This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1). This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 5, 2026

NEW ISSUE-BOOK-ENTRY ONLY

Insured Ratings: "AA" (stable outlook) (S&P)
(See "RATINGS" and "BOND INSURANCE" herein)

In the opinion of Bond Counsel, assuming the accuracy of certain representations herein and continuing compliance with all covenants set forth in the Bond Resolution, and subject to the conditions set forth herein, under existing statutes, regulations, rulings, and decisions, as presently interpreted and construed, interest on the Series 2026 Bonds earned by the respective owners thereof is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code, except as described in "TAX EXEMPTION" herein. Bond Counsel is of the opinion that under existing law, interest on the Series 2026 Bonds earned by the respective owners thereof is exempt from income taxes of the State of Mississippi.

$18,000,000
COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2026
CITY OF STARKVILLE, MISSISSIPPI

DATED: July 9, 2026 **DUE: March 1, as shown below**

Interest on the Series 2026 Bonds is payable on March 1, 2027, and semiannually thereafter on March 1 and September 1 of each year. Payments of interest on the Series 2026 Bonds will be made to the Record Date Registered Owner, and payments of principal and premium, if any, will be made without the necessity of presentation and surrender of the Series 2026 Bonds at the principal office of the Paying Agent to the Record Date Registered Owner. The Series 2026 Bonds will be issued as fully registered bonds in the denomination of $5,000 each, or any integral multiple thereof up to the amount of a single maturity. The Series 2026 Bonds will be subject to redemption as set forth herein. U.S. Bank Trust Company, National Association, will serve as the Paying Agent for the Series 2026 Bonds.

The Series 2026 Bonds will be issued under and in conformity with the Constitution and Laws of the State of Mississippi and pursuant to the Bond Resolution adopted by the Governing Body of the Municipality. The principal of, premium, if any, and interest on the Series 2026 Bonds will be payable solely from a sufficient amount of the Net Revenues of the System and from the Current Debt Service Account and the Debt Service Reserve Account, all as provided in the Bond Resolution. The Series 2026 Bonds shall not be or constitute an indebtedness of the Municipality within the meaning of any constitutional, statutory, or charter limitation of indebtedness.

Year of Maturity	Principal Amount	Interest Rate	Yield	Year of Maturity	Principal Amount	Interest Rate	Yield
2027	$440,000	_____%	_____%	2037	$915,000	_____%	_____%
2028	$585,000	_____%	_____%	2038	$950,000	_____%	_____%
2029	$615,000	_____%	_____%	2039	$990,000	_____%	_____%
2030	$645,000	_____%	_____%	2040	$1,030,000	_____%	_____%
2031	$680,000	_____%	_____%	2041	$1,075,000	_____%	_____%
2032	$715,000	_____%	_____%	2042	$1,120,000	_____%	_____%
2033	$750,000	_____%	_____%	2043	$1,165,000	_____%	_____%
2034	$790,000	_____%	_____%	2044	$1,220,000	_____%	_____%
2035	$830,000	_____%	_____%	2045	$1,275,000	_____%	_____%
2036	$875,000	_____%	_____%	2046	$1,335,000	_____%	_____%

The Series 2026 Bonds are being offered for sale in accordance with the official Notice of Bond Sale. Sealed or electronic bids for the Series 2026 Bonds will be received until 11:00 a.m. C.D.T. on June 16, 2026, by the City Clerk of the Municipality.

The Series 2026 Bonds are not being offered as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

The scheduled payment of principal of and interest on the Series 2026 Bonds when due will be guaranteed under the Municipal Bond Insurance Policy to be issued concurrently with the delivery of the Series 2026 Bonds by Assured Guaranty Inc. ("AG").

ASSURED GUARANTY

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2026 Bonds are offered subject to the final approval of the legality thereof by Watkins & Eager PLLC, Jackson, Mississippi, as Bond Counsel, and Mitchell McNutt & Sams, Columbus, Mississippi, as Counsel to the Municipality. Stephens Inc., Ridgeland, Mississippi, is serving as the Municipality's "Independent Registered Municipal Advisor" in connection with the issuance of the Series 2026 Bonds. It is expected that the Series 2026 Bonds will be available for delivery in book type and entry-only form delivered to the Depository Trust Company on or about July 9, 2026.

Assured Guaranty Inc. ("AG") makes no representation regarding the Series 2026 Bonds or the advisability of investing in the Series 2026 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 F** – Specimen Municipal Bond Insurance Policy".

Interest payable on March 1, 2027, and semiannually thereafter on March 1 and September 1 of each year. The Series 2026 Bonds, in registered form and in the denomination of $5,000 each, or integral multiples thereof up to the amount of a single maturity, will mature serially on March 1, with option of prior payment, in the years and principal amounts as follows:

Maturity Schedule

Year of Maturity	Principal Amount	Interest Rate	Yield	CUSIP*
2027	$440,000	_____%	_____%	_____
2028	$585,000	_____%	_____%	_____
2029	$615,000	_____%	_____%	_____
2030	$645,000	_____%	_____%	_____
2031	$680,000	_____%	_____%	_____
2032	$715,000	_____%	_____%	_____
2033	$750,000	_____%	_____%	_____
2034	$790,000	_____%	_____%	_____
2035	$830,000	_____%	_____%	_____
2036	$875,000	_____%	_____%	_____
2037	$915,000	_____%	_____%	_____
2038	$950,000	_____%	_____%	_____
2039	$990,000	_____%	_____%	_____
2040	$1,030,000	_____%	_____%	_____
2041	$1,075,000	_____%	_____%	_____
2042	$1,120,000	_____%	_____%	_____
2043	$1,165,000	_____%	_____%	_____
2044	$1,220,000	_____%	_____%	_____
2045	$1,275,000	_____%	_____%	_____
2046	$1,335,000	_____%	_____%	_____

*These CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc., and are included solely for the convenience of Bondholders. The Municipality is not responsible for the section or use of these CUSIP numbers, nor is any representation made as to their correctness on the Series 2026 Bonds or as indicated herein.

For purposes of compliance with Rule 15c2-12 ("Rule 15c2-12") of the U.S. Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City of Starkville, Mississippi (the "Municipality"), from time to time (collectively, the "Official Statement"), may be treated as an "Official Statement" with respect to the Series 2026 Bonds described herein that is deemed final as of the date hereof (or as of the date of any such supplement or correction) by the Municipality. The Official Statement, when further supplemented by a Final Official Statement specifying the interest rates, principal amounts, in the aggregate and per maturity, and delivery dates of the Series 2026 Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the Municipality with respect to the Series 2026 Bonds, as that term is defined in Rule 15c2-12. Any addendum or amendment shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, broker, salesperson, or other person has been authorized by the Mayor and Board of Aldermen of the Municipality (the "Governing Body") to give any information or to make any representation, other than as contained in this Official Statement, in connection with the offering described herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the Governing Body. This Official Statement is submitted in connection with the sale of the Series 2026 Bonds described herein, and may not be reproduced, used, or relied upon, in whole or in part, for any other purpose.

CERTAIN INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT MAY HAVE BEEN OBTAINED FROM SOURCES OTHER THAN RECORDS OF THE MUNICIPALITY AND, WHILE BELIEVED TO BE RELIABLE, IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE MUNICIPALITY SINCE THE DATE HEREOF.

Reference herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to laws, rules, regulations, agreements, reports, and other documents are qualified in their entirety by reference to the particular laws, rules, regulations, agreements, reports, and other documents, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement, they will be furnished on request.

