

**NEW ISSUE - BOOK- ENTRY ONLY**

**INVESTMENT RATINGS:**

**S&P (insured): "AA"/Stable**

**S&P (underlying): "A"/Stable**

**See "RATINGS" herein**

*In the opinion of Young Law Group, PLLC, Jackson, 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 under Section 103 of the Code (as defined herein), and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for purposes of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025 Bonds is exempt from income taxation in the State (as defined herein). For a more complete description, see "TAX MATTERS" herein and APPENDIX D - FORM OF OPINION OF BOND COUNSEL attached hereto.*

**\$9,000,000**

**MISSISSIPPI DEVELOPMENT BANK  
SPECIAL OBLIGATION BONDS, SERIES 2025  
(SENATOBIA MUNICIPAL SCHOOL DISTRICT  
GENERAL OBLIGATION BOND PROJECT)**



**Dated: Date of Delivery**

**Due: June 1, as shown inside front cover**

The \$9,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (Senatobia Municipal School District General Obligation Bond Project) (the "Series 2025 Bonds") are being issued by the Mississippi Development Bank (the "Bank"), 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 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 semiannually on June 1 and December 1 of each year, commencing December 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 Regions Bank, Little Rock, Arkansas, as trustee (the "Trustee") under the Indenture (as defined herein). See "DESCRIPTION OF THE SERIES 2025 BONDS - Book-Entry-Only System."

The Series 2025 Bonds are issued by the Bank for the principal purpose of providing funds for the purchase of the District Bond (as defined herein) being issued by the Senatobia Municipal School District (the "District") as more fully described in this Official Statement.

The Series 2025 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2025 BONDS - Redemption" herein.

**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 DISTRICT 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 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, CREDIT AND TAXING POWER OF THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF. THE BANK HAS NO TAXING POWER. THE DISTRICT BOND SECURING THE SERIES 2025 BOND IS, HOWEVER, A GENERAL OBLIGATION OF THE DISTRICT, SECURED BY THE FULL FAITH, CREDIT AND AN UNLIMITED SPECIAL AD VALOREM TAX ON TAXABLE PROPERTY WITHIN THE DISTRICT, AS MORE FULLY DESCRIBED HEREIN.**

The scheduled payment of principal of and interest on the Series 2025 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2025 Bonds by Assured Guaranty Inc. ("AG"). See "BOND INSURANCE" herein.



**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 (INCLUDING THE APPENDICES) 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 Young Law Group, PLLC, Jackson, Mississippi, Bond Counsel. Certain other legal matters will be passed upon for the Bank by Balch & Bingham LLP, Jackson, Mississippi. Certain legal matters will be passed on by the District's Counsel, Adams and Reese, LLP, Jackson, Mississippi. MuniGroup, LLC, Jackson, Mississippi serves as the Municipal Advisor to the District in connection with the sale and issuance of the Series 2025 Bonds and the District Bond. It is expected that the Series 2025 Bonds will be delivered through the facilities of The Depository Trust Company in New York, New York, on or about June 23, 2025.*

**RAYMOND JAMES®**

**DATED: \_\_\_\_\_, 2025**

**\$9,000,000**  
**MISSISSIPPI DEVELOPMENT BANK**  
**SPECIAL OBLIGATION BONDS, SERIES 2025**  
**(SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**GENERAL OBLIGATION BOND PROJECT)**

**MATURITIES, PRINCIPAL AMOUNTS,**  
**INTEREST RATES, YIELDS AND CUSIPS**

| <b><u>Maturity</u></b><br><b><u>(June 1)</u></b> | <b><u>Principal</u></b><br><b><u>Amount*</u></b> | <b><u>Interest</u></b><br><b><u>Rate</u></b> | <b><u>Yield</u></b> | <b><u>Price</u></b> | <b><u>Initial</u></b><br><b><u>CUSIP†</u></b> |
|--|--|--|---------------------|---------------------|---|
| 2026   | -  | %  | %                   |                     |   |
| 2027   | \$310,000  |  |                     |                     |   |
| 2028   | 325,000  |  |                     |                     |   |
| 2029   | 340,000  |  |                     |                     |   |
| 2030   | 360,000  |  |                     |                     |   |
| 2031   | 380,000  |  |                     |                     |   |
| 2032   | 400,000  |  |                     |                     |   |
| 2033   | 420,000  |  |                     |                     |   |
| 2034   | 445,000  |  |                     |                     |   |
| 2035   | 470,000  |  |                     |                     |   |
| 2036   | 495,000  |  |                     |                     |   |
| 2037   | 520,000  |  |                     |                     |   |
| 2038   | 550,000  |  |                     |                     |   |
| 2039   | 580,000  |  |                     |                     |   |
| 2040   | 610,000  |  |                     |                     |   |
| 2041   | 645,000  |  |                     |                     |   |
| 2042   | 680,000  |  |                     |                     |   |
| 2043   | 715,000  |  |                     |                     |   |
| 2044   | 755,000  |  |                     |                     |   |

**TERM BONDS**

\_\_\_\_\_ @ \_\_\_\_ due \_\_\_\_\_ priced to \_\_\_\_\_

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† The CUSIP numbers listed above have been assigned by an organization not affiliated with the Bank or the District and are being provided solely for the convenience of the holders of the Series 2025 Bonds. The Bank, the District 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.

\* Preliminary, subject to change.

This Official Statement, which includes the cover page, the inside front cover and the appendices, 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 representations other than that contained in this Official Statement in connection with the offering of the Series 2025 Bonds; and if given or made, such other information or representation must not be relied upon as having been authorized by the Bank, the District or the Underwriter. 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 set forth in this Official Statement as been obtained from the Bank, the District, the sources referenced throughout this Official Statement and from other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of information received from parties other than the Bank or the District. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they be realized.

The Underwriter 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 part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expression of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank or the District, or in the information or opinions set forth herein, since the date of this Official Statement.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

Upon issuance, the Series 2025 Bonds will not be registered 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 and the District (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 or the District and the purchasers or holders of the Series 2025 Bonds.

THE PRICES AT WHICH THE SERIES 2025 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE SERIES 2025 BONDS, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE 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.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE “FORWARD-LOOKING STATEMENTS.” SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY SUCH AS “EXPECTS,” “FORECASTS,” “PROJECTS,” “INTENDS,” “ANTICIPATED,” “ESTIMATES” OR SIMILAR WORDS.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE BANK NOR THE DISTRICT PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

Assured Guaranty Inc. (“AG”) makes no representation regarding the Series 2025 Bonds or the advisability of investing in the Series 2025 Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG, supplied by AG and presented under the heading “BOND INSURANCE” and “APPENDIX G - SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

The information regarding AG and the policy insuring the Series 2025 Bonds contained in under the heading “BOND INSURANCE” herein and in the attached specimen insurance policy was provided and reviewed by AG. The Bank, the District, the Underwriter and their representatives have not reviewed and are not responsible for the accuracy or completeness of the information provided by AG.

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](http://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**

**\$9,000,000**

### **MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2025 (SENATOBIA MUNICIPAL SCHOOL DISTRICT GENERAL OBLIGATION BOND PROJECT)**

## **INTRODUCTION**

The purpose of this Official Statement, including the cover page and the appendices, is to set forth certain information concerning the sale and issuance by the Mississippi Development Bank (the “Bank”) of its Special Obligation Bonds, Series 2025 (Senatobia Municipal School District General Obligation Bond Project) (the “Series 2025 Bonds”) issued in the aggregate principal amount of \$9,000,000. All capitalized terms used herein and not otherwise defined herein are used with the meanings assigned thereto in “APPENDIX E – Definitions” attached hereto.

*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 cover page 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, including the appendices. No person is authorized to detach this Introduction from the Official Statement or otherwise use it without the entire Official Statement, including the appendices hereto.*

### **The Bank**

The Bank 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 (the “Bank Act”). The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power. The Bank is governed by a Board of Directors composed of nine members.

Pursuant to the Bank Act, the purpose of the Bank is to assist “local governmental units,” defined in the Bank 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 Bank. The Senatobia Municipal School District (the “District”), as further described in APPENDIX A hereto, is a local governmental unit under the Bank Act.

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

The Series 2025 Bonds will be issued under and secured by an Indenture of Trust, dated the date of delivery (the “Indenture”), by and between the Bank and Regions Bank, Little Rock, Arkansas, as trustee (the “Trustee”). The principal of, premium, if any, and interest on the Series 2025 Bonds are payable from those Funds and Accounts (as defined herein) of the Bank and from a general obligation bond issued by the District and designated as the \$9,000,000 Senatobia Municipal School District General Obligation Bond, Series 2025 (the “District Bond”) assigned by the Bank to the Trustee pursuant to the Indenture for the benefit of the owners of the Series 2025 Bonds equally and ratably without priority.

The Series 2025 Bonds are limited and special obligations of the Bank and are payable solely out of the Trust Estate (as defined herein) pledged therefor under the Indenture, including the District 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 State or any political subdivision thereof under the constitution and laws of the State, or a pledge of the

faith, credit, or taxing power of the State or any political subdivision thereof. The Bank has no taxing power and has only those powers and sources of revenue set forth in the Bank Act.

The District Bond securing the Series 2025 Bonds is, however, a general obligation of the District, secured by the full faith, credit and taxing power of the District.

The District Bond is being issued pursuant to Sections 37-59-1 through 37-59-45, Mississippi Code of 1972, as amended (the “District Bond Act” together with the Bank Act, the “Act”). The District Bond will be purchased by the Bank with the proceeds of the Series 2025 Bonds. The sources of payment for the District 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 to (a) purchase the District Bond, (b) pay capitalized interest on the Series 2025 Bonds, (c) pay the Costs of Issuance of the Series 2025 Bonds and the District Bond and (d) pay the premium for municipal bond insurance (collectively, the “Project”). See “Description of the District Project” for a more detailed description of the use of the proceeds of the District Bond.

### **Authority for Issuance**

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

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

**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 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 June 1 and December 1 of each year, commencing December 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 (as defined herein) of the Series 2025 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as more fully defined and described herein under the caption “DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry-Only System.”

**Redemption.** The Series 2025 Bonds are subject to redemption prior to maturity as described herein. See “DESCRIPTION OF THE SERIES 2025 BONDS – Redemption.”

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

**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 Young Law Group, PLLC (“Bond Counsel”), assuming continuing compliance with certain covenants by the Bank and the District, under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2025 Bonds is excludable from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. Interest on the Series 2025 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Series 2025 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2025 Bonds is exempt from all income taxation in the State. For a more complete description of such opinion and certain other tax consequences



incident to the ownership of the Series 2025 Bonds, see “TAX MATTERS” herein and APPENDIX D - FORM OF OPINION OF BOND COUNSEL attached hereto.

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

Regions Bank, Little Rock, Arkansas will act as Trustee under the Indenture for the Series 2025 Bonds. Certain proceedings in connection with the issuance of the Series 2025 Bonds are subject to the approval of Young Law Group, PLLC, Jackson, Mississippi, Bond Counsel. Certain other legal matters will be passed upon for the Bank by Balch & Bingham, LLP, Jackson, Mississippi. Certain legal matters will be passed on by the District’s Counsel, Adams and Reese, LLP, Jackson, Mississippi. MuniGroup, LLC, Jackson, Mississippi, is employed as Municipal Advisor to the District with respect to the issuance of the Series 2025 Bonds and the District Bond. The principals and employees of MuniGroup, LLC are principals and/or employees of Young Law Group, PLLC, which is serving as bond counsel in connection with the issuance of the Series 2025 Bonds. 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 pursuant to a bond purchase agreement by and among the Underwriter, the Bank and the District (the “Bond Purchase Agreement”). Subject to the final approval of the legality thereof by Young Law Group, PLLC, Bond Counsel, the Series 2025 Bonds are expected to be available in definitive form for delivery through the facilities of DTC on or about June 23, 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 Bank to pay principal of, premium, if any, and interest on the Series 2025 Bonds depends upon the receipt by the Bank of payments of principal (and premium, if any) and interest on the District Bond. There can be no representation or assurance that the District will realize sufficient revenues to make the required payments on the District Bond. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS” herein. Failure of the Bank and/or the District to comply with certain tax covenants may also adversely affect the exempt status of the interest on the Series 2025 Bonds. 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 Bank of a charge for copying, mailing and handling, from Larry W. Mobley, EDFP, 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 DISTRICT, 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 DISTRICT 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 (as defined herein), the Bank, 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 Bank, 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 District is set forth in APPENDIX A – INFORMATION CONCERNING THE DISTRICT; certain financial information relating to the District is set forth in APPENDIX B – FINANCIAL INFORMATION CONCERNING THE DISTRICT; certain information concerning the District Resolution and the District Bond are set forth in APPENDIX C – INFORMATION CONCERNING THE DISTRICT RESOLUTION AND THE DISTRICT 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; definitions of certain terms used in this Official Statement are set forth in APPENDIX E – DEFINITIONS; the form of the continuing disclosure agreement of the District is set forth in APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT; the specimen municipal bond insurance policy is set forth in APPENDIX G – SPECIMEN MUNICIPAL BOND INSURANCE POLICY. 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 created under the Indenture. 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 State or any political subdivision thereof under the constitution of the State or a pledge of the full faith and credit and taxing power of the State or any political subdivision thereof. The Bank has no taxing power. The District Bond securing the Series 2025 Bonds is, however, a general obligation of the District, secured by the full faith, credit and taxing power of the District. 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 District Bond and all District 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, except for the Rebate Fund, together with investment earnings thereon and proceeds thereof (except to the extent transferred to the Rebate Fund from such Funds and Accounts under the Indenture), and all other funds, accounts and moneys pledged by the Bank to the Trustee as security under the Indenture, to the extent of any such pledge.

In addition, the scheduled payment of principal of and interest on the Series 2025 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2025 Bonds by AG. See “BOND INSURANCE” herein.

**The District Bond**

The Bank intends to purchase the District Bond from the District with a portion of the proceeds of the Series 2025 Bonds, and upon purchase, will pledge the District Bond to the Trustee as described in APPENDIX C.

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

The District Bond securing the Series 2025 Bonds is a general obligation of the District, secured by the full faith, credit and taxing power of the District. Pursuant to the Act, the District's Board of Trustees (the "Board") adopted a resolution on May 12, 2025, authorizing the issuance of the District Bond (the "District Resolution").

The District Bond is a general obligation of the District payable as to principal, premium if any, and interest out of and secured by a direct, continuing special tax to be levied annually by the Board of Aldermen of Senatobia, Mississippi upon all of the taxable property within the geographical limits of the District, 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 District Bond, to the extent other funds are not used for such purpose. Said tax shall be levied annually by the Board of Aldermen of Senatobia, Mississippi as requested by the District and shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the District 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 District, on or prior to August 1 of that year, has transferred money to the Series 2025 Bond Fund (as defined in the District Resolution) for the District Bond, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the District Bond due during such fiscal year of the District, in accordance with the provisions of the District Resolution. The avails of said tax are irrevocably pledged in the District Resolution for the payment of the principal of, premium, if any, and interest on the District Bond as the same shall mature and accrue.

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

See APPENDIX C – "INFORMATION CONCERNING THE DISTRICT RESOLUTION AND THE DISTRICT BOND" for further description of the District Bond.

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Series 2025 Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series 2025 Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Series 2025 Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

### **Assured Guaranty Inc.**

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating

agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

#### *Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.*

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

#### *Current Financial Strength Ratings*

On October 18, 2024, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

#### *Capitalization of AG*

At March 31, 2025:

- The policyholders' surplus of AG was approximately \$3,522 million.
- The contingency reserve of AG was approximately \$1,421 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,416 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

#### *Incorporation of Certain Documents by Reference*

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (filed by AGL with the SEC on February 28, 2025); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (filed by AGL with the SEC on May 9, 2025).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2025 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption “BOND INSURANCE – Assured Guaranty Inc.” or included in a document incorporated by reference herein (collectively, the “AG Information”) shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

#### *Miscellaneous Matters*

AG makes no representation regarding the Series 2025 Bonds or the advisability of investing in the Series 2025 Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE”.

### **DESCRIPTION OF THE DISTRICT PROJECT**

On January 7, 2025, the District’s Governing Body adopted (a) a resolution declaring its intent to issue general obligation bonds in the maximum principal amount of \$9,000,000 to pay the costs of the District Project; and (b) a resolution calling a special election within the District on the District’s proposition to issue the aforesaid bonds. The special election was held within the District on March 4, 2025, on the proposition of the District issuing the aforesaid bonds. On April 3, 2025 the District’s Governing Body adopted a resolution: (a) adjudicating that at least three-fifths (3/5ths) of the qualified electors of the District who voted on the proposition in the special election voted in favor of the proposition and (b) authorizing the issuance of general obligation bonds in the maximum principal amount of \$9,000,000 to pay the costs of the District Project.

The District will use the proceeds from the sale of the District Bond to pay the costs of the District Project, consisting of the costs of borrowing (including capitalized interest, if any and the premium on any municipal bond insurance policy) and the costs of acquiring, purchasing, erecting, repairing, equipping, remodeling and enlarging school buildings and related facilities, establishing and equipping school athletic fields and necessary facilities connected therewith, and providing necessary water, light, heating, air conditioning and sewerage facilities for school buildings and related facilities, including, but not limited to the following generally described project: (a) making safety and security improvements at all schools, including securing entrances and adding keycard access, security cameras and fencing, (b) constructing new classrooms at the elementary and high schools, (c) constructing a car-rider line at the elementary school, (d) constructing new track and soccer facilities at the Matthews Drive athletic complex and (e) constructing a new concession stand, bathrooms and locker-rooms at the football complex.

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

### **General**

The Series 2025 Bonds will be secured by and payable solely from the Trust Estate, consisting primarily of payments to be made by the Bank under the Indenture. Pursuant to the Indenture, such payments are limited to District Bond Payments payable by the District on the District Bond pursuant to the District Resolution. No reserve fund has been established for the payment of debt service on the Series 2025 Bonds or the District Bond. Purchasers of the Series 2025 Bonds are advised of certain risk factors with respect to the District Bond. The factors set forth below, among others, may affect the security for the Series 2025 Bond.

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

### **District Bond**

The ability of the Bank to pay the principal of, premium, if any, and interest on the Series 2025 Bonds depends upon the receipt by the Bank of District Bond Payments from the District which is obligated under the District Resolution to make such payments to the Bank. There is no Fund or Account established by the Indenture which would be required to contain amounts to make up for any deficiencies in the event of one or more “defaults” by the District in making the District Bond Payments, and there is no source from which the General Fund (as defined herein) will be replenished except from the District Bond Payments and investment income on moneys in the Funds and Accounts. Further, no reserve fund is created in the Indenture or the District Resolution to pay debt service on the Series 2025 Bonds or the District Bond.

### **Bond Insurance and Ratings of the Bond Insurer**

In the event of default of the payment of principal of and interest on the Series 2025 Bonds when the same become due, any Owner of Series 2025 Bonds will have recourse against AG (the “Bond Insurer”) for such payments. The Policy does not, however, insure payment of the principal of or interest on the Series 2025 Bonds coming due by reason of acceleration or redemption (other than mandatory sinking fund redemption), nor does it insure the payment of any redemption premium payable upon the redemption of the Series 2025 Bonds. Under no circumstances can the maturities of the Series 2025 Bonds be accelerated (other than mandatory sinking fund redemption) except with the consent of the Bond Insurer. Furthermore, so long as the Bond Insurer performs its obligations under the Policy, the Bond Insurer may direct, and its consent must be obtained before the exercise of, any remedies to be undertaken under the Indenture, and the Bond Insurer’s consent may be required in connection with the amendment of the Indenture or any other documents related to the Series 2025 Bonds or the District Bond. If the Bond Insurer is unable to make payments of principal and interest on the Series 2025 Bonds as those payments become due, the Series 2025 Bonds are payable solely from sources pledged under the Indenture. See “BOND INSURANCE” for further information concerning the Bond Insurer, the Policy and any financial ratings assigned to bonds insured by the Bond Insurer.

A rating downgrade of the Bond Insurer by any rating agency may result in a rating downgrade of the Series 2025 Bonds. A rating downgrade of the Series 2025 Bonds could lower the price of the Series 2025 Bonds in the secondary market and could affect the liquidity for the Series 2025 Bonds in the secondary market. Prospective purchasers of the Series 2025 Bonds are urged to check the websites of the rating agencies and the public announcements by the Bond Insurer for any future developments relating to the ratings of the Bond Insurer and the Series 2025 Bonds.

### **Global Pandemic, Natural Disasters, and Economic Turmoil Risks**

Operational risks for the District encompass a wide range of potential threats, including global pandemics, natural disasters, and economic turmoil. A global pandemic can disrupt the academic calendar, force a shift to remote learning, and strain health resources, impacting both students and staff. Natural disasters, such as earthquakes, tornadoes or hurricanes, can damage infrastructure, displace communities, and interrupt educational activities. Various developments on the national and international level, including but not limited to price inflation, interest rates, economic recession and the imposition of trade tariffs could adversely affect the economies of the United States, the

State and local governmental entities and create economic turmoil. Economic turmoil can lead to reduced funding, which could negatively affect the District's operations and its ability to maintain facilities and retain staff.

### **State, Federal and Local Budget Cut Risks**

The State legislature failed in its recent legislative session to approve a budget or to approve all revenue appropriations for the 2025-2026 fiscal year, which begins July 1, 2025. The State Governor may call a special legislative session to address these issues. Furthermore, the Governor recently signed HB1, adopted in the 2025 regular legislative session, that, among other things, reduces the State income tax rate in annual increments down to three percent (3%) in 2030, with further decreases starting in 2031 if certain State revenue collection benchmarks are met. HB1 also reduces the State sales tax on certain groceries to five percent (5%) starting July 1, 2025, and increases the State excise tax on gasoline and certain other fuels in annual increments starting July 1, 2025. It is not possible to predict the impact of these actions on future State revenues or its impact on the District. Furthermore, efforts are currently being made by the federal government to reduce current and future appropriations and transfers of federal funds to states and other direct and indirect recipients thereof, such as the District. Reductions in State and federal funding could affect the District's operations and its ability to maintain facilities and retain staff.

### **Cybersecurity**

The District, like many other public and private entities, relies on a large and complex Information Technology (IT) infrastructure to conduct its operations and faces constant cybersecurity threats from multiple sources including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "Systems Technology"). Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the District's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. As a recipient and provider of sensitive information, the District may be the target of cybersecurity incidents that could result in adverse consequences to the District and its Systems Technology, requiring a response action to mitigate the consequences.

The District's technology director receives communications regularly from the Cybersecurity and Infrastructure Security Agency, which contain the latest threats, advisories, and proactive steps recommended by the United States Department of Homeland Security (USDHS). The District has implemented certain controls, including data and network security measures, advanced threat detection and response software, malware protection, security configuration, website filtering and protection, cloud-based server backups, and user training, including simulated phishing attacks, to mitigate the risk of cybersecurity breaches from internal sources or activities.

### **Tax Covenants**

The Bank has covenanted under the Indenture that it will comply with certain requirements under the Code (as defined herein) to ensure continuing exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds. Failure by the Bank 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 District has covenanted in the District Resolution that it will comply with certain requirements under the Code to ensure continuing exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds. Failure by the District 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.

### **Ratings**

S&P Global Ratings ("S&P") has assigned an insured rating of "AA" with a stable outlook and an underlying rating of "A" with a stable outlook on the Series 2025 Bonds. See "RATINGS" herein. No other ratings are being applied for by the District or the Bank.

There is no assurance that the ratings assigned to the Series 2025 Bonds at the time of issuance will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and the marketability of the Series 2025 Bonds. If and when a Bondholder elects to sell a Series 2025 Bond prior to maturity, there is no

assurance that a market will be in existence for the purchase and sale of the Series 2025 Bonds, and there is no assurance as to the purchase price which a buyer would be willing to pay.

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

The remedies available to the Trustee, to the Bank or to the owners of the Series 2025 Bonds upon an event of default under the Indenture or under the terms of the District Bond purchased by the Bank 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 11 U.S.C. Sections 101 *et seq.* (the “Bankruptcy Code”), the remedies provided in the Indenture and under the District Bond may not be readily available or may be limited.

The pledge of the avails of an unlimited, continuing, direct, special tax to be levied annually by the Board of Aldermen of Senatobia, Mississippi on the taxable property within the District pursuant to the District Resolution and the District Bond Act for payment of the District Bond granted by the Governing Body in the District Resolution may be limited by a number of factors, including the ability to collect levied taxes. Under current law, such a pledge 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’s treatment of taxes and other revenues of the District received within 90 days preceding and following any effectual institution of bankruptcy, liquidation or reorganization proceedings by or against the District; (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 District. If an event of default does occur, it is uncertain that the Trustee could successfully obtain an adequate remedy at law or in equity.

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 District, 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 District Resolution and the District Bond or related documents that make bankruptcy and related proceedings by the District 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 District**

The District Bond will be a general obligation of the District 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 District. The Board of Aldermen of Senatobia, Mississippi, as the tax levying authority for the District, is required by statute to levy annually a special tax upon all taxable property within the geographical limits of the District adequate and sufficient to provide for the payment of the principal of, premium, if any, and the interest on the Series 2025 Bonds as the same falls due, to the extent requested by the District and to the extent other funds are not used for such purpose.

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 District’s underlying obligation to pay the principal of and interest on the District 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 District 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 District 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 District Bond in the event of a payment default with respect to the District Bond. For example, such holder can seek a writ of mandamus to compel the District to use any legally available moneys to pay the debt service on the District 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.

### **Additional Risks**

The ability of the District to timely complete the District Project may be adversely affected by various factors including: (a) estimating variations, (b) design and engineering variations, (c) changes to the scope, scheduling or phasing of the District Project, (d) delays in contract awards, obtaining permits, approvals or review, (e) material and/or labor shortages, (f) unforeseen site conditions, adverse weather conditions, natural disasters or other casualty events, (g) contractor defaults, (h) labor disputes and work stoppages, (i) unanticipated levels of inflation, (j) environment issues, (k) litigation, (l) tariffs or other taxes imposed by state or federal authorities, as well as trade disputes among United States trading partners, and (m) bidding conditions through the District's procurement process.

## **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 shall be payable on June 1 and December 1 of each year, commencing December 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 initial delivery thereof. If a Series 2025 Bond is authenticated on or prior to the initial issue date of the 2025 Bonds, it shall bear interest from the initial date of delivery thereof. Each Series 2025 Bond authenticated after the initial delivery date of the 2025 Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid as of 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 event the Series 2025 Bond will bear interest from such next succeeding Interest Payment Date.

The principal of the Series 2025 Bonds will be payable upon maturity at the corporate trust office of the Trustee and, except as described below, interest on the Series 2025 Bonds will be paid by check of the Trustee dated the due date and mailed on 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 on or before each Interest Payment Date 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**

1. The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the Bonds. The Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity as set forth on the inside cover page hereof, each in the aggregate principal amount of such maturity, will be deposited with DTC.

2. DTC 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 securities that its 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 changes in 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"). 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).

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

6. Redemption notices shall be sent to Cede & Co. and/or DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds, unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer and/or 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 Bonds are credited on the Record Date identified in a listing attached to the Omnibus Proxy.

8. Principal, interest and premium, if any, payments on the Bonds will be made by the Paying Agent 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 Bank, District or the Paying Agent on 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, the Paying Agent, Bank or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the the Paying Agent, Bank or the District. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered as set forth below.

10. The Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor depository). In that event, Bond certificates will be printed and delivered.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bank believes to be reliable, but the Bank, District, Underwriter and Trustee take no responsibility for the accuracy or completeness thereof or for material adverse changes in such information subsequent to the date hereof.

So long as Cede & Co. is the registered holder of the Bonds as nominee of DTC, references herein to the Holders or holders or registered owners of the Bonds means Cede & Co. and not the Beneficial Owners of the Bonds. Cede & Co., as nominee for DTC, will be treated as the sole owner of the Bonds for all purposes under the Indenture, including receipt of all principal of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Indenture.

**THE BANK, THE TRUSTEE, THE DISTRICT AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (a) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS; (b) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS; OR (c) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE 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 DISTRICT, THE TRUSTEE NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (a) THE BONDS; (b) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (c) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT**

**OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (d) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (e) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (f) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.**

## **Redemption**

If the District directs the Bank to redeem the Series 2025 Bonds pursuant to the provisions of the District Resolution, the Bank has agreed under the Indenture to accept redemption and to redeem the Series 2025 Bonds in accordance with the Indenture.

***Optional Redemption.*** The Series 2025 Bonds (or any portions thereof in integral multiples of \$5,000 each) which mature on or after June 1, 2036 are subject to optional redemption prior to their stated date of maturity in whole or in part, in principal amounts and maturities as selected by the District on any date on or after June 1, 2035 at par, plus accrued interest to the date of redemption thereof. Selection of the Series 2025 Bonds to be redeemed within a maturity will be made by lot by the Trustee.

***[Mandatory Sinking Fund Redemption.*** The Series 2025 Bonds maturing on June 1, 20\_\_ are term bonds subject to mandatory sinking fund redemption prior to their scheduled maturity on June 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:

| <b>Year</b> | <b>Principal Amount</b> |
|-------------|-------------------------|
|             |                         |
|             |                         |
| *           |                         |

\* Final Maturity]

***Notice of Redemption.*** Notice of the call for any redemption, identifying the Series 2025 Bonds 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 registered or certified mail to the Registered Owner of each Series 2025 Bond to be redeemed at the address shown on the registration records of the Bank. 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.

***Redemption Payments.*** The Trustee is authorized and directed under the Indenture to apply funds deposited with the Trustee by the Bank or the District 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. If proper notice of redemption has been given as provided in the Indenture and sufficient funds for redemption shall be on deposit with the Trustee as aforesaid, interest on the Series 2025 Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption. No payment shall be made by the Trustee upon any Series 2025 Bonds or portion thereof called for redemption until such Series 2025 Bonds or portion thereof shall have been delivered for payment or cancellation or the Trustee shall have received the items required by the Indenture with respect to any mutilated, lost, stolen or destroyed Series 2025 Bonds.

## APPLICATION OF THE PROCEEDS OF THE SERIES 2025 BONDS

### Estimated Sources of Funds

|                            |          |
|----------------------------|----------|
| Par Amount                 | \$ _____ |
| Net Original Issue Premium | \$ _____ |
| Total Sources of Funds     | \$ _____ |

### Estimated Uses of Funds

|   |          |
|---|----------|
| Deposit in the Purchase Account for the purchase of the District Bond to provide funds for the District Project                                 | \$ _____ |
| Payment of Underwriter Discount and expenses and deposit in the Bond Issuance Expense Account for payment of the Costs of Issuance <sup>1</sup> | \$ _____ |
| Deposit in the Capitalized Interest Account   | \$ _____ |
| Total Uses of Funds   | \$ _____ |

<sup>1</sup> Includes, among other expenses, Underwriter discount, rating agency fees, municipal bond insurance premium, municipal advisor, Trustee, Bank and legal fees and expenses. Payment of such fees and expenses is contingent upon the issuance of the Series 2025 Bonds.

*[Remainder of page intentionally left blank]*

## DEBT SERVICE REQUIREMENTS FOR THE SERIES 2025 BONDS

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

| <b>Fiscal Year<br/>Ending<br/>June 30</b> | <b>Principal</b> | <b>Interest<sup>1</sup></b> | <b>Total Debt Service<br/>on the<br/>Series 2025 Bonds</b> |
|---|------------------|-----------------------------|--|
| 2026                                      |                  |                             |  |
| 2027                                      |                  |                             |  |
| 2028                                      |                  |                             |  |
| 2029                                      |                  |                             |  |
| 2030                                      |                  |                             |  |
| 2031                                      |                  |                             |  |
| 2032                                      |                  |                             |  |
| 2033                                      |                  |                             |  |
| 2034                                      |                  |                             |  |
| 2035                                      |                  |                             |  |
| 2036                                      |                  |                             |  |
| 2037                                      |                  |                             |  |
| 2038                                      |                  |                             |  |
| 2039                                      |                  |                             |  |
| 2040                                      |                  |                             |  |
| 2041                                      |                  |                             |  |
| 2042                                      |                  |                             |  |
| 2043                                      |                  |                             |  |
| 2044                                      |                  |                             |  |
| TOTAL                                     | \$_____          |                             |  |

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

*[Remainder of page intentionally left blank]*

## THE MISSISSIPPI DEVELOPMENT BANK

### General

The Bank was created in 1986 and is organized and existing under and by virtue of the Bank Act as a separate body corporate and politic of the State for the public purposes set forth in the Bank Act. The Bank is an independent public body created solely to accomplish the purposes of the State as contained in the Bank Act and has no taxing power.

The purpose of the Bank is to foster and promote, in accordance with the Bank 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 District.

**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 AND CREDIT AND TAXING POWER OF THE STATE. THE BANK DOES NOT HAVE TAXING POWERS.**

Under the Bank Act, the Bank 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 Bank Act, including the purchasing of securities of local governmental units (as defined in the Bank Act) and the making of loans to such local governmental units.

### Organization and Membership of the Bank

The Bank is governed by a nine (9) member Board of Directors (the "Board of Directors"). The members of the Board of Directors are elected by the members of the Mississippi Business Finance Corporation (the "MBFC") at the time and place fixed by the MBFC's by-laws. Appointments are for terms of one year. Members of the Board of Directors serve until they are replaced or re-appointed. The members of the Board of Directors as of the date of this Official Statement are as follows:

| NAME                    | OCCUPATION                            | TERM                         |
|-------------------------|---------------------------------------|------------------------------|
| Carolyn Boteler         | Owner, TempStaff                      | August 1, 2024-July 31, 2025 |
| Michael Boerner         | Architect                             | August 1, 2024-July 31, 2025 |
| William L. Freeman, Jr. | Retired Bank President                | August 1, 2024-July 31, 2025 |
| Bobby James             | Retired                               | August 1, 2024-July 31, 2025 |
| Noel Daniels            | Owner, Noel Daniels Motor Co.         | August 1, 2024-July 31, 2025 |
| Merle Flowers           | Real Estate, Flowers Properties, Inc. | August 1, 2024-July 31, 2025 |
| Colby Jordan            | Dir. Public Relations, Cirlot Agency  | August 1, 2024-July 31, 2025 |
| William D. Sones        | Bank Chairman                         | August 1, 2024-July 31, 2025 |
| Mark Wiggins            | Retired Business Owner                | August 1, 2024-July 31, 2025 |

The operations of the Issuer are administered by Larry W. Mobley, Executive Director. Mr. Mobley graduated from California State University – Chico in 1996 with a Bachelor of Science in Industrial Technology and obtained his Master of Science in Business and Economic Development from the University of Southern Mississippi in 2004.

### **Prior Bonds of Bank**

The purpose of the Bank is to foster and promote, in accordance with the Bank Act, the provision of adequate markets and facilities for the borrowing of funds for public purposes by any Local Governmental Units. As of May 1, 2025, the Bank had previously issued bonds for various purposes totaling in principle approximately \$10,506,704,402. Of such amount, approximately \$2,921,264,421 was outstanding as of May 1, 2025.

The Bank expects to issue additional special obligation bonds in the future for other purposes authorized under the Bank Act.

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

## **AUTHORIZATION OF SERIES 2025 BONDS**

### **General**

The Bank has determined to purchase the District Bond from the proceeds received upon the issuance of the Series 2025 Bonds. Upon the execution by the District of the District Bond Purchase Agreement with the Bank prior to or as of the date of the approval of the sale of the Series 2025 Bonds, the District will be obligated to sell the District Bond to the Bank in accordance with the requirements of the Act and in accordance with the District Bond Purchase Agreement.

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

## **FUNDS AND ACCOUNTS**

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

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

General Fund - comprised of the following:

- (a) General Account
- (b) Redemption Account
- (c) Purchase Account
- (d) Capitalized Interest Account
- (d) Bond Issuance Expense Account

### **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, the amount of \$ \_\_\_\_\_ (which does not include the Underwriters' discount of \$ \_\_\_\_\_) to pay the Costs of Issuance of the Series 2025 Bonds and the District Bond; and



(b) To the Purchase Account of the General Fund, the sum of \$\_\_\_\_\_ to be used to purchase the District Bond and to be used by the District to pay the costs of the District Project; and

(c) To the Capitalized Interest Account of the General Fund, the sum of \$\_\_\_\_\_ to be used to pay a portion of the interest coming due on the Series 2025 Bonds on December 1, 2025.

The Trustee will deposit District Bond Payments and other receipts (except the proceeds of the Series 2025 Bonds, interest earnings on any amount in the Rebate Fund and moneys received by the Bank from the sale of the District Bond) into the General Account of the General Fund based on the amount due under the District Bond.

## **OPERATION OF FUNDS AND ACCOUNTS**

### **General Fund**

**General Account** The Trustee will make the following payments from the General Account on the specified dates and, if there are not sufficient funds to make all the payments required, with 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 shall 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) On or before thirty (30) days after each anniversary of the issuance of the Series 2025 Bonds, the amounts, if any, to be transferred to the Rebate Fund as provided in Section 6.09 of the Indenture and the Tax Certificate; and

(d) After making such payments in paragraphs (a) through (c) above, the Trustee will make a determination of the amounts reasonably expected to be received in the form of District Bond Payments in the succeeding twelve (12) months and shall transfer all moneys in the General Account, which, together with such expected receipts for the succeeding twelve (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 District at the request of the District with the prior written approval of the Bank.

### ***Redemption Account***

The Trustee will deposit in the Redemption Account all monies received upon the sale or redemption prior to maturity of the District 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 Series 2025 Bonds are then subject to redemption.

### ***Purchase Account***

Upon submission of duly authorized written requisitions of an Authorized Officer of the Bank stating that all requirements for purchase under the Act, the Indenture and the established policies of the Bank have been or will be met, the Trustee will disburse the amounts held in the Purchase Account for the purchase of the District Bond. Upon purchase of the District Bond, the District will provide for the deposit of such funds in the 2025 Construction Fund of the District established under the District Resolution, which funds will be used by the District to finance the District Project.

Any amounts remaining in the Purchase Account sixty (60) days after the purchase of the District Bond shall be transferred to the General Account.

### ***Capitalized Interest Account***

On or before three (3) business days next preceding each Interest Payment Date, the Trustee shall transfer from the Capitalized Interest Account for deposit in the General Account such amount, less any amount on deposit in

the General Account for the payment of interest, as shall be necessary to pay all or a portion of the interest coming due on the Series 2025 Bonds on such Interest Payment Date. Any amounts remaining in the Capitalized Interest Account after December 1, 2025, shall be transferred to the General Account for the next payment of interest coming due on the Series 2025 Bonds.

