proceeds of \$0.	8,250,000
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:	
Decrease in Receivable from Component Unit	(2,075,000)
Accrued interest payable	54,632
Compensated absences payable	(282,654)
Amortization of bond premiums	579,211
Amortization of refunding charges on long-term debt	(200,904)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(19,384,264)
Recording of contributions made during the year	6,513,051
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities.	(831,676)
Change in Net Position of Governmental Activities	<u>\$ 10,818,501</u>

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

**DESOTO COUNTY**  
**Statement of Net Position- Proprietary Fund**  
**September 30, 2023**

**Exhibit 5**

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets:	
Cash	\$ 470,066
Total Current Assets	<u>470,066</u>
Total Assets	<u>470,066</u>
LIABILITIES	
Current liabilities:	
Claims payable	<u>839,866</u>
Total Current Liabilities	<u>839,866</u>
Total Liabilities	<u>839,866</u>
NET POSITION	
Unrestricted	<u>(369,800)</u>
Total Net Position	<u>\$ (369,800)</u>

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

**DESOTO COUNTY****Exhibit 6****Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Year Ended September 30, 2023**

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Premiums	\$ 6,473,944
Total Operating Revenues	<u>6,473,944</u>
Operating Expenses	
Claims payments	8,790,068
Total Operating Expenses	<u>8,790,068</u>
Operating Income (Loss)	<u>(2,316,124)</u>
Nonoperating Revenues (Expenses)	
Interest income	6,426
Net Nonoperating Revenue (Expenses)	<u>6,426</u>
Net Income (Loss) Before Transfers	(2,309,698)
Transfers in	1,478,022
Changes in Net Position	<u>(831,676)</u>
Net Position - Beginning	<u>461,876</u>
Net Position - Ending	\$ <u><u>(369,800)</u></u>

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

**DESOTO COUNTY**  
**Statement of Cash Flows - Proprietary Fund**  
**For the Year Ended September 30, 2023**

**Exhibit 7**

	Governmental Activities
	Internal Service Funds
Cash Flows From Operating Activities	
Receipts for premiums	\$ 6,473,944
Payments for claims	<u>(8,517,994)</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,044,050)</u>
Cash Flows From Noncapital Financing Activities	
Operating transfers in	<u>1,478,022</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,478,022</u>
Cash Flows From Investing Activities	
Proceeds from sale and maturities of investments	
Interest on deposits	<u>6,426</u>
Net Cash Provided (Used) by Investing Activities	<u>6,426</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(559,602)
Cash and Cash Equivalents at Beginning of Year	1,029,668
Cash and Cash Equivalents at End of Year	\$ <u><u>470,066</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ <u>(2,316,124)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in claims payable	<u>272,074</u>
Total Adjustments	<u>272,074</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>(2,044,050)</u></u>

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



DESOTO COUNTY  
Statement of Fiduciary Net Position  
September 30, 2023

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 73,017
Receivables:	
Due from other funds	<u>132,756</u>
Total Assets	<u>\$ 205,773</u>
LIABILITIES	
Amounts held in custody for others	\$ 203,870
Other liabilities	<u>1,903</u>
Total Liabilities	<u>\$ 205,773</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	\$ <u>-</u>
Total net position	<u>-</u>

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

**DESOTO COUNTY**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2023**

**Exhibit 9**

	<u>Custodial Funds</u>
ADDITIONS	
Interest and dividends	\$ 375
Tourism tax	13,489,574
Collections for assessments	1,766,272
Transfers in from related entities	<u>2,395,902</u>
Total Additions	<u>17,652,123</u>
DEDUCTIONS	
Payments in accordance with agreements	2,396,277
Payments of assessments to other organizations	1,766,272
Payments of tax to other governments	<u>13,489,574</u>
Total Deductions	<u>17,652,123</u>
Net increase (decrease) in fiduciary net position	-
Net Position - Beginning	<u>-</u>
Net Position - Ending	<u>\$ -</u>

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

**DESOTO COUNTY**

**Exhibit 10**

**Combining Statement of Net Position- Discretely Presented Component Units  
September 30, 2023**

	Emergency Communications District	Convention and Visitors Bureau	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 3,936,822	31,794,577	35,731,399
Accounts receivable (net of allowance for uncollectibles of \$0 and \$5,000, respectively)	469,295	1,387,145	1,856,440
Intergovernmental receivables		1,090,643	1,090,643
Lease receivables		229,999	229,999
Inventories and prepaid items		243,597	243,597
Total Current Assets	<u>4,406,117</u>	<u>34,745,961</u>	<u>39,152,078</u>
Noncurrent assets:			
Prepaid expenses	599,333		599,333
Capital assets:			
Land and construction in progress		7,292,688	7,292,688
Other capital assets, net		38,238,718	38,238,718
Total Noncurrent Assets	<u>599,333</u>	<u>45,531,406</u>	<u>46,130,739</u>
Total Assets	<u>5,005,450</u>	<u>80,277,367</u>	<u>85,282,817</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions		1,825,892	1,825,892
Total Deferred Outflows of Resources	<u>-</u>	<u>1,825,892</u>	<u>1,825,892</u>
<b>LIABILITIES</b>			
Current liabilities:			
Claims payable	713,821	1,805,282	2,519,103
Accrued liabilities		883,803	883,803
Accrued interest payable	2,743	419,713	422,456
Event security deposits		20,000	20,000
Unearned revenue		422,521	422,521
Long-Term Debt	481,000	2,006,448	2,487,448
Total Current Liabilities	<u>1,197,564</u>	<u>5,557,767</u>	<u>6,755,331</u>
Noncurrent liabilities:			
Long-Term Debt	3,021,000	14,315,549	17,336,549
Compensated absences payable		149,154	149,154
Net pension liability		7,570,547	7,570,547
Total Noncurrent Liabilities	<u>3,021,000</u>	<u>22,035,250</u>	<u>25,056,250</u>
Total Liabilities	<u>4,218,564</u>	<u>27,593,017</u>	<u>31,811,581</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenues - pensions		2,592	2,592
Deferred revenues - leases		229,999	229,999
Total Deferred Inflows of Resources	<u>-</u>	<u>232,591</u>	<u>232,591</u>
<b>NET POSITION</b>			
Net investment in capital assets		29,209,409	29,209,409
Unrestricted	786,886	25,068,242	25,855,128
Total Net Position	<u>\$ 786,886</u>	<u>54,277,651</u>	<u>55,064,537</u>

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

**DESOTO COUNTY**  
**Combining Statement of Activities- Discretely Presented Component Units**  
**For the Year Ended September 30, 2023**

**Exhibit 11**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Emergency Communication District	Convention and Visitors Bureau	Total
Component units:							
Emergency Communications District	\$ 1,377,728	1,965,283	-	-	587,555		587,555
Convention and Visitors Bureau	12,916,699	7,670,395	108,509	-		(5,137,795)	(5,137,795)
<b>Total Component Units</b>	<b>\$ 14,294,427</b>	<b>9,635,678</b>	<b>108,509</b>	<b>-</b>	<b>587,555</b>	<b>(5,137,795)</b>	<b>(4,550,240)</b>
General revenues:							
Tourism tax					\$ -	13,516,646	13,516,646
Unrestricted interest income					5,056	245,923	250,979
Miscellaneous					-	215,995	215,995
<b>Total General Revenues</b>					<b>5,056</b>	<b>13,978,564</b>	<b>13,983,620</b>
Changes in Net Position					592,611	8,840,769	9,433,380
Net Position - Beginning, as previously reported					186,481	45,436,882	45,623,363
Prior period adjustment					7,794	-	7,794
<b>Net Position - Beginning, as restated</b>					<b>194,275</b>	<b>45,436,882</b>	<b>45,631,157</b>
Net Position - Ending					\$ 786,886	54,277,651	55,064,537

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

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

**A. Financial Reporting Entity.**

DeSoto 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 DeSoto County to present these financial statements on the primary government and its component units which have a significant operational or financial relationship with the County.

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 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

**B. Individual Component Unit Disclosures.**

Blended Component Units

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. DeSoto County has one blended component unit- The DeSoto County, Mississippi Public Improvement Corporation.

The DeSoto County, Mississippi Public Improvement Corporation is comprised solely of the five members of the County Board of Supervisors and the Chancery Clerk. Although it is legally separate from DeSoto County, Mississippi, the corporation is reported as if it were part of the primary government, as it is a pass-through corporation whose sole purpose is to finance, renovate and construction County buildings.

Discretely Presented Component Units

The component unit column in the financial statements includes the financial data of the following component units of the County. They are reported in a separate column to emphasize that they are legally separate from the County. The majority of the members of the governing bodies of these component units were appointed by the County Board of Supervisors.

The County reports the following discretely presented component units. Complete financial statements for these component units can be obtained through the DeSoto County Board of Supervisors.

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

DeSoto County Convention and Visitors Bureau (The Bureau) was created in 1998 by the DeSoto County Board of Supervisors under the provisions of House Bill 1831, under Chapter 1001 of the Local and Private Laws of 1996 of the State of Mississippi. The Bureau promotes tourism locally through revenues derived from a 2% tourism tax levied by the DeSoto County Board of Supervisors. The Bureau is governed by a seven-member Board appointed with five members appointed by the DeSoto County Board of Supervisors.

DeSoto County Emergency Communications District (The District) was created in 1988 by the DeSoto County Board of Supervisors under Section 19-5-305, Miss. Code Ann. (1972) to manage the emergency communications system and related infrastructure in order to provide E-911 services to DeSoto County residents. The seven-member Board of Commissioners is appointed by the DeSoto County Board of Supervisors and local municipalities. DeSoto County provides financial support for the District through the collection of E-911 revenues received from communications utilities.

A Certified public accounting firm other than the primary government auditor prepares audited financial statement information for the DeSoto County Emergency Communications District. The component units listed above are provided to the County as the primary government. Financial information may be obtained from the DeSoto County Chancery Clerk's office at 2535 Highway 51, South Room 104, Hernando, Mississippi 38632.

**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 the Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component units. 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 non-exchange revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 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

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. Funds are organized into governmental, proprietary and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column as Other Governmental Funds.

**D. Measurement Focus and Basis of Accounting.**

The Government-wide, Proprietary Funds and Fiduciary 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 asset 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.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as nonoperating.

Governmental fund 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 not accounted for and reported in another fund.

Coronavirus Fund – This fund is used to account for monies from specific revenue sources that are restricted for COVID-19 recovery efforts.

Bridge and Culvert Fund - This fund is used to account for monies from specific revenue sources that are restricted for bridges and culverts.

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 expenditures for specified purposes other than debt service or capital projects.

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

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

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

PROPRIETARY FUND TYPE

Internal Service Funds - These funds are used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The County's internal service fund reports on the self-insurance programs for employee medical benefits.

FIDUCIARY FUND TYPE

Custodial Funds – Custodial Funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

**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.

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 market value. However, the County did not invest in any governmental securities during the fiscal year.

**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." Noncurrent portions of inter-fund receivables and payables are reported as "advances to/from other funds." Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.



**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**I. Inventories and Prepaid Items.**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**J. 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, 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.

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:

	Capitalization Thresholds	Estimated Useful Life
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
Intangible assets	**	**

\*Intangible assets for the County represent right to use leased assets and are capitalized as a group for reporting purposes. The estimated useful life is the term of the lease agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized.

The term "depreciation" includes the amortization of intangible assets.

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**K. 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 on refunding – For current refunding’s and advance refunding’s 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 11 for additional details.

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

Deferred revenues – property taxes/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed non-exchange 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.

Unavailable revenue – accounts receivable – 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 11 for additional details.

Deferred inflows related to leases/leases – Deferred inflows of resources measured at the initial value of the lease receivable to reflect that the receivable relates to future periods.

**L. Leases.**

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases* (GASB 87), to establish a single leasing model for accounting and reporting purposes. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. GASB 87 was implemented during fiscal year 2022.

**DESOTO COUNTY**  
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The County uses the Federal Prime Borrowing Rate in effect at the date of the lease inception (4.00%) to calculate the present value of lease payments when the rate implicit in the lease is not known.

**M. Subscription-Based Information Technology Arrangements.**

The Governmental Accounts Standards Board (GASB) issued Statement No.96, Subscription-Based Information Technology Arrangements (SBITAs) (GASB 96) to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements amount governments that have entered into SBITAs, and to enhance understandability, reliability, relevance and consistency of information about SBITAs.

**N. Long-term liabilities.**

Long-term liabilities are the un-matured 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 financed purchases 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 issued is reported as other financing sources. Premiums received on debt issuances 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.

**O. Pensions.**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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 benefit terms. Investments are reported at fair value.

**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. Equity Classifications.**

Government-wide Financial Statements:

**DESOTO COUNTY**  
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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 improvement 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 or 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 non-spendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

*Nonspendable fund balance* includes amounts 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 or 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.

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

**S. 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 expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

**T. Changes in Accounting Standards**

GASB 96, *Subscription-Based Information Technology Arrangements*, was implemented during the 2023 fiscal year. Prior to the issuance of this statement there was no accounting or financial reporting guidance specifically for SBITAs. The purposes of the standard is to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, relatability, relevance, and consistency of information about SBITAs.

**NOTE 2 – PRIOR PERIOD ADJUSTMENTS.**

A summary of the significant net position adjustments is as follows:

Exhibit 2- Statement of Activities- Governmental Activities:

Explanation	Amount
To correct prior years errors in capital assets	23,363,968
Total prior period adjustments	\$ 23,363,968

**DESOTO COUNTY**  
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**NOTE 3 – DEPOSITS AND INVESTMENTS.**

**Deposits:**

**DeSoto County:**

The carrying amount of the County's total deposits with financial institutions at September 30, 2023, was \$197,419,582 and the bank balance was \$199,999,515. 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 does not have a formal policy for custodial credit risk. 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). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

**Investments:**

Investments balances at September 30, 2023, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Certificate of deposit	Less than one year	Level 1	\$ 25,000,000
Certificate of deposit	Less than one year	Level 1	<u>5,000,000</u>
Total			\$ <u><u>30,000,000</u></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, Mississippi Code of 1972 Annotated* 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, Mississippi Code of 1972 Annotated*. 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

**DESOTO COUNTY**  
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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 investment, \$25,000,000 were insured by securities pledged to the State Treasurer by that institution to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Concentration of Credit Risk. The County places no limit on the amount the County may invest in any one issuer. More than 5 percent of the County's investments are in a certificate of deposit. These investments are 100% of the County's total investments and are reported in the General Fund.

Investment Type	Fund	Fair Value	Percentage of total investments
Certificate of deposit	General Fund	\$ 25,000,000	83.33%
Certificate of deposit	One mill mandatory Fund	1,000,000	3.33%
Certificate of deposit	Unallocated funds Fund	<u>4,000,000</u>	13.34%
Total		<u>\$ 30,000,000</u>	

**NOTE 4 - INTERFUND TRANSACTIONS AND BALANCES.**

The following is a summary of interfund balances at September 30, 2023:

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 410,891
Bridge & Culvert Fund	General Fund	132,063
Other Governmental Funds	General Fund	426,479
Custodial Funds	General Fund	<u>132,756</u>
	Total	<u>\$ 1,102,189</u>

Receivables represent tax revenues and law library fees collected but not settled until October 2023 and cover expenditures for the volunteer fire department. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Transfers In/Out

Transfers In	Transfers Out	Amount
General Fund	Other governmental funds	\$ 139,039.00
Major Fund - Bridge & Culvert	General Fund	105,000.00
Other governmental funds	General Fund	12,033,936.00
Other governmental funds	Major Fund - Coronavirus Fund	240,000.00
Other governmental funds	Other governmental funds	2,566,948.00
Internal Service Fund	General Fund	1,198,022.00
Internal Service Fund	Major Fund - Bridge & Culvert	147,500.00
Internal Service Fund	Other governmental funds	<u>132,500.00</u>
	Total	<u>\$ 16,562,945</u>

**DESOTO COUNTY**  
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Transfers to Bridge and Culvert Fund are to cover various capital expenditures. Transfers to Other Governmental Funds are for budgeted allocations and reimbursement for court-related expenditures and postage.

**NOTE 5 - INTERGOVERNMENTAL RECEIVABLES.**

Intergovernmental receivables at September 30, 2023, consisted of the following:

Description	Amount
Legislative Credit	\$ 2,121,054
Cable tv franchise fees	6,336.00
Commissary commission	26,872.00
DHS reimbursements	29,210.00
Alcohol and Drug Grant	43,345.00
HIDTA	5,946.00
JAG Grant	1,250.00
Hazard Mitigation Grant	224,840.00
Homeland Security grant - 21HS017T	1,910.00
Homeland Security grant - A21HS017T	34,995.00
Highway planning and construction	1,225,500.00
DUI Grant reimbursement	43,346.00
EMA Grant reimbursement	110,165.00
EMPG reimbursement	124,895.00
Facility housing	18,000.00
Gary Senise Grant reimbursement	24,019.00
Occupant protection grant reimbursement	17,250.00
Prisoner housing reimbursement	122,015.00
Youth court reimbursement	83,114.00
ADC Reimbursement	66,242.00
Reimbursement for county services	24,000.00
Rental income	20,500.00
	\$ 4,374,804

**NOTE 6 – LOANS RECEIVABLE.**

At September 30, 2023, the DeSoto County Convention and Visitors Bureau had \$4,517,229 in loans payable for previous loans the County made to the Bureau for acquisition and construction costs related to the DeSoto County Convention and Visitors Bureau. During October 2013, the County and the Bureau entered into an agreement to repay the original loan totaling \$7,494,614 with no interest. Agreement terms include monthly payments of \$20,818 beginning November 1, 2013 and concluding October 1, 2043.

At September 30, 2023, the DeSoto County Regional Utility Authority had \$2,599,920 in loans payable for a previous loan the County made to the Authority for acquisition and construction costs designed to facilitate county growth. During July 2013, the County and the Authority entered into an agreement to



**DESOTO COUNTY**  
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repay the original loan totaling \$3,900,000 with no interest. Agreement terms include monthly payments of \$10,834 paid beginning October 1, 2014 and concluding September 1, 2044.

On September 30, 2023, the Fairhaven Fire Department had \$19,836 in loans payable for a previous loan the County made to the Department. On August 20, 2015, DeSoto county entered into an agreement with Fairhaven Fire Department to construct a fire facility. The County loaned \$204,820 to be paid back annually beginning July 1, 2016. In December 2018, the loan terms were amended to reduce the total outstanding amount due. The loan will conclude November 2024.

The following is a summary of loan repayments, equal to the annual debt service requirements of the County:

Description	Date of Loan	Maturity Date	Amount
DeSoto County Convention and Visitors Bureau	10/2013	10/2043	\$ 4,517,229
DeSoto County Regional Utility Authority	07/2013	09/2044	2,599,920
Fairhaven Fire Department Project	08/2015	11/2024	19,835
			<u>\$ 7,136,984</u>

**NOTE 7 - CAPITAL ASSETS.**

The following is a summary of capital assets activity for the year ended September 30, 2023:

<b>Governmental Activities</b>	Balance				Balance
	Oct. 1, 2022	Additions	Deletions	Adjustments	Sept. 30, 2023
<b>Non-depreciable capital assets:</b>					
Land	4,340,034	-	-	-	4,340,034
Construction in progress	64,422,851	15,338,941	-	(55,717,233)	24,044,559
Total non-depreciable capital assets	<u>68,762,885</u>	<u>15,338,941</u>	<u>-</u>	<u>(55,717,233)</u>	<u>28,384,593</u>
<b>Depreciable capital assets:</b>					
Infrastructure	148,621,632	760,756		40,229,757	189,612,145
Buildings	82,678,416		1,521,843	5,884,060	87,040,633
Improvements other than buildings	1,128,779	59,909	855	3,150,508	4,338,341
Mobile equipment	41,625,375	1,320,655	2,121,213	(944,976)	39,879,841
Intangible right to use equipment	81,045				81,045
Total depreciable capital assets	<u>274,135,247</u>	<u>2,141,320</u>	<u>3,643,911</u>	<u>48,319,349</u>	<u>320,952,005</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	82,978,321	3,423,809		3,404,525	89,806,655
Buildings	22,769,211	1,640,412	228,900	2,574,942	26,755,665
Improvements other than buildings	552,287	153,298		27,088	732,673
Mobile equipment	20,182,914	2,348,360	1,822,737	9,959,529	30,668,066
Intangible right to use equipment	60,558	12,720			73,278
Total accumulated depreciation	<u>126,543,291</u>	<u>7,578,599</u>	<u>2,051,637</u>	<u>15,966,084</u>	<u>148,036,337</u>
Depreciable capital assets, net	<u>147,591,956</u>	<u>(5,437,279)</u>	<u>1,592,274</u>	<u>32,353,265</u>	<u>172,915,668</u>
Governmental activities capital assets, net	<u>216,354,841</u>	<u>9,901,662</u>	<u>1,592,274</u>	<u>(23,363,968)</u>	<u>201,300,261</u>

**DESOTO COUNTY**  
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Total capital assets, net, excluding intangible right to use asset	\$ 201,292,494
Intangible right to use assets, net	<u>7,767</u>

Total capital assets, net, as reported in the statement of net position	\$ <u><u>201,300,261</u></u>
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Adjustments are to remove deleted assets, move completed construction in progress and correct prior years errors in recording depreciation expense.