The Series 2026 Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and the same will not be listed on any stock or other securities exchange. Neither the U.S. Securities and Exchange Commission nor any other federal, state, or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2026 Bonds for sale. Any representation to the contrary is a criminal offense.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE MUNICIPALITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

This Official Statement contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the use of the future tense or by terms such as "may," "intend," "will," "expect," "forecast," "project," "anticipate," "estimate," "plan," "budget," "believe," "should," "strategy," "position," or the negative of such terms or variations of such words or similar expressions. In particular, any statements, express or implied, concerning future operating results or the ability to generate funds to service indebtedness are forward-looking statements. Investors are cautioned that reliance on any of those forward-looking statements involves risks and uncertainties and that, although the Governing Body believes that the assumptions on which those forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. Those forward-looking statements, including forecasts, projections, and estimates, are based on currently available information, expectations, estimates, assumptions, and projections, and the Governing Body's judgment about future expenses of operations and general economic conditions. The forward-looking statements are not guarantees of future performance. Actual results may vary materially and adversely from what is contained in a forward-looking statement. Factors which may cause results different from those expected or anticipated include, among others, increases in costs of operation, decreases in levels of State financial support, general economic and business conditions, and various other events, conditions, and circumstances, many of which are beyond the control of the Municipality. As a result, the forward-looking statements based on those assumptions also could be incorrect, and actual results may differ materially and adversely from any results indicated or suggested by those assumptions.

Although the Municipality believes in making any such forward-looking statement, and its expectations are based on assumptions considered reasonable by the Municipality, any such forward-looking statement involves uncertainties and is qualified in its entirety by reference to factors both identified within this Official Statement and from publicly available sources about trends in municipal government that could cause the actual financial operating results of the Municipality to differ materially and adversely from those contemplated in such forward-looking statements.

Any forward-looking statement speaks only as of the date such statement is made, and the Municipality undertakes no obligation to update any forward-looking statement in this Official Statement to reflect events or circumstances after the date of this Official Statement or to reflect the occurrence of unanticipated events. New factors arise or emerge from time to time, and it is not possible for the Municipality to predict all such factors, nor can it assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially and adversely from those contained in any forward-looking statement.

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CITY OF STARKVILLE, MISSISSIPPI

LYNN SPRUILL
Mayor

Board of Aldermen

MIKE BROOKS
KIM MORELAND
ROY A'. PERKINS
WILLIAM POCHOP
SANDRA C. SISTRUNK
KYLE SKINNER
HENRY N. VAUGHN, SR.

JOANNA MCLAURIN
City Clerk

MITCHELL, MCNUTT & SAMS, P.A.
Starkville, Mississippi
Attorney for the Municipality

WATKINS, WARD AND STAFFORD, PLLC
Starkville, Mississippi
Certified Public Accountants for the Municipality

STEPHENS INC.
Ridgeland, Mississippi
Independent Registered Municipal Advisor

WATKINS & EAGER PLLC
Jackson, Mississippi
Bond Counsel

OFFICIAL STATEMENT

$18,000,000
COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2026
CITY OF STARKVILLE, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the issuance of the Combined Water and Sewer System Revenue Bonds, Series 2026, dated and issued July 9, 2026, in the aggregate principal amount of $18,000,000 (the "Series 2026 Bonds"), of the City of Starkville, Mississippi (the "Municipality"). In addition to any terms elsewhere defined herein, capitalized terms used in this Official Statement have the meanings set forth under the subheading "Defined Terms" herein below.

The Series 2026 Bonds will be issued pursuant to the provisions of Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and the resolutions authorizing and directing the issuance of the Series 2026 Bonds adopted by the Mayor and Board of Aldermen of the Municipality (the "Governing Body") on October 1, 2024, November 5, 2024, July 15, 2025, September 2, 2025, and December 2, 2025 (collectively, the "Bond Resolution").

In order to issue the Series 2026 Bonds, the Governing Body adopted the Bond Resolution, declaring its intention to issue combined water and sewer system revenue bonds in the maximum principal amount of $18,000,000 to provide funds for the purpose of improving, repairing, and extending (the "Authorized Purpose") the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality (the "System") and gave notice of such intention by publication of said resolution three times in a newspaper having a general circulation in the Municipality. If 20% of the qualified electors of the Municipality had filed a written protest against the issuance of such bonds on or before the date specified in said resolution, an election on the question of the issuance of such bonds would have been held. No written protests were received regarding the issuance of the Series 2026 Bonds. The Municipality is now authorized and empowered by the Act to issue the Series 2026 Bonds to provide funds for the Authorized Purpose without the necessity of calling and holding an election on the question of the issuance thereof.

Reference is made to the Act, the Bond Resolution, and any and all modifications and amendments thereof for a description of the nature and extent of the security for the Series 2026 Bonds, the pledge of revenues for the payment of the principal of and interest on the Series 2026 Bonds and any Additional Bonds, the nature and extent of said pledge and the terms and conditions under which the Series 2026 Bonds are issued.

Defined Terms. In addition to any words and terms elsewhere defined herein or in the Bond Resolution, the following words and terms shall have the following meanings unless some other meaning is plainly intended:

"Act" means Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended.

"Additional Bonds" means any bonds of the Municipality issued on a parity of lien with the Series 2026 Bonds pursuant to the requirements of the Bond Resolution, the Series 2019 Bonds, the Series 2025 Bonds, and the Loans.

"Additional Bonds Resolution" means any resolution of the Governing Body authorizing and directing the issuance of Additional Bonds.

"Annual Debt Service Requirement" means for any Fiscal Year, the sum of the following with respect to all Bonds Outstanding: (a) all amounts required to pay principal (at maturity or upon mandatory redemption other than mandatory sinking fund redemption payments), (b) the amount of any mandatory sinking fund requirement (including for the Fiscal Year in which such Bonds shall be redeemed from the sinking fund only such amount as was not required to be funded prior to such Fiscal Year), and (c) interest due on all Bonds Outstanding.

"Authorized Purpose" means improving, repairing, and extending the System.

"Bond and Interest Fund" means the Bond and Interest Fund authorized, established, designated, and provided for in Section 5.03(a)(2) of the Bond Resolution.

"Bond Counsel" means Watkins & Eager PLLC, Jackson, Mississippi, or any other Nationally Recognized Bond Counsel.

"Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2026 Bonds when due.

"Bond Insurer" or "AG" means Assured Guaranty Inc., or another such municipal bond insurer, if any, as is approved for such purpose by both the Purchaser and by the Mayor on behalf of the Municipality, or any successor thereto or assignee thereof.

"Bond Resolution" means, collectively, the resolutions authorizing and directing the issuance of the Series 2026 Bonds adopted by the Governing Body on October 1, 2024, November 5, 2024, July 15, 2025, September 2, 2025, and December 2, 2025.

"Bond Year" means the period beginning on the Closing Date and ending on the last day of September next occurring and each one-year period thereafter during which any Series 2026 Bonds remain Outstanding; provided, however, that the final Bond Year shall end on the date the Series 2026 Bonds are retired.

"Bondholder" or "Holder", or any similar derivation thereof, means the Registered Owner of any Series 2026 Bonds issued pursuant to the Bond Resolution.

"Business Day" means a day of the year on which banks located in the city in which the principal office of the Paying Agent is located are not required or authorized to remain closed.

"City Clerk" means the City Clerk of the Municipality.