#### ***Bond Issuance Expense Account***

Upon the Trustee's receipt of acceptable invoices and the written authorization of the Superintendent of Schools or the Chief Financial Officer of the District and the Executive Director of the Bank, the Trustee will disburse the amounts held in the Bond Issuance Expense Account for the payment or reimbursement of the costs related to the authorization, sale, validation, issuance and/or delivery of the Series 2025 Bonds and the District 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, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Series 2025 Bonds, credit enhancements or liquidity facility fees, fees and expenses of the Underwriters, and other costs, charges and fees in connection with the foregoing. 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.

#### **Rebate Fund**

The Trustee will establish and maintain, so long as any Series 2025 Bonds are outstanding and are subject to a requirement that arbitrage profits be rebated to the United States of America, a separate fund to be known as the "Rebate Fund." The Trustee shall make information regarding the Series 2025 Bonds and investments thereunder available to the District and shall make deposits and disbursements from the Rebate Fund in accordance with the Tax Certificate received from the District and the Bank, pursuant to Sections 5.09 and 8.02 of the Indenture, shall invest the Rebate Fund as directed by the District and shall deposit income from such investments immediately upon receipt thereof in the Rebate Fund. Anything in the Indenture to the contrary notwithstanding, the provisions of Section 6.09(a) of the Indenture may be superseded or amended by an amended Tax Certificate accompanied by an Opinion of Bond Counsel addressed to the Trustee to the effect that the provisions of the amended Tax Certificate will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2025 Bonds.

Not more than sixty (60) days after five years following the date of delivery of the Series 2025 Bonds, and at intervals of every five years thereafter, upon written request of the Bank or the District in accordance with the Tax Certificate, the Trustee will pay to the United States of America one hundred percent (100%) of the amount required to be paid to the United State of America as of such payment date provided that direction from the Bank for transfer of such amount to the Rebate Fund has been previously received by the Trustee pursuant to the Indenture, and further provided that funds were available in the General Account to fund one hundred percent (100%) of the amount required to be on deposit in the Rebate Fund as of such payment date. Each payment to the United State of America will be accompanied by a statement of the Bank and the District 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 Bank or the District may direct the Trustee to proceed other than as set forth in the Indenture and described above by delivering to the Trustee a new Tax Certificate 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.

#### **Moneys to be Held in Trust**

All moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account established under any provision of the Indenture will be held by the Trustee in trust and applied in accordance with the provisions of the Indenture, except for moneys held pursuant to any Rebate Fund and any Accounts created thereunder and will, while held by the Trustee, constitute part of the Trust Estate and be subject to the security interest created under the Indenture and will not be subject to any lien or attachment by any creditor of the Bank.

### **Amounts Remaining in Funds or Accounts**

Any amounts remaining in any Fund or Account after full payment of the Series 2025 Bonds and the fees, charges (including any required rebate to the United States of America), Program Expenses and expenses of the Trustee and all other amounts due and owing under the Indenture will be distributed to the District, except for any moneys owing to the Bank, which will be paid to such party, and except as otherwise provided in the Indenture.

### **Investment of Funds**

Any moneys held as part of any Fund or Account created under or pursuant to Article VI of the Indenture and the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed by the District. All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited; and, except as provided in Article VI of the Indenture, all income and profits on such investments, other than from moneys on deposit in the Rebate Fund or any Account created thereunder, shall be deposited as received in the General Account of the General Fund for the Funds and Accounts for the Series 2025 Bonds. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds and Accounts for the Series 2025 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 moneys 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. Moneys in any Fund or Account shall be invested in Investment Securities with a maturity date, or a redemption date, which shall coincide as nearly as practicable with times at which moneys 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. All investment income from the assets held in any Fund or Account, except for the Rebate Fund and any Accounts created thereunder, will be added to the General Account of the General Fund.

The Bank (a) has certified in the Indenture to the owners of the Series 2025 Bonds, from time to time Outstanding, that moneys on deposit in any Fund or Account in connection with the Series 2025 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2025 Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Series 2025 Bonds to lose the excludability from gross income for federal income tax purposes; and (b) has covenanted in the Indenture with the owners of the Series 2025 Bonds, from time to time Outstanding, that, so long as any of the Series 2025 Bonds remain Outstanding, moneys on deposit in any Fund or Account established in connection with the Series 2025 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2025 Bonds or from any other source, will not be used in any manner which will cause the interest on the Series 2025 Bonds to become subject to federal income taxation.

## **THE INDENTURE**

The following is a summary of certain provisions of the Indenture. This summary does not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, a copy of which may be obtained upon written request to the Bank. Capitalized terms used and not defined herein shall have the meanings ascribed to them in APPENDIX E hereto and the Indenture.

### **Provisions for Issuance of Refunding Bonds**

(a) All or any part of one or more series of Refunding Bonds may be issued under the Indenture, authenticated and delivered upon original issuance to refund all or any part of the Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other monies available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Act, the Indenture and by the Supplemental Indenture authorizing said Refunding Bonds.

(b) Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by the Trustee of the documents required by Section 2.04 of the Indenture) of:

(i) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Series 2025 Bonds to be refunded on the redemption date specified in such instructions;

(ii) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice provided for in Section 4.04 of the Indenture to the owners of the Series 2025 Bonds being refunded (which may be a conditional notice of redemption); and

(iii) Either (A) monies in an amount sufficient to effect timely payment at the Redemption Price or principal payment amount of the Series 2025 Bonds to be refunded or paid, respectively, together with accrued interest on such Series 2025 Bonds to the redemption or maturity date and all necessary and appropriate fees and expenses of the Trustee, which monies shall be held by the Trustee or an escrow agent approved by the Bank in a separate account irrevocably in trust for and assigned to the respective owners of the Series 2025 Bonds to be refunded or paid, or (B) Governmental Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Article IX of the Indenture which Governmental Obligations shall be held in trust and used only as provided in said Article.

### **Mutilated, Lost, Stolen or Destroyed Bonds**

If any Bond is mutilated, lost, stolen or destroyed, the Bank shall execute and the Trustee shall authenticate a new Bond or Bonds of the same maturity and denomination, as that mutilated, lost, stolen or destroyed; provided that in the case of any mutilated Bond, it shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with security and/or indemnity satisfactory to the Trustee. In the event any such Bond shall have matured, instead of issuing and authenticating a duplicate Bond, the Trustee may pay the same without surrender thereof; provided, however, that in the case of a lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee together with security and/or indemnity satisfactory to the Trustee. The Trustee may charge the owner of such Bond its reasonable fees and expenses in connection with replacing any Bonds mutilated, lost, stolen or destroyed. Any Bond issued as described in this paragraph shall be deemed part of the original series of the Bonds in respect of which it was issued and a contractual obligation of the Bank replacing the obligation evidenced by such mutilated, lost, stolen or destroyed Bond.

### **Registration, Transfer and Exchange of Bonds; Persons Treated as Owners**

The Bank agrees to cause records for registration and for the transfer of the Bonds to be kept by the Trustee at its Principal Office, and the Trustee is constituted and appointed the bond registrar of the Bank for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said records may be inspected and prepared by the Bank or by Beneficial Owners (or a designated representative thereof) of 5% or more in aggregate principal amount of the Bonds then Outstanding.

Upon surrender for transfer of any Bond at the Principal Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in a form satisfactory to the Trustee and duly executed by the Registered Owner or his attorney duly authorized in writing, the Bank shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity for a like aggregate principal amount. The Bonds may be transferred or exchanged without cost to the Bondholders except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The execution by the Bank of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Trustee shall not be required (a) to register, transfer or exchange any Bond during a period of 15 days next preceding mailing of a notice of redemption of any Bonds, or (b) to register, transfer or exchange any Bonds selected, called or being called for redemption in whole or in part after mailing notice of such call.

The person in whose name a registered Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, and interest thereon, shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as

hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

All Bonds delivered upon any transfer or exchange shall be valid obligations of the Bank, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits of the Indenture to the same extent as the Bonds surrendered.

### **Nonpresentment of Bonds**

In the event any Bond shall not be presented for payment when the principal thereof comes due, either at maturity, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the Registered Owner thereof, all liability of the Bank to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds for four years for the benefit of the Registered Owner of such Bond, without liability for interest thereon to such owner, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under the Indenture or on, or with respect to, said Bond.

Any money so deposited with and held by the Trustee not so applied to the payment of Bonds within four years after the date on which the same shall become due shall be repaid by the Trustee to the Bank, and thereafter the Bondholders shall be entitled to look only to the Bank for payment, and then only to the extent of the amount so repaid, and the Bank shall not be liable for any interest thereon to the Bondholders and shall not be regarded as a trustee of such money.

### **Other Obligations Payable from Revenues**

The Bank shall grant no liens or encumbrances on or security interests in the Trust Estate (other than those created by the Indenture), and, except for the Bonds, shall issue no bonds or other evidences of indebtedness payable from the Trust Estate.

### **Limitations on Obligations of Bank**

The Series 2025 Bonds, together with interest thereon, shall be limited obligations of the Bank payable solely from the Revenues and shall be a valid claim of the respective owners thereof only against the Funds and Accounts, other than the Rebate Fund and any Accounts created thereunder, established under the Indenture and the District Bond acquired by the Trustee, all of which are assigned and pledged under the Indenture for the equal and ratable payment of the Series 2025 Bonds issued pursuant to the Indenture and shall be used for no other purpose than the payment of the Series 2025 Bonds issued pursuant to the Indenture, except as may be otherwise expressly authorized in the Indenture. The Series 2025 Bonds do not constitute a debt or liability or moral obligation of the State or of any political subdivision thereof under the constitution of the State or a pledge of the faith and credit or taxing power of the State or any political subdivision thereof (except for the District), but shall be payable solely from the Revenues and funds pledged therefor in accordance with the Indenture, including, without limitation, the avails of the full faith and credit of the District derived or to be derived from District Bond Payments made in respect of the District Bond pursuant to the District Resolution. The issuance of the Series 2025 Bonds under the provisions of the Act does not directly, indirectly or contingently, obligate the State or any political subdivision thereof (except for the District) to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Series 2025 Bonds and the interest payable thereon do not now and shall never constitute a debt of the State or any political subdivision thereof (except for the District) within the meaning of the constitution of the State or the statutes of the State and do not now and shall never constitute a charge against the credit or taxing power of the State or any political subdivision thereof (except for the District); provided, however, that the District Bond is secured by the full faith and credit of the District. Neither the State nor any agent, attorney, member or employee of the State or of the Bank, shall in any event be liable for the payment of the principal of, and premium, if any, or interest on the Series 2025 Bonds or damages, if any, for the nonperformance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bank. No breach by the Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any of the State's or the Bank's agents, members, attorneys, and employees or any charge upon the general credit of the State or a charge against the taxing power of the State or any political subdivision thereof (except for the District).

In the Bank Act, the State has pledged and agreed with the holders of any bonds of the Bank, including the Series 2025 Bonds, that the State will not limit or alter the rights vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Series 2025 Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Series 2025 Bonds are fully met and discharged.

### **Payment of Debt Service**

The Bank covenants and agrees under the Indenture that it will promptly pay the principal of and interest on every Bond issued under the Indenture at the place, on the dates and in the manner provided in the Indenture and in said Bonds according to the true intent and meaning thereof, provided that the principal and interest are payable by the Bank solely from the Revenues and any other funds or assets constituting the Trust Estate pledged to the Trustee as security by the Bank to the extent of that pledge.

### **Performance of Covenants**

The Bank covenants and agrees in the Indenture that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture and every Bond executed, authenticated and delivered under the Indenture and in all of its proceedings pertaining thereto. The Bank covenants and agrees under the Indenture that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds authorized and to execute the Indenture and to pledge the Revenues and all other property pledged in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken, and that the Bonds in the possession of the owners thereof are and will be valid and enforceable limited obligations of the Bank according to the terms thereof and of the Indenture.

### **Discharge of Indenture**

Except as provided herein below, if payment or provision for payment is made to the Trustee of the principal of, premium, if any, and interest due and to become due on the Bonds at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions of the Indenture, and all other amounts due under the Indenture have been paid in full, then the Indenture and the Trust Estate and rights granted under the Indenture shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture and execute and deliver to the Bank such instruments in writing as shall be requisite to cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Bank any and all estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee under the Indenture or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of the Indenture when (a) payment of the principal of such Bond, premium, if any, and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee or other financial institution (which must meet the requirements of Section 11.07 of the Indenture) which provides services as escrow agent for the Bank (for purposes hereof, an "Escrow Agent"), in trust and exclusively for such payment, (A) moneys sufficient to make such payment or (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment, or (C) a combination of such moneys and Governmental Obligations, and (b) all necessary and proper fees and expenses of the Trustee pertaining to the Bonds, including the amount, if any, required to be rebated to the United States of America in accordance with the Tax Certificate and Section 6.09 of the Indenture.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Bank shall have given the Trustee, in a form satisfactory to the Trustee, irrevocable instructions:

(x) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by the Indenture);

(y) to timely call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to (x) of this paragraph; and

(z) to mail, as soon as practicable, in the manner prescribed by Article IV of the Indenture, a notice to the owners of such Bonds satisfying the requirements thereof.

Any monies so deposited with the Trustee as provided above may at the direction of the Bank also be invested and reinvested in Governmental Obligations maturing in the amounts and at the times as set forth in the Indenture, and all income from all Governmental Obligations in the hands of the Trustee which is not required for the payment of the Bonds and interest thereon with respect to which such monies shall have been so deposited, shall be deposited into the applicable General Account, as and when collected for use and application as are other monies deposited into such General Account.

Notwithstanding any provision of the Indenture to the contrary, all moneys or Governmental Obligations set aside and held in trust pursuant to the Indenture for the payment of Bonds (including interest thereon but excluding any amounts, if any, set aside for rebate to the United States of America in accordance with the Tax Certificate and the Indenture) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or obligations have been set aside in trust.

Upon the deposit with the Trustee or Escrow Agent, in trust, at or before maturity, of money or Governmental Obligations in the necessary amount to pay or redeem all Outstanding Bonds as aforesaid, the Indenture, to the extent it relates to such Bonds, may be discharged in accordance with the provisions of the Indenture; and the limited liability of the Bank in respect of such Bonds shall continue provided that the owners thereof shall thereafter be entitled to payment only out of the moneys or Governmental Obligations deposited with the Trustee or Escrow Agent as aforesaid.

#### **Defaults; Events of Default**

If any of the following events occurs, it is defined as and declared to be and to constitute an “Event of Default” under the Indenture:

- (a) Default in the due and punctual payment of any interest on any Bond; or
- (b) Default in the due and punctual payment of the principal or redemption premium of any Bond whether at the stated maturity thereof or on any date fixed for redemption; or
- (c) Failure of the Bank to remit to the Trustee within the time limits prescribed in the Indenture any moneys which are required by the Indenture to be so remitted; or
- (d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Bank contained in the Indenture or in the Bonds and failure to remedy the same within the time provided in, and after notice thereof pursuant to, Section 10.10 of the Indenture; or
- (e) Any warranty, representation or other statement by or on behalf of the Bank contained in the Indenture or in any instrument furnished in compliance with or in reference to the Indenture is false or misleading, when made, in any material respect, and failure to remedy the same within the time provided in, and after notice thereof pursuant to, Section 10.10 of the Indenture; or
- (f) A petition is filed against the Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect and is not dismissed within sixty (60) days after such filing; or
- (g) The Bank files a petition in voluntary bankruptcy or seeks relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, adjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect, or consents to the filing of any petition against it under such law; or

(h) The Bank is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt, or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Bank or any of its property is appointed by court order or takes possession of such property and such order remains in effect or such possession continues for more than sixty (60) days; or

(i) Default in the due and punctual payment of any principal of, premium, if any and interest on the District Bond; or

(j) There is a default under the District Bond and/or the District Resolution.

### **Remedies; Rights of Bondholders**

Upon the occurrence of an Event of Default, the Trustee shall in its discretion, except for an Event of Default listed in Section 10.01 (a), (b), (i) and (j) of the Indenture, notify the owners of all Bonds then Outstanding of such Event of Default by registered or certified mail, and will have, in its discretion, except for an event of default listed in Section 10.01 (a), (b), (i) and (j) of the Indenture, the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding, including enforcement of any rights of the Bank or the Trustee under the District Bond, including, but not limited to, acceleration thereof.

(b) The Trustee may, by action or suit in equity, require the Bank to account as if it were the trustee of an express trust for the holders of the Bonds and may take such action with respect to the District Bond as the Trustee deems necessary or appropriate and in the best interest of the Bondholders, subject to the terms of the District Bond.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under the Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Upon the occurrence of an Event of Default, (i) if requested so to do by the holders of twenty-five percent (25%) or more in aggregate principal amount of all Bonds then Outstanding and if secured and/or indemnified as provided in Section 11.01(k) of the Indenture, or (ii) if secured and/or indemnified as provided in Section 11.01(k) of the Indenture, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by Indenture as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy conferred upon or reserved to the Trustee (or to the Bondholders) by the terms of the Indenture is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee or to the Bondholders under the Indenture or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

### **Rights of Bondholders to Direct Proceedings**

Anything in the Indenture to the contrary notwithstanding, the Beneficial Owners of a majority in aggregate principal amount of Bonds Outstanding shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.



## **Application of Moneys**

All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of the Indenture (including moneys received by virtue of action taken under provisions of the District Bond), shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and payment of the expenses, liabilities and advances incurred or made by the Trustee and any other moneys owed to the Trustee under the Indenture, be deposited in the General Account and all moneys in such Account shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

**FIRST** - To the payment of any amount owed the United States of America under the Tax Certificate;

**SECOND** - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, including interest on any past due principal of any Bond at the rate borne by such Bond, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to such payment ratably, according to the amounts due on such installments, to the persons entitled thereto, without any discrimination or privilege;

**THIRD** - To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds that shall have become due either at maturity or pursuant to a call for redemption (other than Bonds called for redemption for the payment of which other moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Bonds due on any particular date, together with such interest, then to such payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

**FOURTH** - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds that may then become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full the principal of and interest on Bonds due on any particular date, such payment shall be made ratably according to the amount of principal and interest due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied as set forth above, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment of principal to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of and interest on all Bonds have been paid under the provisions of the Indenture and all expenses and charges of the Trustee have been paid and all other amounts due under the Indenture have been paid in full, any balance remaining in the General Account shall be paid as provided in Article VI of the Indenture.

## **Remedies Vested in the Trustee**

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or

other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of all the Outstanding Bonds.

### **Rights and Remedies of Bondholders**

No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust of the Indenture or for the appointment of a receiver or any other remedy under the Indenture, unless (a) a Default has occurred, (b) such Default shall have become an Event of Default and the Beneficial Owners of not less than 25% in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies granted under the Indenture or to institute such action, suit or proceeding in its own name, (c) such Beneficial Owners of Bonds have offered to the Trustee security and/or indemnity as provided in the Indenture, and (d) the Trustee has refused or for 60 days after receipt of such request and offer of security and/or indemnification has failed to exercise the remedies granted under the Indenture or to institute such action, suit or proceeding in its own name, and such request and offer of security and/or indemnity are declared under the Indenture in every case at the option of Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its, his, her or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal and ratable benefit of the owners of all Bonds Outstanding. However, nothing contained in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the limited obligation of the Bank to pay the principal of, premium, if any, and interest on each of the Bonds issued under the Indenture to the respective owners thereof at the time and place, from the source and in the manner expressed in the Bonds.

### **Termination of Proceedings**

In case the Trustee or any owner of any Bonds shall have proceeded to enforce any right under the Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, and with regard to the property subject to the Indenture, and all rights, remedies and powers of the Trustee and the owners of the Bonds shall continue as if no such proceedings had been taken.

### **Waivers of Events of Default**

The Trustee may, at its discretion, waive any Event of Default under the Indenture and its consequences, and shall do so upon the written request of the Beneficial Owners of (a) more than 66 2/3% in aggregate principal amount of all the Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists, or (b) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (x) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or (y) any Event of Default in the payment when due of the interest on any Outstanding Bond unless prior to such waiver all of the interest or all payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for or (z) any Event of Default for nonpayment of Program Expenses. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any rights consequent thereon.

### **Trustee as Paying Agent and Registrar**

The Trustee is designated in the Indenture and agrees to act as paying agent and registrar for and in respect to the Bonds.

### **Supplemental Indenture not Requiring Consent of Bondholders**

The Bank and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or Indenture supplemental to the Indenture for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Indenture which, in the opinion of Bond Counsel, does not materially and adversely affect the interest of the owners of Outstanding Bonds and does not require unanimous consent of the Bondholders pursuant to the Indenture;

(b) 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 owners of Outstanding Bonds and does not require unanimous consent of the Bondholders pursuant to the Indenture;

(c) To subject to the Indenture additional Revenues, properties or collateral;

(d) To modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such a manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental to the Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(e) 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; and

(f) In connection with issuance of Refunding Bonds.

### **Supplemental Indenture Requiring Consent of Bondholders**

Exclusive of Supplemental Indentures not requiring the consent of Bondholders and subject to the terms and provisions contained in Section 12.01 of the Indenture, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding which are affected (exclusive of Bonds held by the Bank), shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Bank and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing contained in Section 12.02 of the Indenture shall permit, or be construed as permitting, without the consent of the owners of all Outstanding Bonds, (a) an extension of the maturity of the principal of or the interest or redemption date on any Bond issued under the Indenture, or (b) a reduction in the principal amount of any Bond or change in the rate of interest or redemption premium, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (e) the creation of any lien securing any Bonds other than a lien ratably securing all of the Bonds at any time Outstanding under the Indenture, or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

If at any time the Bank shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes set forth in Section 12.02 of the Indenture, the Trustee shall, upon being satisfactorily secured and/or indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each owner of a Bond at the address shown on the registration books

maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days, or such longer period as shall be prescribed by the Bank, following the mailing of such notice, the owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such Supplemental Indenture (exclusive of Bonds held by the Bank) shall have consented to and approved the execution of such Supplemental Indenture, no owner of any 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 or the Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as permitted and provided in Section 12.02 of the Indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

## **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.

## **LITIGATION**

There is not now pending or, to the Bank's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2025 Bonds or prohibiting the Bank from purchasing the District Bond with the proceeds of the Series 2025 Bonds or in any way contesting or affecting the validity of the Series 2025 Bonds, any proceedings of the Bank 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 Bank or the title of any of the present directors or other officers of the Bank to their respective offices is not being contested.

There is not now pending or, to the District's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the District Bond or prohibiting the District from selling the District Bond to the Bank or in any way contesting or affecting the validity of the District Bond, any proceedings of the District taken with respect to the issuance or sale or the pledge or application of any moneys or security provided for the payment of the District Bond.

## **TAX MATTERS**

### **Series 2025 Bonds**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025 Bonds (including any original issue discount properly allocable to the owner of a Series 2025 Bond) is excludable from gross income for federal income tax purposes and is not a preference for purposes of the federal alternative minimum tax on individuals; however, such interest may be taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. The opinion described above assumes the accuracy of certain representations and compliance by the Bank and the District with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended and supplemented (the "Code") that must be met subsequent to the issuance of the Series 2025 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with such requirements could cause interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025 Bonds. The Bank and the District have covenanted in the Indenture and the District Resolution, respectively, and certain certificates to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2025 Bonds.

The accrual or receipt of interest on the Series 2025 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2025 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2025 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United Districts of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2025 Bonds.

Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2025 Bonds is exempt from all income taxation in the State.

#### **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

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\* Preliminary, subject to change.

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 2025 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2025 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2025 BONDS.**

### **LEGAL MATTERS**

Certain legal matters incident to the authorization and issuance of the Series 2025 Bonds by the Bank are subject to the approval of Bond Counsel, whose approving opinion will be delivered concurrently with the delivery of the Series 2025 Bonds. Certain other legal matters will be passed upon by Bank's Counsel, Balch & Bingham LLP, Jackson, Mississippi and by the District's Counsel, Adams and Reese, LLP, Jackson, Mississippi.

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

The remedies available to the Trustee, to the Bank or to the owners of the Series 2025 Bonds upon an "event of default" under the Indenture or under the terms of the District Bond purchased by the Bank 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 District 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 at 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.

## **CONTINUING DISCLOSURE**

The District will execute a continuing disclosure agreement (the “Disclosure Agreement”) at the time of the issuance and delivery of the Series 2025 Bonds. The Disclosure Agreement will be executed for the benefit of the Beneficial Owners of the Series 2025 Bonds and the District has covenanted in the District Resolution to comply with its terms. The Disclosure Agreement will provide that so long as the Series 2025 Bonds remain outstanding, the District 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 Agreement. See “APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT” attached hereto for a more detailed description of the District’s undertaking.

The District has agreed to provide information and notices of certain events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition or prospects or agreed to update any information that is provided, except as described above. The Bank makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Series 2025 Bonds at any future date.

The District’s undertaking is enforceable in accordance with its respective terms by any Beneficial Owner either directly or as third-party beneficiary. Any Beneficial Owner shall have the rights, for the equal benefit and protection of all Beneficial Owners, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against the District and to compel the District to perform and carry out its duties under the undertaking; provided that such rights shall be limited to an action to compel specific enforcement of the obligations of the District and shall not include any rights to monetary damages.

A failure by the District to comply with the Disclosure Agreement will not constitute an Event of Default under the Indenture or the District Bond. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Series 2025 Bonds in the secondary market. Consequently, such a failure may materially affect the transferability, liquidity or market price of the Series 2025 Bonds.

## **Notice of Non-Compliance with Prior Undertakings**

The District 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”). There have been instances during the five years preceding the date of this Official Statement in which the District failed to comply with such previous undertakings. Audited financial statements were not timely filed for fiscal year 2019, and unaudited financials (amended budgets) were not timely filed for fiscal years 2019 and 2021. Equipment lease-purchase agreements subject to annual appropriation were not included in the District’s annual reports for fiscal years 2019 and 2021. The District failed to file notice of substitution of credit or liquidity provider in August 2024 with respect to the merger of Assured Guaranty Municipal Corp. (“AGM”), provider of a municipal bond insurance policy with respect to the District’s Series 2016 Limited-Tax Notes, with and into AGM’s affiliate, Assured Guaranty Inc. In addition, the District failed to timely file notices of the aforementioned failures to file.

## **RATINGS**

Based on the issuance of the municipal bond insurance policy by AG at the time of delivery of the Series 2025 Bonds, S&P is expected to assign an insured rating of “AA” (stable outlook) to the Series 2025 Bonds. S&P has also assigned an underlying rating of “A” (stable outlook) to the Series 2025 Bonds.

Any desired explanation of the significance of the rating should be obtained from S&P. The rating reflects only the view of the company providing such rating, and neither the District nor the Bank makes any representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2025 Bonds. Certain information and materials, including information and materials not included in this Official Statement, were furnished by the District to S&P. Generally, S&P bases its ratings on the information and materials so furnished and on its respective investigations, studies and assumptions.

## **UNDERWRITING**

The Series 2025 Bonds are being purchased by the Underwriter listed on the cover page of this Official Statement. The Underwriter has agreed, subject to certain conditions, to purchase all of the Series 2025 Bonds from the Bank at a purchase price of \$ \_\_\_\_\_, which is equal to the principal amount thereof, plus original issue premium of \$ \_\_\_\_\_, less 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.

The Underwriter may offer and sell the Series 2025 Bonds to other dealers and other purchasers at prices lower than the public offering prices stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of their various business activities, the Underwriter and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Bank and District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Bank and the District. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

## **MUNICIPAL ADVISOR**

The District has retained MuniGroup, LLC, Jackson, Mississippi, as Municipal Advisor in connection with the sale and issuance of the Series 2025 Bonds and the District Bond. In such capacity the Municipal Advisor has provided recommendations and other financial guidance to the District with respect to the preparation of documents, the preparation for the sale of the Series 2025 Bonds and of the time of the sale, tax-exempt bond market conditions and other factors related to the sale of said 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 principals and employees of MuniGroup, LLC are principals and/or employees of Young Law Group, PLLC, which is serving as bond counsel in connection with the issuance of the Series 2025 Bonds and the District Bond.

## **VALIDATION**

The Series 2025 Bonds will be submitted to the Chancery Court of the First Judicial District of Hinds County, Mississippi for validation, and the District Bond will be submitted to the Chancery Court of Tate County, Mississippi for validation as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended. The issuance of the Series 2025 Bonds and the District Bond are subject to the issuance of unqualified final decrees of such courts validating the Series 2025 Bonds and the District Bond.



## MISCELLANEOUS

The Bank'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, the Indenture and the District Resolution 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, the Indenture or the District Resolution, which does not relate 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, the District Resolution and the supplemental materials furnished to the Bank by the District may be obtained upon request directed to the Bank.

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.

*[Remainder of page intentionally left blank]*

## CERTIFICATION

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

**MISSISSIPPI DEVELOPMENT BANK**

By: /s/  
Executive Director

Approved:

**Senatobia Municipal School District**

By: /s/  
President, Board of Trustees

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## APPENDIX A

### GENERAL INFORMATION REGARDING THE DISTRICT AND ITS ECONOMY

#### Governing Body of the District

The District is governed by the Board of Trustees, which consists of five members. The Board has responsibility for setting policies for operation of the District and has full control of the distribution, allotment and disbursement of all revenues provided for the District's support and operation. In addition, the Board is responsible for organizing the schools of the District; introducing special subjects for instruction; serving as custodian of school property; erecting, repairing and equipping school facilities and improvements; maintaining pupil discipline; carrying out public health programs such as vaccination requirements; regulating the use of the schools by the public; prescribing rules and regulations for its own government and the government of the schools; maintaining and operating the schools under Board control for the time required by law; enforcing in the schools the courses of study and the use of textbooks prescribed by law; making orders directed to the Superintendent of Schools of the District for the issuance of pay certificates for lawful purposes on any available funds of the District; selecting superintendents, principals and teachers in the manner provided by law; providing and regulating athletic programs and other school activities; and performing other duties prescribed by law. The current members of the Board are as follows:

| <u>Name</u>         | <u>Office</u> | <u>Term Began</u> | <u>Term Expires</u> | <u>Profession</u>           |
|---------------------|---------------|-------------------|---------------------|-----------------------------|
| Dr. Brant Kairit    | President     | 01/01/25          | 01/01/30            | Dentist                     |
| Ms. Cheryl Pegues   | Secretary     | 03/01/25          | 03/01/30            | Human Resource Consultant   |
| Ms. Tara Puckett    | Member        | 04/01/23          | 04/01/28            | Nurse Practitioner          |
| Mr. Kegan Armstrong | Member        | 10/19/21          | 03/01/26            | Academic Counselor U of MS  |
| Mr. Dwayne Casey    | Member        | 03/01/22          | 03/01/27            | College Administration NWCC |

#### General Description of the District:

The District encompasses all of the City of Senatobia and consists of three schools: Senatobia Elementary School (grades Pre-K3 through 5), Senatobia Middle School (grades 6-8) and Senatobia High School (grades 9-12).

The District presently employs 306 people in all areas of operations including both instructional and non-professional personnel. Professional personnel include 19 administrators or principals, 8 guidance counselors, 3 library and media specialists, 138 regular classroom teachers, and 35 teacher assistants. The student/teacher ratio is 13.29:1.

Administrative power is placed with the Superintendent of Schools. The Superintendent, Chris Fleming, has served in this position since July 1, 2020.

#### Enrollment

Enrollment figures for the District for the five most recent scholastic years are as follows:

| <u>Scholastic Year</u> | <u>Enrollment</u> |
|------------------------|-------------------|
| 2024-25                | 1,750             |
| 2023-24                | 1,741             |
| 2022-23                | 1,667             |
| 2021-22                | 1,654             |
| 2020-21                | 1,678             |

SOURCE: Senatobia Municipal School District.

## **General Description of the Area**

Senatobia is strategically located in northwest Mississippi, 30 miles south of Memphis, Tennessee and 174 miles north of Jackson, Mississippi. The city of 8,165 (estimated 2014 population) is experiencing steady growth and its quality public school system, low crime rate, numerous businesses, restaurants, motels and churches make it an ideal place to live.

The community provides numerous entertainment opportunities for its citizens. The Sycamore Arts Council actively solicits fine arts programs and recreational opportunities abound. The nearby Arkabutla and Sardis reservoirs provide all forms of water recreation, including sailboating, fishing, water-skiing, swimming and camping. The city has parks, tennis courts and many quality athletic facilities to appeal to people with a broad range of interests. Just five minutes north of Senatobia is Arkabutla Lake, rated as one of the top five crappie fishing locations in the United States. It is also the second windiest lake between Chicago and the Gulf Coast, making it ideal for sailing and sail racing. Arkabutla also has full camping, swimming, fishing, water skiing, tennis and a nature and equestrian trail.

Senatobia is the home of Northwest Mississippi Community College with a 247 acre campus and total enrollment of over 6,500. On two campuses, Senatobia and Southaven, Northwest offers the first two years of more than 50 courses of study for academic transfer to a four-year college or university. More than 40 career and technical programs conveniently located at one or more of five locations, prepare students for rewarding occupations.

## **Transportation**

Interstate 55 runs north and south through the County, providing direct routes to Memphis and Jackson. The County is also served by US Highway 51 and Mississippi Highway 4. The County is served by Canadian National-Illinois Central Railroad. The nearest commercial airport is Memphis International Airport, approximately 40 miles from Senatobia. The nearest general aviation airport is in Batesville, approximately 22 miles from Senatobia. There are 100 common carriers operating in the County. The nearest full-service port is in Memphis on the Mississippi River.

## **Healthcare**

Highland Hills Medical Center is a short-term Acute Care Hospital in Senatobia and serves Tate County with 24/7 emergency room services including CT scans, X-rays and ultrasounds.

Communicare, a community mental health center, provides a variety of mental health services for people who have any number of mental disorders or alcohol and drug abuse problems.

Senatobia Healthcare and Rehab Center, a 120-bed nursing home facility, offers long-term care, as well as skilled nursing service for short-term rehabilitation.

The Baddour Center, created to serve adults with mild and moderate mental retardation, serves as a model for related institutions around the world. The Baddour Center campus, home to 165 residents, has 31 buildings and three lakes. The North Mississippi Regional Center in Oxford, Mississippi, serves Tate County through two intermediate care facilities for individuals with intellectual disabilities.

Tate County and the town of Senatobia is also serviced by Tate County Emergency Management, which offers 911 services as well as emergency management for all disasters from railroad derailments, gas pipeline ruptures, highway spills of hazardous materials to weather-related disasters and earthquakes.

### **Population**

The District is located primarily in the City of Senatobia, Mississippi. The population of Senatobia and Tate County has been recorded as follows:

| <u>Year</u> | <u>Senatobia</u> | <u>Tate<br/>County</u> |
|-------------|------------------|------------------------|
| 2024        | 8,287            | 28,551                 |
| 2020        | 7,614            | 28,539                 |
| 2015        | 7,978            | 28,465                 |
| 2010        | 8,165            | 28,978                 |
| 2005        | 7,203            | 26,968                 |

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SOURCE: U.S. Census Bureau and Bureau of Economic Analysis, April 2025

### **Per Capita Income**

The following represents per capita income annually from 2020-24 for Tate County, Mississippi, and the United States:

| <u>Year</u> | <u>County</u> | <u>State</u> | <u>U.S.</u> | <u>County as<br/>% of U.S.</u> |
|-------------|---------------|--------------|-------------|--------------------------------|
| 2024        | \$48,695      | \$52,017     | \$73,529    | 66.22%                         |
| 2023        | 47,426        | 49,652       | 69,810      | 67.93%                         |
| 2022        | 45,107        | 47,134       | 66,244      | 68.09%                         |
| 2021        | 45,157        | 46,869       | 64,460      | 70.05%                         |
| 2020        | 40,988        | 42,448       | 59,123      | 69.33%                         |

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SOURCE: Bureau of Economic Analysis, Per Capita Personal Income April 2025

### **Unemployment Statistics of the County**

Set forth below is the monthly unemployment rate and annual average for the years 2021-24 for Tate County:

|                       | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| January               | 3.7%        | 3.1%        | 3.4%        | 4.3%        | 6.4%        |
| February              | 4.0         | 2.7         | 3.3         | 3.9         | 6.2         |
| March                 | 3.8         | 2.5         | 3.1         | 3.3         | 5.9         |
| April                 |             | 2.0         | 2.6         | 3.3         | 5.7         |
| May                   |             | 3.0         | 2.9         | 3.5         | 5.8         |
| June                  |             | 3.9         | 3.9         | 4.7         | 6.8         |
| July                  |             | 3.6         | 3.6         | 4.2         | 6.1         |
| August                |             | 3.6         | 3.5         | 3.7         | 5.3         |
| September             |             | 3.4         | 2.9         | 3.5         | 4.6         |
| October               |             | 3.4         | 2.7         | 3.2         | 4.1         |
| November              |             | 3.4         | 2.4         | 3.1         | 3.5         |
| December              |             | 3.5         | 2.4         | 3.0         | 3.3         |
| <i>Annual Average</i> |             | 3.2         | 3.1         | 3.6         | 5.3         |

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SOURCE: Mississippi Department of Employment Security, Labor Market Information, Unemployment Rates, April 2025.

### **Employment Statistics of Tate County**

|                                | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Residence Based Amounts</b> |             |             |             |             |             |
| Civilian Labor Force           | 12,340      | 12,160      | 12,340      | 12,210      | 12,050      |
| Unemployed                     | 390         | 370         | 450         | 650         | 890         |
| Unemployment Rate              | 3.2         | 3.0         | 3.6         | 5.3         | 7.4         |
| Employed                       | 11,950      | 11,700      | 11,890      | 11,560      | 11,160      |

NOTE: Totals may not add due to rounding.