Depreciation expense was charged to the following functions:

<b>Governmental Activities</b>	<u>Amount</u>
General government	\$ 318,954
Public safety	2,484,570
Public works	4,759,972
Health and welfare	845
Culture and recreation	4,880
Conservation	<u>9,378</u>
Total	\$ <u><u>7,578,599</u></u>

Commitments with respect to unfinished capital projects at September 30, 2023, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Agri Education Building Project	\$ 12,074,252.00	Not Determined
Agri-Ed Walking Trails	1,769,487.50	Not Determined
Armory Road	975,735.93	Not Determined
Austin Rd Bridge LSBP	287,564.00	Not Determined
Broadband Infrastructure	9,687,052.64	Not Determined
Commerce Street/Della to Jaybird - MPO	2,526,077.92	Not Determined
Courthouse Renovation	1,146,095.77	Not Determined
EOC Building	6,045,048.50	Not Determined
Getwell / Pleasant Hill Signal - MPO	9,851.12	Not Determined
Getwell / Robertson Gin Rd	55,513.37	Not Determined
Getwell Road Bridge	3,018,371.00	Not Determined
Getwell Road Improvements	4,298,670.91	Not Determined
Hawks Crossing Park (Lewisburg Park)	80,000.00	Not Determined
Information Technology - Office Impv's/Software	4,944,940.92	Not Determined
Johnson Creek Greenway Project	21,482.50	Not Determined
Juvenile Detention Renovation	1,975,658.49	Not Determined
Nail Rd - Hacks to Polk Lane	19,864,672.14	Not Determined
Polk Lane Extension	2,859,731.77	Not Determined
Sheriff's Dept ICAC Building Addition	251,893.86	Not Determined
Starlanding Rd East-Tulane-Getwell	9,119,342.15	Not Determined
Starlanding Sewer	2,460,326.98	Not Determined
Swinnea Road-Starlanding to Bankston	2,164,194.07	Not Determined
Wilson Mill Road	<u>2,347,110.28</u>	Not Determined
	<u><u>87,983,074</u></u>	

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**NOTE 8 - 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' 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, 2023, to January 1, 2024. 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 1992 and pursuant to Section 25-15-101, Miss. Code Ann. (1972), the County established a risk management fund (included as an Internal Service Fund) to account for and finance its uninsured risk of loss. The DeSoto County Board of Supervisors has extended coverage to the employees of the following public entities:

- Horn Lake Creek Basin
- DeSoto County Regional Utility Authority
- DeSoto County Emergency Communications District
- 17<sup>th</sup> Circuit Court District- District Attorney's Office

Under the plan, amounts payable to the risk management fund are based on actuarial estimates. DeSoto County pays the premium on a single coverage policy for its employees. Employees desiring additional and/or dependent coverage pay the additional premium through a payroll deduction. Premium payments to the risk management fund are determined on an actuarial basis. The County has minimum uninsured risk retention for the County, to the extent that actual claims submitted exceed the predetermined premium.

The County has purchased coinsurance which functions as two separate stop loss coverage: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$110,000, and the aggregate policy covers all claims submitted for FY 2023.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonable estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). At September 30, 2023, the amount of these liabilities was 839,866. An analysis of claims activities is presented below:

	Beginning of Year	Claims and Changes	Premiums and Changes	End of Year
2019 to 2020	\$ 537,320	6,500,161	6,414,635	\$ 451,794
2020 to 2021	451,794	6,651,654	6,177,667	(22,193)
2021 to 2022	\$ (22,193)	6,913,505	6,323,520	\$ 567,792
2022 to 2023	\$ 567,792	6,613,520	6,341,446	\$ 839,866

**DESOTO COUNTY**  
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**NOTE 9 – LEASES.**

The County is a lessee for various non-cancellable leases of equipment. For leases that have a maximum possible term of 12 months or less at commencement, the County recognizes expense based on the provisions of the lease contract. For all other leases, other than short-term, the County recognized a lease and an intangible right-to-use lease asset.

At lease commencement, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized in depreciation expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The County generally uses 4.00% as the discount rate for leases unless the rate that the lessor charges is known.

The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a county or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the County and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

**As Lessee:**

**Lease Assets**

The County is obligated for the following leased assets acquired through leases as of September 30, 2023:

	Balance <u>10/1/2022</u>	<u>Additions</u>	<u>Amortization</u>	Balance <u>9/30/2023</u>
Office Equipment	\$ <u>20,487</u>	<u>-</u>	<u>12,720</u>	<u>7,767</u>
Total	\$ <u><u>20,487</u></u>	<u><u>-</u></u>	<u><u>12,720</u></u>	<u><u>7,767</u></u>

See Note 7 for further details regarding intangible right-to-use equipment, which represents leased equipment.

**Lease Liabilities**

**DESOTO COUNTY**  
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	Balance 10/1/2022	Additions	Principal Payments	Balance 9/30/2023
Office Equipment	\$ 20,487	-	12,720	7,767
Total	\$ 20,487	-	12,720	7,767

On April 29, 2019, DeSoto County entered into a lease agreement with Copyplus, Inc. for the lease of copy machines owned by Copyplus, Inc. The lease stipulated that the lessee would pay approximately \$993 per month in lease payments commencing for a term of 5 years. This lease includes 0% interest financing of the equipment.

On December 30, 2020, DeSoto County entered into a lease agreement with Pitney Bowes for the lease of office equipment owned by Pitney Bowes. The lease stipulated that the lessee would pay approximately \$67 per month in lease payments commencing for a term of 5 years. This lease includes 0% interest financing of the equipment.

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
CopyPlus, Inc.	0.00%	60 months	4/29/2019	5/31/2024	\$ 993	\$ 5,958
Pitney Bowes	0.00%	60 months	12/30/2020	12/29/2025	67	1,809
					\$ 1,060	\$ 7,767

The following is a schedule by years of the total payments due as of September 30, 2023:

Year ending September 30:	Principal
2024	\$ 6,762
2025	804
2026	201
Total	\$ 7,767

**As Lessor:**

On September 1, 2002, DeSoto County entered into a lease agreement with Mississippi Department of Human Services for the lease of building space owned by the County. The lease stipulated that the lessee would pay approximately \$808 per month in lease payments commencing 9/1/2002 for a term of 23 years. At the end of the lease term, a new agreement will be required. The County is to receive \$9,303 in rent annually with an implicit interest rate of 4.00%.

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On January 1, 2010, DeSoto County entered into a lease agreement with AbilityWorks, Inc. for the lease of building space owned by the County. The lease stipulated that the lessee would pay approximately \$300 per month in lease payments commencing 01/01/2010 for a term of 20 years. At the end of the lease term, a new agreement will be required. The County is to receive \$3,600 in rent annually with an implicit interest rate of 4.00%.

On August 1, 2020, DeSoto County entered into a lease agreement with Mississippi Department of Human Services for the lease of building space owned by the County. The lease stipulated that the lessee would pay approximately \$13,750 per month in lease payments commencing 8/1/2020 for a term of 5 years. At the end of the lease term, a new agreement will be required. The County is to receive \$158,400 in rent annually with an implicit interest rate of 4.00%.

On January 1, 2022, DeSoto County entered into a lease agreement with USDA for the lease of building space owned by the County. The lease stipulated that the lessee would pay approximately \$1,303 per month in lease payments commencing 01/01/2022 for a term of 3 years. At the end of the lease term, a new agreement will be required. The County is to receive \$15,636 in rent annually with an implicit interest rate of 4.00%.

Remaining amounts to be received associated with these leases are as follows:

Leases Receivable	Year ending September 30:		
		Principal	Interest
	2024	\$ 186,170	7,757
	2025	153,996	6,416
	2026	3,456	144
	2027	3,456	144
	2028	3,456	144
	2029-2030	4,607	193
	Total	\$ 355,141	14,798

**NOTE 10 – LONG-TERM DEBT.**

Debt outstanding as of September 30, 2023, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
2019 Advanced Civic Center Refunding	8,850,000	1.87%	9/2029
2012 GO Refunding Bonds	1,580,000	3.00%	7/2024
2015 Refunding Bonds	1,980,000	3.36%	7/2024
2016 Refunding Bonds 8.125m	3,145,000	1.66%	9/2029
2020 GO Bonds	18,530,000	3.00%	9/2040
2021 Refunding Bonds	9,879,000	1.150%	3/2033
Total General Obligation Bonds	43,964,000		

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

Year ending September 30:	Governmental Activities	
	General obligation Bonds	
	Principal	Interest
2024	\$ 7,497,000	1,284,730
2025	4,066,000	1,024,523
2026	4,207,000	895,700
2027	3,917,000	768,331
2028	4,035,000	636,528
2029-2033	11,572,000	1,918,083
2034-2038	6,025,000	948,900
2039-2041	2,645,000	119,550
Total	\$ <u>43,964,000</u>	<u>7,596,345</u>

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, 2023, the amount of outstanding debt was equal to 1.42% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2023:

	Balance Oct. 1, 2022	Additions	Reductions	Adjustments	Balance Sept. 30, 2023	Amount due within one year
<b>Governmental Activities:</b>						
Compensated absences	\$ 1,550,615	282,654		-	1,833,269	
General obligation bonds	52,214,000	-	8,250,000	-	43,964,000	7,497,000
Add:						
Premiums	632,596	-	579,211	-	53,385	
Total	\$ <u>54,397,211</u>	<u>282,654</u>	<u>8,829,211</u>	<u>-</u>	<u>45,850,654</u>	<u>7,497,000</u>

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Road and Maintenance Fund, and Bridge and Culvert Fund.

**Component Units**

DeSoto County provided to the Emergency Communications District (E-911) the Bond funds for erecting, equipping, repairing, reconstructing, remodeling, and enlarging County buildings and related facilities and the purchase and installation of the Emergency Communications District equipment. DeSoto County is

**DESOTO COUNTY**  
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ultimately responsible for the \$3,502,000 bond issues included in the disclosures above. DeSoto County maintains a bond fund in its name for the payment of the principal and interest on the Bonds, and the payment of Agent's fees in connection with this. The Emergency Communications District has included this debt issuance and the resulting liability in their financial statements as a payable to the County and The Emergency Communications District shall annually take such action as necessary to include payment of the debt service requirements of the Bonds, as a part of its annual budget year. For FY 2023, the Emergency Communications District's total bond principal payments to the County were \$469,000.

DeSoto County provides to the Convention and Visitors Bureau refunding bond funds for improvements at the DeSoto Civic Center in Southaven. DeSoto County maintains a bond fund in its name for the payment of the principal and interest on the Bonds, and the payment of Agent's fees in connection with this. The Convention and Visitors Bureau shall for as long as any principal of and interest on the Bonds remain outstanding, provide to the County adequate and sufficient funds which may be lawfully used for the payment of the principal of and interest on the Bonds. The Convention and Visitors Bureau has included this debt issuance and resulting liability in their financial statements as a payable to the County and shall annually take such action as necessary to include its payment of the debt service payments on the Bonds, as a part of its annual budget year. As of September 30, 2023, the Convention and Visitors Bureau was responsible for the repayment of the Series 2019 bonds and \$1,955,000 of the Series 2016 bonds reported in the County long-term liabilities. For FY 2023, the Convention and Visitors Bureau total bond principal payments to the County were \$480,000. The Convention and Visitors Bureau paid the \$2,075,000 due for the Series 2019 bonds directly to the lender.

**NOTE 11 - DEFINED BENEFIT PENSION PLAN.**

**DeSoto County**

*General Information about the Pension Plan*

Plan Description. DeSoto 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



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

Contributions. At September 30, 2023, PERS members are required to contribute 9% of their annual covered salary, and the County is required to contribute an actuarially determined rate. The employer's rate at September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2023, 2022, and 2021, were \$6,513,051, \$6,125,998, and \$5,461,266, 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, 2023, the County reported a liability of \$124,750,547 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2023, 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, 2023, net pension liability was 0.4958 percent, which was based on a measurement date of June 30, 2023. This was an increase of .0159% percent from its proportionate share used to calculate the September 30, 2022, net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$19,384,264. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,095,098	-
Net difference between projected and actual earnings on pension plan investments	4,995,266	-
Changes of assumptions	14,551,411	-
Changes in the proportion and differences between actual contributions and proportionate share of contributions	4,408,763	87,534
Contributions subsequent to the measurement date	1,733,394	-
	\$ 28,783,932	87,534

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

The \$1,733,394 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 ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amortization of deferred outflows and inflows

Year ending September 30:	Amount
2024	\$ 10,865,505
2025	6,623,882
2026	9,436,524
2027	37,093
Total	\$ 26,963,004

Actuarial Assumptions. The total pension liability as of June 30, 2023 was determined by an actuarial valuation prepared as of June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2023. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 - 17.90 percent, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate
Domestic Equity	27.00 %	4.75 %
International Equity	22.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	1.75
Real Estate	10.00	3.25
Private Equity	8.00	6.00
Cash Equivalents	1.00	0.25
	100.00 %	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 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 of (9.00%) and that employer contributions will be phased in to 22.40 percent over three fiscal years (17.40 percent for FYE 2024, 19.40 Percent for FYE 2025, 21.40 percent for FYE 2026, and 22.40 percent for FYE 2027). 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 to 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 160,868,994	124,750,547	95,111,348

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report.

**NOTE 12 - 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 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

**DESOTO COUNTY**  
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that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

**NOTE 13 – 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 that absence of obligation by the County other than possibly an agreement to assist creditors in exercising their rights in event of default. Because a default may adversely affect the County’s own ability to borrow, the principal amount of such debt outstanding at year end is disclosed as follows:

Description	Balance at Sept. 30, 2023
Mississippi Development Bank, Series 2010B Taxable	136,780,000
Mississippi Development Bank, Series 2014	43,135,000
Mississippi Development Bank, Series 2015 Refunding	18,710,000
Mississippi Development Bank, Series 2017A	29,870,000
Mississippi Development Bank, Series 2019	45,350,000
	273,845,000

**NOTE 14 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.**

The governmental activities’ unrestricted net position deficit amount of \$(7,397,463) 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 \$1,733,394 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. The \$27,050,538 balance of the deferred outflow of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next 4 years. The \$87,534 balance of the deferred inflow of resources related to pension at September 30, 2023, will be recognized in pension expense over the next 3 years.

The governmental activities’ net investment in capital assets net position of \$160,919,057 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. The \$498,948 balance of deferred outflows of resources at September 30, 2023, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 10 years.

The governmental activities’ unrestricted net position deficit amount of \$(7,397,463) includes the effect of recognition of deferring the recognition of revenue resulting from leases receivable. The \$355,141 balance of deferred inflows of resources at September 30, 2023, will be recognized as revenue and will increase the unrestricted net position over the next 7 years.

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 15 -RELATED ORGANIZATIONS.**

The DeSoto County Board of Supervisors is responsible for appointing a voting majority of the members of the boards of the following organizations, but the county's accountability for these organizations does not extend beyond making appointments and in making small appropriations, if any, to these organizations:

Horn Lake Creek Watershed Drainage District

**NOTE 16 -JOINT VENTURES.**

The county participates in the following joint venture:

DeSoto County is a participant with Lafayette, Panola, Tate and Tunica counties in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the First Regional Library. The joint venture was created to provide free library service to the citizens of the respective counties. First Regional Library is governed by a five-member Board appointed by the County Board of Supervisors of the participating counties, one from each county. Each County appropriates funds annually as determined by each County Board of Supervisors for the ongoing support of the First Regional Library. DeSoto County, Mississippi's appropriations from the General Fund for this year to the joint venture amounted to \$1,440,000. Complete financial statements for the First Regional Library can be obtained from P.O. Box 386, Hernando, Mississippi 38632.

**NOTE 17 -JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate and Tunica. The DeSoto County Board of Supervisors appoints 4 of 30 members of the Board of Directors. DeSoto County appropriated \$234,173 for the operation of the district in fiscal year 2023, and \$114,750 for the cost of the county-wide transportation service for disabled and elderly citizens.

Yazoo-Mississippi Water Management District operates in a district composed of the counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The DeSoto County Board of Supervisors appoints one of the 21 members of the Board of Commissioners. DeSoto County levied a 0.75 mill tax, which resulted in \$22,641 to help support the district in fiscal year 2023.

Region IV Community Mental Health District, composed of Alcorn, DeSoto, Prentiss, Tippah and Tishomingo counties, provides community based health programming for both youth and adults and provides an array of counseling services for anyone in need. Region IV Community Mental Health District currently operates within the DeSoto County School District and provides in-school counseling and therapy to students in need of services. In accordance with state law, the DeSoto County Board of Supervisors allocated \$200,000 in fiscal year 2023 in order to participate as a member of Region IV and for countywide services from the mental health care provider. Region IV is managed by an appointed five member Board of Directors, with each Director appointed by the participating Board of Supervisors from each county.

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

Northwest Mississippi Community College operates in a district composed of the counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The DeSoto County Board of Supervisors appoints two of the 23 members of the College Board of Trustees. DeSoto County levied 4.11 mills of tax, which resulted in \$9,374,800 for maintenance and support of the college in fiscal year 2023.

Mid-State Opportunity, Inc. operates in a district composed of the counties of DeSoto, Panola, Quitman, Tallahatchie, Tate and Tunica. DeSoto County did not appropriate any funds for support of the agency in fiscal year 2023.

**NOTE 18 - TAX ABATEMENTS**

**GASB 77 – DeSoto County, Mississippi**

There are currently a number of agencies and chambers of commerce with economic development directives and targeted industries in DeSoto County, Mississippi. These efforts to bring businesses and industries into DeSoto County afford the County the opportunity to develop these partnerships that help raise the prominence of the region and attract prospective projects. Some of the largest industrial development sites in the County are nearing capacity and the I-69/269 corridor has provided the opportunity to develop sites with the access and visibility that have made other sites in DeSoto County very successful at attracting new companies. Due to the pro-business attitude and wise infrastructure planning of the local elected officials as well as the ability to offer various incentives to entice businesses and industries to locate in DeSoto County, the County operates strongly with a well diverse base of approximately 185 manufacturers and distributors.

**Facts and Assumptions**

DeSoto County provides tax incentives and abatements under four programs: Property tax reductions not to exceed ten years for new enterprises, property tax reductions not to exceed ten years for additions to or expansions of facilities or properties, fee in lieu of personal and real property taxes and tax increment financing. Various Mississippi Code sections allow the County to offer the before mentioned incentives. In order to qualify for any incentive there is an application process, presentation to the Board of Supervisors and ultimately a recommendation by the Board of Supervisors to grant the incentive.

- Mississippi Code Section 27-31-101, allows County Board of Supervisors, at their discretion, to grant tax exemptions for new enterprises from ad valorem taxation, however they do not have the authority to exempt ad valorem taxes for school districts and shall not exceed a period longer than ten years. The date of completion of the new enterprise is when the exemption shall begin. The various new enterprises which fall under this code section and are eligible for an exemption are determined by the Mississippi Department of Revenue and are limited to the following: Warehouse and/or distribution centers, manufacturing, processors and refineries, research facilities, corporate regional and national headquarters meeting minimum criteria established by the Mississippi Development Authority, recreational facilities that impact tourism and data/information procession enterprises that both meet minimum established criteria, technology intensive enterprises or facilities, health care industry facilities as defined in Code Section 57-117-3 and telecommunications enterprises meeting minimum criteria.
- Mississippi Code Section 27-31-105, allows County Board of Supervisors, at their discretion, to grant tax exemptions for any enterprise who makes additions to or expansions of the facilities or

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

properties or replaces equipment used in conjunction with or necessary to the operation of such enterprises from ad valorem taxation with the exception of school district taxes and not to exceed a period longer than ten years. The initial request for exemption must be made in writing by June 1<sup>st</sup> of the year immediately following the year in which the additions, expansions or replacements are completed. The time of the exemption shall commence from the date of completion of the additions, expansions or replacements and shall extend for a period not to exceed ten years, however the Board of Supervisors in lieu of granting the exemption for one period of ten years, may grant the exemption in consecutive periods of five years each, not to exceed ten years.

- Mississippi Code Section 27-31-104, allows County Board of Supervisors, at their discretion, to grant a fee in lieu of taxes for certain projects. The County Board of Supervisors are authorized to enter into an agreement with a private company having a minimum capital investment of one hundred million dollars or a qualified business meeting minimum criteria established by the Mississippi Development Authority. The Board of Supervisors may enter into a fee in lieu agreement on behalf of the County and the County school district. Any grant of fee in lieu of ad valorem taxes shall be in a written agreement negotiated by the enterprise and the Board of Supervisors with final approval given by the Mississippi Development Authority. The minimum sum allowable as a fee in lieu shall not be less than one-third of the ad valorem levy, including ad valorem taxes for school district purposes.

- Mississippi Code Section 21-45-1, allows County Board of Supervisors, at their discretion, to enter into agreements with municipalities and enterprises for tax increment financing incentives. Any redevelopment project may contain a provision that county ad valorem taxes, if any, levied upon taxable property in a redevelopment project shall be divided according to a tax increment financing plan. After adoption of a redevelopment plan containing a tax increment financing plan, property taxable at the time of the certification shall be included in the assessed value at its most recently determined valuation, the “original assessed value.” Each year thereafter the assessed value of the real and personal property within the redevelopment area will be captured and will either show an increase or decrease from the original assessed value. This new value will be the “current assessed value.” Any amount by which the current assessed value exceeds the original assessed value is the amount for purposes of tax increment financing that a portion will be captured and used for retiring redevelopment bonds. Only a portion of the current assessed value is authorized to be utilized for the redevelopment project, the remainder of the taxes will be settled to the various County tax levy funds.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>	<u>Company Reported Capital in Investment</u>	<u>Employees Retained or New</u>	<u>Estimated Overall Payroll</u>
Personal/Real Tax Exemptions	\$ 7,790,722	\$ 1,250,403,505	7,846	\$ 297,751,558
Fee in Lieu	9,202,620	707,672,095	2,279	133,120,400
Tax Increment Financing	15,186	5,800,000	30	250,000

These incentives have served many purposes, including but not limited to: the amount of dollars through infrastructure improvements, the overall number of new businesses and industries that have located or relocated to DeSoto County, the number of jobs that have been and continue to be created in DeSoto County which in turn allows us to boast one of the lowest unemployment rates throughout the nation, and most importantly an excellent quality of life for all citizens throughout the County while maintaining a low tax bill with no increase in taxes for over twenty years.