"Closing Date" with respect to the Series 2026 Bonds means July 9, 2026, the date of issuance and delivery of the Series 2026 Bonds to the Purchaser.

"Code" means the Internal Revenue Code of 1986, as amended, supplemented, or superseded, and the Treasury Regulations promulgated thereunder.

"Consulting Engineer" means such competent engineers or engineering firm(s) as are employed by the Municipality or engaged by the Municipality to study the System in order to determine the nature and extent of the Project and to make estimates of the cost thereof.

"Contingent Fund" means the Combined Water and Sewer System Contingent Fund authorized, established, designated, and provided for in Section 5.03(a)(4) of the Bond Resolution.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement to be executed by the Municipality and dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Current Debt Service Account" means the Current Debt Service Account authorized, established, designated, and provided for in Section 5.03(a)(2)(A) of the Bond Resolution.

"Current Expenses" means the reasonable and necessary current expenses of maintenance, repair, and operation of the System, and shall include, without limiting the generality of the foregoing, expenses not annually recurring, premiums for insurance, administrative, and engineering expenses relating to maintenance, repair, and operation, fees and expenses of the Paying Agent, legal and financial advisory expenses, taxes lawfully imposed on the System, reasonable payments to pension or retirement funds for employees of the System, and any other expenses of the System required or permitted to be paid by the Municipality under the provisions of the Bond Resolution, or by law, but shall not include any allowance for depreciation or deposits or transfers to the credit of the Bond and Interest Fund, the Depreciation Fund, or the Contingent Fund.

"Debt Service Reserve Account" means the Debt Service Reserve Account authorized, established, designated, and provided for in Section 5.03(a)(2)(B) of the Bond Resolution.

"Defaulted Interest" means interest on any Series 2026 Bonds which is not paid on the date due.

"Defaulted Principal" means principal of any Series 2026 Bonds which is not paid on the date due.

"Depreciation Fund" means the Combined Water and Sewer System Depreciation Fund authorized, established, designated, and provided for in Section 5.03(a)(3) of the Bond Resolution.

"Event of Default" means an event of default as described in Section 8.01 of the Bond Resolution.

"Fiscal Year" with respect to the Municipality means the period commencing on the first day of October of any year and ending on the last day of September of the following year.

"Governing Body" means the Mayor and Board of Aldermen of the Municipality.

"Improvement Fund" means the Combined Water and Sewer System Improvement Fund authorized, established, designated, and provided for in Section 6.01 of the Bond Resolution.

"Loans" means any loans for the System existing on the date of issuance of the Series 2026 Bonds resulting from any loan agreements entered into by the Municipality under any loan programs of the State.

"Maximum Annual Debt Service Requirement" means, at any given time of determination with respect to the Series 2026 Bonds, or any series thereof, an amount equal to the maximum Annual Debt Service Requirement coming due thereon for the then current or any future Fiscal Year.

"Mayor" means the Mayor of the Municipality.

"Municipality" means the City of Starkville, Mississippi.

"Municipal Advisor" means Stephens Inc., Ridgeland, Mississippi, the "Independent Registered Municipal Advisor" to the Municipality.

"Nationally Recognized Bond Counsel" means an attorney or firm of attorneys with a national reputation for rendering opinions in connection with the issuance of municipal obligations and the tax-exempt status under federal law of interest on such obligations.

"Net Revenues" means all Revenues of the System remaining after payment of Current Expenses.

"Notice" means the Notice of Bond Sale attached as **Appendix E**.

"Operation and Maintenance Fund" means the Combined Water and Sewer System Operation and Maintenance Fund authorized, established, designated, and provided for in Section 5.03(a)(1) of the Bond Resolution.

"Outstanding" in connection with the Series 2026 Bonds means, as of the time in question, all Bonds authenticated and delivered under the Bond Resolution or any Additional Bonds Resolution, except:

(1)Bonds theretofore canceled or required to be canceled under any of the aforesaid bond resolutions;

(2)Bonds deemed paid under the aforesaid bond resolutions; and

(3)Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to any of the aforesaid bond resolutions.

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent, or

waiver under the provisions hereof, unless all Bonds Outstanding are so held, Bonds which are held by or on behalf of the Municipality or any person controlling, controlled by or under common control with the Municipality shall be disregarded for the purpose of any such determination.

"Paying Agent" means U.S. Bank Trust Company, National Association, or any other bank, trust company, or other institution hereafter designated by the Governing Body to make payments of the principal of and interest on the Series 2026 Bonds, and to serve as Registrar and Transfer Agent for the registration of owners of the Series 2026 Bonds, and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

"Payment Date" means March 1, 2027, and semiannually thereafter on March 1 and September 1 of each year, and continuing until the last such date on which any of the Series 2026 Bonds is Outstanding, or is paid in full whether at maturity or upon redemption thereof.

"Person" means an individual, partnership, corporation, trust, or unincorporated organization, and a government or agency or political subdivision thereof.

"Principal and Interest Requirements" for any Bond Year means the sums sufficient for the payment of the principal of and interest on the Series 2026 Bonds which will mature and accrue during such period, including the Loans, excluding any principal or premium payable pursuant to any optional redemption provisions but including, with respect to Bonds which are term Bonds, any principal and interest coming due in such Bond Year pursuant to any mandatory sinking fund redemption payments pertaining to such term Bonds.

"Project" means providing funds for the Authorized Purpose, to be made in substantial accordance with the plans and specifications, as they may be amended and supplemented, prepared by the Consulting Engineer, and the payment of the costs of issuance of the Series 2026 Bonds.

"Purchaser" or "Underwriter" means the successful bidder for the Series 2026 Bonds, to be hereafter designated by resolution of the Governing Body.

"Record Date" means, as to interest payments, the 15th day of the month preceding the dates set for payment of interest on the Series 2026 Bonds and, as to payments of principal, the 15th day of the month preceding the maturity date thereof.

"Record Date Registered Owner" means the Registered Owner as of the Record Date.

"Redemption Price" means, with respect to a Series 2026 Bond, the principal amount of such Series 2026 Bond, plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms and pursuant to the provisions hereof.

"Registered Owner" means the Person whose name shall appear in the registration records of the Municipality as the Registered Owner of a Bond or Bonds.

"Reserve Account Requirement" for an issue of Bonds shall, except as otherwise provided below, be calculated as of the date of initial issuance of such issue of Bonds and shall be the lesser of: (a) 10% of the "principal amount" of all Bonds of such issue; (b) the Maximum Annual Debt Service Requirement with respect to such issue, calculated on a Bond Year basis; and (c) 125% of

the average annual debt service on such issue, calculated on a Bond Year basis. The amount of the Reserve Account Requirement for an issue of Bonds shall be calculated and/or recalculated as of: the date of initial issuance of such issue of Bonds; any date on which such issue of Bonds shall be retired, paid in full or defeased; and any date on which a portion, but not all, of the Series 2026 Bonds of such issue shall be refunded. If a portion, but not all, of the Series 2026 Bonds of an issue (the "Refunded Issue") shall be refunded, the Reserve Account Requirement shall be computed on the date of initial issuance of the refunding bonds (the "Refunding Issue") and thereafter as applicable collectively with respect to the Refunded Issue and the Refunding Issue as the lesser of: (a) the greater of (i) 10% of the aggregate Outstanding principal of the Refunded Issue plus 10% of the principal of the Refunding Issue, and (ii) the Reserve Account Requirement with respect to the Refunded Issue as of its date of initial issuance; (b) the aggregate Maximum Annual Debt Service Requirement, taking into account all Outstanding Bonds of the Refunded Issue and the Refunding Issue, calculated on a Bond Year basis; (c) 125% of the average future annual debt service on all Outstanding Bonds of the Refunded Issue and the Refunding Issue, calculated on a Bond Year basis; and (d) the maximum amount which can be allocated to the Debt Service Reserve Account without causing the Debt Service Reserve Account to be other than a reasonably required reserve or replacement fund under Treasury Regulations as applicable to the Refunded Issue and the Refunding Issue. The Reserve Account Requirement may be funded with a Reserve Fund Surety Bond, cash, or a combination of both. As used in this paragraph, the term "principal amount" means, with respect to any Series 2026 Bonds, the stated principal amount of such Series 2026 Bond, unless the issue of bonds which included such Series 2026 Bond had more than a de minimis amount (as defined in Section 1.148-1(b) of the Treasury Regulations) of original issue discount or premium, in which event principal amount means the issue price (as defined in Section 1.148-1(b) of the Treasury Regulations) of such Series 2026 Bond.