SOURCE: Mississippi Department of Employment Security, Labor Market Information Department, Labor Force Report, April 2025

### **Retail Sales of the City of Senatobia**

There is a state sales tax of 7 percent, of which slightly over 1 percent is returned to a city or county in which sales are made. Since July 1992, when the state sales tax was increased from 6 percent to 7 percent, a substantial amount of sales tax revenue is returned directly to school districts through the Education Enhancement Fund (see "Other Financial Information-State Public Schools Sales Tax Diversion").

| <u>State Fiscal<br/>Year</u> | <u>Total Retail Sales</u> | <u>Total Gross Sales Tax</u> |
|------------------------------|---------------------------|------------------------------|
| 2024                         | \$241,800,090             | \$16,625,968                 |
| 2023                         | 259,025,486               | 17,849,079                   |
| 2022                         | 237,196,225               | 16,367,484                   |
| 2021                         | 232,029,785               | 15,951,187                   |
| 2020                         | 205,094,775               | 14,065,190                   |

SOURCE: Mississippi Department of Revenue, Annual Report for the respective fiscal years

### **Major Employers**

The following is a partial listing of the major employers within the City of Senatobia and/or Tate County, their products or services and their approximate number of employees. Some of the employers may not be located within the boundaries of the District.

| <u>Employer</u>                         | <u>Product/Service</u>                   | <u>Employees</u> |
|---|--|------------------|
| Northwest Mississippi Community College | Education                                | 465              |
| Tate County School District             | Education                                | 410              |
| Baddour Memorial Center                 | Residential Care                         | 330              |
| ABB                                     | Circuit Breakers & Electrical Components | 275              |
| Wal-Mart Supercenter                    | Retail                                   | 250              |
| Carlisle Construction Materials         | Roofing Metal Manufacturing              | 180              |
| Innocor                                 | Plastic Foam Products                    | 180              |
| LSC Communications                      | Publishing & Specialized Printing        | 177              |
| Calbee                                  | Snack Food Manufacturing                 | 155              |
| AEI                                     | Aluminum extruded products               | 130              |

SOURCE: Senatobia Main Street Chamber of Commerce, April 2025

## TAX INFORMATION

Although the District is fiscally independent under State law, Sections 37-57-1 and 37-59-23, Mississippi Code of 1972, as amended (together, the “School Act”) requires the City to annually levy taxes for the District’s benefit according to the budget request of the Board. Within certain limits on annual increases in the District’s budget, the County must levy a tax sufficient to provide the funds requested by the District. (See “OTHER FINANCIAL INFORMATION; BUDGET AND SOURCES OF FUNDING - School District Funding – Local Sources - District Maintenance Levy” herein.) The tax levied to pay debt service on the District Bond is a mandatory, special, unlimited tax.

### **Total Assessed Valuation of the District**

| <b><u>Assessment Year</u></b> | <b><u>Real Property</u></b> | <b><u>Personal Property</u></b> | <b><u>Public Utilities</u></b> | <b><u>Total Assessed Value</u></b> | <b><u>Special Homestead</u></b> | <b><u>Net Assessed Value</u></b> |
|-------------------------------|-----------------------------|---------------------------------|--------------------------------|------------------------------------|---------------------------------|----------------------------------|
| 2024-25                       | 64,250,610                  | 35,584,946                      | 6,387,758                      | 106,223,314                        | 6,791,676                       | 99,431,638                       |
| 2023-24                       | 63,677,456                  | 36,617,837                      | 5,704,345                      | 105,999,638                        | 6,557,119                       | 99,442,519                       |
| 2022-23                       | 62,436,841                  | 33,497,205                      | 5,239,190                      | 101,173,236                        | 6,458,280                       | 94,714,956                       |
| 2021-22                       | 62,164,311                  | 32,888,714                      | 4,834,840                      | 99,887,865                         | 6,126,618                       | 93,761,247                       |
| 2020-21                       | 59,885,550                  | 32,221,600                      | 4,669,797                      | 96,776,947                         | 5,913,193                       | 90,863,754                       |

<sup>(1)</sup> The District’s fiscal year is July 1 through June 30. The total assessed valuation is approved in August during the District’s fiscal year and represents the value of real property, personal property and public utility property. The City sets the millage by September 15 of each year, with collections beginning October 1. For example, the real property taxes for assessment year 2024 were collected starting October 1, 2024 for the 2024-25 fiscal year budget of the District.

SOURCE: Office of the Tate County Tax Assessor.

### **Total Assessed Valuation of the City of Senatobia**

| <b><u>Assessment Year</u></b> | <b><u>Real Property</u></b> | <b><u>Personal Property</u></b> | <b><u>Public Utilities</u></b> | <b><u>Total Assessed Value</u></b> | <b><u>Special Homestead</u></b> | <b><u>Net Assessed Value</u></b> |
|-------------------------------|-----------------------------|---------------------------------|--------------------------------|------------------------------------|---------------------------------|----------------------------------|
| 2024-25                       | 50,952,608                  | 31,364,662                      | 3,520,220                      | 85,837,290                         | 21,963,234                      | 63,874,056                       |
| 2023-24                       | 50,679,295                  | 32,552,582                      | 3,291,944                      | 86,523,821                         | 22,141,626                      | 64,382,195                       |
| 2022-23                       | 41,870,967                  | 27,817,724                      | 2,502,508                      | 72,191,199                         | 15,121,782                      | 57,069,417                       |
| 2021-22                       | 49,795,200                  | 28,312,572                      | 2,989,327                      | 81,097,099                         | 19,828,411                      | 61,268,688                       |
| 2020-21                       | 48,023,027                  | 28,599,263                      | 2,594,549                      | 79,216,839                         | 21,033,017                      | 58,183,822                       |

SOURCE: Office of the Tate County Tax Assessor.

Pursuant to Article 4 Section 112, Mississippi Constitution and Section 27-35-4, Mississippi Code of 1972, assessed valuations of property are based upon the following classifications and assessment ratios:

- Real and personal property (excluding single-family, owner-occupied residential real property and motor vehicles): 15% of true value;
- Single-family, owner-occupied residential real property: 10% of true value;
- Motor vehicles and public utility property: 30% of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41, pursuant to which an amendment was proposed to 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 of any other class of property.

The Amendment set forth five (5) classes of property and the assessment ratios, which would be applicable thereto upon 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 10% of true value as opposed to 15% of true value under existing law.

### **Procedure for Property Assessments**

Real and personal property valuations for City and County property, 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 Board of Supervisors will meet to hear objections to the assessment. After objections are heard, the Board of Supervisors adjusts the rolls and submits them to the State Tax Commission, which examines the rolls on receipt. The State Tax Commission 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 State Tax Commission. If the Board of Supervisors has any objections to the order of the State Tax Commission, 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 State Tax Commission. With minor exceptions, the property of public utilities is assessed each year by the State Tax Commission. The tax levied to pay debt service on the District Bond is a mandatory, special, unlimited tax.

### **Property Tax Rates**

#### **Property Tax Rates Direct and Overlapping Governments City, County and District**

| <b>OVERLAPPING RATES</b> |         |       |            |             |       |              |                                     |              |      |                |
|--------------------------|---------|-------|------------|-------------|-------|--------------|-------------------------------------|--------------|------|----------------|
| City of Senatobia        |         |       |            | Tate County |       |              | Senatobia Municipal School District |              |      |                |
| Fiscal Year              | General | Other | Total City | General     | Other | Total County | Operations                          | Debt Service | Voc. | Total District |
| 2024-25                  | 30.70   | 1.44  | 30.70      | 75.60       | 5.46  | 81.06        | 52.88                               | 9.08         | 1.09 | 63.05          |
| 2023-24                  | 30.70   | 1.91  | 30.70      | 75.60       | 5.46  | 81.06        | 53.16                               | 8.82         | 1.10 | 63.08          |
| 2022-23                  | 29.70   | 1.89  | 29.70      | 75.60       | 5.46  | 81.06        | 55.00                               | 6.99         | 1.11 | 63.10          |
| 2021-22                  | 29.70   | 1.85  | 29.70      | 76.60       | 5.46  | 82.06        | 53.82                               | 8.48         | 1.19 | 63.49          |
| 2020-21                  | 29.70   | 1.89  | 29.70      | 78.91       | 5.46  | 84.37        | 55.00                               | 8.97         | 1.22 | 65.19          |

SOURCE: Resolutions of Tate County and City of Senatobia Setting Millage Rates

### **Ad Valorem Tax Collections of the District**

| Year Ended June 30 | Operations Requested | Operations Collected | Difference over (under) | %       | Debt Service Requested | Debt Service Collected | Difference over (under) | %       |
|--------------------|----------------------|----------------------|-------------------------|---------|------------------------|------------------------|-------------------------|---------|
| 2024-25            | 5,001,289            | In collection        | ---                     | --      | 851,068                | In collection          | ---                     | --      |
| 2023-24            | 5,042,810            | 5,051,047            | 8,237                   | 100.16% | 835,990                | 821,723                | (14,267)                | 98.29%  |
| 2022-23            | 5,212,515            | 5,057,886            | (154,629)               | 97.03%  | 662,098                | 646,065                | (16,012)                | 97.58%  |
| 2021-22            | 4,612,300            | 4,887,770            | 275,470                 | 105.97% | 750,593                | 766,278                | 15,685                  | 102.09% |
| 2020-21            | 4,597,670            | 5,008,202            | 410,532                 | 108.93% | 774,615                | 818,480                | 43,865                  | 105.66% |

SOURCE: Senatobia Municipal School District.



### **Homestead Exemption**

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on qualified homesteads and provides substitute 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 District Bond, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of 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 qualified homesteads not in excess of \$7,500 of assessed value. The tax loss resulting to local taxing units from qualified homestead exemptions is reimbursed by the State Tax Commission. 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 106% of the total net reimbursement made to such taxing unit in the next preceding year.

### **Ten Largest Taxpayers**

The ten taxpayers in Tate County having the highest assessed valuation, excluding motor vehicles and public utilities, are as follows:

| <b><u>Taxpayer</u></b> | <b><u>2024 Assessed Value</u></b> | <b><u>Taxes paid on behalf of<br/>the District</u></b> |
|------------------------|-----------------------------------|--|
| ABB                    | 14,803,694                        | 962,092  |
| Entergy                | 4,733,821                         | 307,651  |
| Calabee                | 4,586,794                         | 298,096  |
| Carlisle Syntech       | 3,402,491                         | 221,128  |
| Wal-Mart               | 2,092,730                         | 136,007  |
| James May              | 1,695,795                         | 110,235  |
| PK USA                 | 1,469,633                         | 95,513   |
| Dennis Paulk           | 766,159                           | 49,311   |
| Gulfcoast Senatobia    | 577,341                           | 37,521   |
| Providence Place       | 336,980                           | 22,000   |

SOURCE: Tate County Tax Assessor and Tax Collector, April 2025

### **THE DISTRICT'S DEBT INFORMATION**

#### **Legal Debt Limit Statement**

|  |                         |
|--|-------------------------|
|  | <b><u>15% Limit</u></b> |
| Authorized Debt Limit  | \$ 15,933,497.10        |
| (Last Completed Assessment for Taxation - \$106,223,314)                         |                         |
| Existing Debt Subject to Debt Limit <sup>(1)</sup>                               | 880,000.00              |
| Less this Offering   | <u>9,000,000.00</u>     |
| Margin for Further Debt Under Debt Limits After<br>Issuance of the District Bond | \$ 6,053,497.10         |

<sup>(1)</sup> As of April 1, 2025

SOURCE: Senatobia Municipal School District.

### **Statutory Debt Limits**

School districts in the State are subject to a general statutory prohibition against issuing bonds in an amount which, when added to all of the then outstanding bonded indebtedness of such district, results in the imposition on any of the property in the district of more than 15% of the assessed value of the taxable property within such district,

according to the then last completed assessment for taxation. Relevant statutes allow school districts to exceed the 15% general debt limit under certain circumstances.

**General Obligation Debt of the District.** The obligations described below are general obligation debt obligations secured by the full faith, credit and special tax of the District under the authority of Sections 37-59-1, et seq., Mississippi Code of 1972, as amended and supplemented from time to time, and are subject to the fifteen percent (15%) debt limit.

**Outstanding General Obligation Bonds**  
(as of April 1, 2025)

| <b>Issue</b>                    | <b>Issue Date</b> | <b>Original Principal Amount</b> | <b>Amount Outstanding</b> | <b>Final Maturity Date</b> |
|---------------------------------|-------------------|----------------------------------|---------------------------|----------------------------|
| GO Refunding Bonds, Series 2016 | 07/14/15          | \$5,800,000                      | \$880,000                 | 06/01/26                   |

**Limited-Tax Obligation Debt of the District.** The obligations described below are secured by the levy of a special ad valorem tax not to exceed 3-mills in any year on all taxable property within the District under the authority of Sections 37-59-101, *et seq.*, Mississippi Code of 1972. This debt is exempt from the debt limit imposed by Section 37-59-5, Mississippi Code of 1972.

**Outstanding Limited-Tax Obligation Debt**  
(as of April 1, 2025)

| <b>Issue</b>                   | <b>Issue Date</b> | <b>Original Principal Amount</b> | <b>Amount Outstanding</b> | <b>Final Maturity Date</b> |
|--------------------------------|-------------------|----------------------------------|---------------------------|----------------------------|
| Limited-Tax Notes, Series 2016 | 04/20/16          | \$2,810,000                      | \$2,025,000               | 04/01/36                   |

**Other Outstanding Debt**  
(as of April 1, 2025)

| <b>Issue</b>   | <b>Issue Date</b> | <b>Original Principal Amount</b> | <b>Amount Outstanding</b> | <b>Final Maturity Date</b> |
|--|-------------------|----------------------------------|---------------------------|----------------------------|
| Certificate of Participation, Series 2016 <sup>1</sup> | 05/05/16          | \$ 943,000                       | \$ 256,000                | 05/01/28                   |
| Trafera – Chromebooks <sup>2</sup>                     | 07/31/23          | 466,852                          | 350,139                   | 07/02/26                   |
| Capital One – Equipment <sup>2</sup>                   | 05/31/24          | 1,762,959                        | 1,762,959                 | 05/31/44                   |

<sup>1</sup> Evidencing interest in, and the right to receive rental payments under, a general obligation lease; no ad valorem tax.

<sup>2</sup> Equipment lease-purchase agreement, subject to annual appropriation.

### **Anticipated Future Debt of the District**

The District does not anticipate issuing any significant debt in the next twelve months.

### **Overlapping General Obligation Debt**

(as of May 1, 2025)

| <b>Jurisdiction</b>                 | <b>2024-25<br/>Assessed Valuation</b> | <b>General Obligation<br/>Bonded Debt</b> |
|-------------------------------------|---------------------------------------|---|
| Senatobia Municipal School District | \$ 106,223,314                        | \$ 880,000 <sup>1</sup>                   |
| City of Senatobia                   | 85,837,290                            | 9,415,000                                 |

<sup>1</sup> Excluding the District Bond.

## **OTHER FINANCIAL INFORMATION; BUDGET AND SOURCES OF FUNDING**

### **Budgetary Process**

The District's budgetary process is prescribed by Sections 37-61-9 to 37-61-21, Mississippi Code of 1972, as amended. Submission of a budget on forms prescribed by the State Auditor is a prerequisite to the distribution of school funds. On or before August 15 of each year, the school board of each school district within the State, with the assistance of the superintendent of schools, must prepare and file with the levying authority for the school district at least two copies of a budget of estimated revenues and expenditures for the coming fiscal year (commencing July 1). In addition, on or before August 15 of each year, each school board, with the assistance of the superintendent of schools of each district, shall prepare and file with the State Department of Education such budgetary information as the trustees of the State Board of Education may require.

Prior to the adoption of a budget, the school board must hold at least one public hearing to provide the public with an opportunity to comment on the budget. The public hearing must be held at least one week prior to the adoption of the budget, with advance notice. After final adoption of the budget, the budget must be published in a newspaper having general circulation in the school district.

The expenditure of school funds is limited to the budgeted amount, unless revised in the statutorily-prescribed manner. When the need arises, budgets may be revised upon the approval by the school district's board of trustees. The superintendent of each school district is to maintain a set of books subject to reasonable inspection by any citizen. These books will be arranged according to the same headings contained in the approved budget and will reflect a running total of all liabilities incurred during the fiscal year under each budget item.

### **Statutory Provisions Concerning Audits for School Districts**

The State Auditor is directed by statute to prescribe and formulate for use by all school districts of the State adequate accounting systems and other essential financial records that shall be uniform for all districts. It is mandatory that the boards of trustees/education of all school districts install, utilize and follow said uniform system of accounts in keeping the financial records of such school district.

### **School District Funding**

There are three general categories of funding sources for public schools in Mississippi: State, local and federal.

#### ***State Funding***

##### **Mississippi Student Funding Formula**

Effective July 1, 2024, the Mississippi Student Funding Formula (MSFF) replaced the Mississippi Accountability and Adequate Education Program Act of 1997 (MAEP) as the primary method of State funding for public school districts. The MSFF provides a total overhaul of the funding formula for public education in Mississippi.

Under the MSFF, funds are distributed to each school district based upon a formula multiplying net enrollment by the sum of a base student cost plus any needs-based or weighted funding less local contributions. The base student cost figure is calculated based on four components: Instructional, Administrative, Ancillary and Support and Operations and Maintenance. The Instructional component is calculated as the average teacher salary divided by the average number of students per teacher statewide. The Administrative and Ancillary and Support components are calculated as percentages of the Instructional component figure with Administrative being 20% and Ancillary and Support being 30%. The Operations and Maintenance component is calculated the same as it was with MAEP with a 3-year average cost per 100,000 square feet. The base student will be fully recalculated every four years and is adjusted annually for inflation.

Additional funding is provided for needs-based funding with specific percentages allocated to each of the 9 categories, including poverty (30%), English language learners (15%), SPED I (60%), SPED II (110%), SPED III (130%), Gifted (5%), CTE (10%), Concentrated Poverty (10%) and Sparsity less Weight (3.62%).

The MSFF contains a hold-harmless policy for three years ensuring that the funding will not be less than funding for the prior year.

The MSFF requires Districts to contribute 27% of the total district funding or 28 mills, whichever is less, funded through local property taxes. The formula for determining the cost of the MSFF and the local contribution is set forth in the statutes authorizing the MSFF.

#### State Public Schools Building Fund

A grant program (the “Public Schools Building Fund”) was established in 1953 to provide assistance to local school districts with capital construction projects. The Legislature has not appropriated any funding to the Public Schools Building Fund for many years.

#### State Public Schools Sales Tax Diversion

During the 1992 legislative session, the State enacted a law that, among other things, increased the sales tax in the state from six percent to seven percent with the bulk of the increased sales tax revenues to be used for the benefit of the State’s public schools. In particular, the sales tax law created the Education Enhancement Fund (EEF), through which approximately Sixteen Million Dollars (\$16,000,000) of sales tax revenues will be distributed to State school districts on an average daily attendance-based formula. These funds may be used to pay the costs of capital improvements or transportation equipment purchases or to pay debt service on debt issued to pay for these purposes. Section 37-61-33, Mississippi Code of 1972, as amended, allows the pledge of the EEF funds as security for debt obligations issued by a school district. Any of the EEF funds not required to pay principal of and interest on the school district’s obligations may be used by the school district for any lawful purposes. The sales tax law also establishes other funds to distribute additional monies to school districts for transportation, instructional supplies and ad valorem tax reduction.

#### ***Local Sources***

The second source of funding of public schools in Mississippi is from local sources, primarily consisting of ad valorem tax revenues. The various types of local funding revenues may be categorized as follows:

#### Local School Tax Levy

All school districts in Mississippi are authorized to require the levy of an ad valorem tax to provide necessary local funding for operations. This is the primary source for a district's local sources revenues. Beginning with Fiscal Year 1998, the operational levy of all school districts, excluding any debt service or other special debt levies, is limited to 55 mills, subject to certain exceptions. Any increase in the operational levy is subject to limitations imposed on school districts of not more than 4 percent, in the discretion of the Board, or 7 percent, subject to a public referendum, if a proper petition is filed requesting such referendum.

#### Local Contribution to MSFF

A portion of the State’s MSFF is funded from local contributions from the local ad valorem tax levy. The calculation of the local contribution is set by the statute authorizing the MSFF.

### ***Federal Sources***

Federal funds have been granted to local school districts in Mississippi, primarily under entitlement programs designed to assist the economically disadvantaged and to assist in implementing desegregation programs as well as other special purpose programs. For the year ending June 30, 2024, federal sources provided \$3,990,571 to the District.

#### **Federal Stimulus Funding**

The District has received three rounds of federal stimulus allocations, which for school districts in the nation is known as Elementary and Secondary School Emergency Relief (ESSER) funding, totaling \$5,377,947. This funding is provided by the federal government to help safely reopen and sustain the safe operation of schools and address the impacts of the COVID-19 pandemic by addressing students' academic, social, emotional, and mental health needs.

| <u>Grant</u>                      | <u>Grant Award</u> | <u>Description of Use</u>   |
|-----------------------------------|--------------------|---|
| ESSER I                           | \$ 334,799         | Hand sanitizer stands, KN95 masks, iPads, cleaning supplies   |
| ESSER II                          | 1,368,460          | Chromebooks, air purification system, HVAC systems disinfect sprayings, floor tiles installed instead of carpet, textbooks for home use, digital libraries, firewall and roofing (due to bad air quality) |
| ARP ESSER                         | 3,073,368          | Salaries and benefits for three months due to COVID shutdown, summer school reading initiatives, supplies, training, professional development, software for students, books licenses, multitouch displays |
| ESSER Equity in Distance Learning | 480,289            | Student Chromebooks   |
| MS Pandemic Broadband             | 101,930            | Access point, network and switches for more internet accessibility  |
| PreK ESSER Grant                  | 19,101             | iPads and learning panels   |

### **Financial Statements**

The District's audited financial statements for fiscal year 2024 is attached hereto as Appendix B. In addition, Appendix B includes the District's budget for fiscal year 2024-25.

Financial records of Mississippi school districts are maintained on a modified accrual basis. The local education agency is also required to employ the double-entry system for recording and controlling of accounting transactions.

### **School Operations**

Revenues and expenses for general school operations are accounted for in two operating funds, the General Fund and the Special Revenue Fund. The General Fund is the general operating fund of the School District and is used to account for all financial resources except for those required to be accounted for in another fund. The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific expenditure purposes.

Revenues, expenditures, and fund balances for the District's funds for each of the last four years are shown below:

|                                | <b><u>General Fund</u></b>        | <b><u>All Other Governmental Funds</u></b> |
|--------------------------------|-----------------------------------|--|
|                                | <b><u>Fiscal Year 2023-24</u></b> |  |
| Fund Balance 07/01             | \$ 5,535,451                      | \$ 822,684                                 |
| Revenues                       | 17,137,127                        | 4,223,578                                  |
| Expenditures                   | 18,411,837                        | 3,807,837                                  |
| Other Financing Sources (Uses) | 2,423,542                         | 74,756 (5,424 inv)                         |
| Fund Balance 06/30             | 6,684,283                         | 1,307,757                                  |
|                                | <b><u>Fiscal Year 2022-23</u></b> |  |
| Fund Balance 07/01             | \$ 5,851,832                      | \$ 130,002                                 |
| Revenues                       | 16,495,277                        | 3,203,589                                  |
| Expenditures                   | 17,303,896                        | 3,655,224                                  |
| Other Financing Sources (Uses) | 492,238                           | 384,348                                    |
| Fund Balance 06/30             | 5,535,451                         | 62,715                                     |
|                                | <b><u>Fiscal Year 2021-22</u></b> |  |
| Fund Balance 07/01             | \$ 3,982,059                      | \$ 644,071                                 |
| Revenues                       | 15,009,514                        | 3,800,162                                  |
| Expenditures                   | 15,380,193                        | 3,664,389                                  |
| Other Financing Sources (Uses) | 2240,452                          | 165,691                                    |
| Fund Balance 06/30             | 5,851,832                         | 943,535                                    |
|                                | <b><u>Fiscal Year 2020-21</u></b> |  |
| Fund Balance 07/01             | \$ 4,198,910                      | \$ 609,305                                 |
| Revenues                       | 14,361,937                        | 3,813,080                                  |
| Expenditures                   | 14,403,266                        | 3,940,419                                  |
| Other Financing Sources (Uses) | (175,522)                         | 175,522 (13,417 inv)                       |
| Fund Balance 06/30             | 3,982,059                         | 644,071                                    |

Source: Senatobia Municipal School District

### **Retirement Plans; Other Post-Employment Benefits**

For the purpose of providing retirement allowances, the District is covered by the Public Employee's Retirement System of Mississippi. Contributions are made by both the employer (*i.e.*, the District) and the employees. Pursuant to Section 25-11-123, Mississippi Code of 1972, as amended, the Board of Trustees of the Public Employee's Retirement System ("PERS") of Mississippi was, prior to the 2024 State legislative session, authorized to set the contribution rates for both employee and employer based on the liabilities of the retirement system as shown by the actuarial valuation. Contributions are made by both the employer and the employees. On June 26, 2018, the PERS Board of Trustees voted to increase the employer contribution rate from 15.75% to 17.40%, 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 PERS Board of Trustees, which is currently estimated to be 27.40%. During the 2024 State legislative session, the State Legislature passed Senate Bill 3231 which rescinded this increase and gave the State Legislature sole authority to approve any future rate increases, stripping away that power from the PERS Board of Trustees. Senate Bill 3231 provided for a 0.5% increase in the employer's contribution rate annually on July 1 of each year from 2024 through 2028. It also stated that the State Legislature was committed to maintaining current benefits for retirees and current PERS members and expressed an intent to create a new PERS tier for future members with a different payment and benefits structure.

For the year ended June 30, 2024, the plan required employee contributions of 9.00% and employer contributions of 17.40%. Contributions by the District for the year ended June 30, 2024 amounted to \$2,120,155. Contributions by employees of the District for the year ended June 30, 2024 amounted to \$1,080,283. For the year

ending June 30, 2025, the plan requires employee contributions of 9.0% and employer contributions of 17.90%. Contributions by the District for the year ending June 30, 2025, are estimated to be \$2,129,487 and employee contributions are estimated to be \$1,086,038. For the year ending June 30, 2026, the plan requires employee contributions of 9.0% and employer contributions of 18.4%. Contributions by the District for the year ending June 30, 2026, are estimated to be \$2,224,132 and employee contributions are estimated to be \$1,095,538.

The unlimited, special ad valorem tax levied to pay the Bonds may be used only to pay debt service on the Bonds; it may not be used to pay the District's annual contribution to PERS.

More information regarding PERS, including the most current information regarding the PERS unfunded liability may be found at the following PERS websites:

[www.pers.ms.gov](http://www.pers.ms.gov)

[www.pers.ms.gov/Content/Supplemental/persfacts\\_figures.pdf](http://www.pers.ms.gov/Content/Supplemental/persfacts_figures.pdf)

The Governmental Accounting Standards Board ("GASB") approved two new standards on June 25, 2012 that changed the accounting and financial reporting of public employee pensions by state and local governments. Statement No. 67, Financial Reporting for Pension Plans, revised existing guidance for the financial reports of most pension plans. Statement No. 68, Accounting and Financial Reporting for Pensions, revised and established new financial reporting requirements for most governments, including the District, that provide their employees with pension benefits. In November, 2013, the Governmental Accounting Standards Board ("GASB") approved Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68 that is to be applied simultaneously with the provisions of Statement 68. The Provisions in Statement 67 are effective for financial statements for the period beginning after June 15, 2013. The provisions in Statement 68 and Statement 71 were effective for fiscal years beginning after June 15, 2014. PERS, the Department of Education and the State of Mississippi Department of Finance and Administration have provided the amount of each contributing employer's liability under GASB Statement 68 and Statement 71 for the Unfunded Pension Liability so that local governmental participants, including the District, can record the liability and be in compliance with Statement 68 as of June 30, 2015. See Note 8 in the District's audited financial statement for FY 2024 for further information regarding the District's proportionate share of the PERS net Pension Liability (as defined in the audited financial statement).

State Law mandates that all District and retiring employees be offered health and life benefits coverage through the State and School Employee's Life and Health Insurance Plan (the "Plan"). See Note 8 of the District's audited financial statements for the year ending June 30, 2024 for a further description of the Plan and the District's contribution to the Plan. Effective January 1, 2019, the employer's share of the health insurance premium increased by \$11 per employee per month. The employee share of the health insurance premium increased by varying amounts, depending on different factors, such as the number of an employee's dependents.

SOURCE: Senatobia Municipal School District Business Office, April, 2025

### Building and Site Information

| <u>School</u>               | <u>Grade</u> | <u>Classrooms</u> | <u>Library</u> | <u>Auditorium</u> | <u>Cafeteria</u> | <u>Gym</u> | <u>Media Lab</u> |
|-----------------------------|--------------|-------------------|----------------|-------------------|------------------|------------|------------------|
| Senatobia Elementary School | Pre-K-5      | 73                | 1              | 0                 | 1                | 2          | 1                |
| Senatobia Middle School     | 6-8          | 31                | 1              | 1                 | 1                | 1          | 1                |
| Senatobia High School       | 9-12         | 28                | 1              | 0                 | 1                | 1          | 2                |

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**APPENDIX B**

**FINANCIAL INFORMATION CONCERNING THE DISTRICT**

**AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2024**

**BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2025**

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The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

SENATOBIA MUNICIPAL SCHOOL DISTRICT

Audited Financial Statements  
For the Year Ended June 30, 2024

SENATOBIA MUNICIPAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

# BROWN CPA, PLLC

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Madison, MS 39110

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## INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board  
Senatobia Municipal School District

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Senatobia Municipal School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Senatobia Municipal School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Senatobia Municipal School District, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Senatobia Municipal School District 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 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 Senatobia Municipal School District'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 Responsibility 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 Senatobia Municipal School District'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 Senatobia Municipal School District'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, budgetary comparison information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions (PERS), the Schedule of the District's Proportionate Share of the Net OPEB Liability, and the Schedule of District Contributions (OPEB), 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 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 the Senatobia Municipal School District'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 and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental



Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

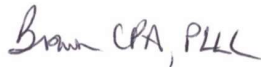
Management is responsible for the other information included in the annual report. The other information comprises the Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Funds, Last Four Years 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 February 26, 2025, on our consideration of the Senatobia Municipal School District'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 the Senatobia Municipal School District'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 Senatobia Municipal School District's internal control over financial reporting and compliance.

Brown CPA, PLLC  
Madison, Mississippi  
February 26, 2025



## MANAGEMENT'S DISCUSSION AND ANALYSIS

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024

The following discussion and analysis of Senatobia Municipal School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

## FINANCIAL HIGHLIGHTS

- Total net position for 2024 decreased \$4,429,221, from the previous year's restated net position, including an error correction of (\$29,421), which represents a 49% decrease from fiscal year 2023. Total restated net position for 2023 decreased \$636,781, which represents an 8% decrease from fiscal year 2022.
- General revenues amounted to \$15,878,363 and \$15,394,589, or 67% and 70% of all revenues for fiscal years 2024 and 2023, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,706,061, or 33% of total revenues for 2024, and \$6,546,843, or 30% of total revenues for 2023.
- The District had \$27,984,224 and \$22,574,850 in expenses for fiscal years 2024 and 2023; only \$7,706,061 for 2024 and \$6,546,843 for 2023 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$15,878,363 for 2024 and \$15,394,589 for 2023 were not adequate to provide for these programs.
- Among major funds, the General Fund had \$17,137,127 in revenues and \$18,411,837 in expenditures for 2024, and \$16,495,277 in revenues and \$17,303,896 in expenditures in 2023. The General Fund's fund balance increased by \$1,148,832 from 2023 to 2024, and decreased by \$316,381 from 2022 to 2023.
- Capital assets, including lease and SBITA assets, net of accumulated depreciation and amortization, decreased by \$479,369 for 2024, from the previous year's restated ending balance, and increased by \$360,396 for 2023, including the restated balance. The decrease for 2024 was due primarily to the increase in accumulated depreciation and amortization.
- Long-term debt, excluding bond premiums, increased by \$1,169,304 for 2024, from the previous year's restated ending balance, and decreased by \$26,283 for 2023, including the restated balance. The increase for 2024 was due primarily to the issuance of installment purchase loans payable during the fiscal year. The liability for compensated absences increased by \$16,038 for 2024 and decreased by \$5,815 for 2023.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements, which include government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information, supplementary information, and other information.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all the District's nonfiduciary assets, deferred outflows, liabilities, and deferred inflows, with the differences between them reported as "net position." Over time, increases or decreases in the District's net position may serve as a useful indicator of whether its

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024

financial position is improving or deteriorating.

The Statement of Activities presents information showing how the District'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 only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional, pension expense, OPEB expense, and interest on long-term liabilities.

### **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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are currently reported as governmental funds.

**Governmental funds** – The District's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the District's near-term financing requirements.

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, the reader may gain a better understanding of the long-term impact of the District's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

The District maintains individual governmental funds in accordance with the *Financial Accounting Manual for Mississippi Public School Districts*. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined and presented in these reports as other governmental funds.

### **Reconciliation of Government-wide and Fund Financial Statements**

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and note proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024

A net pension liability and net OPEB liability result in liabilities on the government-wide financial statements but are not reported on governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

**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. The notes to the financial statements can be found immediately following the basic financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Contributions (PERS), Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of District Contributions (OPEB) as required supplementary information. The District adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund and each additional major special revenue fund as required by the Governmental Accounting Standards Board.

**Supplementary Information**

Additionally, a 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 and a Schedule of Instructional, Administrative and Other Expenditures for governmental funds can be found in this report.

**Other Information**

Although not a required part of the basic financial statements, the Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Funds, Last Four Years, is presented for purposes of additional analysis as required by the Mississippi Department of Education.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position**

Net position may serve over time as a useful indicator of the District's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$13,404,724 as of June 30, 2024.

The District'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.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024

Table 1 presents a summary of the District's net position at June 30, 2024 and June 30, 2023.

**Table 1**  
**Condensed Statement of Net Position**

|   | June 30, 2024          | June 30, 2023<br>Restated | Percentage<br>Change |
|---|------------------------|---------------------------|----------------------|
| Current assets                            | \$ 8,752,533           | \$ 7,264,678              | 20.48 %              |
| Capital assets, net                       | 14,843,738             | 15,323,107                | (3.13) %             |
| <b>Total assets</b>                       | <b>23,596,271</b>      | <b>22,587,785</b>         | <b>4.46 %</b>        |
| <br><b>Deferred outflows of resources</b> | <br><b>12,795,418</b>  | <br><b>5,617,610</b>      | <br><b>127.77 %</b>  |
| Current liabilities                       | 805,598                | 915,838                   | (12.04) %            |
| Long-term debt outstanding                | 5,688,075              | 4,415,831                 | 28.81 %              |
| Lease liability                           | 142,522                | 209,627                   | (32.01) %            |
| SBITA liability                           | 531,424                | 584,138                   | (9.02) %             |
| Net OPEB liability                        | 1,099,879              | 1,000,371                 | 9.95 %               |
| Net pension liability                     | 41,035,636             | 29,405,169                | 39.55 %              |
| <b>Total liabilities</b>                  | <b>49,303,134</b>      | <b>36,530,974</b>         | <b>34.96 %</b>       |
| <br><b>Deferred inflows of resources</b>  | <br><b>493,279</b>     | <br><b>649,924</b>        | <br><b>(24.10) %</b> |
| <br><b>Net position:</b>                  |                        |                           |                      |
| Net investment in capital assets          | 8,932,850              | 10,249,492                | (12.85) %            |
| Restricted                                | 1,377,932              | 888,810                   | 55.03 %              |
| Unrestricted                              | (23,715,506)           | (20,113,805)              | (17.91) %            |
| <b>Total net position</b>                 | <b>\$ (13,404,724)</b> | <b>\$ (8,975,503)</b>     | <b>(49.35) %</b>     |

Additional information on unrestricted net position:

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

|   |                     |
|---|---------------------|
| Total unrestricted net position (deficit)   | \$ (23,715,506)     |
| Less unrestricted deficit in net position resulting from recognition of the net pension liability and net OPEB liability including the related deferred outflows and deferred inflows | 29,838,396          |
| Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect   | <u>\$ 6,122,890</u> |

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- Decrease in net capital assets in the amount of \$273,105, including lease and SBITA assets.
- The principal retirement of \$1,069,957 of long-term debt, including lease and SBITA liabilities.
- The issuing of loans payable totaling \$2,223,223.

**Changes in net position**

The District's total revenues for the fiscal years ended June 30, 2024 and June 30, 2023 were \$23,584,424 and \$21,941,432, respectively. The total cost of all programs and services was \$27,984,224 for 2024 and \$22,574,850 for 2023.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023.

**Table 2**  
**Changes in Net Position**

|   | Year Ended<br>June 30, 2024 | Year Ended<br>June 30, 2023<br>Restated | Percentage<br>Change |
|---|-----------------------------|---|----------------------|
| <b>Revenues:</b>                                    |                             |   |                      |
| Program revenues:                                   |                             |   |                      |
| Charges for services                                | \$ 922,363                  | \$ 1,038,666                            | (11.20) %            |
| Operating grants and contributions                  | 6,783,698                   | 5,508,177                               | 23.16 %              |
| General revenues:                                   |                             |   |                      |
| Property taxes                                      | 6,017,251                   | 5,812,927                               | 3.51 %               |
| Grants and contributions not restricted             | 9,328,458                   | 9,298,600                               | 0.32 %               |
| Investment earnings                                 | 198,080                     | 135,601                                 | 46.08 %              |
| Other   | 334,574                     | 147,461                                 | 126.89 %             |
| <b>Total revenues</b>                               | <b>23,584,424</b>           | <b>21,941,432</b>                       | <b>7.49 %</b>        |
| <b>Expenses:</b>                                    |                             |   |                      |
| Instruction   | 10,818,687                  | 10,878,893                              | (0.55) %             |
| Support services                                    | 9,717,477                   | 7,948,789                               | 22.25 %              |
| Non-instructional                                   | 727,011                     | 807,259                                 | (9.94) %             |
| Pension expense                                     | 6,612,821                   | 2,879,817                               | 129.63 %             |
| OPEB expense  | (50,900)                    | (107,053)                               | 52.45 %              |
| Interest on long-term liabilities                   | 159,128                     | 167,145                                 | (4.80) %             |
| <b>Total expenses</b>                               | <b>27,984,224</b>           | <b>22,574,850</b>                       | <b>23.96 %</b>       |
| <b>Increase (Decrease) in net position</b>          | <b>(4,399,800)</b>          | <b>(633,418)</b>                        | <b>(594.61) %</b>    |
| <b>Net Position, July 1, as previously reported</b> | <b>(8,975,503)</b>          | <b>(8,338,722)</b>                      | <b>(7.64) %</b>      |
| Error correction                                    | (29,421)                    | (3,363)                                 | (774.84) %           |
| <b>Net Position, July 1, as restated</b>            | <b>(9,004,924)</b>          | <b>(8,342,085)</b>                      | <b>(7.95) %</b>      |
| <b>Net Position, June 30</b>                        | <b>\$ (13,404,724)</b>      | <b>\$ (8,975,503)</b>                   | <b>(49.35) %</b>     |

**Governmental activities**

The following table presents the cost of six major District functional activities: instruction, support services, non-instructional, pension expense, OPEB expense and interest on long-term liabilities. The table also shows each functional activity's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost presents the financial burden that was placed on the State and District's taxpayers by each of these functions.