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 19 - 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 DeSoto County evaluated the activity of the County through December 9, 2024 (the date the financial statements were available to be issued) and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
TBD	TBD	38,500,000	G.O. Bond	Tax revenue



**DISCRETELY PRESENTED COMPONENT UNIT  
EMERGENCY COMMUNICATIONS DISTRICT  
FOR DESOTO COUNTY, MISSISSIPPI**

**NOTES TO FINANCIAL STATEMENTS**

**DISCRETELY PRESENTED COMPONENT UNIT  
EMERGENCY COMMUNICATIONS DISTRICT FOR DESOTO COUNTY, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

The Emergency Communications District of DeSoto County, Mississippi (“the District”) was created April 6, 1988 in accordance with Section 19-5-301 Miss. Code Ann. (1972), as amended. The District operates under a Board of Commissioners appointed by the Board of Supervisors of DeSoto County, Mississippi (“the County”) and provides emergency communications referred to as “911”. The personnel of the District are employed by DeSoto County. All costs associated with personnel salaries and benefits are reimbursed to the County.

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the District’s accounting policies are described below.

**A. Financial Reporting Entity.**

GASB Statement No. 14, *The Financial Reporting Entity*, establishes standards for defining and reporting on state and local government financial reporting entities and reporting participation in joint ventures. It defines the governmental financial reporting entity as the primary government, organizations for which the primary government is “financially accountable,” and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Financial accountability exists when a primary government has appointed a voting majority of the governing body of a legally separate organization and (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units- an amendment to GASB Statement No. 14* provides additional guidance in determining if the entity should be a component unit based on the nature and significance of their relationship to the primary government.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34* provides additional criteria to consider if an entity should be reported as a component unit. A financial benefit or burden relationship needs to exist between the primary government and the entity.

Based on these criteria, the District is a component unit of DeSoto County, Mississippi. There are no component units that should be included in the District’s reporting entity. The District is a legally separate entity; therefore, it is considered a special-purpose government.

**B. Basis of Presentation.**

GASB Statement 34, *Basic Financial Statements- and Management’s Discussion and Analysis – for State and Local Governments*, states that for special-purpose governments engaged in a single governmental

**DISCRETELY PRESENTED COMPONENT UNIT  
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program, the fund financial statements and the government-wide statements may be combined. The District's business-type activity statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

Government-wide Financial Statements

Government-wide Financial Statements- The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows report information on all activities of the District.

The Statement of Net Position presents the District's assets and liabilities, with the difference reported as net position. Net position for the District is reported as unrestricted net position, which often has constraints on resources imposed by management which can be removed or modified.

The Statement of Revenues, Expenses, and Changes in Net Position demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific activity. Activity revenues include charges to customers or applicants who directly benefit from the services provided by the District.

**C. Measurement Focus and Basis of Accounting.**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

The District's financial statements are reported 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. Revenues and expenses are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with the District's primary operations. All other revenues and expenses are reported as nonoperating.

**D. Use of Estimates in the Preparation of Financial Statements.**

In preparing financial statements on the accrual basis of accounting, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**E. Cash and Cash Equivalents.**

The District has defined cash and cash equivalents to include cash on hand and demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

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**F. Capital Assets.**

As a component unit of DeSoto County, Mississippi all capital assets purchased by the District are the property of DeSoto County. The County reports capital assets in its financial records.

**G. Compensated Absences.**

As a component unit of DeSoto County, Mississippi, all employees of the District are considered employees of DeSoto County. The County reports unpaid vacation leave as compensated absences in its financial records.

**H. 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 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.

**I. Budgetary Comparison.**

A budgetary comparison schedule is not presented since the budget is not required to be legally adopted by the District.

**J. Net Position.**

Net position is classified as follows:

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.”

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the District’s general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted resources are available and amounts in any of these unrestricted

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classifications could be used, it is the District’s general policy to spend restricted resources first, followed by unrestricted resources.

**NOTE 2 – CASH AND CASH EQUIVALENTS.**

The carrying amount of the District’s total deposits with financial institutions at September 30, 2023, was \$3,936,822, and the bank balance was \$3,943,375. 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 District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the District. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the District.

**NOTE 3 – ACCOUNTS RECEIVABLE.**

The District has accounts receivable in the amount of \$469,295 which consists of telephone service charges to multiple telephone service providers in the DeSoto County area. These receivables are generally collected within 60-90 days of the month for which the service is provided.

**NOTE 4 – PREPAID EXPENSES.**

The District has prepaid expenses in the amount of \$599,333. These prepaid expenses are amounts paid in advance for the annual service contracts pertaining to the District’s emergency communications equipment.

**NOTE 5 – LONG TERM LIABILITIES**

The following is a summary of changes in long-term liabilities and other obligations:

	Balance Oct. 1, 2022	Additions	Reductions	Adjustments	Balance Sept. 30, 2023	Amount due within one year
Loan from DeSoto County	\$ 3,971,000	-	469,000	-	3,502,000	481,000

Loan from DeSoto County- On March 1, 2015, DeSoto County approved the issuance of General Obligation Bonds, Series 2015 Construction Fund in the amount of \$6,500,000 with a rate of 2.25% - 3.00%. The proceeds of the bonds were used for erecting, equipping, repairing, reconstructing, remodeling and

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enlarging County buildings and related facilities and the purchase and installation of the District’s E-911 equipment. The bonds were partially refunded on September 16, 2021, with the remaining unrefunded portion due March 1, 2023. The refunding bonds have an average interest rate of 1.150%. The District is obligated to reimburse payments on this bond via an interlocal agreement with DeSoto County.

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

Year ending September 30:	Principal	Interest
2024	\$ 481,000	30,658
2025	485,000	26,118
2026	496,000	21,507
2027	502,000	16,817
2028	507,000	12,074
2028-2030	<u>1,031,000</u>	<u>9,734</u>
Total	<u>\$ 3,502,000</u>	<u>116,908</u>

**NOTE 6 - DEFINED BENEFIT PENSION PLAN.**

Plan Description. The District 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

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

Contributions. At September 30, 2023, PERS members are required to contribute 9% of their annual covered salary, and the District is required to contribute an actuarially determined rate. The employer's rate at September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The District's contributions (employer share only) to PERS for the years ending September 30, 2023, 2022, and 2021, were \$19,026, \$18,306, and \$17,904, respectively, equal to the required contributions for each year.

The corresponding proportionate share of the net pension liability for the District is accounted for with the primary government's (DeSoto County, Mississippi) financial statements.

**NOTE 7 – RISK MANAGEMENT.**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

It is the policy of the District to purchase commercial insurance for the risks of employee dishonesty and injuries to employees. The County provided commercial insurance coverage for the property and equipment. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

**A. General Statement**

The DeSoto County Convention and Visitors Bureau (the Bureau) was established on March 26, 1998. The Bureau operates under a board of directors that is appointed by the DeSoto County, Mississippi Board of Supervisors, and is designated to promote tourism in DeSoto County and surrounding areas.

The Bureau derives a portion of its revenues from a 2% tourism tax levied by DeSoto County, Mississippi. This revenue is to be expended by the Bureau for paying any start-up costs and operation costs and any indebtedness or lease payments or other obligations that may be incurred for acquisition, construction, and maintenance for the purpose of promoting convention business and tourism.

The financial statements of the Bureau have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

**B. Reporting Entity.**

GASB Statement No. 14, *The Financial Reporting Entity*, as amended, establishes standards for defining and reporting on state and local government financial reporting entities and reporting participation in joint ventures. It defines the governmental financial reporting entity as the primary government, organizations for which the primary government is “financially accountable,” and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

“Financial accountability” is the benchmark for determining which organizations are component units of a primary government. Financial accountability exists when a primary government has appointed a voting majority of the governing body of a legally separate organization and (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Based on these criteria, the Bureau is a component unit of DeSoto County, Mississippi. There are no component units that should be included in the Bureau’s reporting entity.

**C. Encumbrance Accounting.**

The Bureau does not use the encumbrance method of accounting.

**D. Basis of Presentation and Accounting.**

The Bureau’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a detailed level of financial information.

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Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Bureau. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the governmental activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Bureau.

Fund Financial Statements

Fund financial statements report detailed information about the Bureau. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues, and expenditures.

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Under this concept, tourism taxes may be accrued.

Other revenue related to events and miscellaneous revenues are recorded when received because they are generally not measurable until that time. Investment earnings are recorded as earned since they are measurable and available.

The Bureau reports one major Governmental Fund: The General Fund is used to account for and report all financial resources.

**E. Budget.**

The State of Mississippi Code, Title 21, Chapter 35- Municipal Budget, requires the Board of Supervisors for a municipality to formally adopt and amend an annual budget in accordance with the Mississippi Code. Unless stated in the Code or required by the municipality, component units are not required to adopt an annual budget. As of September 30, 2023, DeSoto County did not require the Bureau to adopt a legal budget.

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**F. Cash and Cash Equivalents.**

The Bureau's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**G. Revenue Recognition.**

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e. collected within the current year or within 60 days of year-end and available to pay obligations existing at the end of the year). This includes investment earnings and tourism tax. Other revenues such as certain charges for services and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

**H. Expenditure Recognition.**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on outstanding long-term obligations Due to DeSoto County are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

**I. Inventory.**

Food, drink, and other concession stand items are included in inventory. Inventory is always valued at cost. The cost is recorded as an expenditures as inventory items are consumed.

**J. Prepaid Expenses.**

Prepaid balances are for payments made by the Bureau in the current year to provide services occurring in the subsequent fiscal year. The Bureau reports prepaid items when purchased as an asset and defer the recognition of the expenditure until the period the prepaid items are actually consumed or used.

**K. Capital Assets.**

General capital assets are those assets which are used for general governmental purposes. When purchased, such assets are recorded as expenditures in the general fund and capitalized (recorded and accounted for) as assets in the government-wide financial statements. Capital assets purchased for \$500 or more are capitalized at historical cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

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Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	20 to 50 years
Improvements and Infrastructure	5 to 50 years
Equipment	2 to 15 years
Furniture and Fixtures	2 to 15 years
Intangibles	15 years

**L. Deferred Outflows/Inflows of Resources.**

Deferred outflows of resources represent a consumption of net position that applies to a future period and not recognized as an expense/expenditures until a later period. The Bureau reports deferred outflows related to net pension liability.

Deferred inflows of resources represent an acquisition of net position that applies at a future period and is not recognized as revenue until a later period. In the government-wide financial statements, the Bureau deferred inflows of resources reported on the statement of net position relate to pension benefits. The statement of net position and the governmental funds balance sheet also report a deferred inflow of resources related to lease.

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. The Bureau has reported deferred inflows of resources related to unavailable revenues for event ticket sales. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

**M. Compensated Absences.**

Employees are granted vacation and sick leave benefits in accordance with administrative policy. Vacation days earned may be carried forward. In the event of termination, an employee is reimbursed for up to 30 days of accumulated vacation. The remainder may be applied toward the employee's retirement. Employees may also apply unused accumulated sick leave towards their retirement. 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.

**N. Due to DeSoto County.**

The Bureau's Due to DeSoto County represents unmatured principal of bonds, bond premiums and loans in the name of DeSoto County on behalf of the Bureau.

**O. 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 Employee's Retirement System (PERS) and additions to/deductions from PERS' fiduciary net

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position have been determined on the same basis as they are reported by PERS. For this purpose, the 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.

**P. Lease Receivable.**

The Bureau implemented GASB Statement No. 87, *Leases*, as of October 1, 2021. The Bureau is a lessor for noncancellable lease of Land and Real Estate. The Bureau recognizes a lease receivable and a deferred inflow of resources in the statement of net position and statement of governmental fund balance sheet. The Bureau recognizes lease receivables with an initial, individual present value of \$5,000 or more and lease terms longer than 12 months.

At the commencement of a lease, the Bureau initially measures the lease receivable at the present value of payments expected to be made during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow is initially measured as the initial amount of the lease liability, adjusted for lease payments received at or before the lease commencement date, plus certain initial direct costs. Subsequently, the deferred inflow is amortized on a straight-line basis over the lease's term.

Key estimates and judgements related to lease include how the Bureau determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Bureau uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Bureau generally reviews similar debt on the market and uses the rate charged for the debt as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Bureau is reasonably certain to exercise.

The Bureau monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Q. Fund Balances.**

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable. Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted. 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.

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Committed. Amounts that can be used only for specific purposes as determined by a formal action by the board of directors.

Assigned. Amounts that are constrained by the Bureau's intent to be used for a specific purpose but are neither restricted nor committed. Assignments of fund balance are created by the Executive Director and Business Manager pursuant to authorization established by the policy adopted by the Bureau.

Unassigned. All amounts not included in other spendable classifications.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the Bureau's general policy to use restricted resources first. When expenditures/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 Bureau's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**R. Net Position**

Net position is the difference between assets, deferred outflows and liabilities, deferred inflows.

"Net investment in capital assets" are capital assets, less accumulated depreciation and any outstanding obligations Due to DeSoto County or other borrowings related to the acquisition, construction or improvement of those assets.

Net position is reported as "restricted" when there are legal limitations that are imposed on their use by legislation or external restrictions by other governments, creditors or grantors.

Unrestricted net position includes all other assets, not meeting the definition of "net investment in capital assets" or "restricted."

When both restricted and unrestricted resources are available for use, it is the Bureau's policy to use restricted resources first, then unrestricted resources as they are needed.

**NOTE 2 – CASH AND CASH EQUIVALENTS.**

The carrying amount of the Bureau's total deposits with financial institutions at September 30, 2023, was \$31,794,577, and the bank balance was \$31,242,525. 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).

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Custodial credit risk is the risk that in the event of a bank failure, the Bureau’s deposits might not be recovered. As of September 30, 2023, none of the Bureau’s deposits were subject to custodial credit risk. Deposits above FDIC coverage were collateralized by the pledging financial institution’s trust department or by the Mississippi State Treasurer in accordance with Section 27-105-5 Miss. Code Ann. (1972).

**NOTE 3 – LEASE RECEIVABLES.**

The Bureau, acting as a lessor, leases land and building under long-term cancelable lease agreements. The lease expires 2041. During the year ended September 30, 2023, the Bureau recognized \$8,671 and \$9,329 in lease revenue and lease interest income, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Year ending September 30:	Principal	Interest
2024	9,024	8,976
2025	9,392	8,608
2026	9,775	8,225
2027	10,172	7,827
2028	10,581	7,419
2029-2033	59,845	30,155
2034-2038	72,642	17,358
2039-2041	48,568	5,433
Total	229,999	94,001

**NOTE 4 – CONTRACT REVENUE.**

In December 2011, the Bureau entered into a five-year agreement with Landers Auto Group, renaming the DeSoto Civic Center the “Landers Center”, effective January 1, 2012. Landers Auto Group paid \$50,000 upon execution of the agreement and paid \$50,000 every six months after the commencement date, for a total of \$500,000 over five years, with the option to renew for an additional five years. In 2016, Ritchey Management II, LLC (Landers Auto Group) exercised their option to extend the naming rights contract for another five years. In 2023, the parties agreed a new contract for \$200,000 per year, paid \$100,000 every six months for five years, with the option to renew for an additional five years with the extended five years, if opted for, being paid at \$225,000 per year.

**NOTE 5 – SUMMARY OF CHANGES IN CAPITAL ASSETS.**

Changes in capital assets for the year ended September 30, 2023, were as follows:

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Component Unit:	Balance Oct. 1, 2022	Additions	Deletions	Adjustments	Balance Sept. 30, 2023
<b>Nondepreciable:</b>					
Land	6,328,825	-	-	-	6,328,825
Construction in progress	142,763	821,100	-	-	963,863
Total non-depreciable capital assets	<u>6,471,588</u>	<u>821,100</u>	<u>-</u>	<u>-</u>	<u>7,292,688</u>
<b>Depreciable:</b>					
Buildings and improvements	57,238,838	1,729,033	-	-	58,967,871
Machinery and equipment	5,138,186	845,114	-	-	5,983,300
Furniture and fixtures	132,837	256,681	-	-	389,518
Total depreciable capital assets	<u>62,509,861</u>	<u>2,830,828</u>	<u>-</u>	<u>-</u>	<u>65,340,689</u>
<b>Accumulated Depreciation:</b>					
Buildings and improvements	22,331,664	1,558,968	-	-	23,890,632
Machinery and equipment	2,637,951	477,419	-	-	3,115,370
Furniture and fixtures	87,946	8,023	-	-	95,969
Total accumulated depreciation	<u>25,057,561</u>	<u>2,044,410</u>	<u>-</u>	<u>-</u>	<u>27,101,971</u>
	<u>37,452,300</u>	<u>786,418</u>	<u>-</u>	<u>-</u>	<u>38,238,718</u>
	<u>43,923,888</u>	<u>1,607,518</u>	<u>-</u>	<u>-</u>	<u>45,531,406</u>

**NOTE 6 – LONG-TERM LIABILITIES.**

Changes in long-term obligations for the year ended September 30, 2023, were as follows:

	Balance Oct. 1, 2022	Additions	Reductions	Adjustments	Balance Sept. 30, 2023	Due Within One Year
Due to DeSoto County	19,293,445	-	2,971,448	-	16,321,997	2,006,448
Compensated Absences	163,476	-	14,322	-	149,154	-
Total	<u>\$ 19,456,921</u>	<u>-</u>	<u>2,985,770</u>	<u>-</u>	<u>16,471,151</u>	<u>2,006,448</u>

As of September 30, 2023, Due to the County consisted of the following:

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



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DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
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Year ending September 30:	Principal	Interest
2024	2,006,448	474,650
2025	2,091,448	399,075
2026	2,021,448	319,625
2027	2,256,448	234,600
2028	2,341,448	143,825
2029-2033	3,606,193	48,700
2034-2038	1,249,102	-
2039-2043	749,462	-
Total	<u>16,321,997</u>	<u>1,620,475</u>

- *Loans Payable* – During November 2013, The Bureau and DeSoto County, Mississippi entered into an agreement for the Bureau to repay the loan of \$7,494,614 with 0% interest due or accruing. The terms of the agreement include monthly payments of \$20,818 beginning November 1, 2013, and one final payment of \$20,819 on October 1, 2043. As of September 30, 2023, the outstanding balance was \$4,517,228.
- *Bonds Payable* – consists of General Obligation Refunding Bonds, Series 2016 and 2019 issued by DeSoto County, Mississippi with a rate of 2.5% - 5.0%. The Bureau services these bonds via an interlocal agreement with DeSoto County. As of September 30, 2023, the outstanding balance was \$11,804,769 including bond premiums of \$999,769.

**NOTE 7 – CONTINGENCIES**

The Bureau is subject to various legal proceedings in various stages of litigation, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate the outcome or liability, if any, with respect to the various proceedings. However, the Bureau’s management and legal counsel believe that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the Bureau.

**NOTE 8 – PENSION OBLIGATIONS**

General information about the Pension Plan:

Plan Description. The Bureau 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

**DISCRETELY PRESENTED COMPONENT UNIT  
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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 fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2023, PERS members are required to contribute 9% of their annual covered salary, and the Bureau is required to contribute an actuarially determined rate. The employer's rate at September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The Bureau's contributions (employer share only) to PERS for the years ending September 30, 2023, 2022, and 2021, were \$392,489, \$324,452, and \$278,679, 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, 2023, the Bureau reported a liability of \$7,570,547 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Bureau's proportion of the net pension liability was based on a projection of the Bureau's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The Bureau's proportionate share used to calculate the September 30, 2023 net pension liability was 0.0301 percent, which was based on a measurement date of June 30, 2023. This was

**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2023**

an increase of 0.0030 percent from its proportionate share used to calculate the September 30, 2022 net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended September 30, 2023, the Bureau recognized pension expense of \$1,213,365. At September 30, 2023, the Bureau reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
differences between expected and actual experience	\$ 185,198	-
actuarial cost difference between projected and actual earnings on pension plan investments	179,173	-
changes of assumptions	925,700	-
changes in the proportion and differences between actual contributions and proportionate share of contributions	446,986	2,592
contributions subsequent to the measurement date	88,835	-
	\$ 1,825,892	2,592

\$88,835 reported as deferred outflows of resources related to pensions resulting from Bureau contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. 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:	Amount
2024	\$ 707,446
2025	509,159
2026	515,609
2027	2,251
Total	\$ 1,734,465

Actuarial Assumptions. The total pension liability as of June 30, 2023 was determined by an actuarial valuation prepared as of June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2023. The following actuarial assumptions are applied to all periods in the measurement:

Inflation percentage	2.40%
Salary increases, including inflation	2.65-17.90%
Investment rate of return	
net of pension plan investment expense, including inflation	7.00%

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

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

The long-term expected rate of return on pension plan investments was determined using a log normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic Equity	27.00 %	4.75 %
International Equity	22.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	1.75
Real Estate	10.00	3.25
Private Equity	8.00	6.00
Cash	1.00	0.25
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 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 percent) and that employer contributions will be phased in to 22.40 percent over three fiscal years (17.40 percent for FYE 2024, 19.40 percent for FYE 2025, 21.40 percent for FYE 2026, and 22.40 percent for FYE 2027). 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.

**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2023**

Sensitivity to the Bureau’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Bureau’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Bureau’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 9,762,413	7,570,547	5,771,878

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS Annual Comprehensive Financial Report, publicly available at [www.pers.ms.gov](http://www.pers.ms.gov).

**NOTE 9 – RISK MANAGEMENT.**

The Bureau is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Bureau carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage for the past three fiscal years, except for a single claim which resulted in an expense to the Bureau of \$285,000 which was recognized in 2023. Additional internal controls were implemented to prevent a similar situation in the future.