"Reserve Fund Surety Bond" means an insurance policy, letter of credit, or surety bond issued by an insurance company or financial institution acceptable to and approved by the Municipality and the rating agency, if any, and also approved by the Bond Insurer, if any, which shall be issued in an amount equal to all or a portion of the Reserve Account Requirement and may be utilized in whole or in part to satisfy the deposit and funding requirements set forth in the Bond Resolution in lieu of or in substitution for a deposit of cash or securities.

"Revenue Fund" means the Combined Water and Sewer System Revenue Fund authorized, established, designated, provided for in Section 5.02 of the Bond Resolution.

"Revenues" means all payments, proceeds, fees, charges, rents, and all other income (including investment income) derived by or for the account of the Municipality from its ownership and operation of the System, excluding all acreage, front-footage, assessment, and similar fees and charges derived by the Municipality in connection with the provision of or payment for capital improvements constituting a part of the System, and gifts, grants, bequests, and proceeds of tax levies, if any, all as calculated in accordance with generally accepted accounting principles.

"Series 2019 Bonds" means the $10,000,000 Combined Water and Sewer System Revenue Bonds, Series 2019, of the Municipality, dated and issued May 1, 2019, and maturing May 1, 2039.

"Series 2025 Bonds" means $7,000,000 Combined Water and Sewer System Revenue Bonds, Series 2025, of the Municipality, dated and issued May 21, 2025, and maturing February 1, 2045.

"Series 2026 Bonds" means the Combined Water and Sewer System Revenue Bonds, Series 2026, of the Municipality, in the original principal amount of $18,000,000, dated the date of issuance thereof, authorized and directed to be issued in the Bond Resolution.

"Special Record Date" means the date fixed by the Paying Agent pursuant to Section 3.02(d) and 3.02(e) of the Bond Resolution for the payment of Defaulted Interest and Defaulted Principal, respectively.

"State" means the State of Mississippi.

"Subsection 148(f)" means Subsection 148(f) of the Code.

"Subsection 148(f) Regulations" means any regulations promulgated from time to time pursuant to Subsection 148(f).

"System" means the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality, as the same presently exists and as hereafter improved, repaired, and extended.

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

THE SERIES 2026 BONDS

Terms of the Series 2026 Bonds. The Series 2026 Bonds shall be in registered form; shall be dated and issued on July 9, 2026; shall be in the denomination of $5,000 each or integral multiples thereof up to the amount of a single maturity; shall be numbered from 1 upward in order of issuance; shall bear interest from the date thereof at the rates set forth on the cover page of this Official Statement, payable on March 1, 2027, and semiannually thereafter on March 1 and September 1 in each year; and shall mature, with option of prior payment, on March 1 in the years and principal amounts as set forth on the cover page of this Official Statement.

Purpose. The Series 2026 Bonds are being issued to provide funds for the Project.

Redemption of the Series 2026 Bonds. The Series 2026 Bonds maturing after March 1, 2035, are subject to redemption prior to their stated dates of maturity at the option of the Municipality, on and after March 1, 2035, at par, plus accrued interest to the date of redemption, either in whole or in part, on any date, in inverse order of maturity, as follows:

(a) Interest shall cease to accrue on any of the Series 2026 Bonds which are duly called for redemption on the date set for redemption if payment thereof on the redemption date has been duly made or provided for.

(b) At least 30 days before the redemption date of any Series 2026 Bonds, the City Clerk shall cause a notice of any such redemption, either in whole or in part, signed by the City Clerk, (i) to be filed with the Paying Agent and (ii) to be mailed, postage prepaid, to all Registered Owners of the Series 2026 Bonds to be redeemed at their addresses as they appear on the registration books herein provided for on the date of such mailing, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the place or places at which payment shall be made, and, if less than all of the Series 2026 Bonds of any one maturity shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2026 Bonds to be redeemed.

(c) Prior to the date fixed for redemption, funds shall be placed with the Paying Agent to pay the Series 2026 Bonds called for redemption and accrued interest thereon to the redemption date and the premium, if any, in trust with irrevocable instructions to apply such funds to such payment on such date. Upon the happening of the above conditions, the Series 2026 Bonds, or portions thereof, thus called for redemption shall cease to bear interest from and after the redemption date, shall no longer be protected by the Bond Resolution and shall not be deemed to be Outstanding under the provisions of the Bond Resolution.

Security for the Series 2026 Bonds. In order to secure the payment of the principal of, premium, if any, and interest on the Series 2026 Bonds, the Municipality hereby irrevocably pledges (i) a sufficiency of the Net Revenues to pay the principal of, premium, if any, and interest on the Series 2026 Bonds, and to make the payments into the Current Debt Service Account and into the Debt Service Reserve Account, and all other payments provided for in the Bond Resolution as the same become due and payable, and (ii) the Current Debt Service Account and the Debt Service Reserve Account. The Series 2026 Bonds are secured on a parity of lien with the Series 2019 Bonds, the Series 2025 Bonds, the Loans, and any Additional Bonds issued pursuant to the Bond Resolution. The Series 2026 Bonds shall be secured equally and ratably by such pledge.

Limitation of the Obligation of the Municipality. The Series 2026 Bonds shall not be or constitute an indebtedness of the Municipality within the meaning of any constitutional, statutory, or charter limitation of indebtedness, but shall be payable solely from the sources as provided in the Bond Resolution. No Bondholder shall ever have the right to compel the exercise of ad valorem taxing power of the Municipality or taxation in any form of any property therein to pay the principal of and interest on the Series 2026 Bonds or the making of any reserve or other payments provided for in the Bond Resolution.

Book-Entry System. The Series 2026 Bonds will be available to purchasers under the Book-Entry System maintained by The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2026 Bonds. Purchasers will not be entitled to receive physical delivery of the Series 2026 Bonds. For so long as any purchaser is a beneficial owner of a Series 2026 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant in order to receive payment of principal of and interest on such Series 2026 Bond. In the event the Series 2026 Bonds are no longer held under the Book-Entry System, bond certificates registered in the name of DTC or its nominee will be cancelled and the Municipality will execute and deliver such bonds to the Beneficial Owners as shown on the records of the DTC Participants.