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**Table 3**  
**Net Cost of Governmental Activities**

|                                   | Total Expenses       |                      | Percentage Change |
|-----------------------------------|----------------------|----------------------|-------------------|
|                                   | 2024                 | 2023                 |                   |
| Instruction                       | \$ 10,818,687        | \$ 10,878,893        | (0.55) %          |
| Support services                  | 9,717,477            | 7,948,789            | 22.25 %           |
| Non-instructional                 | 727,011              | 807,259              | (9.94) %          |
| Pension Expense                   | 6,612,821            | 2,879,817            | 129.63 %          |
| OPEB Expense                      | (50,900)             | (107,053)            | 52.45 %           |
| Interest on long-term liabilities | 159,128              | 167,145              | (4.80) %          |
| <b>Total expenses</b>             | <b>\$ 27,984,224</b> | <b>\$ 22,574,850</b> | <b>23.96 %</b>    |

|                                    | Net (Expense) Revenue  |                        | Percentage Change |
|------------------------------------|------------------------|------------------------|-------------------|
|                                    | 2024                   | 2023                   |                   |
| Instruction                        | \$ (7,160,025)         | \$ (7,151,509)         | (0.12) %          |
| Support services                   | (7,036,392)            | (6,123,606)            | (14.91) %         |
| Non-instructional                  | 639,303                | 187,017                | 241.84 %          |
| Pension Expense                    | (6,612,821)            | (2,879,817)            | (129.63) %        |
| OPEB Expense                       | 50,900                 | 107,053                | (52.45) %         |
| Interest on long-term liabilities  | (159,128)              | (167,145)              | 4.80 %            |
| <b>Total net (expense) revenue</b> | <b>\$ (20,278,163)</b> | <b>\$ (16,028,007)</b> | <b>(26.52) %</b>  |

- Net cost of governmental activities (\$20,278,163 for 2024 and \$16,028,007 for 2023) was financed by general revenue, which is primarily made up of property taxes (\$6,017,251 for 2024 and \$5,812,927 for 2023) and state and federal revenues (\$9,328,458 for 2024 and \$9,298,600 for 2023).
- Investment earnings amounted to \$198,080 for 2024 and \$135,601 for 2023.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$7,992,040, an increase of \$1,604,484, which includes an error correction of (\$29,421) and a decrease in inventory of \$5,424. \$3,390,893, or 42% of the fund balance is unassigned, which represents the residual classification for the General Fund's 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 remaining fund balance of \$4,601,147, or 58% is either non-spendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$1,148,832. The fund balance of Other Governmental Funds showed an



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increase in the amount of \$455,652, which includes an error correction of (\$29,421) and a decrease in inventory of \$5,424. The increase (decrease) in the fund balances for the other major funds were as follows:

| <u>Major Fund</u>                 | <u>Increase (Decrease)</u> |
|-----------------------------------|----------------------------|
| ARP Learn More Grant Fund         | no increase or decrease    |
| Early Learning Collaborative Fund | no increase or decrease    |
| School Mental Health Grant Fund   | no increase or decrease    |

## BUDGETARY HIGHLIGHTS

During the year, the District revised the annual operating budget. Budget revisions were made to address and correct the original budgets to reflect more accurately the sources and uses of funding for the School District. Budget revisions made during the fiscal year were routine in nature and were insignificant when compared to total revenues and expenditures of the District.

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** As of June 30, 2024, the District's total capital assets were \$26,741,467, including land, school buildings, building improvements, improvements other than buildings, buses, other school vehicles, furniture and equipment, lease assets, and SBITA assets. This amount represents an increase of \$540,676 from 2023. Total accumulated depreciation and amortization as of June 30, 2024, was \$11,897,729, and total depreciation and amortization expense for the year was \$794,588, resulting in total net capital assets of \$14,843,738.

**Table 4**  
**Capital Assets, Net of Accumulated Depreciation**

|                                   | <u>June 30, 2024</u> | <u>June 30, 2023<br/>Restated</u> | <u>Percentage<br/>Change</u> |
|-----------------------------------|----------------------|-----------------------------------|------------------------------|
| Land                              | \$ 1,007,521         | \$ 1,007,521                      | 0.00 %                       |
| Buildings                         | 10,816,197           | 11,138,798                        | (2.90) %                     |
| Building improvements             | 1,392,583            | 1,530,708                         | (9.02) %                     |
| Improvements other than buildings | 55,506               | 60,114                            | (7.67) %                     |
| Mobile equipment                  | 659,253              | 560,564                           | 17.61 %                      |
| Furniture and equipment           | 248,054              | 231,141                           | 7.32 %                       |
| Lease assets                      | 137,509              | 206,264                           | (33.33) %                    |
| Subscription IT assets            | 527,115              | 587,997                           | (10.35) %                    |
| <b>Total</b>                      | <b>\$ 14,843,738</b> | <b>\$ 15,323,107</b>              | <b>(3.13) %</b>              |

Additional information on the District's capital assets can be found in Note 4 included in this report. The right to use assets – lease and SBITA information are presented in more detail in Note 5 included in this report.

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Management's Discussion and Analysis  
For the Year Ended June 30, 2024

**Debt Administration.** At June 30, 2024, the District had \$6,221,018 in outstanding long-term debt, including lease and SBITA liabilities, of which \$1,104,010 is due within one year. During the fiscal year, the District issued loans payable totaling \$2,223,223. The District made principal payments totaling \$1,069,957 on outstanding long-term debt, including lease liabilities and SBITA liabilities. The liability for compensated absences increased \$16,038 from the prior year.

**Table 5  
Outstanding Long-Term Debt**

|  | June 30, 2024       | June 30, 2023<br>Restated | Percentage<br>Change |
|--|---------------------|---------------------------|----------------------|
| General obligation refunding bonds payable | \$ 880,000          | \$ 1,495,000              | (41.14) %            |
| Certificates of participation payable      | 338,000             | 419,000                   | (19.33) %            |
| Three mill notes payable                   | 2,120,000           | 2,215,000                 | (4.29) %             |
| Installment purchase loans payable         | 2,097,015           | 32,930                    | 6,268.10 %           |
| Compensated absences payable               | 112,057             | 96,019                    | 16.70 %              |
| Lease liabilities                          | 142,522             | 209,627                   | (32.01) %            |
| Subscription IT liabilities                | 531,424             | 584,138                   | (9.02) %             |
| <b>Total</b>                               | <b>\$ 6,221,018</b> | <b>\$ 5,051,714</b>       | <b>23.15 %</b>       |
| Bond premiums                              | 141,003             | 157,882                   | (10.69) %            |
| <b>Total</b>                               | <b>\$ 6,362,021</b> | <b>\$ 5,209,596</b>       | <b>22.12 %</b>       |

Additional information on the District's long-term debt can be found in Note 6 and the information for leases and SBITAs can be found in Note 5 included in this report

## CURRENT ISSUES

The Senatobia Municipal School District is financially stable. The District is proud of its community support of the public schools.

The District has committed itself to financial excellence for many years. The District's system of financial planning, budgeting, and internal financial controls is well regarded. The District plans to continue its sound fiscal management to meet the challenges of the future.

The District actively pursues grant funding to supplement the local, state, and federal revenues.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional financial information, contact the Superintendent's Office of the Senatobia Municipal School District, 104 McKie Street, Senatobia, MS 38668.

## FINANCIAL STATEMENTS

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**

**Statement of Net Position  
June 30, 2024**

**Exhibit A**

|  | Governmental<br>Activities |
|--|----------------------------|
| <b>Assets</b>                                    |                            |
| Cash and cash equivalents                        | \$ 5,486,970               |
| Cash with fiscal agent                           | 1,763,007                  |
| Due from other governments                       | 1,390,567                  |
| Inventories                                      | 17,622                     |
| Prepaid items                                    | 94,367                     |
| Capital assets, non-depreciable:                 |                            |
| Land   | 1,007,521                  |
| Capital assets, net of accumulated depreciation: |                            |
| Buildings  | 10,816,197                 |
| Building improvements                            | 1,392,583                  |
| Improvements other than buildings                | 55,506                     |
| Mobile equipment                                 | 659,253                    |
| Furniture and equipment                          | 248,054                    |
| Leased assets                                    | 137,509                    |
| Subscription IT assets                           | 527,115                    |
| Total Assets                                     | <u>23,596,271</u>          |
| <b>Deferred Outflows of Resources</b>            |                            |
| Deferred outflows - advance refunding of debt    | 5,020                      |
| Deferred outflows - pensions                     | 12,384,976                 |
| Deferred outflows - OPEB                         | 405,422                    |
| Total Deferred Outflows of Resources             | <u>12,795,418</u>          |
| <b>Liabilities</b>                               |                            |
| Accounts payable and accrued liabilities         | 760,493                    |
| Interest payable on long-term liabilities        | 45,105                     |
| Long-term liabilities, due within one year:      |                            |
| Capital related liabilities                      | 974,358                    |
| Non-capital related liabilities                  | 5,603                      |
| Lease liabilities                                | 69,839                     |
| SBITA liabilities                                | 54,210                     |
| Net OPEB liability                               | 45,798                     |
| Long-term liabilities, due beyond one year:      |                            |
| Capital related liabilities                      | 4,460,657                  |
| Capital related bond premiums                    | 141,003                    |
| Non-capital related liabilities                  | 106,454                    |
| Lease liabilities                                | 72,683                     |
| SBITA liabilities                                | 477,214                    |
| Net pension liability                            | 41,035,636                 |
| Net OPEB liability                               | 1,054,081                  |
| Total Liabilities                                | <u>49,303,134</u>          |
| <b>Deferred Inflows of Resources</b>             |                            |
| Deferred inflows - pensions                      | 73,415                     |
| Deferred inflows - OPEB                          | 419,864                    |
| Total Deferred Inflows of Resources              | <u>493,279</u>             |
| <b>Net Position</b>                              |                            |
| Net investment in capital assets                 | 8,932,850                  |
| Restricted for:                                  |                            |
| Expendable:                                      |                            |
| School-based activities                          | 1,317,439                  |
| Debt service                                     | 20,180                     |
| Unemployment benefits                            | 40,313                     |
| Unrestricted                                     | (23,715,506)               |
| Total Net Position                               | <u>\$ (13,404,724)</u>     |

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

# **SENATOBIA MUNICIPAL SCHOOL DISTRICT**

## **Statement of Activities** **For the Year Ended June 30, 2024**

## **Exhibit B**

| Functions/Programs                | Expenses      | Program Revenues     |                                    |                                  | Net (Expense)                       |
|-----------------------------------|---------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
|                                   |               | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| <hr/>                             |               |                      |                                    |                                  |                                     |
| Governmental Activities:          |               |                      |                                    |                                  |                                     |
| Instruction                       | \$ 10,818,687 | \$ 818,528           | \$ 2,840,134                       | \$ -                             | \$ (7,160,025)                      |
| Support services                  | 9,717,477     | 24,163               | 2,656,922                          | -                                | (7,036,392)                         |
| Non-instructional                 | 727,011       | 79,672               | 1,286,642                          | -                                | 639,303                             |
| Pension expense                   | 6,612,821     | -                    | -                                  | -                                | (6,612,821)                         |
| OPEB expense                      | (50,900)      | -                    | -                                  | -                                | 50,900                              |
| Interest on long-term liabilities | 159,128       | -                    | -                                  | -                                | (159,128)                           |
| <hr/>                             |               |                      |                                    |                                  |                                     |
| Total Governmental Activities     | \$ 27,984,224 | \$ 922,363           | \$ 6,783,698                       | \$ -                             | \$ (20,278,163)                     |

### **General Revenues:**

#### **Taxes:**

General purpose levies 5,153,983

Debt purpose levies 863,268

#### **Unrestricted grants and contributions:**

State 9,294,061

Federal 34,397

Unrestricted investment earnings 198,080

Other 334,574

**Total General Revenues 15,878,363**

**Change in Net Position (4,399,800)**

**Net Position - Beginning, as previously reported (8,972,140)**

**Error corrections (32,784)**

**Net Position - Beginning, as restated (9,004,924)**

**Net Position - Ending \$ (13,404,724)**

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

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Governmental Funds**

**Balance Sheet**  
**June 30, 2024**

**Exhibit C**

|  | Major Funds         |                           |                                   |                                 |                          | Total               |
|--|---------------------|---------------------------|-----------------------------------|---------------------------------|--------------------------|---------------------|
|  | General Fund        | ARP Learn More Grant Fund | Early Learning Collaborative Fund | School Mental Health Grant Fund | Other Governmental Funds | Governmental Funds  |
| <b>Assets</b>                            |                     |                           |                                   |                                 |                          |                     |
| Cash and cash equivalents                | \$ 4,176,742        | \$ -                      | \$ 16,403                         | \$ 310                          | \$ 1,293,515             | \$ 5,486,970        |
| Cash with fiscal agent                   | 1,763,007           | -                         | -                                 | -                               | -                        | 1,763,007           |
| Due from other governments               | 296,317             | 194,933                   | 208,173                           | 304,599                         | 386,545                  | 1,390,567           |
| Due from other funds                     | 1,066,748           | -                         | -                                 | -                               | -                        | 1,066,748           |
| Inventories                              | -                   | -                         | -                                 | -                               | 17,622                   | 17,622              |
| Prepaid items                            | 94,367              | -                         | -                                 | -                               | -                        | 94,367              |
| Total Assets                             | <u>\$ 7,397,181</u> | <u>\$ 194,933</u>         | <u>\$ 224,576</u>                 | <u>\$ 304,909</u>               | <u>\$ 1,697,682</u>      | <u>\$ 9,819,281</u> |
| <b>Liabilities and Fund Balances</b>     |                     |                           |                                   |                                 |                          |                     |
| <b>Liabilities:</b>                      |                     |                           |                                   |                                 |                          |                     |
| Accounts payable and accrued liabilities | \$ 712,898          | \$ -                      | \$ 16,403                         | \$ 310                          | \$ 30,882                | \$ 760,493          |
| Due to other funds                       | -                   | 194,933                   | 208,173                           | 304,599                         | 359,043                  | 1,066,748           |
| Total Liabilities                        | <u>712,898</u>      | <u>194,933</u>            | <u>224,576</u>                    | <u>304,909</u>                  | <u>389,925</u>           | <u>1,827,241</u>    |
| <b>Fund Balances:</b>                    |                     |                           |                                   |                                 |                          |                     |
| <b>Nonspendable:</b>                     |                     |                           |                                   |                                 |                          |                     |
| Inventory                                | -                   | -                         | -                                 | -                               | 17,622                   | 17,622              |
| Prepaid items                            | 94,367              | -                         | -                                 | -                               | -                        | 94,367              |
| <b>Restricted:</b>                       |                     |                           |                                   |                                 |                          |                     |
| Debt service                             | -                   | -                         | -                                 | -                               | 44,372                   | 44,372              |
| Grant activities                         | -                   | -                         | -                                 | -                               | 1,205,450                | 1,205,450           |
| Unemployment benefits                    | -                   | -                         | -                                 | -                               | 40,313                   | 40,313              |
| <b>Assigned:</b>                         |                     |                           |                                   |                                 |                          |                     |
| School activities                        | 298,389             | -                         | -                                 | -                               | -                        | 298,389             |
| Repairs and renovations                  | 1,137,627           | -                         | -                                 | -                               | -                        | 1,137,627           |
| Capital improvements                     | 1,763,007           | -                         | -                                 | -                               | -                        | 1,763,007           |
| <b>Unassigned</b>                        | <u>3,390,893</u>    | <u>-</u>                  | <u>-</u>                          | <u>-</u>                        | <u>-</u>                 | <u>3,390,893</u>    |
| Total Fund Balances                      | <u>6,684,283</u>    | <u>-</u>                  | <u>-</u>                          | <u>-</u>                        | <u>1,307,757</u>         | <u>7,992,040</u>    |
| Total Liabilities and Fund Balances      | <u>\$ 7,397,181</u> | <u>\$ 194,933</u>         | <u>\$ 224,576</u>                 | <u>\$ 304,909</u>               | <u>\$ 1,697,682</u>      | <u>\$ 9,819,281</u> |

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

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Governmental Funds**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2024**

**Exhibit C-1**

**Total fund balances for governmental funds** **\$ 7,992,040**

Amounts reported for governmental activities in the statement of Net Position are different because:

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

|   |                     |            |
|---|---------------------|------------|
| Land  | \$ 1,007,521        |            |
| Buildings   | 18,141,902          |            |
| Building improvements                               | 3,586,080           |            |
| Improvements other than buildings                   | 277,533             |            |
| Mobile equipment                                    | 2,010,066           |            |
| Furniture and equipment                             | 794,805             |            |
| Leased assets and subscription based IT assets, net | 664,624             |            |
| Accumulated depreciation                            | <u>(11,638,793)</u> | 14,843,738 |

- Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Net pension liability (41,035,636)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:

|  |                 |              |
|--|-----------------|--------------|
| Deferred outflows of resources related to pensions | 12,384,976      |              |
| Deferred inflows of resources related to pensions  | <u>(73,415)</u> | (28,724,075) |

- Some liabilities, including net OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Net OPEB liability (1,099,879)

Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds:

|  |                  |             |
|--|------------------|-------------|
| Deferred outflows of resources related to OPEB | 405,422          |             |
| Deferred inflows of resources related to OPEB  | <u>(419,864)</u> | (1,114,321) |

- Long-term liabilities and related accrued interest are not due and payable in the current period and, therefore, are not reported in the funds:

|                               |                 |             |
|-------------------------------|-----------------|-------------|
| General obligation bonds      | (880,000)       |             |
| Notes payable                 | (2,120,000)     |             |
| Certificates of participation | (338,000)       |             |
| Loans payable                 | (2,097,015)     |             |
| Lease obligations             | (142,522)       |             |
| Subscription IT liabilities   | (531,424)       |             |
| Compensated absences          | (112,057)       |             |
| Unamortized charges           | 5,020           |             |
| Unamortized premiums          | (141,003)       |             |
| Accrued interest payable      | <u>(45,105)</u> | (6,402,106) |

**Net Position of governmental activities** **\$ (13,404,724)**

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

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2024**

**Exhibit D**

|  | Major Funds     |                                 |   |                                       | Previous<br>Major Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------|---------------------------------|---|---------------------------------------|------------------------|--------------------------------|--------------------------------|
|  | General<br>Fund | ARP Learn<br>More Grant<br>Fund | Early Learning<br>Collaborative<br>Fund | School Mental<br>Health Grant<br>Fund | Food Service<br>Fund   |                                |                                |
| <b>Revenues:</b>   |                 |                                 |   |                                       |                        |                                |                                |
| Local sources  | \$ 6,149,191    | \$ -                            | \$ -                                    | \$ -                                  | \$                     | 1,092,913                      | \$ 7,242,104                   |
| State sources  | 10,953,147      | -                               | 523,663                                 | -                                     |                        | 644,385                        | 12,121,195                     |
| Federal sources  | 34,789          | 488,483                         | -                                       | 981,410                               |                        | 2,486,280                      | 3,990,962                      |
| Total Revenues   | 17,137,127      | 488,483                         | 523,663                                 | 981,410                               |                        | 4,223,578                      | 23,354,261                     |
| <b>Expenditures:</b>   |                 |                                 |   |                                       |                        |                                |                                |
| Instruction  | 9,885,006       | 361,116                         | 421,539                                 | -                                     |                        | 1,274,787                      | 11,942,448                     |
| Support services   | 8,180,623       | 109,343                         | 102,124                                 | 936,498                               |                        | 854,190                        | 10,182,778                     |
| Noninstructional services  | 42,928          | 18,024                          | -                                       | -                                     |                        | 745,073                        | 806,025                        |
| Debt service:  |                 |                                 |   |                                       |                        |                                |                                |
| Principal  | 278,957         | -                               | -                                       | -                                     |                        | 791,000                        | 1,069,957                      |
| Interest   | 24,323          | -                               | -                                       | -                                     |                        | 139,867                        | 164,190                        |
| Other  | -               | -                               | -                                       | -                                     |                        | 2,920                          | 2,920                          |
| Total Expenditures   | 18,411,837      | 488,483                         | 523,663                                 | 936,498                               |                        | 3,807,837                      | 24,168,318                     |
| Excess (Deficiency) of Revenues<br>over (under) Expenditures         | (1,274,710)     | -                               | -                                       | 44,912                                |                        | 415,741                        | (814,057)                      |
| <b>Other Financing Sources (Uses):</b>                               |                 |                                 |   |                                       |                        |                                |                                |
| Loans and notes issued   | 2,223,223       | -                               | -                                       | -                                     |                        | -                              | 2,223,223                      |
| Insurance recovery   | 24,163          | -                               | -                                       | -                                     |                        | -                              | 24,163                         |
| Sale of other property   | 206,000         | -                               | -                                       | -                                     |                        | -                              | 206,000                        |
| Operating transfers in   | 207,456         | -                               | -                                       | -                                     |                        | 241,316                        | 448,772                        |
| Operating transfers out  | (237,300)       | -                               | -                                       | (44,912)                              |                        | (166,560)                      | (448,772)                      |
| Total Other Financing Sources (Uses)                                 | 2,423,542       | -                               | -                                       | (44,912)                              |                        | 74,756                         | 2,453,386                      |
| Net Change in Fund Balances  | 1,148,832       | -                               | -                                       | -                                     |                        | 490,497                        | 1,639,329                      |
| <b>Fund Balances:</b>  |                 |                                 |   |                                       |                        |                                |                                |
| July 1, 2023, as previously reported                                 | 5,535,451       | -                               | -                                       | -                                     | 789,390                | 62,715                         | 6,387,556                      |
| Change within financial reporting<br>entity (from major to nonmajor) |                 |                                 |   |                                       | (789,390)              | 789,390                        |                                |
| Error corrections  | -               | -                               | -                                       | -                                     |                        | (29,421)                       | (29,421)                       |
| July 1, 2023, as restated  | 5,535,451       | -                               | -                                       | -                                     | -                      | 822,684                        | 6,358,135                      |
| Increase (Decrease) in inventory                                     | -               | -                               | -                                       | -                                     | -                      | (5,424)                        | (5,424)                        |
| June 30, 2024  | \$ 6,684,283    | \$ -                            | \$ -                                    | \$ -                                  | \$ -                   | 1,307,757                      | \$ 7,992,040                   |

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



**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Governmental Funds**

**Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balances to the Statement of Activities  
For the Year Ended June 30, 2024**

**Exhibit D-1**

**Net change in fund balances - total governmental funds** **\$ 1,639,329**

Amounts reported for governmental activities in the statement of activities are different because:

|   |                  |                           |
|---|------------------|---------------------------|
| 1. Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:  |                  |                           |
| Capital outlay and net lease and subscription based assets  | \$ 319,779       |                           |
| Depreciation and amortization expense   | <u>(794,588)</u> | (474,809)                 |
| 2. In the statement of activities, only the gain/loss on the sale of assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.  |                  |                           |
|   |                  | (4,560)                   |
| 3. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the statement of activities: |                  |                           |
| Bonds and notes issued  | (2,223,223)      |                           |
| Payments of debt principal  | 1,069,957        |                           |
| Accrued interest payable  | <u>(6,389)</u>   | (1,159,655)               |
| 4. Some items relating to pensions and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. The activities include:  |                  |                           |
| Pension expense   | (6,612,821)      |                           |
| Contributions subsequent to the measurement date  | <u>2,120,507</u> | (4,492,314)               |
| 5. Some items relating to OPEB and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. The activities include:  |                  |                           |
| OPEB expense  | 50,900           |                           |
| Contributions subsequent to the measurement date  | <u>48,400</u>    | 99,300                    |
| 6. Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds. These activities include:   |                  |                           |
| Change in compensated absences  | (16,038)         |                           |
| Change in inventory   | (5,424)          |                           |
| Amortization of deferred charges, premiums and discounts  | <u>14,371</u>    | (7,091)                   |
| <b>Change in Net Position of governmental activities</b>  | <b>\$</b>        | <b><u>(4,399,800)</u></b> |

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

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 1 – Summary of Significant Accounting Policies**

The accompanying financial statements of the school 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 school district's accounting policies are described below.

**A. Financial Reporting Entity**

As defined by accounting principles generally accepted in the United States of America, the school district is considered an "other stand-alone government." The school district is a related organization of, but not a component unit of, the city of Senatobia since the governing authority of the city selects a majority of the school district's board but does not have financial accountability for the school district.

For financial reporting purposes, Senatobia Municipal School District has included all funds and organizations. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District.

Blended component unit

The Senatobia Municipal School District Leasing Authority ("the Authority") as explained in the following paragraph is considered to be a blended component unit as determined by Section 2100 of the *Codification of Governmental Accounting and Financial Reporting Standards* and is included in the district's reporting entity.

The Authority is governed by a five member board which is appointed by the school district's governing board. Although it is legally separate from the school district, it is reported as if it is part of the primary government because its sole purpose is to provide financing for the renovation, improvement, construction, and equipping of certain school facilities. Therefore, all of the Authority's assets, liabilities, fund balances, revenues, expenditures and other financing sources and uses have been included in the government-wide financial statements of the school district (see Note 12).

**B. Government-wide and Fund Financial Statements**

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the District's non-fiduciary assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Net position is reported in three categories:

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

1. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances of bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other governmental funds.

The school district reports the following major governmental funds:

General Fund - This is the school district's primary operating fund. The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

ARP Learn More Grant Fund – This is a special revenue fund that accounts for federal sources received and expenditures incurred related to the District's ARP Learn More Grant Fund.

Early Learning Collaborative Grant Fund – This is a special revenue fund that accounts for state sources received and expenditures incurred related to the District's Early Learning Collaborative Grant Fund.

School Mental Health Grant Fund - This is a special revenue fund that accounts for federal sources received and expenditures incurred related to the District's School Mental Health Grant Fund.

All other governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements.

Additionally, the school district reports the following fund types:

**GOVERNMENTAL FUNDS**

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

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

In the government-wide Statement of Net Position and Statement of Activities, governmental

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

activities are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred or economic asset used, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and judgments, are recorded only when payment is due.

Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

Property taxes, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual.

Ad valorem property taxes are levied by the governing authority of the city on behalf of the school district based upon an order adopted by the school board of the school district requesting an ad valorem tax effort in dollars. Since the taxes are not levied and collected by the school district, the revenues to be generated by the annual levies are not recognized until the taxes are actually collected by the tax levying authority.

Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

The effect of inter-fund activity has been eliminated from the government-wide statements.

Revenues from the Mississippi Adequate Education Program are appropriated on a fiscal year basis and are recorded at the time the revenues are received from the State of Mississippi.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing, and Financial Reporting*, issued in 2012 by the Government Finance Officers Association and are consistent with the broad classifications recommended in *Financial Accounting for Local and State School Systems, 2014*, issued by the U.S. Department of Education.

**D. Encumbrances**

An encumbrance system is maintained to account for commitments or assignments resulting from approved purchase orders, work orders and contracts. However, the school district attempts to

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

liquidate all encumbrances at year-end. Encumbrances outstanding at year-end are not reported within committed or assigned fund balances.

**E. Assets, liabilities, deferred outflows/inflows, and net position/fund balances**

1. Cash, Cash equivalents and Investments

Cash and cash equivalents

The district'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. The school district deposits excess funds in the financial institutions selected by the school board. State statutes specify how these depositories are to be selected.

Investments

The school district can invest its excess funds, as permitted by Section 29-3-113, Miss. Code Ann. (1972), in interest-bearing deposits or other obligations of the types described in Section 27-105-33, Miss. Code Ann. (1972), or in any other type investment in which any other agency, instrumentality or subdivision of the State of Mississippi may invest, except that 100% of said funds are authorized to be so invested.

For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e. the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Due from Other Governments

Due from other governments represents amounts due from the State of Mississippi and various grants and reimbursements from other governments.

4. Inventories and Prepaid Items

Donated commodities are received from the USDA and are valued at USDA cost. Other inventories are valued at cost (calculated on the first-in, first-out basis). The costs of governmental fund type inventories are reported as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and governmental fund financial statements.

5. Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Position because their use is limited by applicable debt statutes, e.g.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

Qualified School Construction Bond sinking funds. Also, the nonexpendable portion of the Permanent Fund, if applicable, is classified as restricted assets because the 16<sup>th</sup> Section Principal fund is not available for use by the district except as provided for under state statute for loans from this fund.

6. Capital Assets

Capital assets include land, improvements to land, easements, water rights, timber rights, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Capital assets are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost or estimated historical cost based on appraisals or deflated current replacement cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the thresholds in the table below.

Capital acquisition and construction are reflected as expenditures in the Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Depreciation is calculated on the straight-line basis for all assets, except land.

The following schedule details the capitalization thresholds:

|                                   | Capitalization<br>Policy | Estimated<br>Useful Life |
|-----------------------------------|--------------------------|--------------------------|
| Land                              | \$ 0                     | 0                        |
| Buildings                         | 50,000                   | 40 years                 |
| Building improvements             | 25,000                   | 20 years                 |
| Improvements other than buildings | 25,000                   | 20 years                 |
| Mobile equipment                  | 5,000                    | 5-10 years               |
| Furniture and equipment           | 5,000                    | 3-7 years                |
| Leased assets                     | **                       | **                       |
| Subscription IT asset             | **                       | **                       |

(\*\*) The estimated useful life is the term of the lease and subscription agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized. See Note 4 for further details.

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

7. 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. The school district has incurred deferred outflows which are presented as a deferred outflow from advance refunding of debt, a deferred outflow related to pensions, and a deferred outflow related to OPEB.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
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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 so will not be recognized as an inflow of resources (revenue) until that time. The school district has incurred deferred inflows which are presented as a deferred inflow related to pensions and a deferred inflow related to OPEB.

See Note 7, Note 8, and Note 16 for further details.

8. Compensated Absences

Employees of the school district accumulate sick leave at a minimum amount as required by state law. A greater amount may be provided by school district policy provided that it does not exceed the provisions for leave as provided in Sections 25-3-93 and 25-3-95. Some employees are allowed personal leave and/or vacation leave in accordance with school district policy. The district pays for unused leave for employees as required by Section 37-7-307(5), Miss. Code Ann. (1972).

The liability for these compensated absences is recorded as a long-term liability in the government-wide statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, governmental funds report the liability for compensated absences from expendable available financial resources only if the payable has matured, for example, an employee retires.

9. 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.

The school district uses the estimated incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

10. Subscription-Based Information Technology Arrangements

The Governmental Accounting 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 among governments that have entered into SBITAs, and to enhance understandability, relatability, relevance and consistency of information about SBITAs. GASB 96 was implemented during fiscal year 2023.

11. Long-term Liabilities and Bond Discounts/Premiums

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond discounts or premiums and the difference between reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures. See Note 6 for details.

12. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (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, 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.

13. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State and School Employees' Life and Health Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recorded when the OPEB benefits come due. Investments are reported at fair value as determined by the state.

14. Fund Balances

Fund balance for governmental funds is 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.

Governmental fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the district:

*Non-spendable fund balance* includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed, or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in 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.

*Committed fund balance* includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the School Board, the District's highest level of decision-making authority. This formal action is a resolution approved by the School Board. Currently there is no committed fund balance for this school district.

*Assigned fund balance* includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Superintendent and the Business Manager pursuant to authorization established by the District's approved fund balance policy.

*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, it may be necessary to report a negative unassigned fund balance.

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



SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
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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 District's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

It is the goal of the District to achieve and maintain an unassigned fund balance in the General Fund at fiscal year end of not less than 7% of actual revenues.

15. Accounting Standards Update

GASB 100, Accounting Changes and Error Corrections, was implemented during the 2024 fiscal year. This Statement is an amendment of GASB Statement 62 Codification of Accounting and Financial Reporting Guidance. The purpose of the standard is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

## **Note 2 – Cash and Cash Equivalents and Cash with Fiscal Agents**

The district follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Restrictions on deposits are imposed by statutes as follows:

**Deposits.** The school board must advertise and accept bids for depositories no less than once every three years as required by Section 37-7-333, Miss. Code Ann. (1972). The collateral pledged for the school district's 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.

The carrying amount of the school district's deposits with financial institutions reported in the governmental fund financial statements and government-wide financial statements was \$5,486,970.

**Custodial Credit Risk - Deposits.** Custodial credit risk is defined as 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 deposit 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. 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. As of June 30, 2024, none of the district's bank balance of \$5,813,726 was exposed to custodial credit risk.

### **Cash with Fiscal Agents**

The carrying amount of the school district's cash with fiscal agents held by financial institutions was \$1,763,007.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 3 – Inter-fund Receivables, Payables and Transfers**

The following is a summary of inter-fund transactions and balances:

**A. Due From/To Other Funds**

| Receivable Fund | Payable Fund                      | Amount              |
|-----------------|-----------------------------------|---------------------|
| General Fund    | ARP Learn More Grant Fund         | \$ 194,933          |
|                 | Early Learning Collaborative Fund | 208,173             |
|                 | School Mental Health Grant Fund   | 304,599             |
|                 | Other governmental funds          | 359,043             |
| Total           |                                   | <u>\$ 1,066,748</u> |

Interfund loans were made primarily to remove negative cash balances in funds within pooled bank accounts resulting from the initial payments of reimbursable expenditures of federal and state programs. All balances are expected to be repaid within one year from the date of the financial statements.

**B. Inter-fund Transfers**

| Transfers Out                   | Transfers In             | Amount            |
|---------------------------------|--------------------------|-------------------|
| General Fund                    | Other governmental funds | \$ 237,300        |
| School Mental Health Grant Fund | General Fund             | 44,912            |
| Other governmental funds        | General Fund             | 162,544           |
|                                 | Other governmental funds | 4,016             |
| Total                           |                          | <u>\$ 448,772</u> |

Transfers were made for indirect costs and for the purpose of funding the vocational program, cost pool fund, and debt service funds.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 4 – Capital Assets**

The following is a summary of changes in capital assets for governmental activities:

|   | Balance<br>7/1/2023 | Increases    | Decreases | Balance<br>6/30/2024 |
|---|---------------------|--------------|-----------|----------------------|
| <b>Governmental Activities:</b>   |                     |              |           |                      |
| <u>Non-depreciable capital assets:</u>                                  |                     |              |           |                      |
| Land  | \$ 1,007,521        | \$ -         | \$ -      | 1,007,521            |
| Total non-depreciable capital assets                                    | 1,007,521           | -            | -         | 1,007,521            |
| <u>Depreciable capital assets:</u>                                      |                     |              |           |                      |
| Buildings   | 18,141,902          | -            | -         | 18,141,902           |
| Building improvements   | 3,586,080           | -            | -         | 3,586,080            |
| Improvements other than buildings                                       | 277,533             | -            | -         | 277,533              |
| Mobile equipment  | 1,857,279           | 206,909      | 54,122    | 2,010,066            |
| Furniture and equipment   | 681,935             | 112,870      | -         | 794,805              |
| Total depreciable capital assets  | 24,544,729          | 319,779      | 54,122    | 24,810,386           |
| <u>Less accumulated depreciation for:</u>                               |                     |              |           |                      |
| Buildings   | 7,003,104           | 322,601      | -         | 7,325,705            |
| Building improvements   | 2,055,372           | 138,125      | -         | 2,193,497            |
| Improvements other than buildings                                       | 217,419             | 4,608        | -         | 222,027              |
| Mobile equipment  | 1,296,715           | 103,660      | 49,562    | 1,350,813            |
| Furniture and equipment   | 450,794             | 95,957       | -         | 546,751              |
| Total accumulated depreciation  | 11,023,404          | 664,951      | 49,562    | 11,638,793           |
| Total depreciable capital assets, net                                   | 13,521,325          | (345,172)    | 4,560     | 13,171,593           |
| Governmental activities capital assets, net                             | \$ 14,528,846       | \$ (345,172) | \$ 4,560  | \$ 14,179,114        |
|   |                     |              |           |                      |
| Lease assets, net (Note 5)  |                     |              |           | 137,509              |
| Subscription IT assets, net (Note 5)                                    |                     |              |           | 527,115              |
| Total capital assets, net, as reported in the statement of net position |                     |              |           | <u>\$ 14,843,738</u> |

Depreciation expense was charged to the following governmental functions:

|  | Amount            |
|--|-------------------|
| <b>Governmental activities:</b>                      |                   |
| Instruction  | \$ 413,498        |
| Support services                                     | 228,248           |
| Non-instructional                                    | 23,205            |
| Total depreciation expense - Governmental activities | <u>\$ 664,951</u> |

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**Note 5 – Intangible Right-to-Use Leases and Subscription Based IT Assets**

A summary of lease and subscription IT asset activity during the year ended June 30, 2024 is as follows:

|  | Balance<br>7/1/2023 | Additions           | Deductions  | Adjustments    | Balance<br>6/30/2024 |
|--|---------------------|---------------------|-------------|----------------|----------------------|
| <u>Lease assets:</u>                               |                     |                     |             |                |                      |
| Furniture and equipment                            | -                   | -                   | -           | 275,019        | 275,019              |
| Total lease assets                                 | -                   | -                   | -           | 275,019        | 275,019              |
| <u>Less accumulated amortization:</u>              |                     |                     |             |                |                      |
| Lease assets:                                      |                     |                     |             |                |                      |
| Furniture and equipment                            |                     | 68,755              | -           | 68,755         | 137,510              |
| Total accumulated amortization                     | -                   | 68,755              | -           | 68,755         | 137,510              |
| Total lease assets, net                            | -                   | (68,755)            | -           | 206,264        | 137,509              |
| Subscription IT assets                             | 648,541             | -                   | -           | -              | 648,541              |
| Less accumulated amortization                      | 60,544              | 60,882              | -           | -              | 121,426              |
| Subscription IT assets, net                        | 587,997             | (60,882)            | -           | -              | 527,115              |
| <b>Total lease and subscription IT assets, net</b> | <b>\$ 587,997</b>   | <b>\$ (129,637)</b> | <b>\$ -</b> | <b>206,264</b> | <b>\$ 664,624</b>    |

Amortization expense was charged to the following governmental functions:

|  | Amount            |
|--|-------------------|
| <b>Governmental activities:</b>                      |                   |
| Instruction  | \$ -              |
| Support services                                     | 129,637           |
| Non-instructional                                    | -                 |
| Total amortization expense - Governmental activities | <u>\$ 129,637</u> |

A summary of lease and subscription IT liabilities during the year ended June 30, 2024 is as follows:

|                             | Balance<br>7/1/2023 | Additions | Deductions     | Adjustments    | Balance<br>6/30/2024 | Amounts due<br>within one<br>year |
|-----------------------------|---------------------|-----------|----------------|----------------|----------------------|-----------------------------------|
| Lease liabilities           | -                   | -         | 67,105         | 209,627        | 142,522              | 69,839                            |
| Subscription IT liabilities | 584,138             | -         | 52,714         | -              | 531,424              | 54,210                            |
| Total                       | <u>584,138</u>      | <u>-</u>  | <u>119,819</u> | <u>209,627</u> | <u>673,946</u>       | <u>124,049</u>                    |

**Leases**

**As Lessee:**

The school district 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 school district recognizes expense based on the provisions of the lease contract. For all other leases, other than short term, the school district recognized a lease and an intangible right-to-use lease asset.