**DESOTO COUNTY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DESOTO COUNTY**  
**BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**GENERAL FUND**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

	Original	Final	Actual	Variance with
	Budget	Budget	(Budgetary	Final Budget
			Basis)	Positive
				(Negative)
<b>REVENUES</b>				
Property taxes	\$ 62,053,092	62,194,092	62,868,099	674,007
Licenses, commissions and other revenue	3,738,850	4,080,796	4,309,908	229,112
Fines and forfeitures	1,330,000	1,318,800	1,386,068	67,268
Intergovernmental revenues	6,239,790	7,000,445	6,843,803	(156,642)
Charges for services	1,795,000	1,912,113	1,984,450	72,337
Interest income	185,100	289,100	467,298	178,198
Miscellaneous revenues	1,267,985	1,543,326	1,505,480	(37,846)
Total Revenues	<u>76,609,817</u>	<u>78,338,672</u>	<u>79,365,106</u>	<u>1,026,434</u>
<b>EXPENDITURES</b>				
Current:				
General government	21,115,694	22,147,916	20,346,328	1,801,588
Public safety	36,911,899	37,425,676	36,022,300	1,403,376
Public works	759,094	815,312	671,202	144,110
Health and welfare	2,412,641	2,562,674	2,224,048	338,626
Culture and recreation	1,601,103	1,601,103	1,555,663	45,440
Conservation of natural resources	359,649	364,943	316,602	48,341
Economic development and assistance	365,428	390,428	376,856	13,572
Total Expenditures	<u>63,525,508</u>	<u>65,308,052</u>	<u>61,512,999</u>	<u>3,795,053</u>
Excess of Revenues over (under) Expenditures	<u>13,084,309</u>	<u>13,030,620</u>	<u>17,852,107</u>	<u>4,821,487</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets		95,246		(95,246)
Transfers in	1,036,973	1,176,012	1,181,843	5,831
Transfers out	(16,026,984)	(15,639,928)	(14,379,760)	1,260,168
Total Other Financing Sources and Uses	<u>(14,990,011)</u>	<u>(14,368,670)</u>	<u>(13,197,917)</u>	<u>1,170,753</u>
Net Change in Fund Balance	(1,905,702)	(1,338,050)	4,654,190	5,992,240
Fund Balances - Beginning	<u>56,808,634</u>	<u>56,808,634</u>	<u>71,407,384</u>	<u>14,598,750</u>
Fund Balances - Ending	<u>\$ 54,902,932</u>	<u>55,470,584</u>	<u>76,061,574</u>	<u>20,590,990</u>

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

**DESOTO COUNTY**  
**BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**CORONAVIRUS FUND**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$			-
Interest income	50,000	50,000	249,523	199,523
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>249,523</u>	<u>199,523</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	3,000,000	3,000,000		3,000,000
Public works	14,293,688	14,293,688	48,857	14,244,831
Health and welfare	8,878,742	8,638,742	3,338,265	5,300,477
Economic development and assistance	10,000,000	9,980,693	236,142	9,744,551
Total Expenditures	<u>36,172,430</u>	<u>35,913,123</u>	<u>3,623,264</u>	<u>32,289,859</u>
Excess of Revenues over (under) Expenditures	<u>(36,122,430)</u>	<u>(35,863,123)</u>	<u>(3,373,741)</u>	<u>32,489,382</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(240,000)	(240,000)	-
Total Other Financing Sources and Uses	<u>-</u>	<u>(240,000)</u>	<u>(240,000)</u>	<u>-</u>
Net Change in Fund Balance	(36,122,430)	(36,103,123)	(3,613,741)	32,489,382
Fund Balances - Beginning	<u>36,122,430</u>	<u>36,103,123</u>	<u>36,133,889</u>	<u>30,766</u>
Fund Balances - Ending	<u>\$ -</u>	<u>-</u>	<u>32,520,148</u>	<u>32,520,148</u>

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



**DESOTO COUNTY**  
**BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**BRIDGE AND CULVERT FUND**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 9,532,524	9,652,524	9,977,926	325,402
Lincenses commissions and other revenues	35,000	38,189	75,795	37,606
Charges for services			18,700	18,700
Interest income	125,000	125,000	286,416	161,416
Miscellaneous revenues	5,780,250	6,009,370	2,205,988	(3,803,382)
Total Revenues	<u>15,472,774</u>	<u>15,825,083</u>	<u>12,564,825</u>	<u>(3,260,258)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	27,199,525	30,656,274	8,293,442	22,362,832
Total Expenditures	<u>27,199,525</u>	<u>30,656,274</u>	<u>8,293,442</u>	<u>22,362,832</u>
Excess of Revenues over (under) Expenditures	<u>(11,726,751)</u>	<u>(14,831,191)</u>	<u>4,271,383</u>	<u>19,102,574</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	105,000	105,000	105,000	-
Transfers out	-	(147,500)	(147,500)	-
Other financing sources		4,418		(4,418)
Total Other Financing Sources and Uses	<u>105,000</u>	<u>(38,082)</u>	<u>(42,500)</u>	<u>(4,418)</u>
Net Change in Fund Balance	(11,621,751)	(14,869,273)	4,228,883	19,098,156
Fund Balances - Beginning	<u>39,000,000</u>	<u>39,000,000</u>	<u>40,256,997</u>	<u>1,256,997</u>
Fund Balances - Ending	<u>\$ 27,378,249</u>	<u>24,130,727</u>	<u>44,485,880</u>	<u>20,355,153</u>

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

**DESOTO COUNTY**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.4958%	0.4799%	0.4671%	0.4399%	0.4357%	0.4269%	0.4266%	0.3887%	0.3887%
County's proportionate share of the net pension liability (asset) \$	124,750,547	98,801,467	69,024,641	85,160,756	76,645,412	71,012,973	70,907,420	69,179,485	60,081,181
County's covered payroll \$	37,346,088	33,119,153	31,057,950	28,547,931	28,588,547	27,267,103	27,363,530	24,705,549	24,213,403
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	334.04%	298.32%	222.24%	298.31%	268.10%	260.43%	259.13%	280.02%	248.13%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

\* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

**DESOTO COUNTY**  
**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 6,513,051	6,125,998	5,461,266	5,096,861	4,611,088	4,336,581	4,158,765	4,002,356	3,824,965
Contributions in relation to the contractually required contribution	<u>6,513,051</u>	<u>6,125,998</u>	<u>5,461,266</u>	<u>5,096,861</u>	<u>4,611,088</u>	<u>4,336,581</u>	<u>4,158,765</u>	<u>4,002,356</u>	<u>3,824,965</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 37,426,088	35,206,886	31,386,581	29,292,305	27,267,103	27,533,828	26,404,842	25,411,784	24,285,492
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	16.91%	15.75%	15.75%	15.75%	15.75%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

**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, Tax Assessor and Tax 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).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major Special Revenue Fund:

	Governmental Fund Types		
	General Fund	Coronavirus Fund	Bridge & Culvert Fund
Budget (Cash basis)	\$ 4,654,190	(3,613,741)	4,228,883
Increase (Decrease)			
Net adjustments for revenue accruals	(567,023)	4,949,919	(981)
Net adjustments for expenditure accruals	1,281,085	(1,086,655)	(839,304)
GAAP Basis	\$ 5,368,252	249,523	3,388,598

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

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%.

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 assumptions 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 6.00% to 7.00%.

2019

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

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.

For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

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

For males, 137% of male rates at all ages.

For females, 115% of female rates at all ages.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2021

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

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.

For females, 84% of female rates up to age 72, 100% for ages above 76.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

For males, 134% of male rates at all ages.

For females, 121% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in in the line of duty was decreased from 6% to 4%.

2023

The investment rate of return assumption was changed from 7.55% to 7.00%. The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll. Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.

The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

B. Changes 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.

C. Method and assumptions used in calculations of actuarially determined contributions.

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2021 valuation for the June 30, 2023 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	26.7 years
Asset valuation method	5-year smoothed market
Price inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation



**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DESOTO COUNTY, MISSISSIPPI  
DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 FISCAL YEARS\*  
For the Year Ended September 30, 2023  
UNAUDITED**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Bureau's proportion of the net pension liability (asset)	0.0301%	0.0270%	0.0241%	0.0253%	0.0260%	0.0230%	0.0220%	0.0200%	0.0190%
Bureau's proportionate share of the net pension liability (asset) \$	7,570,547	5,575,284	3,560,607	4,892,366	4,551,219	3,837,559	3,595,806	3,590,541	2,970,878
Bureau's covered payroll \$	2,234,361	1,609,407	1,670,817	1,682,824	1,684,910	1,473,347	1,387,660	1,285,881	1,220,717
Bureau's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	338.82%	346.42%	213.11%	290.72%	270.12%	260.47%	259.13%	279.23%	243.37%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

\* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the Bureau has only presented information for the years in which information is available.

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

**DESOTO COUNTY, MISSISSIPPI**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**DESOTO COUNTY CONVENTION AND VISITORS BUREAU**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 392,489	324,452	278,679	290,722	277,164	236,379	225,558	212,360	192,617
Contributions in relation to the contractually required contribution	<u>392,489</u>	<u>327,137</u>	<u>281,962</u>	<u>290,763</u>	<u>282,452</u>	<u>230,562</u>	<u>225,558</u>	<u>212,228</u>	<u>192,593</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>(2,685)</u>	<u>(3,283)</u>	<u>(41)</u>	<u>(5,288)</u>	<u>5,817</u>	<u>-</u>	<u>132</u>	<u>24</u>
Bureau's covered payroll	\$ 2,255,682	2,455,638	1,609,407	1,670,817	1,713,021	1,500,822	1,432,120	1,348,300	1,222,965
Contributions as a percentage of covered payroll	17.40%	13.32%	17.52%	17.40%	16.49%	15.36%	15.75%	15.74%	15.75%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10 year trend is compiled, the Bureau has only presented information for the years in which information is available.

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

**DESOTO COUNTY, MISSISSIPPI  
DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended September 30, 2023  
UNAUDITED**

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%.

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 assumptions 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 6.00% to 7.00%.

2019

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

**DESOTO COUNTY, MISSISSIPPI**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**DESOTO COUNTY CONVENTION AND VISITORS BUREAU**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
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**UNAUDITED**

the following adjustments:

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

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

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

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2021

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

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

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

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

**DESOTO COUNTY, MISSISSIPPI  
DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended September 30, 2023  
UNAUDITED**

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

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in in the line of duty was decreased From 6% to 4%.

2023

- The investment rate of return assumption was changed from 7.55% to 7.00%.  
The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.  
Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.  
The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.  
For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.  
The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.  
The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

B. Changes 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.

**DESOTO COUNTY, MISSISSIPPI  
DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended September 30, 2023  
UNAUDITED**

C. Method and assumptions used in calculations of actuarially determined contributions.

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2021 valuation for the June 30, 2023 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	26.7 years
Asset valuation method	5-year smoothed market
Price Inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

**DESOTO COUNTY**

**SUPPLEMENTARY INFORMATION**



**DESOTO COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2023**

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
<b>U.S. Department of Transportation</b>				
passed through MS Department of Transportation				
Highway Planning and Construction	* 20.205	STP-7886-00(003)		\$ 412,800
Highway Planning and Construction	* 20.205	STP-0017-00(044)		13,266
Highway Planning and Construction	* 20.205	STP-0906-00(005)		894,046
Highway Planning and Construction	* 20.205	STP-0017-00(045)		4,647
Total Highway Planning and Construction				<u>1,324,759</u>
National Infrastructure Investments	20.933	FBLD-1920-00(007)		10,250
Total National Infrastructure Investments				<u>10,250</u>
Total passed through MS Department of Transportation				<u>1,335,009</u>
<b>Highway Safety Cluster</b>				
<b>U.S. Department of Transportation</b>				
passed through MS Department of Public Safety				
State and Community Highway Safety	20.600	OP-2022-OP-11-71		27,440
Total State and Community Highway Safety				<u>27,440</u>
National Priority Safety Programs	20.616	MSX-2022-MD-11-71		191,277
Total National Infrastructure Investments				<u>191,277</u>
Total Highway Safety Cluster				<u>218,717</u>
Total U.S. Department of Transportation				<u>1,553,726</u>
<b>Other Programs</b>				
<b>U.S. Department of Defense</b>				
passed through MS Department of Transportation				
Congressionally Directed Assistance	12.599	ER 1165-2-208		43,957
Total U.S. Department of Defense				<u>43,957</u>
<b>U.S. Department of Justice</b>				
Public Safety Partnership and Community Policing Grants	16.710	N/A		127,879
Total Public Safety Partnership and Community Policing Grants				<u>127,879</u>
Equitable Sharing Program	16.922	N/A		95,607
Total Equitable Sharing Program				<u>95,607</u>
passed through MS Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	21DC1171		63,877
Edward Byrne Memorial Justice Assistance Grant Program	16.738	19DC1171		1,250
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20LB1171		4,575
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>69,702</u>
Total U.S. Department of Justice				<u>293,188</u>

**DESOTO COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2023**

U.S. Department of the Treasury						
Coronavirus State and Local Fiscal Recovery Funds	*	21.027	N/A	\$	3,000,000	<u>3,623,264</u>
Total Coronavirus State and Local Fiscal Recovery Funds						<u>3,623,264</u>
Local Assistance and Tribal Consistency Fund		21.032	N/A			<u>9,583</u>
Total Local Assistance and Tribal Consistency Fund						<u>9,583</u>
<i>Total U.S. Department of the Treasury</i>						<u>3,632,847</u>
U.S. Election Assistance Commission						
passed through MS Secretary of State						
Help America Vote Act Requirements Payments		90.401	EAC-ELSEC22MS			<u>265,961</u>
<i>Total U.S. Election Assistance Commission</i>						<u>265,961</u>
U.S. Department of Health and Human Services						
passed through MS Department of Health						
Injury Prevention and Control Research and State and Community Based Programs		93.136	CDC-RFA-CE14-1401 (OD2A)			<u>52,508</u>
<i>Total U.S. Department of Health and Human Services</i>						<u>52,508</u>
U.S. Executive Office of the President						
High Intensity Drug Trafficking Areas Program		95.001	N/A			<u>21,295</u>
<i>Total U.S. Executive Office of the President</i>						<u>21,295</u>
U.S. Department of Homeland Security						
passed through MS Department of Public Safety						
Homeland Security Grant Program		97.067	EMW-2021-SS-00033			3,529
Homeland Security Grant Program		97.067	EMW-A2021-SS-00033			64,105
Homeland Security Grant Program		97.067	EMW-2022-SS-00033			<u>110,825</u>
Total Homeland Security Grant Program						<u>178,459</u>
passed through MS Emergency Management Agency						
Hazard Mitigation Grant		97.039	N/A			<u>224,840</u>
Total Hazard Mitigation Grant						<u>224,840</u>
Emergency Management Performance Grants		97.042	N/A			<u>124,895</u>
Total Emergency Management Performance Grants						<u>124,895</u>
<i>Total U.S. Department of Homeland Security</i>						<u>528,194</u>
Total Expenditures of Federal Awards				\$	<u>3,000,000</u>	<u>6,391,676</u>

\* Denotes major federal award program

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

**DESOTO COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2023**

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 DeSoto County under programs of the federal government for the year ended September 30, 2023. 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 DeSoto County, it is not intended to and does not present the financial position, changes in net position or cash flows of DeSoto 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 credit made in the normal course of business to amounts reported as expenditures in prior years.

Note C- Indirect Cost Rate

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

**DESOTO COUNTY**

**OTHER INFORMATION**

**DESOTO COUNTY**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

<b>NAME</b>	<b>POSITION</b>	<b>AMOUNT OF BOND</b>	<b>COMPANY</b>
Jessie Medlin	Supervisor District 1	\$ 100,000	RI Insurance Company
Mark L. Gardner	Supervisor District 2	\$ 100,000	Travelers Casualty & Surety Company
Rabion L. Denison	Supervisor District 3	\$ 100,000	Travelers Casualty & Surety Company
Lee P. Caldwell	Supervisor District 4	\$ 100,000	Travelers Casualty & Surety Company
Michael Gaines Lee	Supervisor District 5	\$ 100,000	Liberty Mutual Surety
Misty Heffner	Chancery Clerk	\$ 100,000	State Farm Fire and Casualty Company
Vanessa Lynchard	County Administrator	\$ 100,000	Travelers Casualty & Surety Company
Dale Kelly Thompson	Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Patricia A. Galbraith	Deputy Circuit Clerk	\$ 100,000	Travelers Casualty & Surety Company
Laura Kate Faulkner	Deputy Circuit Clerk	\$ 100,000	Western Surety Company
Rebecca P. Smith	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Diane E. Bunyard	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Christy R. Carter	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Vivian I. Embrey	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Victoria B. Griffith	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Annabelle R. Ibsen	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Brandi Sharpe Johnson	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Teresa D. Johnson	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Rhonda N. Vance	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Evelyn Jeanie Nester	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Wendy Biggerstaff	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Tamera Twilley	Deputy Circuit Clerk	\$ 100,000	Western Surety Company
William David Rasco	Sheriff	\$ 100,000	Travelers
Jeff Fitch	Tax Assessor	\$ 50,000	Western Surety Company
Allison Marie Culver	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Anthony A. Caligaris	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Barbara Ann Greer	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Bethany Erin McCallum	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Deanna Turner	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Donald Scott White	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Elizabeth Shea Young	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Hunter Dee Pettigrew	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Jeff R. Pirtle	Deputy Tax Assessor	\$ 10,000	Western Surety Company
John H. Pickett	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Jon Derek Gunter	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Joshua Andrew Dunlap	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Pieter Jennings Zee	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Stephen W. Gullett	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Linda W. White	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Preston Boatwright	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Dallas Aaron Waldrip	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Joseph W. Treadway	Tax Collector	\$ 100,000	State Farm Fire and Casualty Company
Abigail Reaves Beecham	Deputy Tax Collector	\$ 50,000	Western Surety Company
Amanda M. Jenkins	Deputy Tax Collector	\$ 50,000	Western Surety Company
Amber Keyondra French	Deputy Tax Collector	\$ 50,000	Western Surety Company
Cindy L. Laughter	Deputy Tax Collector	\$ 50,000	Western Surety Company
Elizabeth Riley	Deputy Tax Collector	\$ 50,000	Western Surety Company
Erin Nicole Page	Deputy Tax Collector	\$ 50,000	Western Surety Company
Erin Shook	Deputy Tax Collector	\$ 50,000	Western Surety Company
Heather R. Hearn	Deputy Tax Collector	\$ 50,000	Western Surety Company
Janice N. Hill	Deputy Tax Collector	\$ 50,000	Western Surety Company
Judy Gail Easley	Deputy Tax Collector	\$ 50,000	Western Surety Company

**DESOTO COUNTY**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

NAME	POSITION	AMOUNT OF BOND	COMPANY
Kayla Edwards	Deputy Tax Collector	\$ 50,000	Western Surety Company
Meredith M. Mayer	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sarah A. Trest (Porter)	Deputy Tax Collector	\$ 50,000	Western Surety Company
Tammie A. Rhoda	Deputy Tax Collector	\$ 50,000	Western Surety Company
Whitley Sue Crews	Deputy Tax Collector	\$ 50,000	Western Surety Company
Wontasha M. Milam	Deputy Tax Collector	\$ 50,000	Western Surety Company
Melissa S. Coats	Deputy Tax Collector	\$ 50,000	Western Surety Company
Bethany M. Spencer (Lofton)	Deputy Tax Collector	\$ 50,000	Western Surety Company
Lauren E. Harris	Deputy Tax Collector	\$ 50,000	Western Surety Company
Lawrence W. Vaughn, Jr.	Constable, District 1	\$ 50,000	Travelers Casualty & Surety Company
Mitzi S. Hodge	Constable, District 2	\$ 50,000	State Farm Fire & Casualty Company
John Keith Combes	Constable, District 3	\$ 50,000	Travelers Casualty & Surety Company
Bobby Glen Holloway, Jr.	Constable, District 4	\$ 50,000	Travelers Casualty & Surety Company
Kenneth Lee Hodge, Jr.	Constable, District 5	\$ 50,000	Travelers Casualty & Surety Company
Bradley W. Hodge	Constable, District 2	\$ 50,000	Travelers Casualty & Surety Company
Wayne Douglas Hollowell, III	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
Lawrence W. Vaughn	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
William H. Lantrip	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
William Brad Russell	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
Karen Sanders	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
Lisa Guidry	Justice Court Clerk	\$ 50,000	Travelers Casualty & Surety Company
Candace J McElhanev	Justice Court Clerk	\$ 50,000	Western Surety
Sue Ellen Barclay	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Deborah Rutherford	Deputy Justice Court Clerk	\$ 50,000	Travelers Casualty & Surety Company
Karen Dunlap	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Patricia Yow	Deputy Justice Court Clerk	\$ 50,000	Travelers Casualty & Surety Company
Candie L. Hubbard	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Robin M. Luttrell	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Charlotte Gentry	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Kaily E. Gilmore	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Alisha Cooper	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Stephanie Rozell	Deputy Justice Court Clerk	\$ 50,000	Travelers Casualty & Surety Company
Leslie Weaver	Deputy Justice Court Clerk	\$ 50,000	Travelers Casualty & Surety Company
D'Angela M. Brenza	Deputy Justice Court Clerk	\$ 50,000	Travelers Casualty & Surety Company
Jessica N Smith	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Susanne Joan Smith	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Shelby Short	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Monica Smith	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Robert Jarman	Road Manager	\$ 50,000	Western Surety Company
Stephanie Hanks	Inventory Control Clerk	\$ 75,000	Western Surety Company
Angie Irving	Purchase Clerk	\$ 100,000	Western Surety Company
Vickie Tillman	Assistant Purchase Clerk	\$ 50,000	Western Surety Company
Edna Ward	Assistant Purchase Clerk	\$ 50,000	Western Surety Company
Amber Williams	Receiving Clerk	\$ 75,000	Western Surety Company
Amber Williams	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Amy Cooper	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Amy Henley	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Ashley Bell	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Ashley Hendricks	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Brandi Sharpe Johnson	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Brook Laine	Assistant Receiving Clerk	\$ 50,000	Western Surety Company

**DESOTO COUNTY**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2023**  
**UNAUDITED**

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BOND</u>	<u>COMPANY</u>
Carolyn M. Richards	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Colleen Magee	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Dabney Land	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Deborah Logan	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Diane Bunyard	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Felicia Hopper	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Garrett Gilland	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Heather Hearn	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Jamee Bradshaw	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Jennifer Haywood	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Kacy Dunn	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Kelly Wright	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Kendal Akerson	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Kerrie Adams	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Leigh Ann Johnson	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Lynn Ford	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Margaret L. Ford	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Marie Windham	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Mike Reed	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Mindy Chamberlain	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Patricia Cross	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Rhonda Ramey	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Rikki Ogle	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Robin Luttrell	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Shea Young	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Sherry Marshall	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Stephanie Rozell	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Vicki Patton	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Ora Wayne Hardin	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Edna Ward	Assistant Receiving Clerk	\$ 50,000	Western Surety Company

**DESOTO COUNTY**

**SPECIAL REPORTS**





DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

**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  
DeSoto County, Mississippi

We have audited, 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of DeSoto County, Mississippi (the County), as of and for the year ended September 30, 2023 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 9, 2024. Our report includes a reference to other auditors who audited the financial statements of DeSoto County Emergency Communications District, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by that audit.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered DeSoto County, Mississippi's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County'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.