CONTINUING DISCLOSURE

The Municipality will enter into a Continuing Disclosure Agreement for the benefit of holders of the Series 2026 Bonds wherein the Municipality will agree to provide annually its audited financial statements and certain financial information and operating data relating to the System (the "Annual Report"), and to provide notices through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board (the "MSRB") (or such other system as may be subsequently authorized by the MSRB). The Annual Report and notices of material events will be filed by the Municipality through the EMMA system (or such other system as may be subsequently authorized by the MSRB). The specific nature of the information to be contained in the Annual Report or the notices of material events and the other provisions of the Continuing Disclosure Agreement are set forth in **Appendix D**. A failure by the Municipality to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission of the United States of America and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Series 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026 Bonds and their market price.

The Municipality is responsible for making continuing disclosure filings, which include annual reports containing certain financial information and operating data relating to the Municipality and audited financial statements for each fiscal year. Pursuant to prior written disclosure undertakings, the Municipality is responsible for filing its annual reports and audited financial statements within 12 months of the end of its fiscal year of September 30. The Municipality has consistently timely filed its annual reports containing certain financial information and operating data relating to the Municipality. The Municipality failed to timely file its annual reports related to the System and the Municipality's electric system for the fiscal year ending September 30, 2023, and failed notices of failure to timely file; the Municipality filed the annual reports related to the System and the electric system on March 8, 2025. The Municipality has failed in recent fiscal years to timely file its audited financial statements for the fiscal years September 30, 2019, to September 30, 2023, and has filed notices of failure to timely file audited financial statements when applicable. The Municipality filed its audited financial statements for the fiscal year ended September 30, 2024, attached hereto as **Appendix B**, on EMMA on September 5, 2025. The Municipality will file its audited financial statements for the fiscal year ended September 30, 2025, as soon as available.

The Municipality's intention is to file the information required under the continuing disclosure undertaking for the Series 2026 Bonds and its prior obligations in a complete and timely manner and has retained an independent agent to monitor compliance throughout the term of the Series 2026 Bonds.

THE COMBINED WATER AND SEWER SYSTEM OF THE MUNICIPALITY

General. The City of Starkville, Mississippi (the "Municipality") owns the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality (the "System").

The water portion of the System serves approximately 15,500 customers utilizing 280 miles of water mains and 7 wells having a total estimated capacity of 13,270,000 gallons per day ("MGD"). The System utilizes 6 elevated storage tanks and no ground storage tanks, with a total capacity of 3 million gallons.

The sewer portion of the System serves approximately 14,500 customers utilizing 250 miles of sewer mains and a treatment plant with a capacity of 10 MGD.

The Municipality has met all requirements set forth by the Mississippi Department of Environmental Quality and the Environmental Protection Agency.

Water and Sewer System Enterprise Fund. The System is maintained as a separate accounting entity and is operated as an "enterprise fund." Such fund is used to account for water and sewer services provided to residents of the Municipality and some residents outside the incorporated area of the Municipality. All activities necessary to provide such services are accounted for in this fund, including administration, engineering, pumping and purification, transmission, and distribution, financing, debt service, and billing and collections.

Management of the System. The System is operated by Starkville Utilities, a public utility incorporated in 1939 and operating as a self-sustaining arm of the Municipality under administrative control of the Mayor and Board of Aldermen of the Municipality (the "Governing Body"). Starkville Utilities maintains the book of accounts and prepares financial statements for the System. Starkville Utilities maintains separate funds and accounting for the System. The General Manager of the System and the Manager of Accounting and Finance of the System maintain the books of accounts and prepare financial statements for the System. Audited financial statements, budgets, and monthly financial reports are reviewed and presented to the Governing Body. Under the leadership of the Governing Body and the leadership of the General Manager, the Municipality will continue to make normal improvements, extensions, and repairs to the System in conformance with general practices and procedures.

Establishment of Rates. Charges for the services and facilities of the System are established by the Governing Body of the Municipality. During any time any obligations of the System are outstanding and unpaid, the Governing Body must consider, among other things, the rate covenant contained in the resolutions authorizing and directing the issuance of the Series 2026 Bonds (as defined herein) (see "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Rate Covenant").

Rate Structure. The following water and sewer rates are effective as of October 2025 and apply to each user of the System.

- Water rates for users within the corporate limits of the Municipality through metered services are as follows:

Usage Category (Per Month)	**Rate (Per Thousand Gallons)**
Minimum Fee	$9.00
More than 1,000 gallons	$4.50

- Sewer rates for users within the corporate limits of the Municipality through metered and unmetered services are as follows:

Usage Category (Per Month)	**Rate (Per Thousand Gallons)**
Minimum Fee	$11.00
Within Municipality, plus usage	$7.50
Within Municipality, Sewer Only	$32.11

- Water rates for users outside the corporate limits of the Municipality through metered services are as follows:

Usage Category (Per Month)	**Rate (Per Thousand Gallons)**
Minimum Fee	$13.50
More than 1,000 gallons	$6.75

- Sewer rates for users outside the corporate limits of the Municipality through metered and unmetered services are as follows:

Usage Category (Per Month)	**Rate (Per Thousand Gallons)**
Minimum Fee	$16.50
Outside Municipality, plus usage	$11.25
Outside Municipality, Sewer Only	$48.17

The ten largest residential and commercial users of water for the fiscal year ending September 30, 2025, are listed below.

Ten Largest Residential Water Customers	**Usage (Total Gallons from October 24-September 25)**	**Revenues**
SQ Miss State Vista LLC	7,140,880	$44,318.91
A Strategy Cedar Cove LLC	2,544,400	$16,877.85
Starkville Housing	1,838,170	$8,322.80
The Balcony Office	1,630,600	$8,898.60
Brookville Garden Group LP	1,359,160	$8,491.53
Flemming Johnny	1,198,000	$8,445.30
West Side Fund III, LLC	1,060,390	$7,632.55
University Drive LLC	1,049,000	$6,007.05
Rose Lloyd	800,880	$3,654.99
Brookville Gardens Group LP	721,570	$3,298.09
Total:	**19,343,050**	**$115,947.67**
Ten Largest Commercial Water Customers	**Usage (Total Gallons from October 24-September 25)**	**Revenues**
FPA6 Collegestation LLC	13,412,600	$60,407.70
Chandler Park	10,046,000	$45,258.00
Crei-Starkville LLC	7,085,800	$31,937.10
Lakeside Student Living	6,787,000	$30,928.95
Starkville School System	6,078,300	$27,463.35
MSU Research & Technology	5,198,500	$23,444.25
Boing US Holdco, Inc.	5,021,700	$22,648.65
205 Lynn Ln LLC	4,948,980	$22,319.63
Ferndale Manor	4,680,800	$21,114.60
Pines Mobile Home	4,593,500	$20,712.45
Total:	**67,853,180**	**$306,234.68**

The following is an estimated breakdown of water and sewer charges for residential and commercial and industrial customers of the System as of September 30, 2025.