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At lease commencement, the school district 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 amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The school district generally uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor charges is known.

The lease term includes the noncancellable period of the lease plus any additional periods covered by either a school district 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 school district and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

The school district, acting as lessee, has entered into a lease for various copiers within the district. Details of the lease obligation are as follows:

| Description                       | Interest Rate | Issue Date | Maturity Date | Amount Issued     | Amount Outstanding |
|-----------------------------------|---------------|------------|---------------|-------------------|--------------------|
| 1. LEAF Capital Funding - Copiers | 4.00%         | 7/1/2022   | 6/30/2026     | \$ 159,972        | \$ 82,902          |
| 2. JT Ray Copier Service          | 4.00%         | 7/1/2022   | 6/30/2026     | 115,047           | 59,620             |
| Total                             |               |            |               | <u>\$ 275,019</u> | <u>\$ 142,522</u>  |

The following is a schedule by years of the total payments due on this debt:

| Year Ending<br>June 30 | Principal         | Interest        | Total             |
|------------------------|-------------------|-----------------|-------------------|
| 2025                   | \$ 69,839         | \$ 4,429        | \$ 74,268         |
| 2026                   | 72,683            | 1,585           | 74,268            |
| Total                  | <u>\$ 142,522</u> | <u>\$ 6,014</u> | <u>\$ 148,536</u> |

### Subscription Based IT Arrangements

The school district has contracts for multiple subscription-based IT arrangements for items such as software, site licenses, etc. For contracts that have a maximum possible term of 12 months or less at commencement, the school district recognizes expense based on the provisions of the contract. For all other contracts, other than short term, the school district recognized a subscription liability and a right to use subscription asset.

At commencement, the school district initially measures the liability at the present value of payments expected to be made during the subscription term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the subscription asset is amortized in amortization expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT asset.

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The school district generally uses its estimated incremental borrowing rate as the discount rate unless the rate that the vendor charges is known. The estimated incremental borrowing rate is the rate the district would be charged for borrowing the subscription payment amounts during the subscription term.

The subscription term includes the non-cancellable period of the contract plus any additional periods covered by either a school district or vendor 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 school district and the vendor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the subscription term.

For purposes of this note disclosure, subscription-based IT assets and liabilities are grouped into one category.

| Description      | Interest Rate | Issue Date | Maturity Date | Amount Issued     | Amount Outstanding |
|------------------|---------------|------------|---------------|-------------------|--------------------|
| SBITA Agreements | 2.6-3.52%     | 7/1/2022   | 6/30/2034     | \$ 648,541        | \$ 531,424         |
| Total            |               |            |               | <u>\$ 648,541</u> | <u>\$ 531,424</u>  |

The following is a schedule by years of the total payments due on this debt:

| Year Ending<br>June 30 | Principal         | Interest         | Total             |
|------------------------|-------------------|------------------|-------------------|
| 2025                   | \$ 54,210         | \$ 15,003        | \$ 69,213         |
| 2026                   | 55,762            | 13,451           | 69,213            |
| 2027                   | 57,358            | 11,855           | 69,213            |
| 2028                   | 59,000            | 10,213           | 69,213            |
| 2029                   | 60,689            | 8,524            | 69,213            |
| 2030 – 2034            | 244,405           | 16,739           | 261,144           |
| Total                  | <u>\$ 531,424</u> | <u>\$ 75,785</u> | <u>\$ 607,209</u> |

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**Note 6 – Long-term Liabilities**

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

|   | Balance<br>7/1/2023 | Additions    | Reductions | Balance<br>6/30/2024 | Amounts<br>due within<br>one year |
|---|---------------------|--------------|------------|----------------------|-----------------------------------|
| A. General obligation refunding bonds payable | \$ 1,495,000        | \$           | \$ 615,000 | \$ 880,000           | \$ 630,000                        |
| B. Certificates of participation payable      | 419,000             |              | 81,000     | 338,000              | 82,000                            |
| C. Three mill notes payable                   | 2,215,000           |              | 95,000     | 2,120,000            | 95,000                            |
| D. Installment purchases loans payable        | 32,930              | 2,223,223    | 159,138    | 2,097,015            | 167,358                           |
| E. Compensated absences payable               | 96,019              | 16,038       |            | 112,057              | 5,603                             |
| Total   | \$ 4,257,949        | \$ 2,239,261 | \$ 950,138 | \$ 5,547,072         | \$ 979,961                        |
| Add: Bond premiums                            | 157,882             |              | 16,879     | 141,003              |                                   |
| Total   | \$ 4,415,831        | \$ 2,239,261 | \$ 967,017 | \$ 5,688,075         |                                   |

**A. General obligation refunding bonds payable**

General obligation bonds are direct obligations and pledge the full faith and credit of the school district. General obligation bonds currently outstanding are as follows:

| Description  | Interest<br>Rate | Issue<br>Date | Maturity<br>Date | Amount<br>Issued | Amount<br>Outstanding |
|--|------------------|---------------|------------------|------------------|-----------------------|
| General obligation refunding<br>bonds, Series 2015 | 2.0-3.0%         | 7/14/2015     | 6/1/2026         | \$ 5,800,000     | \$ 880,000            |
| Total  |                  |               |                  | \$ 5,800,000     | \$ 880,000            |

The following is a schedule by years of the total payments due on this debt:

| Year Ending<br>June 30 | Principal  | Interest  | Total      |
|------------------------|------------|-----------|------------|
| 2025                   | \$ 630,000 | \$ 26,400 | \$ 656,400 |
| 2026                   | 250,000    | 7,500     | 257,500    |
| Total                  | \$ 880,000 | \$ 33,900 | \$ 913,900 |

This debt will be retired from the Bond Issue 2006/2015 Fund (Debt Service Fund).

The amount of bonded indebtedness that can be incurred by the school district is limited by Sections 37-59-5 and 37-59-7, Miss. Code Ann. (1972). Total outstanding bonded indebtedness during a year can be no greater than 15% of the assessed value of the taxable property within such district, according to the then last completed assessment for taxation, unless certain conditions, as set forth in Section 37-59-7, Miss. Code Ann. (1972) have been met. As of June 30, 2024, the amount of outstanding bonded indebtedness was equal to 1% of property assessments as of October 1, 2023.

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**B. Certificates of participation payable**

As more fully explained in Note 12, certificates of participation have been issued by the school district. Certificates of participation currently outstanding are as follows:

| Description                    | Interest Rate | Issue Date | Maturity Date | Amount Issued     | Amount Outstanding |
|--------------------------------|---------------|------------|---------------|-------------------|--------------------|
| Certificates of participation, |               |            |               |                   |                    |
| Series 2016                    | 1.985%        | 5/5/2016   | 5/1/2028      | \$ 943,000        | \$ 338,000         |
| Total                          |               |            |               | <u>\$ 943,000</u> | <u>\$ 338,000</u>  |

The following is a schedule by years of the total payments due on this debt:

| Year Ending<br>June 30 | Principal         | Interest         | Total             |
|------------------------|-------------------|------------------|-------------------|
| 2025                   | \$ 82,000         | \$ 6,708         | \$ 88,708         |
| 2026                   | 84,000            | 5,080            | 89,080            |
| 2027                   | 85,000            | 3,413            | 88,413            |
| 2028                   | 87,000            | 1,727            | 88,727            |
| Total                  | <u>\$ 338,000</u> | <u>\$ 16,928</u> | <u>\$ 354,928</u> |

This debt will be retired from the Trust Cert Debt 2016 Fund (Debt Service Fund).

**C. Three mill notes payable**

Debt currently outstanding is as follows:

| Description        | Interest Rate | Issue Date | Maturity Date | Amount Issued       | Amount Outstanding  |
|--------------------|---------------|------------|---------------|---------------------|---------------------|
| Limited Tax Notes, |               |            |               |                     |                     |
| Series 2016        | 2.0-4.0%      | 4/20/2016  | 4/1/2036      | \$ 2,810,000        | \$ 2,120,000        |
| Total              |               |            |               | <u>\$ 2,810,000</u> | <u>\$ 2,120,000</u> |

The following is a schedule by years of the total payments due on this debt:

| Year Ending<br>June 30 | Principal           | Interest          | Total               |
|------------------------|---------------------|-------------------|---------------------|
| 2025                   | \$ 95,000           | \$ 83,850         | \$ 178,850          |
| 2026                   | 100,000             | 81,000            | 181,000             |
| 2027                   | 160,000             | 77,000            | 237,000             |
| 2028                   | 165,000             | 70,600            | 235,600             |
| 2029                   | 175,000             | 64,000            | 239,000             |
| 2030 – 2034            | 975,000             | 210,200           | 1,185,200           |
| 2035 – 2036            | 450,000             | 27,200            | 477,200             |
| Total                  | <u>\$ 2,120,000</u> | <u>\$ 613,850</u> | <u>\$ 2,733,850</u> |



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This debt will be retired from the 3 Mill Note Debt 2016 Fund (Debt Service Fund).

**D. Installment purchases loans payable**

The school district has entered into two installment purchases agreements as listed below. Property under these installment purchases agreements are composed of Lenovo Chromebooks and various energy efficiency equipment.

Debt currently outstanding is as follows:

| Description                | Interest Rate | Issue Date | Maturity Date | Amount Issued       | Amount Outstanding  |
|----------------------------|---------------|------------|---------------|---------------------|---------------------|
| 1. Trafera - Chromebooks   | <1%           | 8/17/2023  | 8/1/2026      | \$ 460,264          | \$ 334,056          |
| 2. Capital One - Equipment | 4.94%         | 5/31/2024  | 5/31/2044     | 1,762,959           | 1,762,959           |
| Total                      |               |            |               | <u>\$ 2,223,223</u> | <u>\$ 2,097,015</u> |

The following is a schedule by years of the total payments due on this debt:

1. Installment purchase loan issued on August 17, 2023:

| Year Ending<br>June 30 | Principal         | Interest        | Total             |
|------------------------|-------------------|-----------------|-------------------|
| 2025                   | \$ 113,703        | \$ 3,010        | \$ 116,713        |
| 2026                   | 114,485           | 2,228           | 116,713           |
| 2027                   | 105,868           | 1,119           | 106,987           |
| Total                  | <u>\$ 334,056</u> | <u>\$ 6,357</u> | <u>\$ 340,413</u> |

This debt will be retired from the District Maintenance Fund (General Fund).

2. Installment purchase loan issued on May 31, 2024:

| Year Ending<br>June 30 | Principal           | Interest            | Total               |
|------------------------|---------------------|---------------------|---------------------|
| 2025                   | \$ 53,655           | \$ 87,090           | \$ 140,745          |
| 2026                   | 56,306              | 84,440              | 140,746             |
| 2027                   | 59,088              | 81,658              | 140,746             |
| 2028                   | 62,006              | 78,739              | 140,745             |
| 2029                   | 65,070              | 75,676              | 140,746             |
| 2030 – 2034            | 376,860             | 326,868             | 703,728             |
| 2035 – 2039            | 479,607             | 224,121             | 703,728             |
| 2040 – 2044            | 610,367             | 93,361              | 703,728             |
| Total                  | <u>\$ 1,762,959</u> | <u>\$ 1,051,953</u> | <u>\$ 2,814,912</u> |

This debt will be retired from the District Maintenance Fund (General Fund).

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Total installment purchases loans payments for all issues:

| Year Ending<br>June 30 | Principal    | Interest     | Total        |
|------------------------|--------------|--------------|--------------|
| 2025                   | \$ 167,358   | \$ 90,100    | \$ 257,458   |
| 2026                   | 170,791      | 86,668       | 257,459      |
| 2027                   | 164,956      | 82,777       | 247,733      |
| 2028                   | 62,006       | 78,739       | 140,745      |
| 2029                   | 65,070       | 75,676       | 140,746      |
| 2030 – 2034            | 376,860      | 326,868      | 703,728      |
| 2035 – 2039            | 479,607      | 224,121      | 703,728      |
| 2040 – 2044            | 610,367      | 93,361       | 703,728      |
| Total                  | \$ 2,097,015 | \$ 1,058,310 | \$ 3,155,325 |

**E. Compensated absences payable**

As more fully explained in Note 1(E)(8), compensated absences payable is adjusted on an annual basis as required by Section 37-7-307(5), Miss. Code Ann. (1972). Compensated absences will be paid from the fund from which the employees' salaries were paid.

**Note 7 – Defined Benefit Pension Plan**

**General Information about the Pension Plan**

*Plan Description.* The school 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 Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available at [www.pers.ms.gov](http://www.pers.ms.gov).

*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.

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**Contributions.** PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2024 was 17.40% of annual covered payroll. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Section 25-11-1 of the Mississippi Code of 1972, as amended, and may be amended only by the Mississippi Legislature. The school district's contributions to PERS for the fiscal years ending June 30, 2024, 2023 and 2022 were \$2,120,507, \$2,104,405 and \$1,711,242, respectively, which equaled the required contributions for each year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the school district reported a liability of \$41,035,636 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 District's proportion of the net pension liability was based on a projection of the school district's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The school district's proportionate share used to calculate the June 30, 2024 net pension liability was 0.163155 percent, which was based on a measurement date of June 30, 2023. This was an increase of 0.020298 percent from its proportionate share used to calculate the June 30, 2023 net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$6,612,821. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|---|---|--|
| Differences between expected and actual experience  | \$ 998,528                                | \$                                       |
| Net difference between projected and actual earnings on pension plan investments                              | 1,381,216                                 |  |
| Changes of assumptions  | 4,753,858                                 |  |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 3,130,867                                 | 73,415                                   |
| District contributions subsequent to the measurement date   | 2,120,507                                 |  |
| Total   | \$ <u>12,384,976</u>                      | \$ <u>73,415</u>                         |

\$2,120,507 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2025. 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 June 30: |              |
| 2025                 | \$ 3,888,569 |
| 2026                 | 2,845,400    |
| 2027                 | 3,444,883    |
| 2028                 | 12,202       |

**Actuarial assumptions.** The total pension liability as of June 30, 2023 was determined by actuarial valuation prepared as of June 30, 2022, by the new actuarial assumptions adopted by the Board subsequent to June 30, 2022 valuation based on the experience investigation for the four-year period ending 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 included in the measurement:

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|                           |   |
|---------------------------|---|
| 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:

| <u>Asset Class</u>   | <u>Target Allocation</u> |   | <u>Long-Term Expected Real Rate of Return</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 Equivalents     | 1.00                     |   | 0.25  |   |
| Total                | 100                      | % |   |   |

**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%) 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 of the District's proportionate share of the net pension liability to changes in the discount rate.** The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District'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%) or 1-percentage-point higher (8.00%) than the current rate:

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|  | 1% Decrease<br>(6.00%) | Current<br>Discount<br>Rate (7.00%) | 1% Increase<br>(8.00%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of<br>the net pension liability | \$ 52,916,494          | \$ 41,035,636                       | \$ 31,286,073          |

*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 8 – Other Postemployment Benefits (OPEB)**

### **General Information about the OPEB Plan.**

*Plan description.* State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by Section 25-15-3 et seq., Mississippi Code Ann. (1972), which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB plan. The plan issues a publicly available financial report that can be obtained at <http://knowyourbenefits.dfa.ms.gov/>.

### *Benefits provided.*

The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare Eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

### *Contributions.*

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. Contributions to the OPEB plan from the District were \$48,400 for the year ended June 30, 2024.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB**

At June 30, 2024, the District reported a liability of \$1,099,879 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the District's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2023, the District's proportion was 0.19875834 percent. This was a decrease of 0.00428687 percent from the proportionate share as of the measurement date of June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$50,900). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|---|---|--|
| Differences between expected and actual experience  | \$ 180,292                                | \$ 310,524                               |
| Changes of assumptions  | 98,258                                    | 82,743                                   |
| Net difference between projected and actual earnings on OPEB plan investments                                 | 68  |  |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 78,404                                    | 26,597                                   |
| District contributions subsequent to the measurement date   | 48,400                                    |  |
| <b>Total</b>  | <b>\$ 405,422</b>                         | <b>\$ 419,864</b>                        |

\$48,400 reported as deferred outflows of resources related to OPEB resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:

|      |             |
|------|-------------|
| 2025 | \$ (18,611) |
| 2026 | (39,138)    |
| 2027 | (26,756)    |
| 2028 | (2,094)     |
| 2029 | 13,915      |
| 2030 | 9,842       |

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following key actuarial assumptions and other inputs:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.40 percent                                 |
| Salary increases          | 2.65-17.90 percent, including wage inflation |
| Municipal Bond Index Rate |  |

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|                        |       |
|------------------------|-------|
| Measurement Date       | 3.66% |
| Prior Measurement Date | 3.37% |

|                                      |      |
|--------------------------------------|------|
| Year FNP is projected to be depleted |      |
| Measurement Date                     | 2023 |
| Prior Measurement Date               | 2022 |

|   |       |
|---|-------|
| Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation |       |
| Measurement Date  | 3.66% |
| Prior Measurement Date  | 3.37% |

|                            |  |
|----------------------------|--|
| Health Care Cost Trends    |  |
| Medicare Supplement Claims | 6.50% for 2024 decreasing to an ultimate rate of 4.50% by 2029 FYE |
| Pre-Medicare               |  |

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 demographic actuarial assumptions used in the June 30, 2023 valuation were based on the results of the last actuarial experience study, dated April 21, 2023.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

The long-term expected rate of return on OPEB plan investments is 4.50%.

*Discount rate.* The discount rate used to measure the total OPEB liability at June 30, 2023 was 3.66 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.37% to 3.66%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2023, the trust has \$1,067,750. The fiduciary net position is projected to be depleted immediately, therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both the June 30, 2022 and the June 30, 2023 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2023 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.66 percent) or 1-percentage-point higher (4.66 percent) than the current discount rate:

|                    | 1% Decrease<br>(2.66%) | Current<br>Discount<br>Rate (3.66%) | 1% Increase<br>(4.66%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB liability | \$ 1,204,748           | \$ 1,099,879                        | \$ 1,008,957           |

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the District's proportionate share of the net OPEB liability, as well as

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                    | 1% Decrease  | Healthcare<br>Cost Trend<br>Rates<br>Current | 1% Increase  |
|--------------------|--------------|--|--------------|
| Net OPEB liability | \$ 1,024,848 | \$ 1,099,879                                 | \$ 1,183,914 |

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in a separately issued report that can be found at <http://knowyourbenefits.dfa.ms.gov/>.

## Note 9 – Adjustments and Restatements of Beginning Balances

### Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the School District determined that two leases should have been included in the financial statements as part of GASB 87 showing the intangible asset and lease liability. The Adjustment was made to correctly state the balances and prior year amortization. The district also made an adjustment to correct a prior period accrual. The effect of correcting that error is shown in the table below.

### Adjustments to and Restatements of Beginning Balances

During fiscal year 2024, changes within the financial reporting entity and error corrections resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

|                                    | Reporting Units Affected by Adjustments to and Restatements of Beginning Balances |                   |                          |                         |                          |
|------------------------------------|---|-------------------|--------------------------|-------------------------|--------------------------|
|                                    | Funds   |                   |                          | Government-Wide         |                          |
|                                    | General Fund  | Food Service Fund | Other Governmental Funds | Governmental Activities | Business-Type Activities |
| 7/1/23, as previously reported     | -   | 789,390           | \$ 62,715                | \$(8,972,140)           | \$ -                     |
| Change from major to nonmajor fund |   | (789,390)         | \$ 789,390               |                         |                          |
| Error correction                   | -   | -                 | \$ (29,421)              | \$ (32,784)             | \$ -                     |
| 7/1/23, as adjusted or restated    | \$ -  | \$ -              | \$ 822,684               | \$(9,004,924)           | \$ -                     |

## Note 10 – Contingencies

**Federal Grants** – The school district 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 the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowances resulting from the grantor audit may become a liability of the school district.

**Litigation** – The school district 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 the outcome or liability, if any, of the school district with respect to the various proceedings. However, the school district's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the school district.



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Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 11 – Risk Management**

The school district 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. Except as described below, the district carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Participation in Public Entity Risk Pool**

The school district is a member of the Mississippi School Boards Association Workers' Compensation Trust (MSBAWCT). The trust is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The trust consists of approximately 56 school districts and covers risks of loss arising from injuries to the members' employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member. Each member of MSBAWCT contributes quarterly to a fund held in trust by Wells Fargo in Portland, Oregon. The funds in the trust account are used to pay any claim up to \$750,000. For a claim exceeding \$750,000, MSBAWCT has insurance which will pay the excess to the statutory amount required by the Mississippi Workers' Compensation Commission Act. If total claims during a year were to deplete the trust account, then the member school districts would be required to pay for the deficiencies. The district has not had an additional assessment for excess losses incurred by the pool.

**Note 12 – Trust Certificates**

A trust agreement dated April 12, 2016, was executed by and between the school district and Whitney Bank d/b/a Hancock Bank, Gulfport, Mississippi, as trustees.

The trust agreement authorized the issuance of trust certificates in the principal amount of \$943,000. Approximately \$920,425 was used to provide financing for the construction and renovation of school buildings and related facilities and equipment (the "project"); the remainder of approximately \$22,575 was used to pay the cost of issuance.

The project is loaned to the school district in accordance with the provisions of the Emergency School Leasing Authority Act as described in Section 37-7-351, et seq., Miss. Code Ann. (1972). The agreement transfers ownership of the project to the school district upon complete retirement of the trust certificates. The school district is obligated to make payments to the trustee in an amount equal to the debt service requirements for the trust certificates. The payments by the school district are used by the trustee to pay the principal and interest payments due on the trust certificates.

It is not anticipated the project will have sufficient value to satisfy the certificates in the event the school district defaults; therefore, the source of payment of the certificates is the responsibility of the school district. See Note 6 for details regarding the debt service requirement on the trust certificates.

Using the guidance provided in Section 2100 of the *Codification of Governmental Accounting and Financial Reporting Standards* dealing with defining the reporting entity, the trust accounts created by this trust agreement were deemed to constitute an inseparable part of the school district. Therefore, the assets, liabilities, fund balances, revenues, expenditures and other financing sources/uses of the trust accounts created by this trust agreement are part of the school district's financial statements, thereby eliminating the effects of the agreement for financial reporting purposes.

**Note 13 – Alternative School Consortium**

The school district entered into an Alternative School Agreement dated May 13, 1999, creating the Senatobia-Tate County Regional Optional Learning Center. This center was created pursuant to the provisions of Section 37-13-92 (6), Miss. Code Ann. (1972), and approved by the Mississippi Department

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of Education and includes the Senatobia Municipal School District and the Tate County School District.

Section 37-13-92 (6), Miss. Code Ann. (1972), allows two or more adjacent school districts to enter into a contract to operate an alternative school program. The school board of the school district designated by the agreement as the lead district will serve as the governing board of the alternative school program. Transportation for students attending the alternative school program will be the responsibility of the individual school district sending the students.

The Senatobia Municipal School District has been designated as the lead school district for the Senatobia-Tate County Regional Optional Learning Center, and the operations of the consortium are included in its financial statements.

The following Statement of Revenues, Expenditures and Changes in Fund Balances is presented to detail the financial activity of the Senatobia-Tate County Regional Optional Learning Center.

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2024

**Revenues**

Local sources:

Tuition from other LEA's within the state:

Tate County School District

\$ 255,877

Total tuition from other LEA's within the state

255,877

Total Revenues

255,877

**Expenditures**

Salaries

303,181

Employee benefits

91,817

Purchased property services

23,834

Other purchased services

2,036

Supplies

5,113

Other

600

Total Expenditures

426,581

Excess (Deficiency) of Revenues Over (Under) Expenditures

(170,704)

**Other Financing Sources/Uses:**

Transfers in

170,704

Total Other Financing Sources/Uses

170,704

Net Change in Fund Balance

-

Fund Balance:

July 1, 2023

-

June 30, 2024

\$ -

**Note 14 – Vocational School Consortium**

The school district entered into a Vocational Educational Agreement dated January 1, 1984, creating the Senatobia-Tate County Regional Vocational Education Center. This center was created pursuant to the provisions of Section 37-31-73, Miss. Code Ann. (1972), and approved by the Mississippi Department of Education. The center includes the Senatobia Municipal School District and the Tate County School District.

Section 37-31-73, Miss. Code Ann. (1972), authorizes the above noted entities to enter into an agreement that would provide for the construction or operation of a regional vocational education center. Any such

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

agreement should provide for a designated fiscal agent, providing the method of financing the construction and operation of such facilities, the manner in which such facilities are to be controlled and staffed and detail procedures for student admission and transportation services for those students.

The Tate County School District has been designated as the fiscal agent for the Senatobia-Tate County Regional Vocational Education Center, and the operations of the consortium are included in its financial statements.

**Note 15 - Insurance loss recoveries**

The Senatobia Municipal School District received \$24,163 in insurance loss recoveries related to damages to property during the 2023-2024 fiscal year. In the government-wide Statement of Activities, the insurance loss recoveries were reported as charges for services and were allocated to the support services expense function.

**Note 16 – Effect of Deferred Amounts on Net Position**

The net investment in capital assets net position amount of \$8,932,850 includes the effect of deferring the recognition of expenditures resulting from a deferred outflow from advance refunding of school district debt and deferred bond premiums. The \$5,020 balance of the deferred outflow from advance refunding of debt at June 30, 2024, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 2 years. The \$141,003 balance of the deferred bond premiums at June 30, 2024, will be recognized as a decrease in an expense and will increase the net investment in capital assets net position over the next 12 years.

The unrestricted net position amount of (\$23,715,506) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$2,120,507 resulting from the school district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The \$10,264,469 balance of deferred outflow of resources related to pensions at June 30, 2024, will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net position amount of (\$23,715,506) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$73,415 balance of deferred inflow of resources related to pensions at June 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next 3 years.

The unrestricted net position amount of (\$23,715,506) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from OPEB. A portion of the deferred outflow of resources related to OPEB in the amount of \$48,400 resulting from the school district contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. The \$357,022 balance of deferred outflow of resources related to OPEB at June 30, 2024, will be recognized as an expense and will decrease the unrestricted net position over the next 6 years.

The unrestricted net position amount of (\$23,715,506) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$419,864 balance of deferred inflow of resources related to OPEB at June 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next 6 years.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2024

**Note 17 - Subsequent Events**

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Senatobia Municipal School District evaluated the activity of the district through February 26, 2025, (the date the financial statements were available to be issued), and determined that there were no subsequent events that have occurred requiring disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Required Supplementary Information**

**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

|  | Budgeted Amounts |              | Actual<br>(GAAP Basis) | Variances            |                    |
|--|------------------|--------------|------------------------|----------------------|--------------------|
|  |                  |              |                        | Positive (Negative)  |                    |
|  | Original         | Final        |                        | Original<br>to Final | Final<br>to Actual |
| <b>Revenues:</b>   |                  |              |                        |                      |                    |
| Local sources  | \$ 6,328,069     | \$ 6,149,143 | \$ 6,149,191           | \$ (178,926)         | \$ 48              |
| State sources  | 10,948,755       | 10,953,539   | 10,953,147             | 4,784                | (392)              |
| Federal sources  | 17,600           | 34,397       | 34,789                 | 16,797               | 392                |
| Total Revenues   | 17,294,424       | 17,137,079   | 17,137,127             | (157,345)            | 48                 |
| <b>Expenditures:</b>   |                  |              |                        |                      |                    |
| Instruction  | 10,252,314       | 9,885,006    | 9,885,006              | 367,308              | -                  |
| Support services   | 7,248,703        | 7,123,624    | 8,180,623              | 125,079              | (1,056,999)        |
| Noninstructional services                                    | 47,900           | 42,928       | 42,928                 | 4,972                | -                  |
| Facilities acquisition and construction                      | 1,419,000        | 740,216      | -                      | 678,784              | 740,216            |
| Debt service:  |                  |              |                        |                      |                    |
| Principal  | 219,976          | 159,799      | 278,957                | 60,177               | (119,158)          |
| Interest   | -                | -            | 24,323                 | -                    | (24,323)           |
| Total Expenditures   | 19,187,893       | 17,951,573   | 18,411,837             | 1,236,320            | (460,264)          |
| Excess (Deficiency) of Revenues<br>over (under) Expenditures | (1,893,469)      | (814,494)    | (1,274,710)            | 1,078,975            | (460,216)          |
| <b>Other Financing Sources (Uses):</b>                       |                  |              |                        |                      |                    |
| Loans and notes issued                                       | -                | -            | 2,223,223              | -                    | 2,223,223          |
| Insurance recovery   | -                | 24,163       | 24,163                 | 24,163               | -                  |
| Sale of other property                                       | 200,000          | 206,000      | 206,000                | 6,000                | -                  |
| Operating transfers in                                       | 2,290,169        | 2,228,423    | 207,456                | (61,746)             | (2,020,967)        |
| Operating transfers out                                      | (2,380,941)      | (2,258,267)  | (237,300)              | 122,674              | 2,020,967          |
| Total Other Financing Sources (Uses)                         | 109,228          | 200,319      | 2,423,542              | 91,091               | 2,223,223          |
| Net Change in Fund Balances                                  | (1,784,241)      | (614,175)    | 1,148,832              | 1,170,066            | 1,763,007          |
| <b>Fund Balances:</b>  |                  |              |                        |                      |                    |
| July 1, 2023   | 5,535,451        | 5,535,451    | 5,535,451              | -                    | -                  |
| June 30, 2024  | \$ 3,751,210     | \$ 4,921,276 | \$ 6,684,283           | \$ 1,170,066         | \$ 1,763,007       |

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

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Required Supplementary Information**

**Budgetary Comparison Schedule**  
**ARP Learn More Grant Fund**  
**For the Year Ended June 30, 2024**

|  | Budgeted Amounts |            | Actual       | Variances           |                 |
|--|------------------|------------|--------------|---------------------|-----------------|
|  |                  |            |              | Positive (Negative) |                 |
|  | Original         | Final      | (GAAP Basis) | Original to Final   | Final to Actual |
| <b>Revenues:</b>   |                  |            |              |                     |                 |
| Federal sources  | \$ 174,076       | \$ 674,076 | \$ 488,483   | \$ 500,000          | \$ (185,593)    |
| Total Revenues   | 174,076          | 674,076    | 488,483      | 500,000             | (185,593)       |
| <b>Expenditures:</b>   |                  |            |              |                     |                 |
| Instruction  | 140,715          | 519,314    | 361,116      | (378,599)           | 158,198         |
| Support services   | 33,376           | 135,834    | 109,343      | (102,458)           | 26,491          |
| Noninstructional services                                    | -                | 18,050     | 18,024       | (18,050)            | 26              |
| Total Expenditures   | 174,091          | 673,198    | 488,483      | (499,107)           | 184,715         |
| Excess (Deficiency) of Revenues<br>over (under) Expenditures | (15)             | 878        | -            | 893                 | (878)           |
| <b>Other Financing Sources (Uses):</b>                       |                  |            |              |                     |                 |
| Operating transfers in                                       | -                | -          | -            | -                   | -               |
| Operating transfers out                                      | -                | -          | -            | -                   | -               |
| Total Other Financing Sources (Uses)                         | -                | -          | -            | -                   | -               |
| Net Change in Fund Balances                                  | (15)             | 878        | -            | 893                 | (878)           |
| Fund Balances:   |                  |            |              |                     |                 |
| July 1, 2023   | -                | -          | -            | -                   | -               |
| June 30, 2024  | \$ (15)          | \$ 878     | \$ -         | \$ 893              | \$ (878)        |

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

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Required Supplementary Information**

**Budgetary Comparison Schedule**  
**Early Learning Collaborative Fund**  
**For the Year Ended June 30, 2024**

|  | Budgeted Amounts |             | Actual       | Variances           |                 |
|--|------------------|-------------|--------------|---------------------|-----------------|
|  |                  |             |              | Positive (Negative) |                 |
|  | Original         | Final       | (GAAP Basis) | Original to Final   | Final to Actual |
| <b>Revenues:</b>   |                  |             |              |                     |                 |
| State sources  | \$ 222,429       | \$ 496,680  | \$ 523,663   | \$ 274,251          | \$ 26,983       |
| Total Revenues   | 222,429          | 496,680     | 523,663      | 274,251             | 26,983          |
| <b>Expenditures:</b>   |                  |             |              |                     |                 |
| Instruction  | 160,664          | 421,539     | 421,539      | (260,875)           | -               |
| Support services   | 61,765           | 102,124     | 102,124      | (40,359)            | -               |
| Total Expenditures   | 222,429          | 523,663     | 523,663      | (301,234)           | -               |
| Excess (Deficiency) of Revenues<br>over (under) Expenditures | -                | (26,983)    | -            | (26,983)            | 26,983          |
| <b>Other Financing Sources (Uses):</b>                       |                  |             |              |                     |                 |
| Operating transfers in                                       | -                | -           | -            | -                   | -               |
| Operating transfers out                                      | -                | -           | -            | -                   | -               |
| Total Other Financing Sources (Uses)                         | -                | -           | -            | -                   | -               |
| Net Change in Fund Balances                                  | -                | (26,983)    | -            | (26,983)            | 26,983          |
| Fund Balances:   |                  |             |              |                     |                 |
| July 1, 2023   | -                | -           | -            | -                   | -               |
| June 30, 2024  | \$ -             | \$ (26,983) | \$ -         | \$ (26,983)         | \$ 26,983       |

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



**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Required Supplementary Information**

**Budgetary Comparison Schedule**  
**School Mental Health Grant Fund**  
**For the Year Ended June 30, 2024**

|  | Budgeted Amounts |              | Actual<br>(GAAP Basis) | Variances<br>Positive (Negative) |            |
|--|------------------|--------------|------------------------|----------------------------------|------------|
|  |                  |              |                        | Original                         | Final      |
|  | Original         | Final        |                        | to Final                         | to Actual  |
| <b>Revenues:</b>   |                  |              |                        |                                  |            |
| Federal sources  | \$ 922,421       | \$ 922,421   | \$ 981,410             | \$ -                             | \$ 58,989  |
| Total Revenues   | 922,421          | 922,421      | 981,410                | -                                | 58,989     |
| <b>Expenditures:</b>   |                  |              |                        |                                  |            |
| Support services   | 885,911          | 1,121,990    | 936,498                | (236,079)                        | 185,492    |
| Total Expenditures   | 885,911          | 1,121,990    | 936,498                | (236,079)                        | 185,492    |
| Excess (Deficiency) of Revenues<br>over (under) Expenditures | 36,510           | (199,569)    | 44,912                 | (236,079)                        | 244,481    |
| <b>Other Financing Sources (Uses):</b>                       |                  |              |                        |                                  |            |
| Operating transfers out                                      | (36,000)         | (44,912)     | (44,912)               | (8,912)                          | -          |
| Total Other Financing Sources (Uses)                         | (36,000)         | (44,912)     | (44,912)               | (8,912)                          | -          |
| Net Change in Fund Balances                                  | 510              | (244,481)    | -                      | (244,991)                        | 244,481    |
| Fund Balances:   |                  |              |                        |                                  |            |
| July 1, 2023   | -                | -            | -                      | -                                | -          |
| June 30, 2024  | \$ 510           | \$ (244,481) | \$ -                   | \$ (244,991)                     | \$ 244,481 |

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

**Senatobia Municipal School District**  
**Required Supplementary Information**

Schedule of the District's Proportionate Share of the Net Pension Liability

PERS

Last 10 Fiscal Years\*

|  | 2024          | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability   | 0.163155%     | 0.142857%     | 0.143801%     | 0.140682%     | 0.136397%     | 0.135924%     | 0.133956%     | 0.135776%     | 0.133091%     | 0.139752%     |
| District's proportionate share of the net pension liability  | \$ 41,035,636 | \$ 29,405,169 | \$ 21,254,416 | \$ 27,234,400 | \$ 23,994,923 | \$ 22,608,200 | \$ 22,268,034 | \$ 24,252,984 | \$ 20,573,244 | \$ 16,963,334 |
| District's covered payroll   | \$ 12,094,282 | \$ 9,834,724  | \$ 9,561,339  | \$ 9,367,695  | \$ 8,040,822  | \$ 8,680,070  | \$ 8,593,371  | \$ 8,685,917  | \$ 8,314,781  | \$ 8,539,562  |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 339.30%       | 298.99%       | 222.30%       | 290.73%       | 298.41%       | 260.46%       | 259.13%       | 279.22%       | 247.43%       | 198.64%       |
| 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%        | 67.21%        |

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

\* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years.

GASB 68 was implemented in FYE 6/30/15 and the District has compiled a full 10-year trend.