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

weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether DeSoto County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of DeSoto County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated December 9, 2024 included within this document.

### **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 result 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.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
December 9, 2024



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
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EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

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FAX: (601) 636-1417

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MISSISSIPPI SOCIETY OF CPAs  
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**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  
DeSoto County, Mississippi

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited DeSoto County, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of DeSoto County, Mississippi's major federal programs for the year ended September 30, 2023. DeSoto County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, DeSoto County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

***Basis for Opinion on the Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of

laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to DeSoto County, Mississippi's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on DeSoto County, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about DeSoto County, Mississippi's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, and the Uniform Guidance, we

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

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

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control*

*over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC

Certified Public Accountants

Vicksburg, Mississippi

December 9, 2024



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
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MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
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**INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,  
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES  
(REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE OF 1972 ANNOTATED)**

Members of the Board of Supervisors  
DeSoto County, Mississippi

We have examined DeSoto 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, *Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of Section 31-7-13, *Mississippi Code of 1972 Annotated* during the year ended September 30, 2023. The Board of Supervisors of DeSoto 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 DeSoto 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, DeSoto County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2023.

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, *Mississippi Code of 1972 Annotated*. 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 DeSoto 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.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
December 9, 2024

DESOTO COUNTY  
Schedule of Purchases from Other Than the Lowest Bidder  
For the Year Ended September 30, 2023

Schedule 1

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



DESOTO COUNTY  
 Schedule of Emergency Purchases  
 For the Year Ended September 30, 2023

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
11/5/2022	Sewer backed up in the building at Fairhaven Fire Department	337.50	Upchurch Plumbing, Inc.	Sewer backed up in the building at Fairhaven Fire Department
4/3/2023	Tornado Debris Cleanup	425,952.75	Michael's Tree and Loader Service LLC	Tornado caused some many trees and limbs to fall, on road ways.
6/1/2023	Desoto Co Rubbish Pit fire	13,500.00	Tim McFarlin Construction, LLC	Rubbish pit fire at Sandidge Rubbish Pit
7/3/2023	Repair the AC unit at the jail	946.50	5M Services, LLC	Air was not working at the jail
7/3/2023	Repair the AC unit at the jail	729.00	5M Services, LLC	Air was not working at the jail
7/1/2023	Repair the AC unit at the jail	465.00	Memphis Air Care	Air was not working at the jail
7/31/2023	Repalce Control Board on RTU C-660 at the Jail	874.00	5M Services, LLC	Air was not working at the jail

## DESOTO COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2023

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
11/7/2022	Automated fingerprint identification system	27,540	SPEX Forensics
11/7/2022	Computer replacement - jail doors control	56,075	CML Security
12/19/2022	X26P Tasers	18,318	AXON
3/20/2023	Election System & Software	274,725	Election Systems & Software
3/20/2023	Election System & Software	106,630	Election Systems & Software
3/20/2023	Portable livescan finger printing system	10,057	Idemia Identity & Security USA, LLC
5/1/2023	X26P Tasers	6,100	AXON Enterprise, Inc.
5/1/2023	Warning sirens	249,882	Precision Communications
5/15/2023	Franklin 4-station voting booth	61,330	Inclusion Solutions, LLC
8/18/2023	Luminex II, Quiet Touch Keypads, & Duet Case	11,488	Stenograph LLC



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L. KARL GOODMAN, CPA, MBA  
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3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
DeSoto County, Mississippi

In planning and performing our audit of the financial statements of DeSoto County, Mississippi for the year ended September 30, 2023, we considered DeSoto 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 DeSoto 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 9, 2024, on the financial statements of DeSoto County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, *Mississippi Code of 1972 Annotated*, 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.

The results of our review procedures and compliance tests identified an immaterial instance of noncompliance with state laws and regulations that is an opportunities for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response are disclosed below:

### Board of Supervisors

1. Public Officials and Employees should ensure compliance with state law over surety bonding requirements.

**Repeat Finding** Yes; 2021-1; 2022-1.

**Criteria** *Section 25-1-15, Mississippi Code Annotated (1972)*, states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years

concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee.”

<b>Condition</b>	During the course of our testing we noted the following instances of non-compliance: <ul style="list-style-type: none"><li>• Fourteen (14) deputy justice court clerks were bonded using a blanket bond</li><li>• Thirty-seven (37) assistant receiving clerks were bonded using a blanket bond</li><li>• Eleven (11) deputy tax collectors were not bonded for the entire fiscal year</li><li>• Bonds were unable to be located for nine (9) deputy tax collectors</li><li>• One (1) deputy tax assessor was not bonded for the entire fiscal year</li><li>• A bond was unable to be located for one (1) deputy tax assessor</li></ul>
<b>Cause</b>	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
<b>Effect</b>	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
<b>Recommendation</b>	We recommend the Board of Supervisors implement procedures to ensure that County officials’ and employees’ bonds meet the requirements of State Laws.
<b>Response</b>	We acknowledge this and are working hard to rectify this issue and comply. The Chancery Clerk’s office has made substantial changes to the process and procedures of surety bonds and is implementing changes.

DeSoto County’s response to the finding included in this report was not audited, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity, 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.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
December 9, 2024

**DESOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**DESOTO COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2023**

Section 1: 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                  | Unmodified    |
| General Fund  | Unmodified    |
| Coronavirus Fund  | Unmodified    |
| Bridge & Culvert Fund   | Unmodified    |
| Aggregate remaining fund information                            | Unmodified    |
| 2. Internal control over financial reporting:                   |               |
| a. Material weaknesses identified?                              | No            |
| b. Significant deficiency identified?                           | None Reported |
| 3. Noncompliance material to the financial statements noted?    | No            |

**Federal Awards:**

- |   |               |
|---|---------------|
| 4. Internal control over major federal programs:  |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiency identified?   | None Reported |
| 5. Type of auditor's report issued on compliance for major federal programs:  | 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 federal programs:  |               |
| a. ALN #20.205, Highway Planning and Construction   |               |
| b. ALN #21.027, Coronavirus State and Local Fiscal Recovery Funds   |               |
| 8. Dollar threshold used to distinguish between type A and type B programs:   | \$750,000     |
| 9. Auditee qualified as low-risk auditee?   | No            |
| 10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | No            |

**DESOTO COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2023**

Section 2: Financial Statement Findings

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

Section 3: Federal Award Findings and Questioned Costs

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

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**FISCAL YEAR 2025 BUDGET**

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**DeSoto County, Mississippi**  
**Summary Budget**  
**For Fiscal Year Ending September 30, 2025**

	<b>GOVERNMENTAL FUND TYPES</b>				<b>TOTALS</b>
	<b>GENERAL</b>	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	
<b>REVENUES</b>					
AMOUNT NECESSARY TO BE RAISED BY TAX LEVY	64,871,274	19,959,456	3,562,209		88,392,939
TAXES AND AD VALOREM OTHER THAN TAX LEVY	4,713,650	4,300,000			9,013,650
LICENSES, COMMISSIONS, AND OTHER REVENUE	4,926,100	590,000			5,516,100
FINES AND FORFEITURES	1,445,000	355,000			1,800,000
INTERGOVERNMENTAL REVENUES:					
FEDERAL SOURCES	594,661	884,063		21,543,094	23,021,818
STATE SOURCES:					
STATE GRANTS	213,087	1,368,926		2,527,436	4,109,449
STATE SHARED REVENUES	2,903,000	1,709,315			4,612,315
LOCAL SOURCES	1,319,000	246,072	878,068		2,443,140
CHARGES FOR SERVICES	5,184,748	9,439,885			14,624,633
USE OF MONEY AND PROPERTY	2,007,376	637,350	40,000	400,100	3,084,826
OTHER FINANCING SOURCES	1,205,597	3,121,250		23,244,839	27,571,686
MISCELLANEOUS REVENUES	278,973	814,989			1,093,962
<b>TOTAL REVENUES</b>	<b>89,662,466</b>	<b>43,426,306</b>	<b>4,480,277</b>	<b>47,715,469</b>	<b>185,284,518</b>
BEGINNING CASH BALANCE	55,945,000	103,875,701	11,919,698	24,532,036	196,272,435
<b>TOTAL REVENUES &amp; BEGINNING CASH BALANCE</b>	<b>145,607,466</b>	<b>147,302,007</b>	<b>16,399,975</b>	<b>72,247,505</b>	<b>381,556,953</b>
<b>EXPENDITURES</b>					
GENERAL GOVERNMENT	28,104,175	10,409,586		775,000	39,288,761
PUBLIC SAFETY	46,539,744	5,302,099		359,003	52,200,846
PUBLIC WORKS		26,154,146			26,154,146
HEALTH & WELFARE	1,778,446				1,778,446
CULTURE & RECREATION	2,259,272	808,842			3,068,114
ECONOMIC DEVELOPMENT & ASSISTANCE	389,522				389,522
CONSERVATION OF NATURAL RESOURCES	789,965				789,965
CAPITAL PROJECTS		52,291,669		70,310,422	122,602,091
DEBT SERVICE			3,374,724		3,374,724
OTHER FINANCING USES	10,915,688	702,434			11,618,122
MISCELLANEOUS	32,515				32,515
<b>TOTAL EXPENDITURES</b>	<b>90,809,327</b>	<b>95,668,776</b>	<b>3,374,724</b>	<b>71,444,425</b>	<b>261,297,252</b>
ENDING CASH	54,798,139	51,633,231	13,025,251	803,080	120,259,701
<b>TOTAL EXPENDITURES &amp; ENDING CASH</b>	<b>145,607,466</b>	<b>147,302,007</b>	<b>16,399,975</b>	<b>72,247,505</b>	<b>381,556,953</b>

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**APPENDIX C**

**FORM OF THE COUNTY BOND RESOLUTION AND THE COUNTY BOND**

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There came on for consideration the matter of providing various capital improvements in connection with the DeSoto County Convention Center, also known as the DeSoto County Civic Center and, after a discussion of the subject matter, Supervisor \_\_\_\_\_ offered and moved the adoption of the following resolution:

**RESOLUTION OF THE BOARD OF SUPERVISORS OF DESOTO COUNTY, MISSISSIPPI AUTHORIZING THE ISSUANCE OF A CONVENTION CENTER GENERAL OBLIGATION BOND OF THE COUNTY IN A TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$38,500,000 AS DESCRIBED IN THIS RESOLUTION; DIRECTING THE PREPARATION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE SALE OF SAID BOND, IN ONE OR MORE SERIES, TO THE MISSISSIPPI DEVELOPMENT BANK AND THE SALE OF THE NOT TO EXCEED \$38,500,000 MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2025 (DESOTO COUNTY, MISSISSIPPI CONVENTION CENTER GENERAL OBLIGATION BOND PROJECT); AND FOR RELATED PURPOSES.**

WHEREAS, the Board of Supervisors (the "**Governing Body**") of DeSoto County, Mississippi (the "**County**"), acting for and on behalf of the County, is authorized by Sections 19-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**County Bond Act**"), and Senate Bill 3173, Local and Private Laws of the 1996 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill No. 3252, Local and Private Laws of the 1998 Regular Session of the Mississippi Legislature, as supplemented by House Bill 1741, Local and Private Laws of the 2005 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill 3055, Local and Private Laws of the 2008 Regular Session of the Mississippi Legislature ("**County Act**"), to issue general obligation bonds for the purposes set forth in the County Bond Act and the County Act, including, but not limited to any of, (a) the acquisition, construction, expansion, equipping and maintenance of the DeSoto County Convention Center, also known as the DeSoto County Civic Center (the "**Convention Center**"), located in the County and shall include the acquisition of certain property to provide for construction and expansion of the Convention Center and the property or items in addition thereto which constitutes the "Expansion Project", pursuant to authority granted by the County Bond Act and the County Act; (b) site improvements to such property in connection with the Expansion Project; (c) purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and/or the DeSoto County Convention and Visitors Bureau buildings; (d) the purchase of land therefor pursuant to authority granted by the County Act and the County Bond Act; and (e) for other authorized purposes under the County Bond Act and the County Act, including paying the costs of such borrowing (collectively, the "**Project**"); and

WHEREAS, the Governing Body, acting for and on behalf of the County, is also authorized under the Act and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**Issuer Act**" and together with the County Bond Act, and the County Act, the "**Act**"), and other applicable laws of the State of Mississippi (the "**State**"), to issue a general obligation bond of the County to be sold to the Mississippi Development Bank (the "**Issuer**") to finance the costs of the Project and to secure such general obligation bond with the full faith, credit and taxing power of the County; and

**WHEREAS**, the Project is in accordance with and in furtherance of the provisions of the Act; and

**WHEREAS**, the County is a “local governmental unit” under the Issuer Act; and

**WHEREAS**, on February 21, 2023, the Governing Body adopted a resolution (the “**Intent Resolution**”) wherein the Governing Body found, determined and adjudicated that (a) it is necessary that the County issue (i) general obligation bonds of the County and/or (ii) a general obligation bond of the County to be sold to the Issuer and/or (iii) enter into a loan with the Issuer, all in a total aggregate principal amount not to exceed Thirty-Eight Million Five Hundred Thousand Dollars (\$38,500,000), in one or more taxable or tax-exempt series, for the purposes as described in the Intent Resolution, (b) declared its intention to issue said general obligation bonds and/or a general obligation bond of the County and/or enter into a loan with the Issuer, and (c) fixed 9:00 o'clock a.m. on March 20, 2023, as the date and hour on which it proposed to direct the issuance of said general obligation bonds and/or a general obligation bond of the County and/or enter into a loan with the Issuer, on or prior to which date and hour any protests to be made against the issuance of such general obligation bonds and/or a general obligation bond of the County and/or loan were required to be filed; and

**WHEREAS**, as required by the Intent Resolution and the County Bond Act, a copy of the Intent Resolution was published once a week for at least three (3) consecutive weeks in the *DeSoto Times-Tribune*, a newspaper having a 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 the date fixed herein for the issuance of the bonds, and the last publication having been made not more than seven (7) days prior to such date, said Intent Resolution having been published in said newspaper on February 23 and March 2, 9, and 16, 2023; and

**WHEREAS**, as of the hour of 9:00 o'clock a.m. on March 20, 2023, no qualifying written protest against the issuance of such general obligation bonds and/or a general obligation bond of the County and/or the loan as described in the Intent Resolution had been filed or presented by qualified electors of the County with the Chancery Clerk (the “**Clerk**”) or any member of the Governing Body, and (b) all persons present or represented by counsel or otherwise were given the opportunity to be heard concerning the issuance of such general obligation bond or bonds or loan as described in the Intent Resolution pursuant to the Act and the purposes for which such borrowing is to be obtained and no protest or objection of any kind or character against such borrowing or the purposes for which it is to be obtained was presented; and

**WHEREAS**, on March 20, 2023, the Governing Body of the County adopted a resolution (the “**No Protest Resolution**”), finding and determining that (a) no qualifying written protest against the issuance of such general obligation bonds and/or a general obligation bond of the County and/or the loan as described in the Intent Resolution had been filed with the Clerk or presented by qualified electors of the County to the Governing Body and (b) the Governing Body may proceed with the issuance of such general obligation bonds and/or a general obligation bond of the County and/or the loan as described in the Intent Resolution and the No Protest Resolution, in one or more series.



**WHEREAS**, it would be in the best interest of the County for the Governing Body to provide funding for the costs of the Project through the issuance of a Convention Center general obligation bond of the County to be sold to the Issuer in accordance with the Act; and

**WHEREAS**, after careful study and investigation by the Governing Body, it appears to be in the best interest of the citizens of the County for the County to issue its Convention Center General Obligation Bond, Series 2025 in the principal amount of not to exceed Thirty-Eight Million Five Hundred Thousand Dollars (\$38,500,000), in one or more series (together, the “**County Bond**”) and to authorize the sale of the County Bond to the Issuer; and

**WHEREAS**, the Issuer will issue its Special Obligation Bonds, Series 2025 (DeSoto County, Mississippi Convention Center General Obligation Bond Project), in the aggregate principal amount of not to exceed Thirty-Eight Million Five Hundred Thousand Dollars (\$38,500,000), in one or more series (together, the “**Series 2025 Bonds**”) and will use a portion of the proceeds thereof to purchase the County Bond and a portion of the proceeds thereof to pay costs of issuance in connection with the issuance of the County Bond and the Series 2025 Bonds; and

**WHEREAS**, the issuance of the County Bond and the Series 2025 Bonds for the purpose of providing funding for the Project will result in a substantial public benefit to the citizens of the County; and

**WHEREAS**, the Governing Body is now desirous of proceeding with the issuance of the County Bond and the purchase thereof by the Issuer with the proceeds of the Series 2025 Bonds; and

**WHEREAS**, the Series 2025 Bonds will be issued pursuant to and secured by an Indenture of Trust (the “**Indenture**”), by and between the Issuer and The Peoples Bank, Biloxi, Mississippi, as Trustee (the “**Trustee**”); and

**WHEREAS**, the County Bond will be sold to the Issuer pursuant to the terms and provisions of this Bond Resolution (as defined herein), the Act and a County Bond Purchase Agreement, by and between the Issuer and the County, to be dated as of the date of the sale of the Series 2025 Bonds (the “**County Bond Purchase Agreement**”); and

**WHEREAS**, the County will make payments on the County Bond in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, as and when the same shall become due and payable; and

**WHEREAS**, the Governing Body is now desirous of proceeding with the issuance of the County Bond pursuant to this Bond Resolution and the purchase thereof by the Issuer with the proceeds of the Series 2025 Bonds and authorizing the negotiation of the sale of the Series 2025 Bonds thereof to Raymond James & Associates, Inc., Memphis, Tennessee, as underwriter (the “**Underwriter**”) pursuant to the terms and provisions of a Bond Purchase Agreement, to be dated as of the date of the sale of the Series 2025 Bonds (the “**Bond Purchase Agreement**”), by and among the Issuer, the Underwriter and the County; and

**WHEREAS**, there have been prepared and submitted to the Governing Body the forms of:

(a) the Indenture under which the Series 2025 Bonds will be issued and by which they will be secured, and

(b) the County Bond Purchase Agreement providing for the sale of the County Bond to the Issuer, and

(c) the Bond Purchase Agreement providing for the sale of the Series 2025 Bonds to the Underwriter, and

(d) the Preliminary Official Statement, to be dated the date of distribution thereof (the "**Preliminary Official Statement**") describing the Series 2025 Bonds, the County Bond, the terms of the Indenture and other matters in connection with the sale and issuance of the Series 2025 Bonds and the County Bond; and

(e) the Continuing Disclosure Certificate, to be dated the date of delivery thereof (the "**Continuing Disclosure Certificate**"), to be executed by the County in connection with the issuance of the Series 2025 Bonds, such Continuing Disclosure Certificate is provided as an appendix section in the Preliminary Official Statement; and

**WHEREAS**, it appears that each of the documents referred to above, which documents are now before the Governing Body, is in appropriate form and is an appropriate document for the purposes identified; and

**WHEREAS**, all conditions, acts and things required by the Act and the Constitution and laws of the State to have existed, to have happened and to have been performed precedent to and in connection with the adoption of this Bond Resolution, the sale and issuance of the County Bond to the Issuer, the sale and issuance of the Series 2025 Bonds, the execution by the County of the Bond Purchase Agreement, the County Bond Purchase Agreement and the distribution of the Preliminary Official Statement have happened and have been performed in regular and due time, form and manner as required by law; and

**WHEREAS**, it is proposed that the Governing Body should take all such additional actions, authorize the execution of such certificates, applications, reports and notices, and authorize such other actions and proceedings as shall be necessary in connection with the sale and issuance of the County Bond and the Series 2025 Bonds.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF SUPERVISORS OF THE COUNTY, ACTING FOR AND ON BEHALF OF THE COUNTY, AS FOLLOWS:**

**SECTION 1.** All of the matters and things recited in the premises sections of this Bond Resolution are found and determined to be true and accurate.

**SECTION 2.** This Bond Resolution is adopted pursuant to the Act and the Constitution and laws of the State.

**SECTION 3.** 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 Bond Act, the County Act and the Issuer Act.

“**Agent**” shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities. The Agent shall initially be the Trustee.

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

“**Bond Counsel**” shall mean Butler Snow LLP, Ridgeland, Mississippi.

“**Bond Resolution**” shall mean this resolution, as may be amended, and supplemented from time to time.

“**Business Day**” shall mean any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York, or the offices of the Trustee, are authorized or required not to be open for the transaction of regular banking business, (d) any day the County Courthouse is closed, or (e) a day on which the New York Stock Exchange is closed.

“**Clerk**” shall mean the Chancery Clerk of the County.