	Residential Customers	**Commercial and Industrial Customers**	**Totals**
Water Charges:	$3,250,903	$2,808,343	$6,059,246
Sewer Charges:	$2,991,344	$1,714,903	$4,706,247
Totals:	**$6,242,247**	**$4,523,246**	**$10,765,493**

The current capacity of the water system is as follows:

Current Water System	**Number of Gallons Per Day**
Peak Daily Load	13,270,000
Average Daily Usage	5,000,000

The current capacity of the sewer system is as follows:

Current Sewer System	**Number of Gallons Per Day**
Peak Daily Load*	5.5 MGD
Average Daily Usage	4.0 MGD

*with heavy rain, this could increase

Interlocal Agreement with Mississippi State University. While Mississippi State University ("MSU") is a significant user of the Municipality's wastewater treatment plant, MSU is not billed as a standard customer. The Municipality and MSU entered into an amended interlocal agreement dated February 8, 1993 (the "Interlocal Agreement"), whereby MSU agreed to reimburse the Municipality a pro-rata share of the operation and maintenance costs of the wastewater treatment facility based on flow amounts from MSU. When the Municipality receives the reimbursements from MSU, those reimbursements are treated as and become "Revenues" (as defined herein) and therefore are pledged revenues. Additionally, the Municipality agreed to reimburse MSU a pro-rata share of MSU's operation and maintenance costs of their system/lift stations based on flow amounts from the Municipality's customers that flow through MSU's system to arrive at the Municipality's wastewater treatment facility. The Interlocal Agreement shall remain in full force and effect until terminated or amended by mutual consent in writing by MSU and the Municipality. The Interlocal Agreement pertains exclusively to wastewater services.

The ten largest residential and commercial users of the sewer system for the fiscal year ending September 30, 2025, are listed below.

Ten Largest Residential Sewer Customers	**Usage (Total Gallons from October 24-September 25)**	**Revenues**
SQ Miss State Vista LLC	9,166,790	$41,301.60
A Strategy Cedar Cove LLP	3,739,300	$16,877.85
Brookville Gardens Group LP	1,875,670	$8,491.53
Flemming Johnny	1,865,400	$8,445.30
Starkville Housing	1,838,170	$8,322.80
The Balcony Office	1,630,600	$7,388.70
The Links	1,562,500	$109,619.40
University Drive LLC	1,049,000	$4,771.50
Rose Lloyd	1,004,560	$4,571.57
Brookville Gardens Group LP	866,090	$3,948.44
Total:	**24,598,080**	**$213,738.69**

Ten Largest Commercial Sewer Customers	**Usage (Total Gallons from October 24-September 25)**	**Revenues**
FPA6 College Station LLC	13,412,600	$60,407.70
Chandler Park	10,046,000	$45,258.00
CSP SFM LLC	8,189,130	$36,903.61
Crei-Starkville LLC	7,085,800	$31,397.10
Lakeside Student Living	6,787,000	$30,592.50
Starkville School System	6,078,300	$27,403.35
MSU Research and Technology	5,198,500	$23,444.25
Boing US Holdco, Inc	5,021,700	$22,648.65
205 Lynn Ln LLC	4,948,980	$22,319.63
Ferndale Manor	4,680,800	$21,114.60
Total:	**71,448,810**	**$321,489.39**

Water and Sewer Debt Service. The following schedule shows a summary of the current outstanding debt service of the water and sewer system and the proposed $18,000,000 Combined Water and Sewer System Revenue Bonds, Series 2026 (the "Series 2026 Bonds").

	Existing			Proposed			After Issuance		
	Total Water & Sewer Debt[1]			Combined Water and Sewer System Revenue Bonds, Series 2026[2]			Aggregate		
FYE	Principal	Interest	Total P+I	Principal	Interest	Total P+I	Principal	Interest	Total P+I
09/30/2026	1,161,179	670,425	1,831,604			-	1,161,179	670,425	1,831,604
09/30/2027	1,137,009	572,738	1,709,747	440,000	920,707	1,360,707	1,577,009	1,493,445	3,070,454
09/30/2028	970,487	535,669	1,506,156	585,000	777,488	1,362,488	1,555,487	1,313,157	2,868,644
09/30/2029	986,654	499,653	1,486,307	615,000	747,488	1,362,488	1,601,654	1,247,140	2,848,795
09/30/2030	991,144	467,337	1,458,480	645,000	715,988	1,360,988	1,636,144	1,183,324	2,819,468
09/30/2031	961,413	435,081	1,396,493	680,000	682,863	1,362,863	1,641,413	1,117,943	2,759,356
09/30/2032	999,873	402,046	1,401,918	715,000	647,988	1,362,988	1,714,873	1,050,033	2,764,906
09/30/2033	1,043,403	367,591	1,410,993	750,000	611,363	1,361,363	1,793,403	978,953	2,772,356
09/30/2034	1,082,004	331,565	1,413,568	790,000	572,863	1,362,863	1,872,004	904,427	2,776,431
09/30/2035	1,130,677	293,991	1,424,668	830,000	532,363	1,362,363	1,960,677	826,354	2,787,031
09/30/2036	1,174,425	254,719	1,429,143	875,000	489,738	1,364,738	2,049,425	744,456	2,793,881
09/30/2037	1,125,445	214,502	1,339,947	915,000	449,563	1,364,563	2,040,445	664,065	2,704,509
09/30/2038	1,138,119	176,099	1,314,219	950,000	412,263	1,362,263	2,088,119	588,362	2,676,481
09/30/2039	1,159,042	138,577	1,297,619	990,000	373,463	1,363,463	2,149,042	512,039	2,661,081
09/30/2040	430,404	100,298	530,702	1,030,000	333,063	1,363,063	1,460,404	433,360	1,893,765
09/30/2041	440,000	83,525	523,525	1,075,000	290,963	1,365,963	1,515,000	374,488	1,889,488
09/30/2042	460,000	66,075	526,075	1,120,000	245,663	1,365,663	1,580,000	311,738	1,891,738
09/30/2043	475,000	47,375	522,375	1,165,000	197,106	1,362,106	1,640,000	244,481	1,884,481
09/30/2044	495,000	28,594	523,594	1,220,000	144,900	1,364,900	1,715,000	173,494	1,888,494
09/30/2045	515,000	9,656	524,656	1,275,000	88,763	1,363,763	1,790,000	98,419	1,888,419
09/30/2046	-	-	-	1,335,000	30,038	1,365,038	1,335,000	30,038	1,365,038
Total	**17,876,277**	**5,695,514**	**23,571,792**	**18,000,000**	**9,264,625**	**27,264,625**	**35,876,277**	**14,960,140**	**50,836,417**

(1) - As of June 30, 2025. Includes various Loans through the Mississippi Development Authority, Mississippi Department of Health and the Mississippi Department of Environmental Quality.

(2) - Preliminary, Subject to change.

Source: Starkville Utilities Officials

Revenues Available for Debt Service. The following schedule, based on projections and information supplied by the officers of the Municipality and Starkville Utilities, sets forth the actual and projected Net Revenues and Debt Service Coverage for fiscal years 2020 through 2026. Historical calculations were based on actual data from the audited financial statements of the Municipality and Starkville Utilities.

Revenue	2020	2021	2022	2023	2024	Estimate 2025	Proposed Budget 2026
Charges for Services	$6,943,950	$7,784,946	$8,386,166	$9,598,728	$10,976,171	$10,993,515	$13,017,721
Other Income	643,330	2,503,620	1,561,584	970,432	664,755	1,247,170	1,303,666
Total Revenue	7,587,280	10,288,566	9,947,750	10,569,160	11,640,926	12,240,685	14,321,387
Expenses[(1)]							
Operating & Maintenance	5,651,078	6,419,461	5,650,210	6,132,188	9,422,569	8,222,859	8,741,223
Total Expenses	5,651,078	6,419,461	5,650,210	6,132,188	9,422,569	8,222,859	8,741,223
Net Revenue Available for Debt Service	1,936,202	3,869,105	4,297,540	4,436,972	2,218,357	4,017,826	5,580,164
Debt Service							
Total Debt Service	1,523,663	1,496,888	1,501,389	1,538,062	1,538,062	1,622,532	1,831,604
Debt Service Coverage	**1.27x**	**2.58x**	**2.86x**	**2.88x**	**1.44x**	**2.48x**	**3.05x**

(1) - Excludes Depreciation and Amortization

Sources: Audited Financial Statements for the Fiscal Years ending September 30, 2020 through 2024 prepared by Watkins, Ward and Stafford, PLLC and City Officials.