**Senatobia Municipal School District**  
**Required Supplementary Information**

Schedule of District Contributions  
PERS  
Last 10 Fiscal Years

|  | 2024         | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 2,120,507 | \$ 2,104,405 | \$ 1,711,242 | \$ 1,663,673 | \$ 1,629,979 | \$ 1,399,103 | \$ 1,367,111 | \$ 1,353,456 | \$ 1,368,032 | \$ 1,309,578 |
| Contributions in relation to the contractually required contribution | 2,120,507    | 2,104,405    | 1,711,242    | 1,663,673    | 1,629,979    | 1,399,103    | 1,367,111    | 1,353,456    | 1,368,032    | 1,309,578    |
| Contribution deficiency (excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| District's covered payroll   | 12,186,822   | 12,094,282   | 9,834,724    | 9,561,339    | 9,367,695    | 8,883,194    | 8,680,070    | 8,593,371    | 8,685,917    | 8,314,781    |
| Contributions as a percentage of covered payroll                     | 17.40%       | 17.40%       | 17.40%       | 17.40%       | 17.40%       | 15.75%       | 15.75%       | 15.75%       | 15.75%       | 15.75%       |

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

This schedule is presented to illustrate the requirement to show information for 10 years.

GASB 68 was implemented in FYE 6/30/15 and the District has compiled a full 10-year trend.

**Senatobia Municipal School District**  
**Required Supplementary Information**

Schedule of the District's Proportionate Share of the Net OPEB Liability  
OPEB  
Last 10 Fiscal Years\*

|  | 2024         | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net OPEB liability  | 0.19875834%  | 0.20304521%  | 0.19655293%  | 0.19172628%  | 0.19251224%  | 0.18034575%  | 0.17485671%  |
| District's proportionate share of the net OPEB liability   | \$ 1,099,879 | \$ 1,000,371 | \$ 1,265,176 | \$ 1,492,029 | \$ 1,633,545 | \$ 1,395,065 | \$ 1,371,941 |
| District's covered - employee payroll  | 10,578,018   | 9,977,552    | 9,344,515    | 9,239,972    | 8,815,956    | 8,156,916    | 7,855,831    |
| District's proportionate share of the net OPEB liability as a percentage of its covered - employee payroll | 10.40%       | 10.03%       | 13.54%       | 16.15%       | 18.53%       | 17.10%       | 17.46%       |
| Plan fiduciary net position as a percentage of the total OPEB liability                                    | 0.19%        | 0.21%        | 0.16%        | 0.13%        | 0.12%        | 0.13%        | 0.00%        |

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

\* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 75 was implemented in FYE 6/30/2018, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

**Senatobia Municipal School District**  
**Required Supplementary Information**

Schedule of District Contributions  
OPEB  
Last 10 Fiscal Years

|  | 2024       | 2023       | 2022      | 2021      | 2020      | 2019      | 2018      |
|--|------------|------------|-----------|-----------|-----------|-----------|-----------|
| Actuarially determined contribution                                  | \$ 48,400  | \$ 48,228  | \$ 40,767 | \$ 50,852 | \$ 59,502 | \$ 65,478 | \$ 58,488 |
| Contributions in relation to the actuarially determined contribution | 48,400     | 48,228     | 40,767    | 50,852    | 59,502    | 65,478    | 58,488    |
| Contribution deficiency (excess)                                     | \$ -       | \$ -       | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| District's covered - employee payroll                                | 12,186,822 | 12,094,282 | 9,834,724 | 8,380,741 | 9,367,701 | 8,883,194 | 8,680,070 |
| Contributions as a percentage of covered - employee payroll          | 0.40%      | 0.40%      | 0.41%     | 0.61%     | 0.64%     | 0.74%     | 0.67%     |

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 75 was implemented in FYE 6/30/18, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available. Prior year information is based on historical amounts reported in prior year audit reports.

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2024

Budgetary Comparison Schedule

(1) Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, variances between the original budget and the final budget, and variances between the final budget and the actual data.

(2) Budget Amendments and Revisions

The budget is adopted by the school board and filed with the taxing authority. Amendments can be made on the approval of the school board. By statute, final budget revisions must be approved on or before October 15. A budgetary comparison is presented for the General Fund and each major Special Revenue Fund consistent with accounting principles generally accepted in the United States of America.

Pension Schedules

(1) *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 assumption was reduced from 3.75% to 3.25%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2019:

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2024

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; and 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; and 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; and 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; and 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; and 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%.

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 the line of duty was decreased from 6% to 4%.

2023:

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2024

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.

(2) *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.

(3) *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 |

OPEB Schedules

(1) *Changes of assumptions*

2017: The discount rate was changed from 3.01% for the prior Measurement Date to 3.56% for the current Measurement Date.

2018: The discount rate was changed from 3.56% for the prior Measurement Date to 3.89% for the current Measurement Date.

2019: The discount rate was changed from 3.89% for the prior Measurement Date to 3.50% for the current Measurement Date.

2020: The discount rate was changed from 3.50% for the prior Measurement Date to 2.19% for the current Measurement Date.



SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2024

2021: The discount rate was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.

2022: The discount rate was changed from 2.13% for the prior Measurement Date to 3.37% for the current Measurement Date.

2023: The discount rate was changed from 3.37% for the prior Measurement Date to 3.66% for the current Measurement Date. Withdrawal rates, disability rates, service retirement rates and salary merit rates were adjusted to reflect actual experience more closely.

(2) *Changes in benefit provisions*

2017: None

2018: None

2019: None

2020: The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the Select coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

2021: The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

2022: The schedule of monthly retiree contributions was increased as of January 1, 2023. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2023.

2023: The schedule of monthly retiree contributions was increased as of January 1, 2024. In addition, the in-network medical deductible was increased for the Base Family coverage beginning January 1, 2024.

(3) *Methods and assumptions used in calculations of Actuarially Determined Contributions.* The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2022 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2023:

|  |                        |
|--|------------------------|
| Actuarial cost method                      | Entry age              |
| Amortization method                        | Level dollar           |
| Amortization period                        | 30 years, open         |
| Asset valuation method                     | Market Value of Assets |
| Price inflation                            | 2.75%                  |
| Salary increases, including wage inflation | 3.00% to 18.25%        |
| Initial health care cost trend rates       |                        |
| Medicare Supplement Claims                 | 7.00%                  |
| Pre-Medicare                               |                        |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2024

|   |       |
|---|-------|
| Ultimate health care cost trend rates       |       |
| Medicare Supplement Claims                  | 4.50% |
| Pre-Medicare                                |       |
| Year of ultimate trend rates                |       |
| Medicare Supplement Claims                  | 2029  |
| Pre-Medicare                                |       |
| Long-term investment rate of return, net of |       |
| OPEB plan investment expense, including     | 3.37% |
| price inflation                             |       |

## SUPPLEMENTARY INFORMATION

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Supplementary Information**

**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

| Federal Grantor/Pass-through Grantor/Program Title                           | Assistance<br>Listing<br>Number | Pass-through Entity<br>Identifying Number | Federal<br>Expenditures |
|--|---------------------------------|---|-------------------------|
| <b><u>U.S. Department of Agriculture</u></b>                                 |                                 |   |                         |
| Passed-through Mississippi Department of Education:                          |                                 |   |                         |
| Child Nutrition Cluster:   |                                 |   |                         |
| School Breakfast Program   | 10.553                          | 245MS326N1099                             | \$ 196,761              |
| National School Lunch Program  | 10.555                          | 245MS326N1099                             | 599,725                 |
| Total Child Nutrition Cluster  |                                 |   | 796,486                 |
| Total Passed-through Mississippi Department of Education                     |                                 |   | 796,486                 |
| <b>Total U.S. Department of Agriculture</b>                                  |                                 |   | <b>796,486</b>          |
| <b><u>U.S. Department of Education</u></b>                                   |                                 |   |                         |
| Direct Program:  |                                 |   |                         |
| School-Based Mental Health Services Grant Program                            | 84.184H                         | N/A                                       | 981,410                 |
| Subtotal   |                                 |   | 981,410                 |
| Passed-through Mississippi Department of Education:                          |                                 |   |                         |
| Title I Grants to Local Educational Agencies                                 | 84.010A                         | S010A230024                               | 514,765                 |
| Title IX Education for Homeless Children and Youth                           | 84.196A                         | S196A230025                               | 12,346                  |
| Rural Education  | 84.358B                         | S358B230024                               | 29,541                  |
| Supporting Effective Instruction State Grants                                | 84.367A                         | S367A230023                               | 34,996                  |
| Student Support and Academic Enrichment Program                              | 84.424A                         | S424A230025                               | 35,140                  |
| Subtotal   |                                 |   | 626,788                 |
| Special Education Cluster:   |                                 |   |                         |
| Special Education - Grants to States   | 84.027A                         | H027A230108                               | 503,503                 |
| COVID-19 - IDEA, Part B ARP Grant  | 84.027X                         | H027X210108                               | 26,875                  |
| Subtotal   |                                 |   | 530,378                 |
| Special Education - Preschool Grants   | 84.173A                         | H173A230113                               | 70,117                  |
| Subtotal   |                                 |   | 70,117                  |
| Total Special Education Cluster  |                                 |   | 600,495                 |
| Elementary & Secondary School Emergency Relief Fund II                       | 84.425D                         | S425D210031                               | 24,864                  |
| Elementary & Secondary School Emergency Relief Fund III ARP                  | 84.425U                         | S425U210031                               | 274,827                 |
| Elementary & Secondary School Emergency Relief ARP Education & Reading-HQIM  | 84.425U                         | S425U210031                               | 36,346                  |
| Elementary & Secondary School Emergency Relief ARP Learn More                | 84.425U                         | S425U210031                               | 488,483                 |
| Elementary & Secondary School Emergency Relief ARP Homeless Children & Youth | 84.425W                         | S425W210025                               | 17,847                  |
| COVID-19 - Education Stabilization Fund (ESSER) Subtotal                     |                                 |   | 842,367                 |
| Total Passed-through Mississippi Department of Education                     |                                 |   | 2,069,650               |
| <b>Total U.S. Department of Education</b>                                    |                                 |   | <b>3,051,060</b>        |
| <b><u>U.S. Department of Health and Human Services</u></b>                   |                                 |   |                         |
| Passed-through the Mississippi Department of Education:                      |                                 |   |                         |
| Medical Assistance Program   | 93.778                          | 2305MS5ADM                                | 8,176                   |
| Total passed-through Mississippi Department of Education                     |                                 |   | 8,176                   |
| <b>Total U.S. Department of Health and Human Services</b>                    |                                 |   | <b>8,176</b>            |
| <b><u>U.S. Department of Social Security Administration</u></b>              |                                 |   |                         |
| Passed-through the Mississippi Department of Rehabilitation Services:        |                                 |   |                         |
| Social Security Disability Insurance   | 96.001                          | N/A                                       | 392                     |
| Total passed-through Mississippi Department of Rehabilitation Services       |                                 |   | 392                     |
| <b>Total U.S. Department of Social Security Administration</b>               |                                 |   | <b>392</b>              |
| Total for All Federal Awards   |                                 |   | <b>\$ 3,856,114</b>     |

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

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Notes to the Supplementary Information  
For the Year Ended June 30, 2024

Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Senatobia Municipal School District under programs of the federal government for the year ended June 30, 2024. 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 the Senatobia Municipal School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Senatobia Municipal School District.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting and the same significant accounting policies, as applicable, as those used for the financial statements; however, the expenditures include transfers out. 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.

(3) Indirect Cost Rate

The Senatobia Municipal School District has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Other Items

Donated commodities are included in the National School Lunch Program.

E-rate funds have not been included on this schedule due to the fact the FCC considers the support to be in the form of providing a discount to the schools and libraries and does not consider the assistance to be direct financial support.

Schedule of Instructional, Administrative and Other Expenditures – Governmental Funds

(1) Basis of Accounting

This schedule is presented on the same basis of accounting and the same significant accounting policies, as applicable, as those used for the financial statements.

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Supplementary Information**

**Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds**  
**For the Year Ended June 30, 2024**

| Expenditures                 | Total                | Instruction and<br>Other Student<br>Instructional<br>Expenditures | General<br>Administration | School<br>Administration | Other            |
|------------------------------|----------------------|---|---------------------------|--------------------------|------------------|
| Salaries and fringe benefits | \$ 16,523,401        | 12,801,866  | 950,041                   | 1,167,907                | 1,603,587        |
| Other                        | 7,644,917            | 2,211,421   | 425,022                   | 43,556                   | 4,964,918        |
| Total                        | <u>\$ 24,168,318</u> | <u>15,013,287</u>   | <u>1,375,063</u>          | <u>1,211,463</u>         | <u>6,568,505</u> |
| Total number of students *   | <u>1,747</u>         |   |                           |                          |                  |
| Cost per student             | <u>\$ 13,834</u>     | <u>8,594</u>  | <u>787</u>                | <u>693</u>               | <u>3,760</u>     |

For purposes of this schedule, the following columnar descriptions are applicable:

Instruction and Other Student Instructional Expenditures - includes the activities dealing directly with the interaction between teachers and students. Included here are the activities of teachers, teachers aides or classroom assistants of any type.

General Administration - includes expenditures for the following functions: Support Services - General Administration and Support Services - Business.

School Administration - includes expenditures for the following function: Support Services - School Administration.

Other - includes all expenditure functions not included in Instruction or Administration Categories.

\* includes the number of students reported on the ADA report submission for month 9, which is the final submission for the fiscal year

## OTHER INFORMATION

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**Other Information**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**  
**Last Four Years**  
**UNAUDITED**

|  | 2024         | 2023*        | 2022*        | 2021*        |
|--|--------------|--------------|--------------|--------------|
| <b>Revenues:</b>   |              |              |              |              |
| Local sources  | \$ 6,149,191 | \$ 6,145,787 | \$ 5,911,842 | \$ 5,684,977 |
| State sources  | 10,953,147   | 10,328,996   | 9,068,833    | 8,654,568    |
| Federal sources  | 34,789       | 20,494       | 28,839       | 22,392       |
| Total Revenues   | 17,137,127   | 16,495,277   | 15,009,514   | 14,361,937   |
| <b>Expenditures:</b>   |              |              |              |              |
| Instruction  | 9,885,006    | 9,504,232    | 8,888,170    | 8,663,214    |
| Support services   | 8,180,623    | 7,655,496    | 6,386,158    | 5,682,072    |
| Noninstructional services                                    | 42,928       | 22,962       | 20,513       | 7,548        |
| Debt Service:  |              |              |              |              |
| Principal  | 278,957      | 114,636      | 82,332       | 47,307       |
| Interest   | 24,323       | 6,570        | 3,020        | 3,125        |
| Total Expenditures   | 18,411,837   | 17,303,896   | 15,380,193   | 14,403,266   |
| Excess (Deficiency) of Revenues<br>over (under) Expenditures | (1,274,710)  | (808,619)    | (370,679)    | (41,329)     |
| <b>Other Financing Sources (Uses):</b>                       |              |              |              |              |
| Loans and notes issued                                       | 2,223,223    | -            | 130,706      | -            |
| Insurance recovery   | 24,163       | 141,703      | -            | -            |
| SBITAs issued  | -            | 648,541      | -            | -            |
| Sale of transportation equipment                             | -            | 760          | 797          | -            |
| Sale of other property                                       | 206,000      | 1,500        | -            | -            |
| Operating transfers in                                       | 207,456      | 84,082       | 2,334,731    | 20,969       |
| Operating transfers out                                      | (237,300)    | (384,348)    | (225,782)    | (196,491)    |
| Total Other Financing Sources (Uses)                         | 2,423,542    | 492,238      | 2,240,452    | (175,522)    |
| Net Change in Fund Balances                                  | 1,148,832    | (316,381)    | 1,869,773    | (216,851)    |
| Fund Balances:   |              |              |              |              |
| Beginning of period  | 5,535,451    | 5,851,832    | 3,982,059    | 4,198,910    |
| End of Period  | \$ 6,684,283 | \$ 5,535,451 | \$ 5,851,832 | \$ 3,982,059 |

\*SOURCE - PRIOR YEAR AUDIT REPORTS



# **SENATOBIA MUNICIPAL SCHOOL DISTRICT**

## **Other Information**

### **Statement of Revenues, Expenditures and Changes in Fund Balances**

#### **All Governmental Funds**

#### **Last Four Years**

#### **UNAUDITED**

|  | 2024         | 2023*        | 2022*        | 2021*        |
|--|--------------|--------------|--------------|--------------|
| <b>Revenues:</b>   |              |              |              |              |
| Local sources  | \$ 7,242,104 | \$ 6,991,454 | \$ 6,807,961 | \$ 6,633,412 |
| State sources  | 12,121,195   | 11,054,106   | 9,207,252    | 8,869,049    |
| Federal sources  | 3,990,962    | 3,752,669    | 6,195,275    | 2,834,138    |
| Total Revenues   | 23,354,261   | 21,798,229   | 22,210,488   | 18,336,599   |
| <b>Expenditures:</b>   |              |              |              |              |
| Instruction  | 11,942,448   | 12,015,606   | 10,687,511   | 10,372,676   |
| Support services   | 10,182,778   | 8,968,871    | 7,760,642    | 6,660,651    |
| Noninstructional services                                    | 806,025      | 973,983      | 709,335      | 493,386      |
| Debt service:  |              |              |              |              |
| Principal  | 1,069,957    | 878,636      | 824,332      | 768,307      |
| Interest   | 164,190      | 168,555      | 186,484      | 207,447      |
| Other  | 2,920        | 3,270        | 2,450        | 2,800        |
| Total Expenditures   | 24,168,318   | 23,008,921   | 20,170,754   | 18,505,267   |
| Excess (Deficiency) of Revenues<br>over (under) Expenditures | (814,057)    | (1,210,692)  | 2,039,734    | (168,668)    |
| <b>Other Financing Sources (Uses):</b>                       |              |              |              |              |
| Loans and notes issued                                       | 2,223,223    | -            | 130,706      | -            |
| Insurance recovery   | 24,163       | 141,703      | -            | -            |
| SBITAs issued  | -            | 648,541      | -            | -            |
| Sale of transportation equipment                             | -            | 760          | 797          | -            |
| Sale of other property                                       | 206,000      | 1,500        | -            | -            |
| Operating transfers in                                       | 448,772      | 468,430      | 2,560,513    | 288,402      |
| Operating transfers out                                      | (448,772)    | (468,430)    | (2,560,513)  | (288,402)    |
| Total Other Financing Sources (Uses)                         | 2,453,386    | 792,504      | 131,503      | 0            |
| Net Change in Fund Balances                                  | 1,639,329    | (418,188)    | 2,171,237    | (168,668)    |
| <b>Fund Balances:</b>  |              |              |              |              |
| Beginning of period, as previously reported                  | 6,387,556    | 6,795,565    | 4,626,130    | 4,808,215    |
| Error corrections  | (29,421)     | -            | -            | -            |
| Beginning of period, as restated                             | 6,358,135    | 6,795,565    | 4,626,130    | 4,808,215    |
| Increase (Decrease) in reserve for inventory                 | (5,424)      | 10,179       | (1,802)      | (13,417)     |
| End of Period  | \$ 7,992,040 | \$ 6,387,556 | \$ 6,795,565 | \$ 4,626,130 |

\*SOURCE - PRIOR YEAR AUDIT REPORTS

## REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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

Superintendent and School Board  
Senatobia Municipal School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Senatobia Municipal School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Senatobia Municipal School District's basic financial statements, and have issued our report thereon dated February 26, 2025.

## Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Senatobia Municipal School District's internal control over financial reporting (internal control) as a basis for designing 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 Senatobia Municipal School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Senatobia Municipal School District'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 weaknesses 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 Senatobia Municipal School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown CPA, PLLC  
Madison, Mississippi  
February 26, 2025

*Brown CPA, PLLC*

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**Independent Auditor's Report  
on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance  
Required by the Uniform Guidance**

Superintendent and School Board  
Senatobia Municipal School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Senatobia Municipal School District'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 Senatobia Municipal School District's major federal programs for the year ended June 30, 2024. The Senatobia Municipal School District'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, the Senatobia Municipal School District 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 June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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 the Senatobia Municipal School District 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 the Senatobia Municipal School District'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 the Senatobia Municipal School District'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 the Senatobia Municipal School District'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 generally accepted auditing standards, 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 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 the Senatobia Municipal School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, 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 the Senatobia Municipal School District'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 the Senatobia Municipal School District'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 the Senatobia Municipal School District'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**

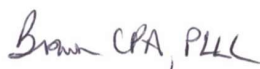
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

Brown CPA, PLLC  
Madison, Mississippi  
February 26, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Superintendent and School Board  
Senatobia Municipal School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Senatobia Municipal School District as of and for the year ended June 30, 2024, which collectively comprise Senatobia Municipal School District's basic financial statements and have issued our report thereon dated February 26, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section 37-9-18(3)(a), Miss. Code Ann. (1972), states in part, "the auditor shall test to ensure that the school district is complying with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), relating to classroom supply funds." As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain other state laws and regulations. However, providing an opinion on compliance with all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our procedures performed to test compliance with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), disclosed no instances of noncompliance.

Section 37-9-18(3)(b), Miss. Code Ann. (1972), states in part, "the auditor shall test to ensure correct and appropriate coding at the function level. The audit must include a report showing the correct and appropriate functional level expenditure codes in expenditures by the school district."

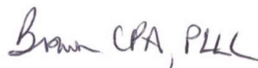
The results of our procedures performed to test compliance with the requirements of Section 37-9-18(3)(b), Miss. Code Ann. (1972), disclosed no instances of noncompliance related to incorrect or inappropriate functional level expenditure coding.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain other state laws and regulations. However, providing an opinion on compliance with all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of procedures performed to test compliance with certain other state laws and regulations and our audit of the financial statements did not disclose any instances of noncompliance with other state laws and regulations.

This report is intended solely for the information and use of the school board and management, entities with accreditation overview, and federal awarding agencies, the Office of the State Auditor and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Brown CPA, PLLC  
Madison, Mississippi  
February 26, 2025





## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

Section I: Summary of Auditor's Results

Financial Statements:

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditor's report issued:                      | Unmodified    |
| 2. | Internal control over financial reporting:            |               |
| a. | Material weaknesses identified?                       | No            |
| b. | Significant deficiencies identified?                  | None Reported |
| 3. | Noncompliance material to financial statements noted? | No            |

Federal Awards:

- |                                   |  |                                   |   |                |                         |         |   |  |
|-----------------------------------|--|-----------------------------------|---|----------------|-------------------------|---------|---|--|
| 4.                                | Internal control over major programs:  |                                   |   |                |                         |         |   |  |
| a.                                | Material weakness identified?  | No                                |   |                |                         |         |   |  |
| b.                                | Significant deficiency identified?   | None Reported                     |   |                |                         |         |   |  |
| 5.                                | Type of auditor's report issued on compliance for major 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 programs:  |                                   |   |                |                         |         |   |  |
|                                   | <table border="0" style="width: 100%;"> <tr> <td style="text-align: left;"><u>Assistance Listing Numbers</u></td> <td style="text-align: left;"><u>Name of Federal Program or Cluster</u></td> </tr> <tr> <td style="vertical-align: top;">10.553; 10.555</td> <td style="vertical-align: top;">Child Nutrition Cluster</td> </tr> <tr> <td style="vertical-align: top;">84.184H</td> <td style="vertical-align: top;">School-Based Mental Health Services Grant Program</td> </tr> </table> | <u>Assistance Listing Numbers</u> | <u>Name of Federal Program or Cluster</u> | 10.553; 10.555 | Child Nutrition Cluster | 84.184H | School-Based Mental Health Services Grant Program |  |
| <u>Assistance Listing Numbers</u> | <u>Name of Federal Program or Cluster</u>  |                                   |   |                |                         |         |   |  |
| 10.553; 10.555                    | Child Nutrition Cluster  |                                   |   |                |                         |         |   |  |
| 84.184H                           | School-Based Mental Health Services Grant Program  |                                   |   |                |                         |         |   |  |
| 8.                                | Dollar threshold used to distinguish between type A and type B programs:   | \$750,000                         |   |                |                         |         |   |  |
| 9.                                | Auditee qualified as low-risk auditee?   | Yes                               |   |                |                         |         |   |  |
| 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 2CFR 200.511(b).   | None Reported                     |   |                |                         |         |   |  |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

**Section II: Financial Statement Findings**

The results of our tests did not disclose any findings related to the financial statements that are required to be reported under *Government Auditing Standards*.

**Section III: Federal Award Findings and Questioned Costs**

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

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24-25 Budget Amendment # 8  
5-1-25

| FUND | NAME OF FUND  | 24-25           |               | 24-25           |  |
|------|---|-----------------|---------------|-----------------|--|
|      |   | ORIGINAL BUDGET | (+/-)         | AMENDED BUDGET  |  |
| 1902 | Future Capital Projects<br>Needed for buying Bldg property on Porter St | \$ 764,713.00   | \$ 213,280.00 | \$ 977,993.00   |  |
| 2213 | SCHOOL IMPROVEMENT 1003<br>Added FY25 Allocation                        | \$ 62,467.00    | \$ 78,344.00  | \$ 140,811.00   |  |
| 2610 | IDEA Part B<br>Additional FY24 Allocation                               | \$ 1,109,892.31 | \$ 5,055.78   | \$ 1,114,948.09 |  |
| 2620 | EHA Preschool<br>Additional FY24 Allocation                             | \$ 73,935.85    | \$ 4.00       | \$ 73,939.85    |  |
| 2939 | House Bill 603 Grant<br>Added interest accrued for March 2025           | \$ 503,167.57   | \$ 65.02      | \$ 503,232.59   |  |
| 4022 | 3 mil note Debt<br>Needed for actual payments due                       | \$ 177,425.00   | \$ 1,425.00   | \$ 178,850.00   |  |

24-25 Budget Amendment # 7  
3-6-25

| FUND | NAME OF FUND   | 24-25           |            | (+/ -) | 24-25          |               |
|------|--|-----------------|------------|--------|----------------|---------------|
|      |  | ORIGINAL BUDGET |            |        | AMENDED BUDGET |               |
| 2939 | House Bill 603 Grant<br>Added interest accrued thru Feb 2025 | \$              | 503,109.03 | \$     | 58.54          | \$ 503,167.57 |

24-25 Budget Amendment # 6  
2-6-25

| FUND | NAME OF FUND   | 24-25            |    | (+/-)      | 24-25          |               |
|------|--|------------------|----|------------|----------------|---------------|
|      |  | ORIGINAL BUDGET  |    |            | AMENDED BUDGET |               |
| 1120 | District Maintenance<br>Adding Dollar General Grant    | \$ 18,054,572.00 | \$ | 7,500.00   | \$             | 18,062,072.00 |
| 2211 | Title I<br>Increase for Actual 25 allocation           | \$ 403,148.95    | \$ | 307,143.00 | \$             | 710,291.95    |
| 2311 | Title V<br>Increase for Actual 25 allocaton            | \$ 80,876.51     | \$ | 18,007.75  | \$             | 98,884.26     |
| 2511 | Title II<br>Increase for Actual 25 allocaton           | \$ 147,111.26    | \$ | 37,216.10  | \$             | 184,327.36    |
| 2610 | IDEA Part B Sped<br>Added for actual '25 Allocation    | \$ 562,524.00    | \$ | 82,096.00  | \$             | 644,620.00    |
| 2620 | IDEA Preschool Sped<br>Added for actual '25 Allocation | \$ 50,338.00     | \$ | 9,171.00   | \$             | 59,509.00     |
| 2811 | Title IV<br>Increase for Actual 25 allocaton           | \$ 39,907.80     | \$ | 2,729.45   | \$             | 42,637.25     |

24-25 Budget Amendment # 5  
1-2-25

| FUND | NAME OF FUND                  | 24-25           |    | (+/-)      | 24-25          |            |
|------|-------------------------------|-----------------|----|------------|----------------|------------|
|      |                               | ORIGINAL BUDGET |    |            | AMENDED BUDGET |            |
| 2211 | Title I                       | \$ 330,993.55   | \$ | 72,155.40  | \$             | 403,148.95 |
|      | Corr to Actual with Cost Pool |                 |    |            |                |            |
| 2290 | Cost Pool                     | \$ 77,114.30    | \$ | (1,464.37) | \$             | 75,649.93  |
|      | Corr to Actual Cost Pool      |                 |    |            |                |            |
| 2311 | Title V                       | \$ 79,331.50    | \$ | 1,545.01   | \$             | 80,876.51  |
|      | Corr to Actual Cost Pool      |                 |    |            |                |            |
| 2511 | Title II                      | \$ 144,263.19   | \$ | 2,848.07   | \$             | 147,111.26 |
|      | Corr to Actual Cost Pool      |                 |    |            |                |            |
| 2811 | Title IV                      | \$ 39,341.98    | \$ | 565.82     | \$             | 39,907.80  |
|      | Corr to Actual Cost Pool      |                 |    |            |                |            |



24-25 Budget Amendment # 4  
11-7-24

| FUND | NAME OF FUND            | 24-25           |              | 24-25           |  |
|------|-------------------------|-----------------|--------------|-----------------|--|
|      |                         | ORIGINAL BUDGET | (+/-)        | AMENDED BUDGET  |  |
| 2711 | Vocational              | \$ 427,207.00   | \$ 20,000.00 | ✓ \$ 447,207.00 |  |
|      | Added new K8 STEM Grant |                 |              |                 |  |

24-25 Budget Amendment # 3  
10-3-24

| FUND | NAME OF FUND   | 24-25           |    | (+/ -) | 24-25          |  |
|------|--|-----------------|----|--------|----------------|--|
|      |  | ORIGINAL BUDGET |    |        | AMENDED BUDGET |  |
| 2939 | House Bill 603 Grant<br>Corr for Actual Carryover budget | \$ 499,588.49   | \$ | 432.58 | \$ 500,021.07  |  |

24-25 Budget Amendment # 2  
9-5-24

| FUND | NAME OF FUND                                 | 24-25           |               |    | 24-25          |  |
|------|--|-----------------|---------------|----|----------------|--|
|      |  | ORIGINAL BUDGET | (+/-)         |    | AMENDED BUDGET |  |
| 2910 | Early Learning<br>Corr for Actual Allocation | \$ 302,500.00   | \$ (5,000.00) | \$ | 297,500.00     |  |

24-25 Budget Amendment # 1  
8-1-24

| FUND | NAME OF FUND  | 24-25           |               | 24-25           |  |
|------|---|-----------------|---------------|-----------------|--|
|      |   | ORIGINAL BUDGET | (+/-)         | AMENDED BUDGET  |  |
| 1153 | HS Activity<br>Added for FB jerseys                                   | \$ 697,886.00   | \$ 21,000.00  | \$ 718,886.00   |  |
| 2211 | Title I<br>Added 23 C/O \$327.54<br>Added 24 C/O \$339,555.20         | \$ 288,621.60   | \$ 42,371.95  | \$ 330,993.55   |  |
| 2213 | School Improvement 1003<br>Corrected to actual carryover              | \$ 64,170.00    | \$ (1,703.00) | \$ 62,467.00    |  |
| 2311 | Title V<br>Added 24 C/O \$38,386.51                                   | \$ 35,773.99    | \$ 43,557.51  | \$ 79,331.50    |  |
| 2511 | Title II<br>Added 23 C/O \$8,254.82<br>Added 24 C/O \$70,062.44       | \$ 65,945.93    | \$ 78,317.26  | \$ 144,263.19   |  |
| 2610 | IDEA PART B<br>Added 23 C/O \$105,919.70<br>Added 24 C/O \$359,352.61 | \$ 562,524.00   | \$ 465,272.31 | \$ 1,027,796.31 |  |
| 2620 | IDEA PRESCHOOL<br>Added 24 C/O \$14,426.85                            | \$ 50,338.00    | \$ 14,426.85  | \$ 64,764.85    |  |
| 2811 | Title IV<br>Added 23 C/O \$316.50<br>Added 24 C/O \$11,300.30         | \$ 27,725.18    | \$ 11,616.80  | \$ 39,341.98    |  |
| 2940 | School Based Mental Health Grtn<br>Added Year 2 allocation            | \$ 185,491.66   | \$ 964,740.00 | \$ 1,150,231.66 |  |

Bd  
approved  
8-1-24

Overview of Combined and  
Combining 2025 Budgets

| CODE | FUND                        | Proj /BEGINNING<br>BALANCE | Proj REVENUE<br>FY25 | Projected FY25<br>EXPENDITURES | Proj FY25 ENDING<br>BALANCE |
|------|-----------------------------|----------------------------|----------------------|--------------------------------|-----------------------------|
| 1120 | District Maintenance        | 3,442,504.00               | 18,054,572.00        | 18,039,415.00                  | 3,457,661.00                |
| 1130 | Special Education           | 0.00                       | 1,894,569.00         | 1,894,569.00                   | 0.00                        |
| 1140 | Alternative Learning        | 0.00                       | 471,095.00           | 471,095.00                     | 0.00                        |
| 1145 | At Risk                     | 0.00                       | 83,275.00            | 83,275.00                      | 0.00                        |
| 1151 | Elementary Activity         | 57,583.30                  | 105,800.00           | 127,497.00                     | 35,886.30                   |
| 1152 | Middle Activity             | 25,429.40                  | 69,700.00            | 68,595.00                      | 26,534.40                   |
| 1153 | High Activity               | 194,646.24                 | 645,450.00           | 697,886.00                     | 142,210.24                  |
| 1161 | Elem Club Funds             | 11,227.04                  | 81,000.00            | 82,400.00                      | 9,827.04                    |
| 1162 | Middle Club Funds           | 6,193.85                   | 9,000.00             | 8,000.00                       | 7,193.85                    |
| 1163 | High Club Funds             | 16,651.68                  | 22,100.00            | 23,000.00                      | 15,751.68                   |
| 1902 | Future Capital Projects     | 1,133,371.29               | 275,000.00           | 764,713.00                     | 643,658.29                  |
| 1905 | Youth Part Initiative       | 4,418.99                   | 2,500.00             | 6,918.99                       | 0.00                        |
| 2090 | Summer School               | 0.00                       | 10,818.66            | 10,818.66                      | 0.00                        |
| 2110 | Food Service                | 743,657.36                 | 977,500.00           | 1,291,544.00                   | 429,613.36                  |
| 2211 | Title I                     | 0.00                       | 288,621.60           | 288,621.60                     | 0.00                        |
| 2213 | School Improvement          | 0.00                       | 64,170.00            | 64,170.00                      | 0.00                        |
| 2290 | Title Cost Pool             | 0.00                       | 77,114.30            | 77,114.30                      | 0.00                        |
| 2311 | Title V                     | 0.00                       | 35,773.99            | 35,773.99                      | 0.00                        |
| 2410 | EEF Bldgs/Buses             | 0.00                       | 56,238.00            | 56,238.00                      | 0.00                        |
| 2511 | Title II -A                 | 0.00                       | 65,945.93            | 65,945.93                      | 0.00                        |
| 2606 | HQIM GRANT                  | 0.00                       | 7,971.08             | 7,971.08                       | 0.00                        |
| 2607 | ARP Learn More Grant        | 0.00                       | 184,715.20           | 184,715.20                     | 0.00                        |
| 2610 | SPED - Part B               | 0.00                       | 562,524.00           | 562,524.00                     | 0.00                        |
| 2620 | Preschool                   | 0.00                       | 50,338.00            | 50,338.00                      | 0.00                        |
| 2711 | Vocational                  | 0.00                       | 427,207.00           | 427,207.00                     | 0.00                        |
| 2811 | Title IV                    | 0.00                       | 27,725.18            | 27,725.18                      | 0.00                        |
| 2820 | Unemployment Comp           | 40,313.47                  | 0.00                 | 40,313.47                      | 0.00                        |
| 2910 | Early Learning Collaborativ | 0.00                       | 302,500.00           | 302,500.00                     | 0.00                        |
| 2939 | House Bill 603 Grant        | 494,588.49                 | 5,000.00             | 499,588.49                     | 0.00                        |
| 2940 | SBMH Grant                  | 0.00                       | 185,491.66           | 185,491.66                     | 0.00                        |
| 4022 | 3 mill note Debt 2016       | 32,220.37                  | 191,918.00           | 177,425.00                     | 46,713.37                   |
| 4033 | Bond Issue/ 2006            | 0.00                       | 661,150.00           | 658,900.00                     | 2,250.00                    |
| 4091 | Trust Cert Debt 2016        | 0.00                       | 33,470.00            | 33,470.00                      | 0.00                        |
| 4092 | Energy Savings Debt         | 0.00                       | 140,746.00           | 140,746.00                     | 0.00                        |
|      | TOTALS                      | 6,202,805.48               | 26,070,999.60        | 27,456,505.55                  | 4,817,299.53                |
|      |                             |                            |                      |                                |                             |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
SDA Legal Proposed Combined Budget Report  
For the year ending June 30, 2025

Original X Date Approved: 06/27/2024  
Amended Date Approved:

|   | Governmental Fund Types |                     |                  |                     |                 | Proprietary Fund Types |                  |                       |
|---|-------------------------|---------------------|------------------|---------------------|-----------------|------------------------|------------------|-----------------------|
|   | General                 | Special Revenue     | Capital Projects | Debt Service        | Permanent Trust | Enterprise             | Internal Service | Total                 |
| <b>Revenues</b>   |                         |                     |                  |                     |                 |                        |                  |                       |
| Local Sources   | 6,465,747.80            | 216,000.00          | 0.00             | 853,068.00          | 0.00            | 0.00                   | 0.00             | 7,534,815.80          |
| Intermediate Sources                                    | 0.00                    | 0.00                | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 0.00                  |
| State Sources   | 12,846,081.20           | 504,556.66          | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 13,350,637.86         |
| Federal Sources   | 20,500.00               | 2,413,890.94        | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 2,434,390.94          |
| Sixteenth Section Sources                               | 0.00                    | 0.00                | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 0.00                  |
| <b>Total Revenues</b>                                   | <b>19,332,329.00</b>    | <b>3,134,447.60</b> | <b>0.00</b>      | <b>853,068.00</b>   | <b>0.00</b>     | <b>0.00</b>            | <b>0.00</b>      | <b>23,319,844.60</b>  |
| <b>Expenditures</b>                                     |                         |                     |                  |                     |                 |                        |                  |                       |
| Instruction   | 11,084,467.64           | 1,490,562.35        | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 12,575,029.99         |
| Support Services  | 7,799,204.39            | 1,012,129.05        | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 8,811,333.44          |
| Noninstructional Services                               | 72,400.00               | 950,082.67          | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 1,022,482.67          |
| Sixteenth Section                                       | 0.00                    | 0.00                | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Facilities Acquisition and Construction                 | 427,000.00              | 499,588.49          | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 926,588.49            |
| Debt Service  | 0.00                    | 0.00                | 0.00             | 0.00                | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Principal   | 297,135.00              | 56,238.00           | 0.00             | 804,417.81          | 0.00            | 0.00                   | 0.00             | 1,157,790.81          |
| Interest  | 6,001.96                | 0.00                | 0.00             | 202,623.19          | 0.00            | 0.00                   | 0.00             | 208,625.15            |
| Other   | 0.00                    | 0.00                | 0.00             | 3,500.00            | 0.00            | 0.00                   | 0.00             | 3,500.00              |
| <b>Total Expenditures</b>                               | <b>19,686,208.99</b>    | <b>4,008,600.56</b> | <b>0.00</b>      | <b>1,010,541.00</b> | <b>0.00</b>     | <b>0.00</b>            | <b>0.00</b>      | <b>24,705,350.55</b>  |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>(353,879.99)</b>     | <b>(874,152.96)</b> | <b>0.00</b>      | <b>(157,473.00)</b> | <b>0.00</b>     | <b>0.00</b>            | <b>0.00</b>      | <b>(1,385,505.95)</b> |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**SDA Legal Proposed Combined Budget Report**  
**For the year ending June 30, 2025**

Original ☒ Date Approved: 06/27/2024  
 Amended ☐ Date Approved:

|   | Governmental Fund Types |                     |                  |                   |                 | Proprietary Fund Types |                  | Total                 |
|---|-------------------------|---------------------|------------------|-------------------|-----------------|------------------------|------------------|-----------------------|
|   | General                 | Special Revenue     | Capital Projects | Debt Service      | Permanent Trust | Enterprise             | Internal Service |                       |
| Other Financing Sources (Uses)                      |                         |                     |                  |                   |                 |                        |                  |                       |
| Proceeds of General Obligation Bonds                | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Proceeds of Refunding Bonds                         | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Proceeds of Loan(s)                                 | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Inception of Capital Lease(s)                       | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Insurance Loss Recoveries                           | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Sale of Transportation Equipment                    | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Sale of Other Property                              | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Indirect Costs                                      | 170,000.00              | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 170,000.00            |
| Other Transfers In                                  | 2,211,732.00            | 195,207.00          | 0.00             | 174,216.00        | 0.00            | 0.00                   | 0.00             | 2,581,155.00          |
| Payments to Escrow Agent                            | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Miscellaneous Other Financing Sources               | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Indirect Costs Transfers Out                        | 0.00                    | 170,000.00          | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 170,000.00            |
| Other Transfers Out                                 | 2,581,155.00            | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 2,581,155.00          |
| Payment to Refunded Bond Escrow Agent               | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Miscellaneous Other Financing Uses                  | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| Premium on Debt Issuance                            | 0.00                    | 0.00                | 0.00             | 0.00              | 0.00            | 0.00                   | 0.00             | 0.00                  |
| <b>Total Other Financing Sources (Uses)</b>         | <b>(199,423.00)</b>     | <b>25,207.00</b>    | <b>0.00</b>      | <b>174,216.00</b> | <b>0.00</b>     | <b>0.00</b>            | <b>0.00</b>      | <b>0.00</b>           |
| <b>Net Change in Fund Balances</b>                  | <b>(553,302.99)</b>     | <b>(848,945.96)</b> | <b>0.00</b>      | <b>16,743.00</b>  | <b>0.00</b>     | <b>0.00</b>            | <b>0.00</b>      | <b>(1,385,505.95)</b> |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**SDA Legal Proposed Combined Budget Report**  
**For the year ending June 30, 2025**

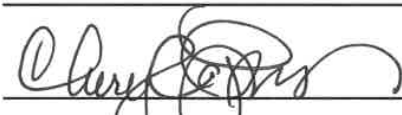
Original ☒ Date Approved: 06/27/2024  
 Amended ☐ Date Approved: \_\_\_\_\_

|   | Governmental Fund Types |                 |                  |              |                 | Proprietary Fund Types |                  | Total        |
|---|-------------------------|-----------------|------------------|--------------|-----------------|------------------------|------------------|--------------|
|   | General                 | Special Revenue | Capital Projects | Debt Service | Permanent Trust | Enterprise             | Internal Service |              |
| Fund Balances / Retained Earnings           |                         |                 |                  |              |                 |                        |                  |              |
| July 1, 2024                                | 4,892,025.79            | 1,278,559.32    | 0.00             | 32,220.37    | 0.00            | 0.00                   | 0.00             | 6,202,805.48 |
| Prior Period Adjustments                    | 0.00                    | 0.00            | 0.00             | 0.00         | 0.00            | 0.00                   | 0.00             | 0.00         |
| July 1, 2024 as restated                    | 4,892,025.79            | 1,278,559.32    | 0.00             | 32,220.37    | 0.00            | 0.00                   | 0.00             | 6,202,805.48 |
| Increase(Decrease) in Reserve for Inventory | 0.00                    | 0.00            | 0.00             | 0.00         | 0.00            | 0.00                   | 0.00             | 0.00         |
| Residual equity transfer In(Out)            | 0.00                    | 0.00            | 0.00             | 0.00         | 0.00            | 0.00                   | 0.00             | 0.00         |
| June 30, 2025                               | 4,338,722.80            | 429,613.36      | 0.00             | 48,963.37    | 0.00            | 0.00                   | 0.00             | 4,817,299.53 |

The above Original Combined Budget Report has been approved by the school board as noted in our board minutes dated: 6-27-24.