“**County**” shall mean DeSoto County, Mississippi.

“**County Act**” shall mean Senate Bill 3173, Local and Private Laws of the 1996 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill No. 3252, Local and Private Laws of the 1998 Regular Session of the Mississippi Legislature, as supplemented by House Bill 1741, Local and Private Laws of the 2005 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill 3055, Local and Private Laws of the 2008 Regular Session of the Mississippi Legislature.

“**County Bond**” shall mean the not to exceed \$38,500,000 DeSoto County, Mississippi Convention Center General Obligation Bond, Series 2025 authorized and directed to be issued in one or more series by this Bond Resolution.

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

“**County Bond Payments**” shall mean the payments required of the County hereunder as provided in Sections 9 and 18 hereof.

“**County Counsel**” shall mean Bridgforth, Buntin & Emerson PLLC, Southaven, Mississippi.

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

**“Interest Payment Date”** shall mean the interest payment dates for the Series 2025 Bonds as described in the Indenture.

**“Issuer”** shall mean the Mississippi Development Bank.

**“Issuer Act”** shall mean Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

**“Municipal Advisor”** shall mean Government Consultants, Inc., Madison, Mississippi, as Independent Registered Municipal Advisor to the County.

**“Paying Agent”** shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of and interest on the County Bond. The Paying Agent shall initially be the Trustee.

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

**“President”** shall mean the President of the Governing Body, or such other member of the Governing Body authorized by law to act in the capacity as president of the Governing Body in the event the President is unavailable or otherwise unable to act.

**“Project”** shall mean providing funds to finance the costs of any of, (a) the acquisition, construction, expansion, equipping and maintenance of the Convention Center, located in the County and shall include the acquisition of certain property to provide for construction and expansion of the Convention Center and the property or items in addition thereto which constitutes the “Expansion Project”, pursuant to authority granted by the County Bond Act and the County Act; (b) site improvements to such property in connection with the Expansion Project; (c) purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and/or the DeSoto County Convention and Visitors Bureau buildings; (d) the purchase of land therefor pursuant to authority granted by the County Act and the County Bond Act; and (e) for other authorized purposes under the County Bond Act and the County Act, including paying the costs of such borrowing.

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

**“Record Date”** shall have the meaning given to it in the Indenture.

**“Registered Owner”** or **“Bondholder”** shall mean the Person whose name shall appear in the registration records of the County maintained by the Transfer Agent and shall initially be the Trustee as assignee of the Issuer as provided for in the Indenture.

**“Series 2025 Bonds”** shall mean the not to exceed \$38,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (DeSoto County, Mississippi Convention Center General Obligation Bond Project), authorized to be issued in one or more series by the Issuer pursuant to the Issuer Act and the terms and conditions of the Indenture.

“**State**” shall mean the State of Mississippi.

“**Transfer Agent**” shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the registration of the owner of the County Bond and for the performance of such other duties as may be herein or hereafter specified by the Governing Body. The Transfer Agent shall initially be the Trustee.

“**Tourism Tax**” shall mean the proceeds of a convention tourist promotion tax in an amount not to exceed two percent (2%) of the gross proceeds of sales or gross income of restaurants and hotels and motels (including but not limited to sales of beer and alcohol beverages) but shall not apply to restaurants not selling alcoholic beverages under an on-premises retailer's permit issued by the State Tax Commission and whose gross proceeds of sales or gross income is less than one hundred thousand dollars (\$100,000.00) per calendar year, said Tourism Tax being authorized by a majority of the qualified electors of the County in a Referendum Election duly held on November 5, 1996.

“**Trustee**” shall mean The Peoples Bank, Biloxi, Mississippi, which financial institution will have corporate trust powers and be qualified to act as Trustee under the Indenture.

“**Underwriter**” shall mean Raymond James & Associates, Inc., Memphis, Tennessee.

“**2025 Bond Fund**” shall mean DeSoto County, Mississippi Convention Center General Obligation Bond, Series 2025 Bond Fund provided for in Section 18 hereof.

“**2025 Construction Fund**” shall mean DeSoto County, Mississippi Convention Center General Obligation Bond, Series 2025 Construction Fund provided for in Section 19 hereof.

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 such word or term.

**SECTION 4.** The Governing Body, acting for and on behalf of the County, does hereby find and declare that the sale and issuance of the County Bond pursuant to the Act in a total aggregate principal amount not to exceed Thirty-Eight Million Five Hundred Thousand Dollars (\$38,500,000), in one or more series, is necessary and advisable and conforms to the Act.

**SECTION 5.** The County Bond is hereby authorized and ordered to be prepared and issued in one or more series in a total aggregate principal amount not to exceed Thirty-Eight Million Five Hundred Thousand Dollars (\$38,500,000) to provide financing for the Project as authorized by the Act. The Governing Body is authorized and empowered by the provisions of the County Bond Act to issue the County Bond without an election on the question of the issuance thereof and is authorized to issue the County Bond pursuant to the Act or as may otherwise be provided by law.

**SECTION 6.** The Governing Body hereby further authorizes and approves the sale of the County Bond to the Issuer pursuant to the terms and provisions of the County Bond Purchase

Agreement and based upon the terms and conditions of the sale of the Series 2025 Bonds to the Underwriter.

**SECTION 7.** The Governing Body does hereby find and determine that the County Bond and the Series 2025 Bonds are being issued to provide financing for the costs of the Project.

**SECTION 8.** In consideration of the purchase and acceptance of the County Bond by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the County and the Registered Owner from time to time of the County Bond. 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 Owner shall be for the equal benefit, protection and security of the Registered Owner, all of which, regardless of the time or times of its authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

**SECTION 9.** (a) Payments of interest on the County Bond shall be made to the Record Date Registered Owner, and payments of principal shall be made to the Record Date Registered Owner in lawful money of the United States of America upon presentation of the County Bond at the corporate trust office of the Paying Agent.

(b) The County Bond shall be dated the date of its delivery; shall be issued as a fully registered bond in a single denomination equal to the principal amount thereof; shall be numbered 1; shall bear interest from the date thereof at the rate or rates borne by the Series 2025 Bonds (as provided in the Indenture) which rate or rates shall be reviewed by the Municipal Advisor and determined to be reasonable under then current market conditions, payable on each Interest Payment Date, subject to the limitation that the County Bond shall not bear a greater overall interest rate to maturity than eleven percent (11%) per annum; and shall mature and become due and payable in the same manner and at the same dates and times as provided for the Series 2025 Bonds in the Indenture; provided, however, that the final maturity for the County Bond shall be no later than thirty (30) years from its date of issuance unless earlier redeemed as provided for in this Bond Resolution and the Indenture.

(c) The County Bond is subject to redemption prior to maturity only at the times, to the extent, in the manner and as otherwise provided for the Series 2025 Bonds in the Indenture. If applicable, the County shall provide proper notices to the Issuer and the Trustee as provided in the Indenture in the event the County elects to redeem the County Bond or any portion thereof, and redemption of the County Bond or any portion thereof shall be as provided in this Section 9 and Article IV of the Indenture. It is intended that redemption of the County Bond may only occur through the processes provided in the Indenture, and the County hereby accepts such redemption provisions by this reference.

(d) A default in the due and punctual payment of any interest or principal on the County Bond or a default by the County under this Bond Resolution is an Event of Default (as defined in the Indenture) under the Indenture entitling the Trustee to exercise certain remedies under the Indenture, including, but not limited to, the acceleration of all principal and interest due and owing on the Series 2025 Bonds outstanding. In the event the Trustee exercises such remedies under the Indenture, the principal and interest due and owing on the County Bond may be accelerated in

accordance with the Indenture and the County shall cause the County Bond to be redeemed and paid in full.

**SECTION 10.** (a) When the County Bond shall have been validated and executed as herein provided, it 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 the County Bond, over such official's manual or facsimile signature and manual or facsimile seal, its certificate in substantially the form set out in Section 12 hereof.

(b) The County Bond 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 County Bond, 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 County Bond 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 County Bond shall be delivered to the Issuer upon payment of the purchase price therefor in accordance with the terms and conditions of the Indenture and the County Bond Purchase Agreement, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation of the County Bond, and the final, unqualified approving opinion of Bond Counsel.

(d) Prior to or simultaneously with the delivery of the County Bond by the Transfer Agent, 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 County Bond; and
- (ii) an authorization to the Transfer Agent, signed by the President, to authenticate and deliver the County Bond to the Issuer; and
- (iii) such other documentation, if any, as may be required by this Bond Resolution, the Bond Purchase Agreement, Bond Counsel and the Indenture.

(e) At delivery, the Transfer Agent shall authenticate the County Bond and deliver it to the Issuer upon payment of the purchase price of the County Bond to the County in accordance with the County Bond Purchase Agreement.

**SECTION 11.** (a) The County hereby designates the Trustee as the Paying Agent and Transfer Agent for the County Bond. The County specifically reserves the right to hereafter designate a separate Paying Agent and Transfer Agent in its discretion, subject, however to the terms and conditions of the Indenture, and as hereinafter provided.

(b) So long as the County Bond shall remain outstanding, the County shall maintain with the Agent records for the registration and transfer of the County Bond. The Agent is hereby appointed registrar for the County Bond, in which capacity the Agent shall register in such records and permit to be transferred thereon, under such reasonable regulations as may be prescribed, the County Bond if entitled to registration or transfer.

(c) The County shall pay or reimburse the Agent for reasonable fees and expenses for services normally rendered and expenses normally incurred and customarily paid to paying agents, transfer agents and bond registrars, unless otherwise agreed to by 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) An Agent may at any time resign and be discharged of the duties and obligations of the function of Trustee, Paying Agent and Transfer Agent pursuant to the terms and conditions stated in Sections 11.05 and 11.06 of the Indenture.

(e) In the event of the resignation or removal of the Agent, a successor Agent shall be selected as provided in Section 11.07 of the Indenture.

(f) In the event of a change of Agent, 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, list of Registered Owner and all other records, documents and instruments relating to its duties as such Agent.

(g) The provisions of Sections 11.07 and 11.08 of the Indenture shall govern the acceptance of any appointment of a successor Agent.

(h) 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.

(i) 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 County Bond.

(j) 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.



**SECTION 12.** The County Bond shall be in substantially the following form and the President, and the Clerk be and are hereby authorized and directed to make such changes, insertions and omissions therein as may in their opinions be required:

**[COUNTY BOND FORM]**

**THIS COUNTY BOND HAS BEEN ASSIGNED TO THE PEOPLES BANK, AS TRUSTEE (THE “TRUSTEE”) UNDER AN INDENTURE OF TRUST (THE “INDENTURE”) DATED \_\_\_\_\_, 2025, BY AND BETWEEN THE MISSISSIPPI DEVELOPMENT BANK AND THE TRUSTEE. THIS COUNTY BOND IS REGISTERED IN THE NAME OF THE TRUSTEE AND IS NON-TRANSFERRABLE EXCEPT AS PERMITTED IN THE INDENTURE.**

**UNITED STATES OF AMERICA  
STATE OF MISSISSIPPI**

**DESOTO COUNTY, MISSISSIPPI  
CONVENTION CENTER GENERAL OBLIGATION BOND,  
SERIES 2025**

**NO. 1**

**\$38,500,000**

<i>Rate of Interest</i>	<i>Maturity</i>	<i>Date of Original Issue</i>
<i>Payable as set forth herein</i>	_____ 1, 20__	____, 2025

**REGISTERED OWNER: THE PEOPLES BANK,  
As Assignee of the Mississippi Development Bank**

**PRINCIPAL AMOUNT: THIRTY-EIGHT MILLION FIVE HUNDRED THOUSAND  
AND NO/100THS DOLLARS**

DeSoto County, 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 hereof, at the corporate trust office of The Peoples Bank, in Biloxi, Mississippi, or its successor, as paying agent (the “Paying Agent”) for the Convention Center General Obligation Bond, Series 2025 of the County (this “County Bond”), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this County Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the County maintained by The Peoples Bank, Biloxi, Mississippi, or its successor, as transfer agent for the County Bond (the “Transfer Agent”) at the times and periods as provided in the Indenture (as defined herein).

The County further promises to pay interest on such principal amount from the date of this County Bond as hereinafter provided until said principal sum 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 Record Date (as defined in the Indenture).

Payments of principal of and interest on this County Bond shall be made by check or draft mailed to such Registered Owner at its address as such address appears on such registration records in time to reach the Registered Owner at least five (5) days prior to an Interest Payment Date (as defined in the Bond Resolution, as hereinafter defined).

This County Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 19-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**County Bond Act**"), Senate Bill 3173, Local and Private Laws of the 1996 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill No. 3252, Local and Private Laws of the 1998 Regular Session of the Mississippi Legislature, as supplemented by House Bill 1741, Local and Private Laws of the 2005 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill 3055, Local and Private Laws of the 2008 Regular Session of the Mississippi Legislature ("**County Act**"), and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "**Issuer Act**" and together with the County Bond Act and the County Act, the "**Act**"), and by the further authority of proceedings duly had by the Board of Supervisors of the County, including a resolution adopted on December 16, 2024 (the "**Bond Resolution**").

This County Bond is issued in the aggregate authorized principal amount of Thirty-Eight Million Five Hundred Thousand Dollars (\$38,500,000) to provide funds to the County for the purposes set forth in the Bond Resolution, including, but not limited to, any of, (a) the acquisition, construction, expansion, equipping and maintenance of the DeSoto County Convention Center, also known as the DeSoto County Civic Center (the "**Convention Center**"), located in the County and shall include the acquisition of certain property to provide for construction and expansion of the Convention Center and the property or items in addition thereto which constitutes the "Expansion Project", pursuant to authority granted by the County Bond Act and the County Act; (b) site improvements to such property in connection with the Expansion Project; (c) purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and/or the DeSoto County Convention and Visitors Bureau buildings; (d) the purchase of land therefor pursuant to authority granted by the County Act and the County Bond Act; and (e) for other authorized purposes under the County Bond Act and the County Act, including paying the costs of such borrowing.

The County will duly and punctually pay the principal of, premium, if any, and interest on this County Bond at the dates and the places and in the manner mentioned in the Bond Resolution, according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the County Bond, the County agrees to make payments upon the County Bond and be liable therefor at such times and in such amounts (including principal, premium, if any, and interest) so as to provide for payment of the principal of, premium, if any, and interest on the \$38,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (DeSoto County, Mississippi Convention Center General Obligation Bond Project) (the "**Series 2025 Bonds**"), outstanding under the Indenture of Trust, by and between the Mississippi Development Bank and

The Peoples Bank, Biloxi, Mississippi, as trustee (the "**Trustee**"), dated as of \_\_, 2025 (the "**Indenture**"), when due whether upon a scheduled interest payment date, redemption or at maturity.

Reference is hereby made to the Bond Resolution and to all amendments and supplements thereto for the provisions, among others, with respect to the nature and extent of the security for the bondholder, the rights, duties and obligations of the County and the bondholder and the terms upon which this County Bond is or may be issued and secured.

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 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 County Bond shall be a general obligation of the County payable as to principal of, premium, if any, and interest out of and secured by a special tax to be levied annually by the County, without limitation as to time, rate or amount, upon all of the taxable property within the geographical boundaries of the County adequate and sufficient to provide for the payment of the principal of, premium, if any, and interest on the County Bond as the same becomes due. 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 the 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; 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 2025 Bond Fund (as defined in the Bond Resolution), or has made other provisions for funds, including the proceeds of a convention tourist promotion tax (the "**Tourism Tax**") in an amount not to exceed two percent (2%) of the gross proceeds of sales or gross income of restaurants and hotels and motels (including but not limited to sales of beer and alcohol beverages) but shall not apply to restaurants not selling alcoholic beverages under an on-premises retailer's permit issued by the State Tax Commission and whose gross proceeds of sales or gross income is less than one hundred thousand dollars (\$100,000.00) per calendar year, said Tourism Tax being authorized by a majority of the qualified electors of the County in a Referendum Election duly held on November 5, 1996, to be applied toward the payment of the principal of and interest on the County Bond due during the ensuing fiscal year of the County, in accordance with the provisions of the Bond Resolution. The avails of said tax are irrevocably pledged by the County under the Bond Resolution for the payment of the principal of, premium, if any, and interest on the County Bond as the same shall mature and accrue. Should there be a failure in any year to comply with the requirements, such failure shall not impair the right of the holder of the County Bond in any subsequent year to have adequate taxes levied and collected to meet the obligations of the County Bond, as to principal of, premium, if any, and interest.

This County Bond is the only evidence of indebtedness issued and outstanding under the Bond Resolution. This County Bond has been purchased by the Mississippi Development Bank and has been assigned to the Trustee under the Indenture. This County Bond is registered in the name of the Trustee and is non-transferrable except as provided in the Indenture.

The County and the Transfer Agent may deem and treat the Person in whose name this County Bond is registered as the absolute owner hereof, whether this County Bond shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on this County Bond and for all other purposes. All such payments so made to the Registered Owner shall be valid and effectual to satisfy and discharge the liability upon this County Bond to the extent of the sum or sums paid, and neither the County nor the Transfer Agent shall be affected by any notice to the contrary.

Upon a default in payment under this County Bond, the Trustee may, as provided in the Indenture and the Bond Resolution, declare the principal of and accrued interest on this County Bond to be due and payable immediately.

This County Bond shall only be redeemed under the Bond Resolution to the extent and in the manner required to redeem the Series 2025 Bonds pursuant to the provisions of the Indenture.

Modifications or alterations of the Bond Resolution may be made only to the extent and under the circumstances permitted by the Indenture.

This County 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.

Capitalized terms used herein, but not defined herein, shall have the meanings given to such terms in the Bond Resolution and the Indenture.

**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 this County Bond, in order to make the same a legal and binding general obligation 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 County Bond, including principal, premium, if any, and interest, the full faith, credit and taxing power of the County are hereby irrevocably pledged.

**IN WITNESS WHEREOF**, the County has caused this County 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 County Clerk of the County, under the manual or facsimile seal of the County, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, on this the \_\_\_\_\_ day of \_\_\_\_\_ 2025.

(SEAL)

**DESOTO COUNTY, MISSISSIPPI**

By \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Chancery Clerk

**CERTIFICATE OF REGISTRATION AND AUTHENTICATION**

This County Bond is the County Bond described in the within mentioned Bond Resolution and is the Convention Center General Obligation Bond, Series 2025, of DeSoto County, Mississippi.

**THE PEOPLES BANK**, as Transfer Agent

By \_\_\_\_\_  
Authorized Signatory

Date of Registration and Authentication: \_\_\_\_, 2025

**REGISTRATION AND VALIDATION CERTIFICATE**

**STATE OF MISSISSIPPI  
COUNTY OF DESOTO**

I, the undersigned Chancery Clerk of DeSoto County, Mississippi, do hereby certify that the within County 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 DeSoto County, Mississippi, rendered on the \_\_\_\_ day of \_\_\_\_\_, 2025.

(SEAL)

\_\_\_\_\_  
Chancery Clerk

**[END OF COUNTY BOND FORM]**

**SECTION 13.** In case the County 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 County Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated County Bond, or in lieu of and in substitution for such County 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 County Bond stolen, destroyed or lost, such Registered Owner's filing with the County or Transfer Agent evidence satisfactory to them that the County Bond was stolen, destroyed or lost, and of its ownership thereof, and furnishing the County

or the Transfer Agent with such security and/or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote.

**SECTION 14.** This County Bond shall be a general obligation of the County and the County hereby irrevocably pledges its full faith, credit, and taxing power for the purpose of effectuating and providing for the payment of the principal of, premium, if any, and interest on the County Bond as the same shall respectively mature and accrue. There shall be levied annually by the County, without limitation as to time, rate or amount, upon all of the taxable property within the geographical boundaries of the County adequate and sufficient to provide for the payment of the principal of, premium, if any, and interest on the County Bond as the same becomes due. 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 the 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; 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 2025 Bond Fund, or has made other provisions for funds, including the Tourism Tax, to be applied toward the payment of the principal of and interest on the County Bond due during the ensuing fiscal year of the County, in accordance with the provisions of this Bond Resolution. The avails of said tax are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the County Bond as the same shall mature and accrue. Should there be a failure in any year to comply with the requirements, such failure shall not impair the right of the holder of the County Bond in any subsequent year to have adequate taxes levied and collected to meet the obligations the County Bond, as to principal of, premium, if any, and interest.

**SECTION 15.** Only if the County Bond shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Transfer Agent, shall the County Bond be entitled to the rights, benefits and security of this Bond Resolution. The County Bond shall not 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 the County Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer Agent; provided, however, it shall not be necessary that the same officer sign said certificate on every County Bond that may be issued hereunder.

**SECTION 16.** Ownership of the County Bond shall be in the Issuer or its assignee. The Person in whose name the County 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, premium, if any, or interest on the County Bond shall be made only to or upon the order of the Registered Owner thereof, or its 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 the County Bond to the extent of the sum or sums so paid.

**SECTION 17.** The County Bond shall be transferable only as provided in the Indenture. Upon the transfer of the County Bond, the County, acting through the Transfer Agent, shall issue

in the name of the transferee a new County Bond of the same aggregate principal amount and maturity and rate of interest as the surrendered County Bond.

**SECTION 18.** (a) The County hereby establishes the “DeSoto County, Mississippi Convention Center General Obligation Bond, Series 2025 Bond Fund” (the “**2025 Bond Fund**”) which shall be maintained with a qualified depository in its name for the payment of the principal of, premium, if any, and interest on the County Bond, and the payment of the Agent's fees in connection therewith. There shall be deposited into the 2025 Bond Fund as and when received:

- (i) The avails of any of the taxes levied and collected pursuant to Section 14 hereof; and
- (ii) Any income received from the investment of monies in the 2025 Bond Fund; and
- (iii) Any other funds available to the County which may be lawfully used for payment of the principal of, premium, if any, and interest on the County Bond or for other obligations of the County which may be due under the Indenture, and which the Governing Body, in its discretion, may direct to be deposited into the 2025 Bond Fund, including but not limited to, any proceeds from the Tourism Tax.