Litigation and Claims Affecting the System and the Municipality.

System Litigation. Currently there are no pending or threatened lawsuits, claims, or other proceedings (private, governmental, or otherwise) pertaining to the System which might be expected to affect the availability of Revenues of the System to pay principal of, premium, if any, and interest on the Series 2026 Bonds.

Other Litigation. From time to time, claims are made against the Municipality, some of which result in litigation against the Municipality. None of the pending or threatened claims are expected to affect the Municipality's ability to perform its obligations to the Registered Owners of the Series 2026 Bonds.

Sovereign Immunity. In 1982, in Pruett v. City of Rosedale, the Mississippi Supreme Court (the "Supreme Court") abolished the judicial common law doctrine of sovereign immunity, effective July, 1984, and invited a legislative response by creation of statutory sovereign immunity. In 1984, the Legislature enacted a tort claims act (the "Tort Claims Act") that gave statutory sovereign immunity to the State and its political subdivisions, and then provided for a limited and capped waiver of that immunity.

The Tort Claims Act, as amended, provides a broad statutory sovereign immunity for acts and omissions of governmental entities, whether governmental, proprietary, discretionary or ministerial, including for breach of an implied contract, and without regard to whether a fee, charge or other consideration was paid. The Tort Claims Act waives this statutory sovereign immunity up to certain maximum limits of liability, except for specified circumstances; the maximum liability arising out of a single occurrence is $250,000 for claims arising on or after June 1, 1997, and before June 1, 2001, and $500,000 for claims arising on or after June 1, 2001. Attorney fees and punitive damages are not allowed unless otherwise specifically authorized by law; trial of claims arising under the Tort Claims Act shall be conducted without a jury; a claimant must exhaust his administrative remedies before he files suit, and he must file within one year after the cause of action arises; governmental entities and their employees acting within the course and scope of their employment shall not be liable for any claims under specified circumstances; all political subdivisions must purchase liability insurance or set up self-insurance reserves sufficient to cover risks of claims under the Tort Claims Act; all governmental entities may purchase liability insurance in excess of the maximum liability and immunity shall be waived to the extent of the excess liability insurance; and any two or more political subdivisions may enter into agreement to pool liabilities through insurance or self-insurance reserves.

Under existing law, the defense of sovereign immunity would not be available to the Municipality against a claim for payment, when due, of principal of or interest on the Series 2026 Bonds.

RISK FACTORS

Revenues of the System. The Series 2026 Bonds are secured by and are payable solely from a sufficient amount of Net Revenues of the System. Growth of the System is dependent in large part on the growth of numbers of users of the System. The growth of numbers of users of the System may be dependent upon population growth in the area served by the System. Revenues of the System may also be affected by the expansion or contraction of operations of industrial and commercial users of the System. It is impossible to project such industrial or commercial expansion or contraction.

Cyber Security Management. The Municipality, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cyber security threats including, but not limited to, hacking, phishing, viruses, malware, and other attacks on its computing and other digital networks and systems (collectively, "Systems Technology"). As a recipient and provider of sensitive information, the Municipality may be the target of cyber security incidents that could result in adverse consequences to the Municipality and its Systems Technology, requiring a response action to mitigate the consequences. The Municipality has in place daily backup processes to help mitigate the potentiality of these risks. The Municipality has structured its "technology" environment based upon best practice Zero Trust standards to mitigate these risks. Cyber security incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Municipality's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. The Municipality has implemented certain controls, including data and network security measures, malware protection, security configuration, website

filtering and protection, and user training, to mitigate the risk of cyber security breaches from internal sources or activities. The Municipality has personnel policies in place for the Municipality's computer systems and networks detailing the security of the systems by only designated personnel and password securities in place by user. The Municipality carries a cybersecurity insurance policy in the amount of $1,000,000. Despite the Municipality's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a summary of certain provisions of the Bond Resolution. The summary does not purport to be comprehensive or definitive. All references herein to the Bond Resolution are qualified in their entirety by reference to such document.

Application of the Series 2026 Bond Proceeds. All funds received from the sale of the Series 2026 Bonds shall, on the Closing Date, be applied as follows:

(a) *Bond and Interest Fund.* Into the Bond and Interest Fund as follows:

(1) Current Debt Service Account. A sum equal to the amount of accrued interest received upon the sale and delivery of the Series 2026 Bonds shall be deposited into the Current Debt Service Account of the Bond and Interest Fund.

(2) Debt Service Reserve Account. To the extent that other funds of the Municipality have not been deposited into the Debt Service Reserve Account, so that the amount therein is equal to the Reserve Account Requirement, or a Reserve Fund Surety Bond has not been issued to the Municipality, then such sum as is necessary, in addition to other funds on deposit in the Debt Service Reserve Account, shall be deposited into the Debt Service Reserve Account so that the total amount therein is equal to the Reserve Account Requirement.

(b) *Improvement Fund.* The remaining portion of the proceeds of the sale of the Series 2026 Bonds shall be deposited into the Improvement Fund.

Rate Covenant.

(a) As long as any of the Series 2026 Bonds are outstanding and unpaid, the Municipality covenants with the Bondholders that the Municipality will fix, establish, maintain, levy, and collect such rates, fees, rents, and other charges for the services and facilities of the System and all parts thereof, and will revise the same from time to time whenever necessary, as will always provide Revenues at least sufficient: (a) to pay the Current Expenses of the System and (b) to provide 120% of the amount of the maximum Principal and Interest Requirement for the current Bond Year on account of the Series 2026 Bonds, the Series 2019 Bonds, the Series 2025 Bonds, the Loans, and any Additional Bonds issued pursuant to the Bond Resolution then Outstanding. The Municipality shall maintain a rate ordinance which shall provide Revenues in each Fiscal Year sufficient to satisfy the requirements under this subheading. To the extent permitted by applicable law, the aforesaid rate ordinance shall also provide for a penalty charge

for non-payment of bills within a specified number of days after their due date and discontinuance of service upon non-payment of bills within a specified number of days after their due date, and the Municipality shall discontinue the supplying of the services and facilities of the System for non-payment of bills for such services and facilities within such time period and will not restore the services and facilities of the System to any of such delinquent users until payment in full of all delinquent charges, including reasonable charges for restoration of services.

(b) If the Revenues in any Fiscal Year as shown by the Municipality's audit are less than the total amount set forth in subsection (a) above, then it shall, as promptly as possible, request the Consulting Engineers to make recommendations as to a revision of such rates, fees, rents, and other charges or methods of operating the System which will result in producing the required amount of Revenues in the following Bond Year. Upon receipt of such recommendations the Municipality shall, subject to applicable requirements imposed by law, immediately revise such rates, fees, rents, and other charges and take such other actions respecting the methods of operation of the System as shall in its discretion be deemed necessary.

Combined Water and Sewer System Revenue Fund. An amount of the Revenues of the System sufficient to provide for the deposits required by the Bond Resolution shall be deposited on or before the first Business Day of each month, commencing in the first calendar month following the Closing Date, in the Revenue Fund provided for in the Bond Resolution. The Revenue Fund shall constitute a trust fund for the purposes provided in the Bond Resolution, and shall be kept separate and distinct from all other funds of the Municipality and used only in the manner provided for in the Bond Resolution.