Board President:  (signature)  
 Brant Kairit (printed name)

Date: 6-27-24

Board Secretary:  (signature)  
 Cheryl Pegues (printed name)

Date: 6-27-24



SENATOBIA MUNICIPAL SCHOOL DISTRICT  
SDA Legal Proposed Combining Budget Report  
For the year ending June 30, 2025

Original ☒ Date Approved: 06/27/2024

Amended ☐ Date Approved: \_\_\_\_\_

General Fund Type

Page 1

|   | 1120-DIST MAINT      | 1130-SPECIAL ED       | 1140-ALT. SCH.      | 1145-AT RISK FUND  | 1151-ELEM. SCH. ACTIVITY |
|---|----------------------|-----------------------|---------------------|--------------------|--------------------------|
| <b>Revenues</b>   |                      |                       |                     |                    |                          |
| Local Sources   | 5,267,990.80         | 90,500.00             | 282,657.00          | 0.00               | 92,000.00                |
| Intermediate Sources                                    | 0.00                 | 0.00                  | 0.00                | 0.00               | 0.00                     |
| State Sources   | 12,596,081.20        | 0.00                  | 0.00                | 0.00               | 0.00                     |
| Federal Sources   | 20,500.00            | 0.00                  | 0.00                | 0.00               | 0.00                     |
| Sixteenth Section Sources                               | 0.00                 | 0.00                  | 0.00                | 0.00               | 0.00                     |
| <b>Total Revenues</b>                                   | <b>17,884,572.00</b> | <b>90,500.00</b>      | <b>282,657.00</b>   | <b>0.00</b>        | <b>92,000.00</b>         |
| <b>Expenditures</b>                                     |                      |                       |                     |                    |                          |
| Instruction   | 8,301,073.25         | 1,564,450.56          | 312,693.84          | 0.00               | 72,245.00                |
| Support Services  | 6,972,762.79         | 330,118.44            | 158,401.16          | 83,275.00          | 34,852.00                |
| Noninstructional Services                               | 0.00                 | 0.00                  | 0.00                | 0.00               | 20,400.00                |
| Sixteenth Section                                       | 0.00                 | 0.00                  | 0.00                | 0.00               | 0.00                     |
| Facilities Acquisition and Construction                 | 0.00                 | 0.00                  | 0.00                | 0.00               | 0.00                     |
| Debt Service  | 0.00                 | 0.00                  | 0.00                | 0.00               | 0.00                     |
| Principal   | 180,422.00           | 0.00                  | 0.00                | 0.00               | 0.00                     |
| Interest  | 4,001.96             | 0.00                  | 0.00                | 0.00               | 0.00                     |
| Other   | 0.00                 | 0.00                  | 0.00                | 0.00               | 0.00                     |
| <b>Total Expenditures</b>                               | <b>15,458,260.00</b> | <b>1,894,569.00</b>   | <b>471,095.00</b>   | <b>83,275.00</b>   | <b>127,497.00</b>        |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>2,426,312.00</b>  | <b>(1,804,069.00)</b> | <b>(188,438.00)</b> | <b>(83,275.00)</b> | <b>(35,497.00)</b>       |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**SDA Legal Proposed Combining Budget Report**  
**For the year ending June 30, 2025**

Original ☒ Date Approved: 06/27/2024

Amended ☐ Date Approved: \_\_\_\_\_

| General Fund Type                                   |                       |                     |                   |                   | Page 2                   |
|---|-----------------------|---------------------|-------------------|-------------------|--------------------------|
| Other Financing Sources(Uses)                       | 1120-DIST MAINT       | 1130-SPECIAL ED     | 1140-ALT. SCH.    | 1145-AT RISK FUND | 1151-ELEM. SCH. ACTIVITY |
| Proceeds of General Obligation Bonds                | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Proceeds of Refunding Bonds                         | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Proceeds of Loan(s)                                 | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Inception of Capital Lease(s)                       | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Insurance Loss Recoveries                           | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Sale of Transportation Equipment                    | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Sale of Other Property                              | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Indirect Costs                                      | 170,000.00            | 0.00                | 0.00              | 0.00              | 0.00                     |
| Other Transfers In                                  | 0.00                  | 1,804,069.00        | 188,438.00        | 83,275.00         | 13,800.00                |
| Payments to Escrow Agent                            | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Miscellaneous Other Financing Sources               | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Indirect Costs Transfers Out                        | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Other Transfers Out                                 | 2,581,155.00          | 0.00                | 0.00              | 0.00              | 0.00                     |
| Payment to Refunded Bond Escrow Agent               | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Miscellaneous Other Financing Uses                  | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| Premium on Debt Issuance                            | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| <b>Total Other Financing Sources(Uses)</b>          | <b>(2,411,155.00)</b> | <b>1,804,069.00</b> | <b>188,438.00</b> | <b>83,275.00</b>  | <b>13,800.00</b>         |
| <b>Net Change in Fund Balances</b>                  | <b>15,157.00</b>      | <b>0.00</b>         | <b>0.00</b>       | <b>0.00</b>       | <b>(21,697.00)</b>       |
| <b>Fund Balances / Retained Earnings</b>            |                       |                     |                   |                   |                          |
| July 1, 2024  | 3,442,504.00          | 0.00                | 0.00              | 0.00              | 57,583.30                |
| Prior period adjustments                            | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| July 1, 2024 as restated                            | 3,442,504.00          | 0.00                | 0.00              | 0.00              | 57,583.30                |
| Increase(Decrease) in reserve for inventory         | 0.00                  | 0.00                | 0.00              | 0.00              | 0.00                     |
| June 30, 2025                                       | 3,457,661.00          | 0.00                | 0.00              | 0.00              | 35,886.30                |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
SDA Legal Proposed Combining Budget Report  
For the year ending June 30, 2025

Original ☒ Date Approved: 06/27/2024  
Amended ☐ Date Approved: \_\_\_\_\_

| General Fund Type                                       | 1152-MIDDLE SCH ACTIVITY | 1153-HIGH SCH. ACTIVITY | 1161-ELEM SCH CLUBS FY 21 | 1162-MIDDLE SCH CLUBS FY21 | 1163-HIGH SCH CLUBS FY21 |
|---|--------------------------|-------------------------|---------------------------|----------------------------|--------------------------|
| Revenues  |                          |                         |                           |                            |                          |
| Local Sources   | 62,700.00                | 530,300.00              | 81,000.00                 | 9,000.00                   | 22,100.00                |
| Intermediate Sources                                    | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| State Sources   | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| Federal Sources   | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| Sixteenth Section Sources                               | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| <b>Total Revenues</b>                                   | <b>62,700.00</b>         | <b>530,300.00</b>       | <b>81,000.00</b>          | <b>9,000.00</b>            | <b>22,100.00</b>         |
| Expenditures  |                          |                         |                           |                            |                          |
| Instruction   | 45,050.00                | 642,636.00              | 65,400.00                 | 8,000.00                   | 22,000.00                |
| Support Services  | 12,045.00                | 32,750.00               | 0.00                      | 0.00                       | 0.00                     |
| Noninstructional Services                               | 11,500.00                | 22,500.00               | 17,000.00                 | 0.00                       | 1,000.00                 |
| Sixteenth Section                                       | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| Facilities Acquisition and Construction                 | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| Debt Service  | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| Principal   | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| Interest  | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| Other   | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |
| <b>Total Expenditures</b>                               | <b>68,595.00</b>         | <b>697,886.00</b>       | <b>82,400.00</b>          | <b>8,000.00</b>            | <b>23,000.00</b>         |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>(5,895.00)</b>        | <b>(167,586.00)</b>     | <b>(1,400.00)</b>         | <b>1,000.00</b>            | <b>(900.00)</b>          |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**SDA Legal Proposed Combining Budget Report**  
**For the year ending June 30, 2025**

Original ☒ Date Approved: 06/27/2024

Amended ☐ Date Approved: \_\_\_\_\_

**General Fund Type**

|   | 1152-MIDDLE SCH ACTIVITY | 1153-HIGH SCH. ACTIVITY | 1161-ELEM SCH CLUBS FY 21 | 1162-MIDDLE SCH CLUBS FY21 | 1163-HIGH SCH CLUBS FY21 | Page 4 |
|---|--------------------------|-------------------------|---------------------------|----------------------------|--------------------------|--------|
| <b>Other Financing Sources(Uses)</b>                |                          |                         |                           |                            |                          |        |
| Proceeds of General Obligation Bonds                | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Proceeds of Refunding Bonds                         | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Proceeds of Loan(s)                                 | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Inception of Capital Lease(s)                       | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Insurance Loss Recoveries                           | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Sale of Transportation Equipment                    | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Sale of Other Property                              | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Indirect Costs                                      | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Other Transfers In                                  | 7,000.00                 | 115,150.00              | 0.00                      | 0.00                       | 0.00                     |        |
| Payments to Escrow Agent                            | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Miscellaneous Other Financing Sources               | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Indirect Costs Transfers Out                        | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Other Transfers Out                                 | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Payment to Refunded Bond Escrow Agent               | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Miscellaneous Other Financing Uses                  | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| Premium on Debt Issuance                            | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| <b>Total Other Financing Sources(Uses)</b>          | <b>7,000.00</b>          | <b>115,150.00</b>       | <b>0.00</b>               | <b>0.00</b>                | <b>0.00</b>              |        |
| <b>Net Change in Fund Balances</b>                  | <b>1,105.00</b>          | <b>(52,436.00)</b>      | <b>(1,400.00)</b>         | <b>1,000.00</b>            | <b>(900.00)</b>          |        |
| <b>Fund Balances / Retained Earnings</b>            |                          |                         |                           |                            |                          |        |
| July 1, 2024  | 25,429.40                | 194,646.24              | 11,227.04                 | 6,193.85                   | 16,651.68                |        |
| Prior period adjustments                            | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| July 1, 2024 as restated                            | 25,429.40                | 194,646.24              | 11,227.04                 | 6,193.85                   | 16,651.68                |        |
| Increase(Decrease) in reserve for inventory         | 0.00                     | 0.00                    | 0.00                      | 0.00                       | 0.00                     |        |
| June 30, 2025                                       | 26,534.40                | 142,210.24              | 9,827.04                  | 7,193.85                   | 15,751.68                |        |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
SDA Legal Proposed Combining Budget Report  
For the year ending June 30, 2025

Original X Date Approved: 06/27/2024

Amended \_ Date Approved: \_\_\_\_\_

General Fund Type

|   | 1902-FUTURE CAPITAL PROJECT | 1905-Youth Part Initiative | 1993-PAYROLL CLEARING FUND | 1994-AP CLEARING FUND | Page 5<br>Combining Totals |
|---|-----------------------------|----------------------------|----------------------------|-----------------------|----------------------------|
| <b>Revenues</b>   |                             |                            |                            |                       |                            |
| Local Sources   | 25,000.00                   | 2,500.00                   | 0.00                       | 0.00                  | 6,465,747.80               |
| Intermediate Sources                                    | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                       |
| State Sources   | 250,000.00                  | 0.00                       | 0.00                       | 0.00                  | 12,846,081.20              |
| Federal Sources   | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 20,500.00                  |
| Sixteenth Section Sources                               | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                       |
| <b>Total Revenues</b>                                   | <b>275,000.00</b>           | <b>2,500.00</b>            | <b>0.00</b>                | <b>0.00</b>           | <b>19,332,329.00</b>       |
| <b>Expenditures</b>                                     |                             |                            |                            |                       |                            |
| Instruction   | 44,000.00                   | 6,918.99                   | 0.00                       | 0.00                  | 11,084,467.64              |
| Support Services  | 175,000.00                  | 0.00                       | 0.00                       | 0.00                  | 7,799,204.39               |
| Noninstructional Services                               | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 72,400.00                  |
| Sixteenth Section                                       | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                       |
| Facilities Acquisition and Construction                 | 427,000.00                  | 0.00                       | 0.00                       | 0.00                  | 427,000.00                 |
| Debt Service  | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                       |
| Principal   | 116,713.00                  | 0.00                       | 0.00                       | 0.00                  | 297,135.00                 |
| Interest  | 2,000.00                    | 0.00                       | 0.00                       | 0.00                  | 6,001.96                   |
| Other   | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                       |
| <b>Total Expenditures</b>                               | <b>764,713.00</b>           | <b>6,918.99</b>            | <b>0.00</b>                | <b>0.00</b>           | <b>19,686,208.99</b>       |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>(489,713.00)</b>         | <b>(4,418.99)</b>          | <b>0.00</b>                | <b>0.00</b>           | <b>(353,879.99)</b>        |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
SDA Legal Proposed Combining Budget Report  
For the year ending June 30, 2025

Original X Date Approved: 06/27/2024  
Amended \_ Date Approved: \_\_\_\_\_

| General Fund Type                                   |                             |                            |                            |                       | Page 6              |
|---|-----------------------------|----------------------------|----------------------------|-----------------------|---------------------|
| Other Financing Sources(Uses)                       | 1902-FUTURE CAPITAL PROJECT | 1905-Youth Part Initiative | 1993-PAYROLL CLEARING FUND | 1994-AP CLEARING FUND | Combining Totals    |
| Proceeds of General Obligation Bonds                | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Proceeds of Refunding Bonds                         | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Proceeds of Loan(s)                                 | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Inception of Capital Lease(s)                       | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Insurance Loss Recoveries                           | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Sale of Transportation Equipment                    | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Sale of Other Property                              | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Indirect Costs                                      | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 170,000.00          |
| Other Transfers In                                  | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 2,211,732.00        |
| Payments to Escrow Agent                            | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Miscellaneous Other Financing Sources               | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Indirect Costs Transfers Out                        | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Other Transfers Out                                 | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 2,581,155.00        |
| Payment to Refunded Bond Escrow Agent               | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Miscellaneous Other Financing Uses                  | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| Premium on Debt Issuance                            | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| <b>Total Other Financing Sources(Uses)</b>          | <b>0.00</b>                 | <b>0.00</b>                | <b>0.00</b>                | <b>0.00</b>           | <b>(199,423.00)</b> |
| <b>Net Change in Fund Balances</b>                  | <b>(489,713.00)</b>         | <b>(4,418.99)</b>          | <b>0.00</b>                | <b>0.00</b>           | <b>(553,302.99)</b> |
| Fund Balances / Retained Earnings                   |                             |                            |                            |                       |                     |
| July 1, 2024  | 1,133,371.29                | 4,418.99                   | 0.00                       | 0.00                  | 4,892,025.79        |
| Prior period adjustments                            | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| July 1, 2024 as restated                            | 1,133,371.29                | 4,418.99                   | 0.00                       | 0.00                  | 4,892,025.79        |
| Increase(Decrease) in reserve for inventory         | 0.00                        | 0.00                       | 0.00                       | 0.00                  | 0.00                |
| June 30, 2025                                       | 643,658.29                  | 0.00                       | 0.00                       | 0.00                  | 4,338,722.80        |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
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Original ☒ Date Approved: 06/27/2024  
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| Special Revenue Fund Type                               |                                 |                |                 |                     | Page 7                 |
|---|---------------------------------|----------------|-----------------|---------------------|------------------------|
|   | 2020-SCHOOL RECOGNITION PROGRAM | 2090-EXT. SCH. | 2110-FOOD SERV. | 2116-SUMMER FS FUND | 2130-GRAB & GO COVID19 |
| <b>Revenues</b>   |                                 |                |                 |                     |                        |
| Local Sources   | 0.00                            | 0.00           | 106,000.00      | 0.00                | 0.00                   |
| Intermediate Sources                                    | 0.00                            | 0.00           | 0.00            | 0.00                | 0.00                   |
| State Sources   | 0.00                            | 10,818.66      | 8,000.00        | 0.00                | 0.00                   |
| Federal Sources   | 0.00                            | 0.00           | 863,500.00      | 0.00                | 0.00                   |
| Sixteenth Section Sources                               | 0.00                            | 0.00           | 0.00            | 0.00                | 0.00                   |
| <b>Total Revenues</b>                                   | 0.00                            | 10,818.66      | 977,500.00      | 0.00                | 0.00                   |
| <b>Expenditures</b>                                     |                                 |                |                 |                     |                        |
| Instruction   | 0.00                            | 5,115.22       | 0.00            | 0.00                | 0.00                   |
| Support Services  | 0.00                            | 5,703.44       | 175,543.25      | 0.00                | 0.00                   |
| Noninstructional Services                               | 0.00                            | 0.00           | 946,000.75      | 0.00                | 0.00                   |
| Sixteenth Section                                       | 0.00                            | 0.00           | 0.00            | 0.00                | 0.00                   |
| Facilities Acquisition and Construction                 | 0.00                            | 0.00           | 0.00            | 0.00                | 0.00                   |
| Debt Service  | 0.00                            | 0.00           | 0.00            | 0.00                | 0.00                   |
| Principal   | 0.00                            | 0.00           | 0.00            | 0.00                | 0.00                   |
| Interest  | 0.00                            | 0.00           | 0.00            | 0.00                | 0.00                   |
| Other   | 0.00                            | 0.00           | 0.00            | 0.00                | 0.00                   |
| <b>Total Expenditures</b>                               | 0.00                            | 10,818.66      | 1,121,544.00    | 0.00                | 0.00                   |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | 0.00                            | 0.00           | (144,044.00)    | 0.00                | 0.00                   |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**SDA Legal Proposed Combining Budget Report**  
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Original ☒ Date Approved: 06/27/2024

Amended ☐ Date Approved: \_\_\_\_\_

| Special Revenue Fund Type                           |                                 |                |                     |                     | Page 8                 |
|---|---------------------------------|----------------|---------------------|---------------------|------------------------|
| Other Financing Sources(Uses)                       | 2020-SCHOOL RECOGNITION PROGRAM | 2090-EXT. SCH. | 2110-FOOD SERV.     | 2116-SUMMER FS FUND | 2130-GRAB & GO COVID19 |
| Proceeds of General Obligation Bonds                | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Proceeds of Refunding Bonds                         | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Proceeds of Loan(s)                                 | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Inception of Capital Lease(s)                       | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Insurance Loss Recoveries                           | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Sale of Transportation Equipment                    | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Sale of Other Property                              | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Indirect Costs                                      | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Other Transfers In                                  | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Payments to Escrow Agent                            | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Miscellaneous Other Financing Sources               | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Indirect Costs Transfers Out                        | 0.00                            | 0.00           | 170,000.00          | 0.00                | 0.00                   |
| Other Transfers Out                                 | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Payment to Refunded Bond Escrow Agent               | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Miscellaneous Other Financing Uses                  | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| Premium on Debt Issuance                            | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| <b>Total Other Financing Sources(Uses)</b>          | <b>0.00</b>                     | <b>0.00</b>    | <b>(170,000.00)</b> | <b>0.00</b>         | <b>0.00</b>            |
| <b>Net Change in Fund Balances</b>                  | <b>0.00</b>                     | <b>0.00</b>    | <b>(314,044.00)</b> | <b>0.00</b>         | <b>0.00</b>            |
| <b>Fund Balances / Retained Earnings</b>            |                                 |                |                     |                     |                        |
| July 1, 2024  | 0.00                            | 0.00           | 743,657.36          | 0.00                | 0.00                   |
| Prior period adjustments                            | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| July 1, 2024 as restated                            | 0.00                            | 0.00           | 743,657.36          | 0.00                | 0.00                   |
| Increase(Decrease) in reserve for inventory         | 0.00                            | 0.00           | 0.00                | 0.00                | 0.00                   |
| June 30, 2025                                       | 0.00                            | 0.00           | 429,613.36          | 0.00                | 0.00                   |



**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
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| Special Revenue Fund Type                               |                   |                              |                |                      |                                 | Page 9 |
|---|-------------------|------------------------------|----------------|----------------------|---------------------------------|--------|
|   | 2211-TITLE I      | 2213-SCHOOL IMPROVEMENT 1003 | 2240-SIG GRANT | 2290-TITLE COST POOL | 2311-Title V Rural & Low Income |        |
| <b>Revenues</b>   |                   |                              |                |                      |                                 |        |
| Local Sources   | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| Intermediate Sources                                    | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| State Sources   | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| Federal Sources   | 288,621.60        | 64,170.00                    | 0.00           | 77,114.30            | 35,773.99                       |        |
| Sixteenth Section Sources                               | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| <b>Total Revenues</b>                                   | <b>288,621.60</b> | <b>64,170.00</b>             | <b>0.00</b>    | <b>77,114.30</b>     | <b>35,773.99</b>                |        |
| <b>Expenditures</b>                                     |                   |                              |                |                      |                                 |        |
| Instruction   | 210,213.61        | 57,470.00                    | 0.00           | 0.00                 | 32,773.99                       |        |
| Support Services  | 78,407.99         | 6,700.00                     | 0.00           | 77,114.30            | 3,000.00                        |        |
| Noninstructional Services                               | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| Sixteenth Section                                       | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| Facilities Acquisition and Construction                 | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| Debt Service  | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| Principal   | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| Interest  | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| Other   | 0.00              | 0.00                         | 0.00           | 0.00                 | 0.00                            |        |
| <b>Total Expenditures</b>                               | <b>288,621.60</b> | <b>64,170.00</b>             | <b>0.00</b>    | <b>77,114.30</b>     | <b>35,773.99</b>                |        |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>0.00</b>       | <b>0.00</b>                  | <b>0.00</b>    | <b>0.00</b>          | <b>0.00</b>                     |        |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**SDA Legal Proposed Combining Budget Report**  
**For the year ending June 30, 2025**

Original ☒ Date Approved: 06/27/2024

Amended ☐ Date Approved: \_\_\_\_\_

| Special Revenue Fund Type                           |              |                              |                |                      | Page 10                         |
|---|--------------|------------------------------|----------------|----------------------|---------------------------------|
| Other Financing Sources(Uses)                       | 2211-TITLE I | 2213-SCHOOL IMPROVEMENT 1003 | 2240-SIG GRANT | 2290-TITLE COST POOL | 2311-Title V Rural & Low Income |
| Proceeds of General Obligation Bonds                | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Proceeds of Refunding Bonds                         | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Proceeds of Loan(s)                                 | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Inception of Capital Lease(s)                       | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Insurance Loss Recoveries                           | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Sale of Transportation Equipment                    | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Sale of Other Property                              | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Indirect Costs                                      | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Other Transfers In                                  | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Payments to Escrow Agent                            | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Miscellaneous Other Financing Sources               | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Indirect Costs Transfers Out                        | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Other Transfers Out                                 | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Payment to Refunded Bond Escrow Agent               | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Miscellaneous Other Financing Uses                  | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Premium on Debt Issuance                            | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| <b>Total Other Financing Sources(Uses)</b>          | <b>0.00</b>  | <b>0.00</b>                  | <b>0.00</b>    | <b>0.00</b>          | <b>0.00</b>                     |
| <b>Net Change in Fund Balances</b>                  | <b>0.00</b>  | <b>0.00</b>                  | <b>0.00</b>    | <b>0.00</b>          | <b>0.00</b>                     |
| Fund Balances / Retained Earnings                   |              |                              |                |                      |                                 |
| July 1, 2024  | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Prior period adjustments                            | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| July 1, 2024 as restated                            | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| Increase(Decrease) in reserve for inventory         | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |
| June 30, 2025                                       | 0.00         | 0.00                         | 0.00           | 0.00                 | 0.00                            |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
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| Special Revenue Fund Type                               |                      |                   |                 |                           | Page 11           |
|---|----------------------|-------------------|-----------------|---------------------------|-------------------|
|   | 2410-EEF-BLDGS/BUSES | 2511-TITLE II - A | 2606-HQIM GRANT | 2607-ARP LEARN MORE GRANT | 2610-EHA PART B   |
| <b>Revenues</b>   |                      |                   |                 |                           |                   |
| Local Sources   | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00              |
| Intermediate Sources                                    | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00              |
| State Sources   | 56,238.00            | 0.00              | 0.00            | 0.00                      | 0.00              |
| Federal Sources   | 0.00                 | 65,945.93         | 7,971.08        | 184,715.20                | 562,524.00        |
| Sixteenth Section Sources                               | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00              |
| <b>Total Revenues</b>                                   | <b>56,238.00</b>     | <b>65,945.93</b>  | <b>7,971.08</b> | <b>184,715.20</b>         | <b>562,524.00</b> |
| <b>Expenditures</b>                                     |                      |                   |                 |                           |                   |
| Instruction   | 0.00                 | 17,980.58         | 7,971.08        | 158,197.80                | 262,775.23        |
| Support Services  | 0.00                 | 47,965.35         | 0.00            | 26,490.96                 | 299,748.77        |
| Noninstructional Services                               | 0.00                 | 0.00              | 0.00            | 26.44                     | 0.00              |
| Sixteenth Section                                       | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00              |
| Facilities Acquisition and Construction                 | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00              |
| Debt Service  | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00              |
| Principal   | 56,238.00            | 0.00              | 0.00            | 0.00                      | 0.00              |
| Interest  | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00              |
| Other   | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00              |
| <b>Total Expenditures</b>                               | <b>56,238.00</b>     | <b>65,945.93</b>  | <b>7,971.08</b> | <b>184,715.20</b>         | <b>562,524.00</b> |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>0.00</b>          | <b>0.00</b>       | <b>0.00</b>     | <b>0.00</b>               | <b>0.00</b>       |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**SDA Legal Proposed Combining Budget Report**  
**For the year ending June 30, 2025**

Original ☒ Date Approved: 06/27/2024

Amended ☐ Date Approved: \_\_\_\_\_

| <b>Special Revenue Fund Type</b>                    |                      |                   |                 |                           |                 | Page 12 |
|---|----------------------|-------------------|-----------------|---------------------------|-----------------|---------|
| Other Financing Sources(Uses)                       | 2410-EEF-BLDGS/BUSES | 2511-TITLE II - A | 2606-HQIM GRANT | 2607-ARP LEARN MORE GRANT | 2610-EHA PART B |         |
| Proceeds of General Obligation Bonds                | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Proceeds of Refunding Bonds                         | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Proceeds of Loan(s)                                 | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Inception of Capital Lease(s)                       | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Insurance Loss Recoveries                           | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Sale of Transportation Equipment                    | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Sale of Other Property                              | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Indirect Costs                                      | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Other Transfers In                                  | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Payments to Escrow Agent                            | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Miscellaneous Other Financing Sources               | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Indirect Costs Transfers Out                        | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Other Transfers Out                                 | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Payment to Refunded Bond Escrow Agent               | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Miscellaneous Other Financing Uses                  | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Premium on Debt Issuance                            | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| <b>Total Other Financing Sources(Uses)</b>          | <b>0.00</b>          | <b>0.00</b>       | <b>0.00</b>     | <b>0.00</b>               | <b>0.00</b>     |         |
| <b>Net Change in Fund Balances</b>                  | <b>0.00</b>          | <b>0.00</b>       | <b>0.00</b>     | <b>0.00</b>               | <b>0.00</b>     |         |
| <b>Fund Balances / Retained Earnings</b>            |                      |                   |                 |                           |                 |         |
| July 1, 2024  | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Prior period adjustments                            | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| July 1, 2024 as restated                            | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| Increase(Decrease) in reserve for inventory         | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |
| June 30, 2025                                       | 0.00                 | 0.00              | 0.00            | 0.00                      | 0.00            |         |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
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| Special Revenue Fund Type                               |                  |                     |                      |                    |                                   | Page 13 |
|---|------------------|---------------------|----------------------|--------------------|-----------------------------------|---------|
|   | 2620-EHA PRESCH  | 2711-VOCATIONAL     | 2811-Title IV Part A | 2820-UNEM. COMP    | 2910-Early Learning Collaborative |         |
| Revenues  |                  |                     |                      |                    |                                   |         |
| Local Sources   | 0.00             | 105,000.00          | 0.00                 | 0.00               | 0.00                              |         |
| Intermediate Sources                                    | 0.00             | 0.00                | 0.00                 | 0.00               | 0.00                              |         |
| State Sources   | 0.00             | 127,000.00          | 0.00                 | 0.00               | 302,500.00                        |         |
| Federal Sources   | 50,338.00        | 0.00                | 27,725.18            | 0.00               | 0.00                              |         |
| Sixteenth Section Sources                               | 0.00             | 0.00                | 0.00                 | 0.00               | 0.00                              |         |
| <b>Total Revenues</b>                                   | <b>50,338.00</b> | <b>232,000.00</b>   | <b>27,725.18</b>     | <b>0.00</b>        | <b>302,500.00</b>                 |         |
| Expenditures  |                  |                     |                      |                    |                                   |         |
| Instruction   | 50,338.00        | 383,929.85          | 24,068.38            | 14,834.08          | 264,894.53                        |         |
| Support Services  | 0.00             | 43,277.15           | 3,656.80             | 21,423.91          | 37,605.47                         |         |
| Noninstructional Services                               | 0.00             | 0.00                | 0.00                 | 4,055.48           | 0.00                              |         |
| Sixteenth Section                                       | 0.00             | 0.00                | 0.00                 | 0.00               | 0.00                              |         |
| Facilities Acquisition and Construction                 | 0.00             | 0.00                | 0.00                 | 0.00               | 0.00                              |         |
| Debt Service  | 0.00             | 0.00                | 0.00                 | 0.00               | 0.00                              |         |
| Principal   | 0.00             | 0.00                | 0.00                 | 0.00               | 0.00                              |         |
| Interest  | 0.00             | 0.00                | 0.00                 | 0.00               | 0.00                              |         |
| Other   | 0.00             | 0.00                | 0.00                 | 0.00               | 0.00                              |         |
| <b>Total Expenditures</b>                               | <b>50,338.00</b> | <b>427,207.00</b>   | <b>27,725.18</b>     | <b>40,313.47</b>   | <b>302,500.00</b>                 |         |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>0.00</b>      | <b>(195,207.00)</b> | <b>0.00</b>          | <b>(40,313.47)</b> | <b>0.00</b>                       |         |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
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| Special Revenue Fund Type                           |                 |                   |                      |                    | Page 14                           |
|---|-----------------|-------------------|----------------------|--------------------|-----------------------------------|
| Other Financing Sources(Uses)                       | 2620-EHA PRESCH | 2711-VOCATIONAL   | 2811-Title IV Part A | 2820-UNEM. COMP    | 2910-Early Learning Collaborative |
| Proceeds of General Obligation Bonds                | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Proceeds of Refunding Bonds                         | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Proceeds of Loan(s)                                 | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Inception of Capital Lease(s)                       | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Insurance Loss Recoveries                           | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Sale of Transportation Equipment                    | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Sale of Other Property                              | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Indirect Costs                                      | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Other Transfers In                                  | 0.00            | 195,207.00        | 0.00                 | 0.00               | 0.00                              |
| Payments to Escrow Agent                            | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Miscellaneous Other Financing Sources               | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Indirect Costs Transfers Out                        | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Other Transfers Out                                 | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Payment to Refunded Bond Escrow Agent               | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Miscellaneous Other Financing Uses                  | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| Premium on Debt Issuance                            | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| <b>Total Other Financing Sources(Uses)</b>          | <b>0.00</b>     | <b>195,207.00</b> | <b>0.00</b>          | <b>0.00</b>        | <b>0.00</b>                       |
|   |                 |                   |                      |                    |                                   |
| <b>Net Change in Fund Balances</b>                  | <b>0.00</b>     | <b>0.00</b>       | <b>0.00</b>          | <b>(40,313.47)</b> | <b>0.00</b>                       |
|   |                 |                   |                      |                    |                                   |
| Fund Balances / Retained Earnings                   |                 |                   |                      |                    |                                   |
| July 1, 2024  | 0.00            | 0.00              | 0.00                 | 40,313.47          | 0.00                              |
| Prior period adjustments                            | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| July 1, 2024 as restated                            | 0.00            | 0.00              | 0.00                 | 40,313.47          | 0.00                              |
| Increase(Decrease) in reserve for inventory         | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |
| June 30, 2025                                       | 0.00            | 0.00              | 0.00                 | 0.00               | 0.00                              |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
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**Special Revenue Fund Type**

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|   | 2939-HOUSE BILL 603 GRANT | 2940-SCHOOL MENTAL HEALTH GRANT | Combining Totals    |  |  |
|---|---------------------------|---------------------------------|---------------------|--|--|
| <b>Revenues</b>   |                           |                                 |                     |  |  |
| Local Sources   | 5,000.00                  | 0.00                            | 216,000.00          |  |  |
| Intermediate Sources                                    | 0.00                      | 0.00                            | 0.00                |  |  |
| State Sources   | 0.00                      | 0.00                            | 504,556.66          |  |  |
| Federal Sources   | 0.00                      | 185,491.66                      | 2,413,890.94        |  |  |
| Sixteenth Section Sources                               | 0.00                      | 0.00                            | 0.00                |  |  |
| <b>Total Revenues</b>                                   | <b>5,000.00</b>           | <b>185,491.66</b>               | <b>3,134,447.60</b> |  |  |
| <b>Expenditures</b>                                     |                           |                                 |                     |  |  |
| Instruction   | 0.00                      | 0.00                            | 1,490,562.35        |  |  |
| Support Services  | 0.00                      | 185,491.66                      | 1,012,129.05        |  |  |
| Noninstructional Services                               | 0.00                      | 0.00                            | 950,082.67          |  |  |
| Sixteenth Section                                       | 0.00                      | 0.00                            | 0.00                |  |  |
| Facilities Acquisition and Construction                 | 499,588.49                | 0.00                            | 499,588.49          |  |  |
| Debt Service  | 0.00                      | 0.00                            | 0.00                |  |  |
| Principal   | 0.00                      | 0.00                            | 56,238.00           |  |  |
| Interest  | 0.00                      | 0.00                            | 0.00                |  |  |
| Other   | 0.00                      | 0.00                            | 0.00                |  |  |
| <b>Total Expenditures</b>                               | <b>499,588.49</b>         | <b>185,491.66</b>               | <b>4,008,600.56</b> |  |  |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>(494,588.49)</b>       | <b>0.00</b>                     | <b>(874,152.96)</b> |  |  |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
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**Special Revenue Fund Type**