(b) As long as any principal of, premium, if any, and interest on the County Bond or the Series 2025 Bonds remain outstanding and/or other obligations of the County remain outstanding hereunder or under the Indenture, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2025 Bond Fund sufficient monies to make the payments necessary (the “**County Bond Payments**”) to pay (i) the principal of, premium, if any, and interest coming due on the Series 2025 Bonds, and (ii) any additional payments necessary and required as obligations of the County hereunder or under the Indenture, including, but not limited to Program Expenses (as such term is defined in the Indenture), and to transfer same to the account of the Trustee in time to reach the Trustee at least five (5) days prior to the date on which said interest, principal or premium, if any, on the Series 2025 Bonds shall become due, or in such time as may be required for any other payments regarding the Series 2025 Bonds shall become due. The Trustee shall deposit all County Bond Payments received in the General Account of the General Fund of the Indenture (as such terms are defined in the Indenture), or such other fund or account as the Trustee is so directed in the Indenture. Funds on deposit in the 2025 Bond Fund may be invested in Investment Securities as defined in the Indenture, to the extent they are authorized by the Act and applicable provisions of State law which Investment Securities shall mature not later than the respective dates when the money held for the credit of the 2025 Bond Fund will be required for the purposes intended. The President or Vice President of the Governing Body or the Clerk are authorized for and on behalf of the County to execute an engagement letter with Raymond James & Associates, Inc., for the pricing and acquisition of direct United States obligations or other permitted investments of amounts in the 2025 Bond Fund and to execute all other related documents and to take other actions necessary or desirable to accomplish the investment of amounts in the 2025 Bond Fund.

**SECTION 19.** (a) The County hereby establishes the “DeSoto County, Mississippi Convention Center General Obligation Bond, Series 2025 Construction Fund” (the “**2025 Construction Fund**”) which shall be maintained with a qualified depository in its name. A portion of the proceeds received upon the sale of the County Bond as provided in Section 6.07 of the Indenture shall be transferred by the Trustee and deposited in the 2025 Construction Fund. Monies deposited in the 2025 Construction Fund shall be used, to the extent permitted by law, (i) to pay all costs related to implementation and completion of all necessary expenditures for and in connection with the Project; (ii) to pay architectural, engineering, fiscal, paying agent, printing, accounting, construction manager, feasibility consultant, legal expenses and development expenses incurred in connection with the Project; and (iii) to pay costs related to any suits and proceedings in connection with the Project, including any costs of settlement thereof.

Any income received from investment of monies in the 2025 Construction Fund shall be deposited in the 2025 Construction Fund and shall be used for the costs of the Project. Funds on deposit in the 2025 Construction Fund may be invested in Investment Securities as defined in the Indenture, to the extent they are authorized by the Act and applicable provisions of State law which Investment Securities shall mature not later than the respective dates when the money held for the credit of the 2025 Construction Fund will be required for the purposes intended. The President or Vice President of the Governing Body or the Clerk are authorized for and on behalf of the County to execute an engagement letter with Raymond James & Associates, Inc., for the pricing and acquisition of direct United States obligations or other permitted investments of amounts in the 2025 Construction Fund and to execute all other related documents and to take other actions necessary or desirable to accomplish the investment of amounts in the 2025 Construction Fund.

(b) Any amounts which remain in the 2025 Construction Fund after the completion of the Project shall be transferred to the 2025 Bond Fund and used as permitted under State law.

(c) The balance of the proceeds derived from the sale of the County Bond following the deposit to be made pursuant to this Section 19 shall be retained by the Issuer and deposited with the Trustee under the Indenture to be used for the payment of the costs of issuance and sale of the County Bond and the costs of issuance and sale of the Series 2025 Bonds, all as provided in the Indenture.

**SECTION 20.** (a) Payment of principal on the County Bond shall be made, upon presentation of the County Bond at the corporate trust 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 County Bond 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 County Bond subsequent to the Record Date and prior to the due date of the interest.

(c) Principal of and interest on the County Bond shall be paid by the Paying Agent by check or draft mailed to the Registered Owner at the address appearing in the registration records of the Transfer Agent in time to reach the Registered Owner at least five (5) days prior to an



Interest Payment Date. 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 and at the times as may be subsequently prescribed by the Transfer Agent.

**SECTION 21.** The County may issue refunding bonds, in one or more series, with the consent of the Issuer pursuant to a supplement to this Bond Resolution or a separate resolution to provide funds for the refunding of all or a portion of the County Bond so long as no default has occurred and is continuing under this Bond Resolution or the Indenture.

Such refunding bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to this Bond Resolution or separate resolution of the Governing Body authorizing the issuance of such refunding bonds.

It is intended that this Section 21 allow for the provision of refunding bonds commensurate with the ability of the Issuer to issue its refunding bonds as provided in Section 2.05 of the Indenture.

**SECTION 22.** The County Bond may be submitted to validation in the Chancery Court of DeSoto County, Mississippi, in the manner and with the force and effect provided by Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended. The Clerk is hereby directed to prepare a transcript of all legal papers and proceedings relating to the County Bond and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

**SECTION 23.** The County covenants to comply, if applicable, with each requirement of the Code and the regulations promulgated thereunder necessary to maintain the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes, and in furtherance thereof, to comply, if applicable, with a certificate of the County to be executed and delivered concurrently with the issuance of the County Bond and the Series 2025 Bonds, or such other covenants as may, from time to time, be required to be complied with in order to maintain the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes, if applicable. The County shall not use or permit the use of any of the proceeds of the County Bond or the Series 2025 Bonds, or any other funds of the County, directly or indirectly, to acquire any securities, obligations or other investment property, and shall not take or permit to be taken any other action or actions, which would cause any Series 2025 Bond to be an "arbitrage bond" as defined in Section 148 of the Code, if and as applicable. Notwithstanding any other provisions to the contrary, so long as necessary in order to maintain the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes under the Code, if applicable, the covenants contained in this Section 23 shall survive the payment of the County Bond and the Series 2025 Bonds and the interest thereon, including any payment or defeasance thereof.

**SECTION 24.** The County represents as follows, if and as applicable to the Series 2025 Bonds and the County Bond:

(a) The County shall take no action that would cause the Series 2025 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code; and

(b) The County shall take all necessary action to have the Series 2025 Bonds registered within the meaning of Section 149(a) of the Code; and

(c) The County will not employ any device or abusive transaction with respect to the investment of the proceeds of the Series 2025 Bonds and, to the extent necessary, the County Bond.

**SECTION 25.** The County hereby covenants that, if applicable, in connection with the Series 2025 Bonds it shall make, or cause to be timely made to the United States of America, any rebate payment required by Section 148(f) of the Code and the regulations promulgated thereunder and to that end, will enter into the Arbitrage Rebate Agreement (as defined in the Indenture) (or similar agreement respecting such federal income tax matters) with the Bank and the Trustee.

**SECTION 26.** The President and Clerk are each hereby authorized to sign and file or cause to be filed a completed I.R.S. Form 8038-G “Information Return for Governmental Obligations” if required by Section 149(e) of the Code.

**SECTION 27.** The President and Clerk are each hereby authorized to execute a non-arbitrage certification in order to comply with Section 148 of the Code and the applicable regulations thereunder.

**SECTION 28.** Reserved.

**SECTION 29.** (a) The Issuer and the County, without the consent of the owners of any of the Series 2025 Bonds outstanding under the Indenture, may enter into supplements to this Bond Resolution which shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Bond Resolution or the Indenture, and in addition thereto for the following purposes:

- (i) To cure any ambiguity or formal defect or omission in the Indenture; and
- (ii) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the opinion of Bond Counsel, does not materially and adversely affect the interest of the owner of the County Bond and does not require unanimous consent of the Bondholders pursuant to Section 12.01 of the Indenture; and
- (iii) To subject to the Indenture additional Revenues (as such term is defined in the Indenture), properties or collateral; and
- (iv) To modify, amend or supplement this Bond Resolution in such manner as required to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, to permit qualification of the County Bond or the Series 2025 Bonds for sale as

exempt securities or in exempt transactions under the Securities Act, the Exchange Act or the securities laws of any state or to avoid registration under the Investment Company Act of 1940, as amended, or any similar federal statute hereafter in effect; and

- (v) To conform the text herein to any description or summary of this Bond Resolution in any official statement or other offering document with respect to the County Bond or the Series 2025 Bonds to the extent that such description or summary was intended to be a verbatim recitation of a provision herein; and
- (vi) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee under the Indenture or the succession of a new registrar and/or paying agent.

(b) The provisions of this Bond Resolution may be amended in any particular with the written consent of the Issuer to the extent authorized by the Indenture; provided, however, that no such amendment may be adopted which decreases the percentage of owners of Series 2025 Bonds required to approve any amendment, or which permits a change in the date of payment of the principal of or interest on any Series 2025 Bonds or of any redemption price thereof or the rate of interest thereon.

(c) If at any time the Issuer and the County shall request the Trustee to consent to a proposed amendment of this Bond Resolution for any of the purposes of this Section 29, the Trustee shall, upon being satisfactorily indemnified and/or secured with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem Series 2025 Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all holders of Series 2025 Bonds. If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following such notice, the owners of not less than a majority in aggregate principal amount of the Series 2025 Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Series 2025 Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the County or the Issuer from executing or approving the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such proposed amendment permitted and provided in this Section, this Bond Resolution shall be modified and amended in accordance therewith.

(d) Copies of any such supplement or amendment shall be filed with the Trustee and delivered to the Issuer and the County before such supplement or amendment may become effective.

**SECTION 30.** The Indenture, in the form submitted as **Exhibit A** hereto to this meeting, is hereby made part of this Bond Resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The President or other member of the

Governing Body be, and hereby is, authorized to approve such additional changes as may be requested by the Issuer. The County hereby approves and acknowledges the Indenture and the terms and provisions thereof and recognizes that many items governing the terms and conditions of the County Bond are based upon terms, limitations and conditions provided in the Indenture.

**SECTION 31.** The County Bond Purchase Agreement, in the form submitted as **Exhibit B** hereto to this meeting, is hereby made part of this Bond Resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The President and the Clerk, or any other member of the Governing Body, are hereby authorized and directed to execute and deliver the County Bond Purchase Agreement with such changes, insertions and omissions as may be approved by such officers, said execution being conclusive evidence of such approval.

**SECTION 32.** The Governing Body of the County hereby authorizes, due to the character of the Series 2025 Bonds, the complexity of structuring the Series 2025 Bonds and prevailing market conditions, to negotiate for the sale of the Series 2025 Bonds with the Underwriter and to approve the submission of the form of the Bond Purchase Agreement for the sale of the Series 2025 Bonds to the Issuer and the County, for approval at a subsequent date to be determined by the Municipal Advisor and the County to be the most financially advantageous to the County and the Issuer and hereby gives authority to an Authorized Officer to approve the sale of the Series 2025 Bonds and to make the final decisions regarding (i) the aggregate principal amounts of the Series 2025 Bonds, (ii) the redemption provisions of the Series 2025 Bonds, (iii) the interest rates to be borne by the Series 2025 Bonds, (iv) the maturity dates of the Series 2025 Bonds, (v) the principal and interest payment dates for the Series 2025 Bonds, and (vi) to make all final determinations necessary to structure the Series 2025 Bonds; provided that the terms of the County Bond mirror said terms of the Series 2025 Bonds. The Bond Purchase Agreement, in the form attached hereto as **Exhibit C** and when presented for execution, is hereby approved in all respects, subject to the following conditions: (1) the par amount of the Series 2025 Bonds will not exceed \$38,500,000; (2) the net interest cost of the Series 2025 Bonds will not exceed 11.00%; (3) the Series 2025 Bonds will mature no later than thirty (30) years from the date of issuance thereof; (4) the net proceeds of the County Bond shall be applied to the costs of the Project and to pay for the costs of issuance of the Series 2025 Bonds and the County Bond; and (5) the terms and provisions of the Series 2025 Bonds and the County Bond are in compliance with the Act. The form of the Bond Purchase Agreement in substantial form is hereby approved in all respects and an Authorized Officer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and on behalf of and in the name of the County for the sale of the Series 2025 Bonds, with such changes, omissions, insertions and revisions, as may be approved by either such officer, said execution being conclusive evidence of such approval.

**SECTION 33.** (a) The form of the Preliminary Official Statement is submitted to this meeting and made a part of this resolution as though set forth in full herein shall be, and the same hereby is, approved in substantially said form. An Authorized Officer is hereby authorized and directed to execute and deliver, as applicable, the Preliminary Official Statement with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval. The Preliminary Official Statement is hereby "deemed final" by the County as described in the Rule. An Authorized Officer is hereby authorized and directed to execute and deliver the Official Statement in connection with the Series 2025 Bonds

with such changes, insertions and omissions as may be approved by such officer from the Preliminary Official Statement, said execution being conclusive evidence of such approval. Said Preliminary Official Statement is attached hereto as **Exhibit D**.

(b) If in the opinion of the Bond Counsel, the Underwriter and the Municipal Advisor, a supplement or amendment to the Preliminary Official Statement and/or Official Statement is necessary to provide proper disclosure for the Series 2025 Bonds, the Governing Body of the County hereby authorizes (a) Bond Counsel to prepare and distribute such supplement or amendment to the Preliminary Official Statement and/or the Official Statement in a form and in a manner approved by the Underwriter, and (b) the Underwriter 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 Series 2025 Bonds, with the distribution of such supplement or amendment being conclusive evidence of the approval of the Governing Body.

(c) The Continuing Disclosure Certificate, in the form attached to the Preliminary Official Statement as submitted to this meeting, is hereby made part of this Bond Resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. An Authorized Officer is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved by such officers, said execution being conclusive evidence of such approval.

**SECTION 34.** Copies of the documents provided for in Sections 30 through 33 of this Bond Resolution in the forms submitted to this meeting and approved in substantially said forms by this Bond Resolution are on file in the office of the Clerk.

**SECTION 35.** An Authorized Officer is authorized and directed to execute and deliver any additional documents, agreements, instruments, requisitions, and certificates, which are required in connection with the sale and issuance of the Series 2025 Bonds and the County Bond. If the date of the issuance and delivery of the Series 2025 Bonds or the County Bond, or the execution and delivery of any of the documents adopted hereby occurs in 2024, then an Authorized Officer is hereby fully authorized to approve all applicable and necessary changes to the documents approved hereby or otherwise and related to such change to provide for the dating of documents for the appropriate year and month (including the Series 2025 Bonds and the County Bond) and the series designation of the bonds for the appropriate year of issuance, the execution of said documents being conclusive evidence of such approval, and no further action shall be required of the Governing Body to approve such date changes. Notwithstanding any other provision herein or in any attachments hereto, the Governing Body further authorizes any necessary changes to the name or title or series and year designation of the Series 2025 Bonds or the County Bond and corresponding changes to any of the related documents approved hereby if it is determined, after consultation with the Municipal Advisor, that it is in the best interest of the County for the Series 2025 Bonds to be issued at an earlier date in 2024, pursuant to a different structure, or in one or more tax-exempt or taxable series, as municipal bond market conditions may dictate.

**SECTION 36.** If the Project or any improvements located thereon shall be damaged or destroyed (in whole or in part) at any time while any of the County Bond remains outstanding, there shall be no abatement or reduction in the amount payable by the County hereunder and under the County Bond. Also, if at any time while any Series 2025 Bonds remain outstanding, and the

whole or any part of title to, or the use of, the Project shall be taken by condemnation, there shall be no abatement or reduction in the amount payable by the County hereunder.

**SECTION 37.** Except as otherwise expressly provided herein, nothing in this Bond Resolution, express or implied, is intended or shall be construed to confer upon any Person or firm or corporation other than the County, the Issuer and the Trustee, any right, remedy or claim, legal or equitable, under and by reason of this Bond Resolution or any of the provisions hereof or the Indenture or any provision thereof. This Bond Resolution, the Indenture and all of their provisions are intended to be and shall be for the sole and exclusive benefit of the County, the Trustee and the Issuer.

**SECTION 38.** The President and Clerk are each hereby authorized and directed to sign requisitions and perform such other acts as may be necessary to authorize the payment by the Trustee under the Indenture on the date of issuance and delivery of the Series 2025 Bonds, the costs of issuance for the Series 2025 Bonds and costs of issuance for the County Bond.

**SECTION 39.** The Governing Body hereby approves the designation of The Peoples Bank, Biloxi, Mississippi, as the Paying Agent, Transfer Agent and Trustee for the Series 2025 Bonds under this Bond Resolution and the Indenture.

**SECTION 40.** The Governing Body hereby approves Raymond James & Associates Inc. as the Underwriter and the Authorized Officers are authorized to execute and deliver the Letter of Engagement for Underwriting or Placement Agent Services, attached hereto as **EXHIBIT F**.

**SECTION 41.** The Authorized Officers are authorized to execute and deliver such resolutions, agreements, certificates and other documents as are required for the sale, issuance and delivery of the County Bond. The Governing Body further authorizes Bond Counsel, County Counsel, the Underwriter and the Municipal Advisor, to prepare and distribute all necessary documents and to do all things required in order to effectuate the sale and issuance of the County Bond and the Series 2025 Bonds.

**SECTION 42.** If the Municipal Advisor deems it in the best interest of the County and the Issuer to apply for municipal bond insurance for the Series 2025 Bonds, the Governing Body hereby approves the execution of a commitment for the provision of municipal bond insurance for the Series 2025 Bonds and any additional documents and certificates which are required by any provider of such municipal bond insurance selected to provide credit enhancement in connection with the issuance of the Series 2025 Bonds. The President or the Clerk are hereby authorized to approve any changes, insertions and omissions as may be required by the provider of the municipal bond insurance to the County Bond Purchase Agreement, the Preliminary Official Statement and Official Statement (as defined herein), if applicable, the Bond Purchase Agreement, as approved by an Authorized Officer, evidenced by his/her execution of the commitment for said municipal bond insurance and other additional documents and certificates. In addition, the executive director of the Issuer and/or an authorized officer of the Issuer are hereby authorized to apply for municipal bond insurance and execute a commitment for the provision of municipal bond insurance and any additional documents and certificates which are required by any provider of such municipal bond insurance selected to provide credit enhancement in connection with the issuance of the Series 2025 Bonds.

**SECTION 43.** If the Municipal Advisor deems it in the best interest of the County and the Issuer to sell the Series 2025 Bonds as a privately placed transaction (the “**Private Placement Transaction**”) due to municipal bond market conditions, the Governing Body authorizes and approves: (a) the Private Placement Transaction in order to conform to such determination by the Municipal Advisor; (b) the Private Placement Agreement in the form submitted to this meeting and attached hereto as **Exhibit E**; (c) Raymond James & Associates, Inc., as placement agent for the Private Placement Transaction (the “**Placement Agent**”); and (d) any term sheet (the “**Term Sheet**”), if applicable, of a bank or consortium of banks or a qualified institutional buyer, as purchaser or lender (the “**Lender**”) in connection with the Private Placement Transaction.

**SECTION 44.** If the Series 2025 Bonds are sold as a Private Placement Transaction the following shall apply: (a) the Series 2025 Bonds shall be initially issued as fully registered bonds in the principal denomination of \$100,000 and increments of \$1,000 each thereafter, or integral multiples thereof up to the amount of a single maturity, (b) shall be subject to redemption in the manner, to the extent and with such notice as stated in the Private Placement Agreement and the Term Sheet, (c) shall be delivered to the Lender upon payment of the purchase price therefor in accordance with the terms and conditions of the Private Placement Agreement and the Term Sheet, (d) shall be authenticated and delivered to, upon the order of or as directed by the Lender thereof upon payment of the purchase price of the Series 2025 Bonds to the Trustee in accordance with the Private Placement Agreement and the Term Sheet, (e) may or may not have CUSIP numbers assigned thereto as specified in the Private Placement Agreement and the Term Sheet, and (f) the execution of the Private Placement Agreement by an Authorized Officer, is subject to the same conditions provided herein as are applicable to the execution of the Bond Purchase Agreement.

**SECTION 45.** The County is as an “obligated person” under SEC Rule 15c2-12(b)(5) (the “**Rule**”). The Governing Body hereby covenants and agrees to enter into the Continuing Disclosure Certificate, setting forth the County's agreement with regard to continuing disclosure and to comply with the covenants set forth therein and carry out all of the provisions of the Continuing Disclosure Certificate. In the event the County fails to comply with the provisions of the Continuing Disclosure Certificate, the beneficial owners of the Series 2025 Bonds may take such actions as may be necessary and appropriate, including mandamus or specific performance by court order, to cause the County to comply with its obligations set forth in the Continuing Disclosure Certificate.

**SECTION 46.** If any one or more of the provisions of this Bond Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Bond Resolution, but this Bond Resolution shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein.

**SECTION 47.** All resolutions and orders or parts thereof in conflict herewith are, to the extent of such conflicts, hereby repealed, and this Bond Resolution shall become effective immediately.

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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 Lee Caldwell voted:	_____
Supervisor Ray Denison voted:	_____
Supervisor Mark Gardner voted:	_____
Supervisor Jessie Medlin voted:	_____
Supervisor Robert Foster 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 16th day of December 2024.