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| Other Financing Sources(Uses)                       | 2939-HOUSE BILL 603 GRANT | 2940-SCHOOL MENTAL HEALTH GRANT | Combining Totals    |
|---|---------------------------|---------------------------------|---------------------|
| Proceeds of General Obligation Bonds                | 0.00                      | 0.00                            | 0.00                |
| Proceeds of Refunding Bonds                         | 0.00                      | 0.00                            | 0.00                |
| Proceeds of Loan(s)                                 | 0.00                      | 0.00                            | 0.00                |
| Inception of Capital Lease(s)                       | 0.00                      | 0.00                            | 0.00                |
| Insurance Loss Recoveries                           | 0.00                      | 0.00                            | 0.00                |
| Sale of Transportation Equipment                    | 0.00                      | 0.00                            | 0.00                |
| Sale of Other Property                              | 0.00                      | 0.00                            | 0.00                |
| Indirect Costs                                      | 0.00                      | 0.00                            | 0.00                |
| Other Transfers In                                  | 0.00                      | 0.00                            | 195,207.00          |
| Payments to Escrow Agent                            | 0.00                      | 0.00                            | 0.00                |
| Miscellaneous Other Financing Sources               | 0.00                      | 0.00                            | 0.00                |
| Indirect Costs Transfers Out                        | 0.00                      | 0.00                            | 170,000.00          |
| Other Transfers Out                                 | 0.00                      | 0.00                            | 0.00                |
| Payment to Refunded Bond Escrow Agent               | 0.00                      | 0.00                            | 0.00                |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00                      | 0.00                            | 0.00                |
| Miscellaneous Other Financing Uses                  | 0.00                      | 0.00                            | 0.00                |
| Premium on Debt Issuance                            | 0.00                      | 0.00                            | 0.00                |
| <b>Total Other Financing Sources(Uses)</b>          | <b>0.00</b>               | <b>0.00</b>                     | <b>25,207.00</b>    |
| <b>Net Change in Fund Balances</b>                  | <b>(494,588.49)</b>       | <b>0.00</b>                     | <b>(848,945.96)</b> |
| <b>Fund Balances / Retained Earnings</b>            |                           |                                 |                     |
| July 1, 2024  | 494,588.49                | 0.00                            | 1,278,559.32        |
| Prior period adjustments                            | 0.00                      | 0.00                            | 0.00                |
| July 1, 2024 as restated                            | 494,588.49                | 0.00                            | 1,278,559.32        |
| Increase(Decrease) in reserve for inventory         | 0.00                      | 0.00                            | 0.00                |
| June 30, 2025                                       | 0.00                      | 0.00                            | 429,613.36          |



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**Capital Project Fund Type**

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|   | Combining Totals |  |  |  |
|---|------------------|--|--|--|
| <b>Revenues</b>   |                  |  |  |  |
| Local Sources   | 0.00             |  |  |  |
| Intermediate Sources                                    | 0.00             |  |  |  |
| State Sources   | 0.00             |  |  |  |
| Federal Sources   | 0.00             |  |  |  |
| Sixteenth Section Sources                               | 0.00             |  |  |  |
| <b>Total Revenues</b>                                   | <b>0.00</b>      |  |  |  |
| <b>Expenditures</b>                                     |                  |  |  |  |
| Instruction   | 0.00             |  |  |  |
| Support Services  | 0.00             |  |  |  |
| Noninstructional Services                               | 0.00             |  |  |  |
| Sixteenth Section                                       | 0.00             |  |  |  |
| Facilities Acquisition and Construction                 | 0.00             |  |  |  |
| Debt Service  | 0.00             |  |  |  |
| Principal   | 0.00             |  |  |  |
| Interest  | 0.00             |  |  |  |
| Other   | 0.00             |  |  |  |
| <b>Total Expenditures</b>                               | <b>0.00</b>      |  |  |  |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>0.00</b>      |  |  |  |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
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**Capital Project Fund Type**

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| Other Financing Sources(Uses)                       | Combining Totals |  |  |  |
|---|------------------|--|--|--|
| Proceeds of General Obligation Bonds                | 0.00             |  |  |  |
| Proceeds of Refunding Bonds                         | 0.00             |  |  |  |
| Proceeds of Loan(s)                                 | 0.00             |  |  |  |
| Inception of Capital Lease(s)                       | 0.00             |  |  |  |
| Insurance Loss Recoveries                           | 0.00             |  |  |  |
| Sale of Transportation Equipment                    | 0.00             |  |  |  |
| Sale of Other Property                              | 0.00             |  |  |  |
| Indirect Costs                                      | 0.00             |  |  |  |
| Other Transfers In                                  | 0.00             |  |  |  |
| Payments to Escrow Agent                            | 0.00             |  |  |  |
| Miscellaneous Other Financing Sources               | 0.00             |  |  |  |
| Indirect Costs Transfers Out                        | 0.00             |  |  |  |
| Other Transfers Out                                 | 0.00             |  |  |  |
| Payment to Refunded Bond Escrow Agent               | 0.00             |  |  |  |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00             |  |  |  |
| Miscellaneous Other Financing Uses                  | 0.00             |  |  |  |
| Premium on Debt Issuance                            | 0.00             |  |  |  |
| <b>Total Other Financing Sources(Uses)</b>          | <b>0.00</b>      |  |  |  |
| <b>Net Change in Fund Balances</b>                  | <b>0.00</b>      |  |  |  |
| <b>Fund Balances / Retained Earnings</b>            |                  |  |  |  |
| July 1, 2024  | 0.00             |  |  |  |
| Prior period adjustments                            | 0.00             |  |  |  |
| July 1, 2024 as restated                            | 0.00             |  |  |  |
| Increase(Decrease) in reserve for inventory         | 0.00             |  |  |  |
| June 30, 2025                                       | 0.00             |  |  |  |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
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| Debt Service Fund Type                                  |                            |                           |                           |                          | Page 19             |
|---|----------------------------|---------------------------|---------------------------|--------------------------|---------------------|
|   | 4022-3 mill Note Debt 2016 | 4033-BOND ISSUE 2006/2015 | 4091-TRUST CERT DEBT 2016 | 4092-ENERGY SAVINGS DEBT | Combining Totals    |
| <b>Revenues</b>   |                            |                           |                           |                          |                     |
| Local Sources   | 191,918.00                 | 661,150.00                | 0.00                      | 0.00                     | 853,068.00          |
| Intermediate Sources                                    | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| State Sources   | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| Federal Sources   | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| Sixteenth Section Sources                               | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| <b>Total Revenues</b>                                   | <b>191,918.00</b>          | <b>661,150.00</b>         | <b>0.00</b>               | <b>0.00</b>              | <b>853,068.00</b>   |
| <b>Expenditures</b>                                     |                            |                           |                           |                          |                     |
| Instruction   | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| Support Services  | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| Noninstructional Services                               | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| Sixteenth Section                                       | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| Facilities Acquisition and Construction                 | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| Debt Service  | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00                |
| Principal   | 95,000.00                  | 630,000.00                | 25,762.39                 | 53,655.42                | 804,417.81          |
| Interest  | 82,425.00                  | 26,400.00                 | 6,707.61                  | 87,090.58                | 202,623.19          |
| Other   | 0.00                       | 2,500.00                  | 1,000.00                  | 0.00                     | 3,500.00            |
| <b>Total Expenditures</b>                               | <b>177,425.00</b>          | <b>658,900.00</b>         | <b>33,470.00</b>          | <b>140,746.00</b>        | <b>1,010,541.00</b> |
| <b>Excess(Deficiency) of Revenues Over Expenditures</b> | <b>14,493.00</b>           | <b>2,250.00</b>           | <b>(33,470.00)</b>        | <b>(140,746.00)</b>      | <b>(157,473.00)</b> |

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**SDA Legal Proposed Combining Budget Report**  
**For the year ending June 30, 2025**

Original ☒ Date Approved: 06/27/2024

Amended ☐ Date Approved: \_\_\_\_\_


**Debt Service Fund Type**

|   |                            |                           |                           |                          | Page 20           |
|---|----------------------------|---------------------------|---------------------------|--------------------------|-------------------|
| Other Financing Sources(Uses)                       | 4022-3 mill Note Debt 2016 | 4033-BOND ISSUE 2006/2015 | 4091-TRUST CERT DEBT 2016 | 4092-ENERGY SAVINGS DEBT | Combining Totals  |
| Proceeds of General Obligation Bonds                | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Proceeds of Refunding Bonds                         | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Proceeds of Loan(s)                                 | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Inception of Capital Lease(s)                       | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Insurance Loss Recoveries                           | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Sale of Transportation Equipment                    | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Sale of Other Property                              | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Indirect Costs                                      | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Other Transfers In                                  | 0.00                       | 0.00                      | 33,470.00                 | 140,746.00               | 174,216.00        |
| Payments to Escrow Agent                            | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Miscellaneous Other Financing Sources               | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Indirect Costs Transfers Out                        | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Other Transfers Out                                 | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Payment to Refunded Bond Escrow Agent               | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Payment to Qualified Zone Academy Debt Escrow Agent | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Miscellaneous Other Financing Uses                  | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| Premium on Debt Issuance                            | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| <b>Total Other Financing Sources(Uses)</b>          | <b>0.00</b>                | <b>0.00</b>               | <b>33,470.00</b>          | <b>140,746.00</b>        | <b>174,216.00</b> |
|   |                            |                           |                           |                          |                   |
| <b>Net Change in Fund Balances</b>                  | <b>14,493.00</b>           | <b>2,250.00</b>           | <b>0.00</b>               | <b>0.00</b>              | <b>16,743.00</b>  |
|   |                            |                           |                           |                          |                   |
| <b>Fund Balances / Retained Earnings</b>            |                            |                           |                           |                          |                   |
| July 1, 2024  | 32,220.37                  | 0.00                      | 0.00                      | 0.00                     | 32,220.37         |
| Prior period adjustments                            | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| July 1, 2024 as restated                            | 32,220.37                  | 0.00                      | 0.00                      | 0.00                     | 32,220.37         |
| Increase(Decrease) in reserve for inventory         | 0.00                       | 0.00                      | 0.00                      | 0.00                     | 0.00              |
| June 30, 2025                                       | 46,713.37                  | 2,250.00                  | 0.00                      | 0.00                     | 48,963.37         |

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
SDA Legal Proposed Combining Budget Report  
For the year ending June 30, 2025

Original ☒ Date Approved: 06/27/2024  
Amended ☐ Date Approved: \_\_\_\_\_

The above Original Combining Budget Report has been approved by the school board as noted in our board minutes dated 6-27-24

Board President:  (signature)  
Brant Kairit (printed name)

Date: 6-27-24

Board Secretary:  (signature)  
Cheryl Pegues (printed name)

Date: 6-27-24

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## **APPENDIX C**

### **INFORMATION CONCERNING THE DISTRICT RESOLUTION AND THE DISTRICT BOND**

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## **THE DISTRICT BOND AND THE DISTRICT RESOLUTION**

### **General; Authorization and Purposes for Issuance**

Acting pursuant to the Act, the District's Board of Trustees (the "Governing Body") adopted a resolution on May 12, 2025 (the "District Resolution") authorizing the issuance of the Senatobia Municipal School District General Obligation Bond, Series 2025 in the principal amount of not to exceed \$9,000,000 (the "District Bond") to provide funds for the Project.

### **Security**

The District Bond will be a general obligation of the District secured by the full faith and credit of the District and the avails of a special ad valorem tax upon all of the taxable property within the District which will be adequate and sufficient, after allowance has 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 District Bond and any additional obligations of the District under the Indenture, to the extent other funds are not used for such purpose. Pursuant to Miss. Code Ann. Section 37-59-23, the special ad valorem tax shall be extended upon the tax rolls by the Board of Aldermen of Senatobia, Mississippi, as the tax levying authority for the District, and collected in the same manner and at the same time as other taxes of the District 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 District on or prior to August 1 of that year has transferred money to the Series 2025 Bond Fund (as defined in the District Resolution) or has made other provisions for funds to be applied toward the payment of the principal of and interest on the District Bond due during such fiscal year of the District, in accordance with the provisions of the District Resolution. The avails of said tax are irrevocably pledged for the payment of the principal of, premium, if any, and interest on the District Bond as the same shall mature and accrue. The District Bond will never constitute an obligation of the State or any political subdivision of the State other than the District, and neither the full faith and credit nor taxing power of the State or any political subdivision thereof, other than the District, is pledged to the payment of such principal of, premium, if any, and interest on the District Bond.

### **Procedure**

Concurrently with the issuance of the District Bond, the Bank will issue the Series 2025 Bonds, and the proceeds of the Series 2025 Bonds will be used to purchase the District Bond in accordance with the Act and in accordance with the terms and conditions of the Indenture and the Bond Purchase Agreement. The proceeds of the District Bond are to be applied in accordance with the Indenture by the Trustee to provide the funds necessary for the Project.

### **Payment of Principal, Premium, if any, and Interest**

The District will duly and punctually pay the principal of, premium, if any, and interest on the District Bond pledged under the Indenture at the dates and the places and in the manner set forth in the District Resolution and Indenture. Notwithstanding any schedule of payments upon the District Bond pledged under the Indenture, the District agrees to make payments upon such obligations 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 Series 2025 Bonds Outstanding under the Indenture, at least five Business Days prior to when such amounts are due, whether upon a scheduled Interest Payment Date for the Series 2025 Bonds, at maturity, or upon redemption of the Series 2025 Bonds.

### **Redemption of the District Bond**

The District shall only be permitted to redeem the District Bond pursuant to the District Resolution to the extent and in the manner required to redeem the Series 2025 Bonds pursuant to the provisions of the Indenture.

## Flow of Funds

**Bond Fund.** The District will establish and maintain in its name with a qualified depository a Series 2025 Bond Fund (the "Bond Fund") for the payment of the principal of, premium, if any, and interest on the District Bond, and the payment of Agent's fees in connection therewith. There will be deposited into the Bond Fund as and when received:

- (a) The avails of any of the ad valorem taxes levied and collected pursuant to the District Resolution;
- (b) Any income received from the investment of monies in the Bond Fund; and
- (c) Any other funds available to the District which may be lawfully used for payment of the principal of, premium, if any, and interest on the District Bond or for other obligations of the District which may be due under the Indenture, and which the Governing Body, in its discretion, may direct to be deposited into the Bond Fund.

As long as any principal of, premium, if any, and interest on the District Bond or the Series 2025 Bonds remain outstanding and/or other obligations of the District remain outstanding under the District Resolution or under the Indenture, the District is authorized and directed under the District Resolution to withdraw from the Bond Fund sufficient monies to make the payments necessary (the "District 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 District 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 Paying Agent in time to reach the Paying Agent at least five 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 Paying Agent shall transfer all District Bond Payments received to the Trustee who shall deposit such District Bond Payments 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.

**Construction Fund.** The principal proceeds, including any premium, received upon the sale of the District Bond shall be deposited with a qualified depository in a special fund, created under the District Resolution, in the name of the District and designated the "2025 Construction Fund" (the "Construction Fund"). Such proceeds shall be used, to the extent permitted by law, (a) for the Project; (b) to reimburse the District for any expenses incurred by the District in connection with the Project allowed by the Code; (c) to pay architectural, engineering, fiscal, paying agent, printing, accounting, construction manager, financial advisory, feasibility consultant, legal expenses and development expenses incurred in connection with the Project, the District Bond and the Series 2025 Bonds; and (d) 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 Construction Fund shall be deposited in the Construction Fund and shall be used for the costs of the Project. Any amounts which remain in the Construction Fund after the completion of the Project shall be transferred to the Bond Fund and used as permitted under the Code and State law.

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**APPENDIX D**  
**FORM OF OPINION OF BOND COUNSEL**

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**UPON THE DELIVERY OF THE SERIES 2025 BONDS, YOUNG LAW GROUP, PLLC PROPOSES TO DELIVER AN OPINION IN SUBSTANTIALLY THE FOLLOWING FORM:**

Mississippi Development Bank  
Jackson, Mississippi

Raymond James & Associates  
Memphis, Tennessee

Re: \$9,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (Senatobia Municipal School District General Obligation Bond Project) (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 an Indenture of Trust (the "Indenture"), dated as of \_\_\_\_\_, 2025 by and between the Issuer and Regions Bank, Little Rock, Arkansas 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 deem necessary to render the opinions contained herein, including the Issuer's tax representations and covenants made in the Indenture and its tax certificates, representations and covenants and the tax representations and covenants of the Senatobia Municipal School District, (the "District") made in a resolution (the "District Bond Resolution") adopted by the District's Board of Trustees on May 12, 2025 and its tax certificates (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 "Bank Act"), and Sections 37-59-1 et seq., Mississippi Code of 1972, as amended and supplemented from time to time (the "District Bond Act" and together with the Bank Act, the "Acts"), and a resolution of the Board of Directors of the Issuer adopted on May 14, 2025 and together with the District Bond Resolution (the "Resolution").

The Series 2025 Bonds are being issued for the purpose of providing funds to finance the costs of various capital improvements within the District, as more particularly described in the District Bond Resolution, to pay capitalized interest on the Series 2025 Bonds and to pay the costs incident to the sale, issuance, and delivery of the Series 2025 Bonds and the District Bond (as described in the District Bond Resolution).

As to questions of fact material to our opinion, we have relied upon representations of the District and the Issuer, certified proceedings and other certifications of the District and the Issuer and other public officials furnished to us, including but not limited to, certifications furnished to us by or on behalf of the District and the Issuer regarding certain federal tax matters in connection with the issuance of the Series 2025 Bonds and the use of the proceeds thereof, 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.

We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Tax Representations and Covenants, and have not undertaken to verify any facts by independent investigation. We have also relied on the legal opinions of Balch & Bingham, LLP and Adams and Reese, LLP in their opinion letters dated the date hereof and on the Validation Judgments rendered by the Hinds County Chancery Court regarding the Series 2025 Bonds on \_\_\_\_\_, 2025 and the Tate County Chancery Court regarding the District Bond on \_\_\_\_\_, 2025.

Based on the foregoing and subject to the qualifications and assumptions herein, we are of the opinion on the date hereof that:

(a) Such proceedings and proofs show lawful authority for the sale and issuance of the Series 2025 Bonds by the Issuer pursuant to the Constitution and laws of the State of Mississippi (the "State"), including the Acts and the provisions of the Resolution.

(b) 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.

(c) The Indenture is a valid and binding agreement of the Issuer enforceable in accordance with its terms. The Indenture creates the valid pledge that it purports to create in the Funds and Accounts and the 2025 District Bond (as such terms are defined in the Indenture), including the investments and proceeds thereof (excepting therefrom the "Rebate Fund" as defined in the Indenture) and all other funds, accounts and moneys pledged (to the extent of that pledge), subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

(d) Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated below, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes. Furthermore, interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporation for the purpose of computing the alternative minimum tax imposed on 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 (d), we have assumed continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met after the issuance of the Series 2025 Bonds in order that interest on the Series 2025 Bonds not be includable 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 District and the Issuer have covenanted 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. Owners of the Series 2025 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes or any other collateral federal income tax consequences.

(e) Under and pursuant to the Act, the Series 2025 Bonds and interest thereon are exempt from all income taxes imposed by the State.

It is to be understood that the rights of the holders of the Series 2025 Bonds and the enforceability of the Indenture and the Series 2025 Bonds 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.

In this opinion letter, issued in our capacity as Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Issuer's Official Statement or other 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 law with respect to the sale or distribution of the Series 2025 Bonds.

In rendering this opinion letter, we have acted as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Series 2025 Bonds under the laws of the State and with respect to the excludability of the interest on the Series 2025 Bonds from federal and State income taxation.

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.

Very truly yours,

Young Law Group, PLLC

**APPENDIX E**  
**DEFINITIONS**

## **DEFINITIONS**

In addition to terms defined elsewhere in this Official Statement, 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 District Resolution, as the case may be.

### **Accounts**

“Accounts” means the accounts created pursuant to Article VI of the Indenture.

### **Act**

“Act” means together the Bank Act and the District Bond Act.

### **Authorized Officer**

“Authorized Officer” means the President, Vice President, Executive Director, Secretary or Assistant Secretary of the Bank or such other person or persons who are duly authorized to act on behalf of the Bank and the Superintendent of Schools or the Chief Financial Officer of the District or such other person or persons who are duly authorized to act on behalf of the District.

### **Bank**

“Bank” means the Mississippi Development Bank, a body corporate and politic exercising essential public functions, or any successor to its functions organized under the Bank Act.

### **Bank Act**

“Bank Act” means the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended or supplemented from time to time.

### **Bankruptcy Code**

“Bankruptcy Code” means 11 U.S.C. Sections 100 *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 District and the Bank nationally recognized in the area of municipal law and matters relating to the exclusion 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. Young Law Group, PLLC, Jackson, 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 Register**

“Bond Register” means the registration records of the Bank kept by the Trustee to evidence the registration and transfer of the 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 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 or (d) a day on which the New York Stock Exchange is closed.

**Capitalized Interest Account**

“Capitalized Interest Account” means the account by that name created by Section 6.02 of the Indenture.

**Code**

“Code” or “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and all applicable Regulations promulgated thereunder.

**Costs of Issuance**

“Costs of Issuance” means items of expense payable or reimbursable, directly or indirectly, by the Bank and related to the authorization, sale, validation, issuance and/or delivery of the Series 2025 Bonds and the District 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, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Series 2025 Bonds, credit enhancements or liquidity facility fees, fees and expenses of the Underwriters, and other costs, charges and fees in connection with the foregoing.

**Counsel**

“Counsel” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state.

**County**

“County” means Tate County, Mississippi, unless otherwise stated or implied.

**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.

**District**

“District” means the Senatobia Municipal School District, Senatobia, Mississippi, a Local Governmental Unit under the Bank Act.

**District Bond**

“District Bond” means the \$9,000,000 Senatobia Municipal School District General Obligation Bond Series 2025 issued by the District pursuant to the District Resolution and registered to the Trustee as assignee of the Bank pursuant to the Indenture.

**District Bond Act**

“District Bond Act” means Section 37-59-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

**District Bond Payment**

“District Bond Payment” means the amounts paid or required to be paid, from time to time, for principal, premium, if any, and interest on the District Bond held by the Trustee pursuant to the Indenture.

**District Project**

“District Project” shall mean paying the costs, including the costs of borrowing, capitalized interest and any municipal bond insurance premium, of acquiring, purchasing, erecting, repairing, equipping, remodeling and enlarging school buildings and related facilities, establishing and equipping school athletic fields and necessary facilities connected therewith, and providing necessary water, light, heating, air conditioning and sewerage facilities for school buildings and related facilities, including, but not limited to the following generally described project: (a) making safety and security improvements at all schools, including securing entrances and adding keycard access, security cameras and fencing, (b) constructing new classrooms at the elementary and high schools, (c) constructing a car-rider line at the elementary school, (d) constructing new track and soccer facilities at the Matthews Drive athletic complex and (e) constructing a new concession stand, bathrooms and locker-rooms at the football complex.

**District Resolution**

“District Resolution” means the resolution adopted by the Board of Trustees of the District on May 12, 2025, in connection with the sale and issuance of the District Bond to the Bank.

**DTC**

“DTC” means The Depository Trust Company, New York, New York.

**DTC Participants**

“DTC Participants” shall have the meaning ascribed thereto in the Indenture.

**DTC’s Blanket Letter of Representations**

“DTC’s Blanket Letter of Representations” means the Blanket Letter of Representations, dated May 1, 2022, between the Bank and DTC.

**Event of Default**

“Event of Default” means any occurrence or event specified in the Indenture.

**Fiscal Year**

“Fiscal Year” means when used with respect to the Bank, the Bank’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 Bank and when used with respect to the District, the District’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 District.

**Funds**

“Funds” means the funds created pursuant to Article VI of the Indenture (except for the Rebate Fund).

**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 Trustees of the District.

**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: Department of Housing and Urban Development, Export-Import Bank, Farmers Home Administration (or successor thereto), Federal Financing Bank, Federal Housing Administration, Maritime Administration, Small Business Administration, which obligations include but are not limited to certificates or receipts representing direct ownership of future interest or principal payments on obligations described in clause (a) or in this clause (b) and which are held by a custodian in safekeeping on behalf of the holders of such receipts; 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 Indenture of Trust dated the date of the original issuance of the Series 2025 Bonds and all supplements and amendments hereto 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 June 1 and December 1 of each year, commencing December 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 Bank 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.

### **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 District. The District is a Local Governmental Unit under the Bank 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 District (with the approval of the Bank), with written notice to the Trustee.

### **Opinion of Bond Counsel**

“Opinion of Bond Counsel” means an opinion by a nationally recognized firm experienced in matters relating to the tax exemption for interest payable on obligations of states and their instrumentalities and political subdivisions under federal law, and which is acceptable to the Bank and the Trustee.

### **Opinion of Counsel**

“Opinion of Counsel” means a written opinion of Counsel addressed to the Trustee, for the benefit of the owners of the Bonds, who may (except as otherwise expressly provided in the Indenture) be Counsel to the Bank or Counsel to the owners of the Bonds and who is acceptable to the Trustee.

### **Outstanding**

“Outstanding” or “Bonds Outstanding” or “Outstanding Bonds” means all Bonds which have been authenticated and delivered by the Trustee under the Indenture, including Bonds held by the Bank, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds deemed paid under the Indenture; and
- (c) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

### **Paying Agent**

“Paying Agent” means Regions Bank, Little Rock, Arkansas, or any successor thereto, acting as the Paying Agent under the District Resolution.

### **Principal Payment Date**

“Principal Payment Date” means the maturity date or, if applicable, the mandatory sinking fund redemption dates of any Bond.

**Program**

“Program” means the program for purchasing Securities of Local Governmental Units by the Bank pursuant to the Bank Act.

**Program Expenses**

“Program Expenses” means all of the fees and expenses of the Trustee relating to the Series 2025 Bonds or the District Bond and costs of determining the amount rebatable, if any, to the United States of America under the Indenture, all to the extent properly allocable to the Program and approved in writing by the Bank.

**Project**

“Project” means providing financing for (a) the purchase of the District Bond, (b) pay capitalized interest on the Series 2025 Bonds, and (c) paying Costs of Issuance for the District Bond and the Series 2025 Bonds.

**Purchase Account**

“Purchase Account” means the account by that name created by Section 6.02 of the Indenture.

**Rebate Fund**

“Rebate Fund” means the fund 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, and accrued interest 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.

**Regulations**

“Regulations” shall mean any of the regulations promulgated from time to time under the Code by the United States Department of Treasury.

**Revenues**

“Revenues” shall mean the Funds and Accounts (except for the Rebate Fund) and all income, revenues and profits of the Funds and Accounts (except for the Rebate Fund) referred to in the granting clauses hereof including,

without limitation, all District Bond Payments and any additional amounts paid to the Trustee under the District Resolution or from any other source whatsoever.

### **S&P**

“S&P” means S & P Global Ratings, a New York corporation, 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 District (with the approval of the Bank), with written notice to the Trustee.

### **Securities**

“Securities” means bonds, notes or other evidences of indebtedness issued by a Local Governmental Unit pursuant to the Bank Act including the District Bond.

### **Series 2025 Bonds**

“Series 2025 Bonds” means the \$9,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2025 (Senatobia Municipal School District General Obligation Bond Project) issued pursuant to the Indenture.

### **State**

“State” means the State of Mississippi.

### **Supplemental Indenture**

“Supplemental Indenture” means an Indenture supplemental to or amendatory of the Indenture, executed by the Bank and the Trustee in accordance with Article XII of the Indenture.

### **Tax Certificate**

“Tax Certificate” means the Tax Certificate, dated as of the date of original issuance of the Series 2025 Bonds, delivered by the Bank and the District upon the issuance of the Series 2025 Bonds.

### **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 the 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 Regions Bank, Little Rock, Arkansas.

### **Underwriter**

“Underwriter” means Raymond James & Associates, Inc., Memphis, Tennessee the underwriter of the Series 2025 Bonds.

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**APPENDIX F**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**



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**\$9,000,000**  
**MISSISSIPPI DEVELOPMENT BANK**  
**SPECIAL OBLIGATION BONDS, SERIES 2025**  
**(SENATOBIA MUNICIPAL SCHOOL DISTRICT**  
**GENERAL OBLIGATION BOND PROJECT)**

**CONTINUING DISCLOSURE AGREEMENT**

WHEREAS, the Mississippi Development Bank (the “Bank”) has heretofore authorized the issuance of its \$9,000,000 Special Obligation Bonds, Series 2025 (Senatobia Municipal School District General Obligation Bond Project), which are described in the Official Statement dated \_\_\_\_\_, 2025 (the “Official Statement”), for the benefit of the Senatobia Municipal School District, Senatobia, Mississippi (the “District”); and

WHEREAS, the Bank has sold the Bonds to Raymond James & Associates, Inc., Memphis, Tennessee, as underwriter (the “Underwriter”) pursuant to the terms and conditions of an Indenture of Trust (the “Indenture”), dated \_\_\_\_\_, 2025, between the Bank and Regions Bank, Little Rock, Arkansas, as trustee (the “Trustee”); and

WHEREAS, the District is executing and delivering this Undertaking for the benefit of the holders of the Bonds outlining the District's undertaking to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5); and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Undertaking is to be made, executed and delivered in connection with the issuance of the Bonds, all for the benefit of the Beneficial Owners of the Bonds, as they may be from time to time.

NOW, THEREFORE, THE DISTRICT HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

**Section 1. Definitions.** In addition to the terms defined above and in the Official Statement, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" means the District's annual report as more particularly described in Section 4 of this Undertaking.

"Audited Financial Statements" means the District's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which have been audited by a firm of certified public accountants as shall be then required or permitted by the laws of the State.

"Beneficial Owner" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bond for federal income tax purposes.

"Bonds" means the Bank's \$9,000,000 Special Obligation Bonds, Series 2025 (Senatobia Municipal School District General Obligation Bond Project).

"EMMA" means the Electronic Municipal Market Access system found at <https://emma.msrb.org>, created by the MSRB, which is the electronic format for filing disclosures pursuant to the Rule.

"Fiscal Year" means the fiscal year of the District which begins July 1 in any year and ends June 30 of the following calendar year.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person" means the District.

"Obligated Person Undertakings" means the respective agreements entered into by each Obligated Person.

"Participating Underwriter" means the Underwriter and any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934, as amended through the date of this Undertaking.

"State" means the State of Mississippi.

"Undertaking" means this Continuing Disclosure Agreement.

**Section 2. General.** Nothing in this Undertaking shall prevent any Obligated Person from disseminating any information in addition to that required by said Undertaking. If any Obligated Person disseminates any such additional information, the Obligated Person shall have no obligation to update such information or include it in any future materials disseminated.

### **Section 3. Provision of Annual Reports.**

(a) The District hereby undertakes to deliver or cause to be delivered, no later than the following June 30 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2025, an Annual Report which is consistent with the requirements of Section 4 of this Undertaking and the manner required by the Rule. 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 Undertaking; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report.

(b) If the District is unable to provide the Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB in substantially the form attached hereto as **EXHIBIT A**.

**Section 4. Content of Annual Report.** The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements, if available on such date, and, if unavailable, unaudited financial information will be provided as part of the Annual Report and the Audited Financial Statements will be provided within thirty (30) days of receipt.

(b) An update of the tables in **EXHIBIT B** of this Disclosure Agreement.

**Section 5. Reporting of Certain Events.** The District will post to EMMA, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events regarding the 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 enhancement reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of security holders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;

- (10) release, substitution, or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- (13) The consummation of a merger, consolidation, or acquisition involving the 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, in 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 a change in the name of a trustee, if material;
- (15) incurrence of a financial obligation 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 the financial obligation of the Obligated Person, any of which reflect financial difficulties.

For purposes of the events in clauses (15) and (16) above, "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in Rule) has been provided to the MSRB consistent with the Rule.

**Section 6. Remedies and Limitations.** The District's Undertaking is enforceable in accordance with its respective terms by any Beneficial Owner either directly or as third-party beneficiary. Any Beneficial Owner shall have the rights, for the equal benefit and protection of all Beneficial Owners, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against the District and to compel the District to perform and carry out its duties under this Undertaking; provided that such rights shall be limited to an action to compel specific enforcement of the obligations of the District and shall not include any rights to monetary damages.

The District has agreed to provide information and notices of material events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting, in whole or in part, from any breach of its Undertaking or from any statement made pursuant to this Undertaking.

The Paying Agent/Registrar shall not be responsible or liable for the performance of the Undertaking by the Obligated Person, including, but not limited to, determining whether the Undertaking has been met or reviewing any information provided by any Obligated Person purporting to satisfy the Undertaking. In addition, the Paying Agent/Registrar shall not be obligated or liable to any Beneficial Owner or other party with respect to any aspect of the implementation, operation or enforcement of the Undertaking.

**Section 7. Amendments.** The Undertaking may be amended, changed or modified pursuant to a written instrument signed by the Obligated Person, without the consent of any of the Beneficial Owners, (i) to comply with the provisions of the Rule, as amended from time to time, to the extent any such amendments are applicable to the Obligated Person or the Bonds, (ii) to cure any ambiguity, remedy any omission, or cure or correct any defect or inconsistent provision in the Undertaking, (iii) in connection with a change in circumstances arising from a change in the law or from a change in the identity, nature, or status of the Obligated Person, or (iv) if the Obligated Person obtains the opinion of nationally recognized bond counsel that any such amendment will not have a material adverse effect on the interest of the Beneficial Owners; provided, that any such amendment, change or modification shall comply with the provisions of the Rule as amended to the date of such amendment, change or modification. In the event of any amendments of a provision of this Undertaking, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to

be followed in preparing financial statements, notice of such change shall be given in the same manner as for a listed event under Section 3(ii).

**Section 8. Termination.** The Obligated Person's obligation under this Undertaking shall terminate upon legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the manner as for a Listed Event under Section 3(ii).

**Section 9. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

**Section 10. Beneficiaries.** This Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, the Beneficial Owners and holders from time to time of the Bonds and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2025

**SENATOBIA MUNICIPAL SCHOOL DISTRICT**

By: \_\_\_\_\_  
President, Board of Trustees

ATTEST:

By: \_\_\_\_\_  
Secretary, Board of Trustees

**EXHIBIT A**  
**FORM OF NOTICE OF FAILURE TO FILE**

**NOTICE OF FAILURE TO FILE  
FINANCIAL INFORMATION**

Name of Issuer: Mississippi Development Bank

Name of Obligated Person: Senatobia Municipal School District, Senatobia, Mississippi

Name of Bond Issue: Mississippi Development Bank Special Obligation Bonds, Series 2025 (Senatobia Municipal School District General Obligation Bond Project)

NOTICE IS HEREBY GIVEN that the annual financial information, including unaudited and audited financials, for the fiscal year ending June 30, \_\_\_\_\_ was not available as of the date of this notice. The Obligated Person will file the information as soon as it is available.

\_\_\_\_\_, 20\_\_

SENATOBIA MUNICIPAL SCHOOL DISTRICT  
SENATOBIA, MISSISSIPPI

## EXHIBIT B

Name of Issuer: Mississippi Development Bank

Name of Obligated Person: Senatobia Municipal School District, Senatobia, Mississippi

Name of Bond Issue: Mississippi Development Bank Special Obligation Bonds, Series 2025 (Senatobia Municipal School District General Obligation Bond Project)

## TAX INFORMATION

### Total Assessed Valuation of the District

| Assessment Year | Real Property | Personal Property | Public Utility | Total |
|-----------------|---------------|-------------------|----------------|-------|
|                 |               |                   |                |       |
|                 |               |                   |                |       |
|                 |               |                   |                |       |
|                 |               |                   |                |       |
|                 |               |                   |                |       |

### District Ad Valorem Tax Collections

| Fiscal Year Ended June 30 | Operations Budgeted | Operations Collected | Difference over (under) | % | Debt Service Requested | Debt Service Collected | Difference over (under) | % |
|---------------------------|---------------------|----------------------|-------------------------|---|------------------------|------------------------|-------------------------|---|
| 20__                      | \$ ____             |                      |                         |   | \$ ____                |                        |                         |   |

### Property Tax Rates

City, County and District  
Overlapping Millage Rates

| City of Senatobia |         |       |            | Tate County |       |              | Senatobia Municipal School District |              |      |                |
|-------------------|---------|-------|------------|-------------|-------|--------------|-------------------------------------|--------------|------|----------------|
| Fiscal Year       | General | Other | Total City | General     | Other | Total County | Operations                          | Debt Service | Voc. | Total District |
| 20 -              |         |       |            |             |       |              |                                     |              |      |                |
| 20 -              |         |       |            |             |       |              |                                     |              |      |                |
| 20 -              |         |       |            |             |       |              |                                     |              |      |                |
| 20 -              |         |       |            |             |       |              |                                     |              |      |                |
| 20 -              |         |       |            |             |       |              |                                     |              |      |                |

## DEBT INFORMATION

### General Obligation Debt of the District

| Issue | Issue Date | Original Principal Amount | Amount Outstanding | Final Maturity Date |
|-------|------------|---------------------------|--------------------|---------------------|
|       |            |                           |                    |                     |

### Limited-Tax Obligation Debt of the District

| Issue | Issue Date | Original Principal Amount | Amount Outstanding | Final Maturity Date |
|-------|------------|---------------------------|--------------------|---------------------|
|       |            |                           |                    |                     |

### Other Long-Term Debt of the District

| Issue | Issue Date | Original Principal Amount | Amount Outstanding | Final Maturity Date |
|-------|------------|---------------------------|--------------------|---------------------|
|       |            |                           |                    |                     |



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**APPENDIX G**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$        in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By \_\_\_\_\_  
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)

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