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President of the Board of Supervisors of DeSoto  
County, Mississippi

ATTEST:

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Clerk of the Board of Supervisors of  
DeSoto County, Mississippi



**APPENDIX D**

**FORM OF OPINION OF BOND COUNSEL**

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**UPON THE DELIVERY OF THE SERIES 2025 BONDS, BUTLER SNOW LLP PROPOSES TO DELIVER  
AN OPINION IN SUBSTANTIALLY THE FOLLOWING FORM:**

Mississippi Development Bank  
Jackson, Mississippi

Re: \$38,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (DeSoto County, Mississippi Convention Center General Obligation Bond Project), dated the date of delivery thereof (the "**Series 2025 Bonds**")

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Mississippi Development Bank (the "**Issuer**") of the above described Series 2025 Bonds, pursuant to a Trust Indenture (the "**Indenture**"), dated as of \_\_, 2025, by and between the Issuer and The Peoples Bank, Biloxi, Mississippi, as Trustee (the "**Trustee**"). We have examined the law and a certified transcript of proceedings of the Issuer relative to the authorization, issuance and sale of the Series 2025 Bonds and such other papers as we have deemed necessary to render the opinions in this letter, including the Issuer's tax covenants and representations made in the Indenture and tax certificates and the tax covenants and representations made by DeSoto County, Mississippi (the "**County**") in tax certificates and in a resolution (the "**County Bond Resolution**") adopted by the Board of Supervisors of the County on December 16, 2024 (collectively, the "**Tax Representations and Covenants**").

The Series 2025 Bonds are being issued under the authority of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**Issuer's Act**"), Sections 19-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**County Bond Act**") and Senate Bill 3173, Local and Private Laws of the 1996 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill No. 3252, Local and Private Laws of the 1998 Regular Session of the Mississippi Legislature, as supplemented by House Bill 1741, Local and Private Laws of the 2005 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill 3055, Local and Private Laws of the 2008 Regular Session of the Mississippi Legislature (the "**County Act**") and together with the Issuer Act and the County Bond Act, the "**Act**"), a resolution of the Board of Directors of the Issuer adopted on December 11, 2024, and the County Bond Resolution (together, the "**Resolution**").

The Resolution provides that the Series 2025 Bonds are being issued for the purpose of providing funds to finance the costs of purchasing the 38,500,000 DeSoto County, Mississippi Convention Center General Obligation Bond, Series 2025 (the "**County Bond**"), and paying the costs incident to the sale, issuance, and delivery of the Series 2025 Bonds and the County Bond. The County will use the proceeds of the County Bond to finance various capital improvements projects within the County, as more particularly described in the County Bond Resolution.

As to questions of fact material to our opinions, we have relied upon representations of the County and the Issuer, certified proceedings and other certifications of the County and the Issuer and other public officials furnished to us, including the Tax Representations and Covenants, without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, and the conformity to original documents of all copies submitted to us as certified, conformed, or photographic copies. As to certificates, we have assumed the same to be properly given and to be accurate.

Based on the foregoing and subject to the qualifications, statements of reliance and assumptions herein, we are of the opinion on the date hereof that:

1. Assuming the due authentication thereof by the Trustee, the Series 2025 Bonds are legal, valid and binding limited obligations of the Issuer enforceable in accordance with the terms thereof. The Series 2025 Bonds are payable from and secured only by the certain payments and funds to be received by the Issuer and the Trustee and pledged to the Series 2025 Bonds under the Indenture.

2. The Indenture is a valid and binding agreement of the Issuer enforceable against the Issuer. The Indenture creates a valid pledge in the Funds and Accounts and the County Bond, including the investments thereof (excepting therefrom the Rebate Fund), subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

3. Under existing statutes, regulations, rulings and court decisions, subject to the assumptions stated below, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference in the calculation of federal alternative minimum taxable income as defined in Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"); however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on such corporations. We express no opinion regarding other federal tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2025 Bonds. In rendering the opinion contained in this paragraph numbered 3, we have assumed continuing compliance with the requirements of Code that must be met by the Issuer and the County after the issuance of the Series 2025 Bonds, including the Tax Representations and Covenants, in order that interest on the Series 2025 Bonds not be included in gross income for federal income tax purposes. The failure to meet such requirements may cause interest on the Series 2025 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025 Bonds. The County and the Issuer have covenanted in the Tax Representations and Covenants to comply with or to require compliance with the requirements of the Code in order to maintain the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes.

4. Under and pursuant to the Act, the Series 2025 Bonds and interest thereon are exempt from all income taxes imposed by the State of Mississippi (the "State").

It is to be understood that the rights of the holders of the Series 2025 Bonds and the enforceability of the Series 2025 Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereinafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Owners of the Series 2025 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of any other collateral federal income tax consequences.

In this opinion letter, issued in our capacity as Bond Counsel, we are opining only upon those matters specifically set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Issuer's Official Statement or other representations, warranties or statements made in connection with any offer or sale of the Series 2025 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 Series 2025 Bonds, except those specifically addressed herein, or upon any federal or state securities law with respect to the sale or distribution of the Series 2025 Bonds.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter, and no expansion of our opinion may be made by implication or otherwise. The opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings and court decisions in effect on the date hereof and not as of any future date. It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. We expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to our attention or for any other reason.

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

Balch & Bingham, LLP, Jackson, Mississippi, counsel for the Issuer, dated the date hereof, as to the due authorization and execution by and enforceability against the Issuer as to the Series 2025 Bonds and the Indenture.

Very truly yours,

BUTLER SNOW LLP

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**APPENDIX E**

**DEFINITIONS**

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## DEFINITIONS

In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless the context or use in this Official Statement otherwise requires. Words of the masculine gender should be deemed and constructed to include correlative words of the female and neuter gender. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Indenture and the County Bond Resolution, as the case may be.

### **Accounts**

"Accounts" means the accounts created pursuant to Article VI of the Indenture.

### **Act**

"Act" means together the Issuer Act, the County Bond Act, and the County Act.

### **Authorized Officer(s)**

"Authorized Officer(s)" means the President, Vice President, Executive Director, Secretary or Assistant Secretary of the Issuer or such other person or persons who are duly authorized to act on behalf of the Issuer.

### **Bankruptcy Code**

"Bankruptcy Code" means 11 U.S.C. Section 101 *et seq.*, as amended or supplemented from time to time.

### **Beneficial Owner**

"Beneficial Owner" means, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a DTC Participant on the records of such DTC Participant, or such person's subrogee.

### **Bond Counsel**

"Bond Counsel" means an attorney or firm of attorneys approved by the County and the Issuer nationally recognized in the area of municipal law and matters relating to the excludability of interest on state and local government bonds from gross income under federal tax law, including particularly compliance with Section 148(f) of the Code. Butler Snow LLP, Ridgeland, Mississippi, is serving as Bond Counsel in connection with the sale and issuance of the Series 2025 Bonds.

### **Bond Issuance Expense Account**

"Bond Issuance Expense Account" means the account by that name created by Section 6.02 of the Indenture.

### **Bond Purchase Agreement**

"Bond Purchase Agreement" means that certain Bond Purchase Agreement, dated the date of the sale of the Series 2025 Bonds, among the Underwriter, the Issuer and the County in connection with the issuance and sale of the Series 2025 Bonds.

### **Bond Register**

"Bond Register" shall mean the registration records of the Issuer kept by the Trustee to evidence the registration and transfer of the Series 2025 Bonds.

### **Bondholder**

"Bondholder" or "holder of Bonds" or "owner of Bonds" or any similar term means the Registered Owner of any Bond.

**Bonds**

"Bonds" means the Series 2025 Bonds and any Refunding Bonds issued pursuant to the terms and provisions of the Indenture.

**Business Day**

"Business Day" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or the principal corporate trust office of the Trustee, are authorized or required not to be open for the transaction of regular banking business, (d) any day the DeSoto County Courthouse is closed, or (e) a day on which the New York Stock Exchange is closed.

**Code**

"Code" or "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations promulgated thereunder.

**Costs of Issuance**

"Costs of Issuance" means items of expense payable or reimbursable, directly or indirectly, by the Issuer and related to the authorization, sale, validation, issuance and/or delivery of the Series 2025 Bonds and the sale and purchase of the County Bond, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, financial advisory fees and expenses, Bond Counsel fees and expenses, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Series 2025 Bonds, credit enhancements or liquidity facility fees, fees and expenses of the Underwriter and other costs, charges and fees in connection with the foregoing.

**County**

"County" means DeSoto County, Mississippi, a "local governmental unit" under the Issuer Act.

**County Act**

"County Act" shall mean Senate Bill 3173, Local and Private Laws of the 1996 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill No. 3252, Local and Private Laws of the 1998 Regular Session of the Mississippi Legislature, as supplemented by House Bill 1741, Local and Private Laws of the 2005 Regular Session of the Mississippi Legislature, as supplemented by Senate Bill 3055, Local and Private Laws of the 2008 Regular Session of the Mississippi Legislature.

**County Bond**

"County Bond" means the \$38,500,000 Convention Center General Obligation Bond, Series 2025, issued by the County pursuant to the County Bond Resolution and registered to the Trustee as assignee of the Issuer pursuant to the Indenture.

**County Bond Act**

"County Bond Act" means Sections 19-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

**County Bond Payment**

"County Bond Payment" means the amounts paid or required to be paid, from time to time, for principal, premium, if any, and interest on the County Bond.

### **County Bond Purchase Agreement**

"County Bond Purchase Agreement" means that certain County Bond Purchase Agreement, dated the date of the sale of the Series 2025 Bonds, by and between the County and the Issuer in connection with the sale and issuance of the County Bond.

### **County Bond Resolution**

"County Bond Resolution" means that certain Bond Resolution adopted by the Governing Body of the County on December 16, 2024, in connection with the issuance of the County Bond as may be amended and supplemented from time to time.

### **County Project**

"County Project" shall mean any of, any of, (a) the acquisition, construction, expansion, equipping and maintenance of the DeSoto County Convention Center, also known as the DeSoto County Civic Center/Landers Center (the "**Convention Center**"), located in the County and shall include the acquisition of certain property to provide for construction and expansion of the Convention Center and the property or items in addition thereto which constitutes the "Expansion Project", pursuant to authority granted by the County Bond Act and the County Act; (b) site improvements to such property in connection with the Expansion Project; (c) purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and/or the DeSoto County Convention and Visitors Bureau buildings; (d) the purchase of land therefor pursuant to authority granted by the County Act and the County Bond Act; and (e) for other authorized purposes under the County Bond Act and the County Act, including paying the costs of such borrowing.

### **Default**

"Default" means an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default under the Indenture.

### **DTC**

"DTC" means The Depository Trust Company, New York, New York.

### **DTC Participants**

"DTC Participants" shall have the meaning ascribed thereto in Section 2.07 in the Indenture.

### **Event of Default**

"Event of Default" means any occurrence or event specified in Section 10.01 of the Indenture.

### **Fiscal Year**

"Fiscal Year" means, when used with respect to the Issuer, the Issuer's fiscal year being the twelve (12) month period from July 1 through the following June 30 or such other fiscal year as may be established by the Issuer and when used with respect to the County, the County's fiscal year being the twelve (12) month period from October 1 through the following September 30 or such other fiscal year as may be established by the County.

### **Funds**

"Funds" means the funds created pursuant to Article VI of the Indenture.

### **General Account**

"General Account" means the account by that name created by Section 6.02 of the Indenture.

## **General Fund**

"General Fund" means the fund by that name created by Section 6.02 of the Indenture.

## **Governing Body**

"Governing Body" means the Board of Supervisors of the County.

## **Governmental Obligations**

"Governmental Obligations" means to the extent permitted by State law (a) direct obligations of the United States of America; (b) obligations guaranteed as to principal and interest by the United States of America or any federal agency whose obligations are backed by the full faith and credit of the United States of America, including but not limited to: U. S. Treasury obligations, Farmers Home Administration (or the successor thereto), General Services Administration, Guaranteed Title XI financing, Government National Mortgage Association (GNMA); and (c) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) is fully and unconditionally guaranteed or insured by the United States of America, or (ii) is provided for by an irrevocable deposit of the securities described in clause (i) to the extent such investments are permitted by State law.

## **Indenture**

"Indenture" means the Trust Indenture, dated \_\_, 2025, in connection with the Series 2025 Bonds, and all supplements and amendments entered into pursuant to Article XII of the Indenture.

## **Interest Payment Date**

"Interest Payment Date" means any date on which interest is payable on the Bonds, and for the Series 2025 Bonds, means each March 1 and September 1, commencing September 1, 2025.

## **Investment Securities**

"Investment Securities" means any of the following to the extent such investments are permitted by State law: (a) obligations of the State, any municipality of the State or the United States of America rated at least "A" by S&P or Moody's; (b) obligations the principal and interest of which are fully guaranteed by the State or the United States of America; (c) obligations of any corporation wholly owned by the United States of America; (d) obligations of any corporation sponsored by the United States of America which are or may become eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System; (e) obligations of insurance firms or other corporations whose investments are rated "AA" or better by recognized rating companies; (f) certificates of deposit or time deposits of qualified depositories of the State as approved by the State Depository Commission, secured in such manner, if any, as the Issuer shall determine; (g) contracts for the purchase and sale of obligations of the type specified in items (a) through (e) above; (h) repurchase agreements secured by obligations specified in items (a) through (e) above; or (i) money market funds, rated "AAM" or "AAM-G" or better by S&P, the assets of which are required to be invested in obligations specified in items (a) through (f) above.

## **Issuer**

"Issuer" means the Mississippi Development Bank, a body corporate and politic exercising essential public functions, or any successor to its functions.

## **Issuer Act**

"Issuer Act" means the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended or supplemented from time to time.

## **Local Governmental Unit**

"Local Governmental Unit" means (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (b) the State or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under state law, such as the County. The County is a Local Governmental Unit under the Issuer Act.

## **Moody's**

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County (with the approval of the Issuer), with written notice to the Trustee.

## **Opinion of Bond Counsel**

"Opinion of Bond Counsel" shall mean an opinion by a nationally recognized firm experienced in matters relating to taxable and tax-exempt bonds under federal and state laws, and which is acceptable to the Issuer and the Trustee, and which opinion, including the scope and substance thereof is described in the applicable article or section requiring the delivery of such opinion.

## **Outstanding**

"Outstanding" or "Bonds Outstanding" means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, including Bonds held by the Issuer, except:

- (a) Bonds canceled after purchase in the open market or because of payment at maturity;
- (b) Bonds deemed paid under Article IX of the Indenture; and
- (c) Bonds in lieu of which other Bonds have been authenticated under Section 3.04, 3.06 or 3.10 of the Indenture.

## **Paying Agent**

"Paying Agent" means The Peoples Bank, Biloxi, Mississippi, a national banking association organized and existing under the laws of the United States of America, or any successor thereto, acting as the Paying Agent for the County Bond under the County Bond Resolution.

## **Principal Office**

"Principal Office" means, as it relates to the Trustee, the address for the Trustee set forth under the Indenture.

## **Program**

"Program" means the program for purchasing Securities of Local Governmental Units by the Issuer pursuant to the Issuer Act.

## **Program Expenses**

"Program Expenses" means all of the fees and expenses of the Trustee relating to the Series 2025 Bonds or County Bond and costs of determining the amount rebatable, if any, to the United States of America under Section 6.09 of the Indenture, all to the extent properly allocable to the Program and approved in writing by the Issuer.

**Project**

"Project" shall mean providing funds to finance (a) the costs of the County Project and (b) the costs of issuance for the sale and issuance of the County Bond and the Series 2025 Bonds.

**Purchase Account**

"Purchase Account" means the account by that name created by Section 6.02 of the Indenture.

**Record Date**

"Record Date" means, with respect to any Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date.

**Redemption Account**

"Redemption Account" means the account by that name created by Section 6.02 of the Indenture.

**Redemption Price**

"Redemption Price" means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption prior to maturity.

**Refunding Bonds**

"Refunding Bonds" means bonds issued pursuant to Section 2.05 of the Indenture and any Supplemental Indenture.

**Registered Owner**

"Registered Owner" means the person or persons in whose name any Bond shall be registered on the Bond Register.

**Related Documents**

"Related Documents" means the Indenture and the County Bond Resolution.

**Revenues**

"Revenues" means the Funds and Accounts and all income, revenues and profits of the Funds and Accounts referred to in the granting clauses of the Indenture including, without limitation, all County Bond Payments and any additional amounts paid to the Trustee under the County Bond Resolution or from any other source whatsoever.

**S&P**

"S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, its successors and assigns, and, if dissolved or liquidated or if it no longer performs the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County (with the approval of the Issuer), with written notice to the Trustee.

**Securities**

"Securities" means bonds, notes or other evidences of indebtedness issued by a Local Governmental Unit issued pursuant to the Issuer Act including the County Bond.

**Series 2025 Bonds**

"Series 2025 Bonds" means the \$38,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (DeSoto County, Mississippi Convention Center General Obligation Bond Project) issued pursuant to Section 2.01 of the Indenture.

**State**

"State" means the State of Mississippi.

**Trust Estate**

"Trust Estate" means the property, rights, and amounts pledged and assigned to the Trustee as security for the Bonds, pursuant to the granting clauses of the Indenture.

**Trustee**

"Trustee" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of the Indenture, and which shall initially be The Peoples Bank, Biloxi, Mississippi.

**Underwriter**

"Underwriter" means Raymond James & Associates, Inc., Memphis, Tennessee.

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**APPENDIX F**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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## CONTINUING DISCLOSURE CERTIFICATE

**\$38,500,000**  
**MISSISSIPPI DEVELOPMENT BANK**  
**SPECIAL OBLIGATION BONDS, SERIES 2025**  
**(DESOTO COUNTY, MISSISSIPPI CONVENTION CENTER GENERAL**  
**OBLIGATION BOND PROJECT)**

**THIS CONTINUING DISCLOSURE CERTIFICATE** (this "**Disclosure Agreement**") is executed and delivered by DeSoto County, Mississippi (the "**County**") in connection with the issuance of the \$38,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (DeSoto County, Mississippi Convention Center General Obligation Bond Project), dated the date of delivery thereof (the "**Series 2025 Bonds**"). The Series 2025 Bonds are being issued pursuant to a Trust Indenture (the "**Indenture**"), dated \_\_, 2025, between the Mississippi Development Bank (the "**Issuer**") and The Peoples Bank, Biloxi, Mississippi, as trustee (the "**Trustee**").

SECTION 1. **Purpose of this Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the County for the benefit of the holders and beneficial owners of the Series 2025 Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "**SEC**").

SECTION 2. **Definitions.** In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"**Annual Report**" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**Dissemination Agent**" shall mean any Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"**Fiscal Year**" shall mean the period beginning on October 1 and ending on September 30, or such other 12-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 Certificate.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

"**Official Statement**" means the final Official Statement prepared in connection with the Series 2025 Bonds.

"**Participating Underwriter**" shall mean Raymond James & Associates, Inc., the original underwriter of the Series 2025 Bonds required to comply with the Rule in connection with an offering of the Series 2025 Bonds.

"**Rule**" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Certificate.

SECTION 3. **Provision of Annual Reports.**

(a) The County shall, or shall cause the Dissemination Agent to, not later than twelve months after the end of each Fiscal Year (but no later than September 30 of each year), commencing twelve (12) months following the end of the County's Fiscal Year ending September 30, 2025, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the County shall provide the Annual Report to the Dissemination Agent (if the County has selected one). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of

this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report.

(b) If the County is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the County shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit “A.”

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

(a) A copy of its annual financial statements, if any, audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, the County shall provide reasonably available and accessible unaudited financial information (if any) describing the County’s financial situation for the prior Fiscal Year and audited financial statements within 30 days from the receipt thereof from the Office of the State Auditor and when such statements are made publicly available.

(b) An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Series 2025 Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public at the MSRB or filed with the SEC. The County shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The County shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Series 2025 Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Series 2025 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 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 Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;
- (7) Modifications to rights of bondholders, *if material*;
- (8) Series 2025 Bond calls, *if material*, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Series 2025 Bonds, *if material*;
- (11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;<sup>5</sup>

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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) Incurrence of a financial obligation<sup>6</sup> 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 obligated person, any of which affect security holders, *if material*; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation<sup>2</sup> of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Series 2025 Bonds; (ii) the date that the County shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2025 Bonds.

SECTION 8. Dissemination Agent.

(a) The County may, from time to time, appoint or engage a Dissemination Agent to assist the County in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent,

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<sup>5</sup> For 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.

<sup>6</sup> For 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" shall 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.

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 Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate and any other agreement between the County and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the County described in this Disclosure Certificate, the Dissemination Agent shall:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the County at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) certify in writing to the County that the Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section 3(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Series 2025 Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The County will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Series 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, any Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Series 2025 Bonds and shall create no rights in any other person or entity.

DATE: \_\_\_\_\_

**DESOTO COUNTY, MISSISSIPPI**

By \_\_\_\_\_  
President of the Board of Supervisors

ATTEST:

By \_\_\_\_\_  
Clerk of the Board of Supervisors

**EXHIBIT "A"**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligor: DeSoto County, Mississippi

Name of Bond Issue: \$38,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2025  
(DeSoto County, Mississippi Convention Center General Obligation Bond Project)

Date of Issuance: \_\_\_\_\_, 2025

CUSIP Number: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated \_\_\_\_\_, 2025. The Obligor anticipates that the Annual Report will be filed by \_\_\_\_\_.



**EXHIBIT B**

Name of Issuer: Mississippi Development Bank

Name of Bond Issue: \$38,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (DeSoto County, Mississippi Convention Center General Obligation Bond Project)

Date of Issuance: \_\_\_\_\_, 2025

CUSIP Number: \_\_\_\_\_ (Final Maturity)

**TAX INFORMATION**

**Assessed Valuation of the County**<sup>7</sup>

Assessment Year	Real Property	Personal Property	Public Utility Property	Mobile Homes	Auto-Mobiles	Total

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<sup>7</sup> 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 January, 20\_\_ for the 20\_\_-20\_\_ fiscal year budget of the County.

**Tax Levy Per \$1,000 Valuation**<sup>8</sup>

County - General Purpose:					
Operating Millage					
Debt Millage					
Total for County:					

**Ad Valorem Tax Collections**

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

**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		

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

**Outstanding General Obligation Bonded Debt**

(as of \_\_\_\_\_)

Issue	Date of Issue	Outstanding Principal

**Other Outstanding Debt**

(as of \_\_\_\_\_)

Issue	Date of Issue	Outstanding Principal

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