Disposition of Revenues; Establishment of Funds. (a) The Municipality will set aside, allocate, and deposit funds from the Revenue Fund into the separate funds as provided in the Bond Resolution. Such sums shall be set aside, allocated, and deposited by the Clerk without further direction of or action by the Governing Body in the following manner and order of priority:

(1) *Operation and Maintenance Fund.* On the first Business Day of each month, beginning with the first calendar month following the Closing Date, an amount which, when added to any funds then on deposit in the Operation and Maintenance Fund, shall be equal to the estimated Current Expenses of the System for the next succeeding calendar month, including any amounts needed to cover deficiencies in preceding months. Funds in the Operation and Maintenance Fund shall be disbursed from time to time as needed for the operation and maintenance of the System.

(2) *Bond and Interest Fund.* From the funds in the Revenue Fund there shall next be apportioned, set aside, and deposited into the Bond and Interest Fund the amounts required for the following accounts in the Bond and Interest Fund to be funded in the order listed:

(A) Current Debt Service Account. On or before the first Business Day of each month, beginning in the first calendar month following the Closing Date (but not sooner than one year prior to the first principal payment date as to principal payments), there shall be apportioned, set aside, and deposited into the Current Debt Service Account, Revenues for the payment of interest in an amount which, together with funds on deposit in the Current Debt Service Account for such purpose and together with approximately equal subsequent monthly deposits on

or before the first Business Day of each month, will provide a sum for the payment of interest equal to the amount necessary to pay the next installment of interest on the Series 2026 Bonds, and Revenues for the payment of principal in an amount which, together with funds on deposit in the Current Debt Service Account for such purpose and together with approximately equal subsequent monthly deposits on or before the first Business Day of each month, will provide a sum for the payment of principal equal to the amount necessary to pay the next installment of principal on the Series 2026 Bonds (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment).

(B) Debt Service Reserve Account. (i) Provided, that in addition to the funds required to be paid into the Current Debt Service Account by the Bond Resolution, the Debt Service Reserve Account shall be maintained as a subaccount in said fund in order to meet any deficiency therein in future years. In order to fully fund the Debt Service Reserve Account, the Clerk shall immediately upon delivery of the Series 2026 Bonds deposit an amount from the proceeds of the sale of the Series 2026 Bonds or any other legally available funds of the Municipality, which, together with funds on deposit in the Debt Service Reserve Account, will be equal to the Reserve Account Requirement, at which amount the Debt Service Reserve Account shall thereafter be maintained by such future payments as may be necessary for that purpose. The Debt Service Reserve Account shall be used only to pay maturing principal and accruing interest, or both, and only whenever and to the extent that funds otherwise available in the Current Debt Service Account are insufficient for that purpose. No funds paid into the Debt Service Reserve Account shall be used to prepay the principal unless such prepayment is for the entire balance of the principal amount of the Series 2026 Bonds.

(ii) On or before the first Business Day of each month, commencing in the first calendar month after a withdrawal from the Debt Service Reserve Account causes the amount on deposit therein to fall below the Reserve Account Requirement or in the first calendar month after an annual valuation of the Debt Service Reserve Account reveals that the fair market value of the investments therein is less than the Reserve Account Requirement, there shall be apportioned, set aside and deposited to the Debt Service Reserve Account all funds remaining in the Revenue Fund after the payments required by paragraph (a)(2)(A) above have been made until the amount in the Debt Service Reserve Account equals the Reserve Account Requirement; provided, that no such deposits shall be made until all required payments have been made in full into the Current Debt Service Account, including any deficiencies for prior payments. Funds in the Debt Service Reserve Account shall be used only for the purpose of paying maturing principal of or interest on the Series 2026 Bonds when the funds in the Current Debt Service Account are insufficient therefor and for no other purpose, except that said funds may be invested or reinvested as provided for in the Bond Resolution.

(iii) No further payments into the Current Debt Service Account or into the Debt Service Reserve Account shall be required when the aggregate amount of funds in both the Current Debt Service Account and the Debt Service Reserve Account are at least equal to the aggregate principal amount of the Series 2026 Bonds then Outstanding, plus the amount of interest then due or to become due on the Series 2026 Bonds then Outstanding, or when the Series 2026 Bonds shall be deemed fully paid within the meaning of the Bond Resolution.

(iv) The Municipality, in its sole discretion and with the prior written consent of the Bond Insurer, if any, may fund all or a portion of the Reserve Account Requirement with a Reserve Fund Surety Bond. Any such Reserve Fund Surety Bond must either extend to the final maturity date of the then Outstanding Bonds or the Municipality must agree, by a resolution supplementing the Bond Resolution, that the Municipality will replace such Reserve Fund Surety Bond prior to its expiration with another Reserve Fund Surety Bond which shall have no adverse effect on ratings then in effect on the Outstanding Bonds, or with cash, or with a combination of both. The face amount of the Reserve Fund Surety Bond, together with amounts on deposit in the Debt Service Reserve Account, including the face amount of any other Reserve Fund Surety Bond, shall be at least equal to the Reserve Account Requirement.

(v) Funds in the Debt Service Reserve Account shall be used only for the purpose of paying maturing principal of or interest on the Series 2026 Bonds when the funds in the Current Debt Service Account are insufficient therefor and for no other purpose, except that said funds may be invested or reinvested as provided for in the Bond Resolution. In the event that amounts credited to the Debt Service Reserve Account are used to pay maturing principal or interest on the Series 2026 Bonds when funds on hand in the Current Debt Service Account are insufficient therefor or that amounts credited to the Debt Service Reserve Account are at any time less than the amount of the Reserve Account Requirement, the Municipality shall provide written notice of such event and of the amount of such deficiency to the Bond Insurer, if any. If a disbursement is made from the Debt Service Reserve Account to pay maturing principal or interest on the Series 2026 Bonds, only such amount as may at the time be drawn under any Reserve Fund Surety Bond then credited to the Debt Service Reserve Account shall be included in computing the amounts credited to the Debt Service Reserve Account. The Municipality shall be obligated to restore the amounts credited to the Debt Service Reserve Account to the amount of the Reserve Account Requirement by either: (1) causing any Reserve Fund Surety Bond to be reinstated; (2) providing one or more Reserve Fund Surety Bonds; (3) depositing Revenues into the Debt Service Reserve Account in accordance with (a)(2)(B) above; or (4) any combination of the foregoing. With respect to such replenishment of the Debt Service Reserve Account, any funds received for such purpose shall be used first to reimburse any provider of a Reserve Fund Surety Bond then credited to the Debt Service Reserve Account, thereby reinstating such Reserve Fund Surety Bond, and second to replenish any cash in the Debt Service Reserve Account and/or to provide one or more Reserve Fund Surety Bonds.

(3) *Depreciation Fund.* In order to fund the Depreciation Fund provided for herein, after the deposits required by paragraphs (a)(1) and (a)(2) of this Section, there shall next be deposited into the Depreciation Fund the amount of $5,000; provided, however, that deposits may be made on or before the first Business Day of each month, beginning with the first calendar month after the Closing Date, until the amount on deposit in the Depreciation Fund is equal to $5,000, at which amount it shall thereafter be maintained by such future monthly deposits as may be necessary for that purpose. The Depreciation Fund shall be used for the purpose of paying the cost of replacing such parts of the System as may need replacement in order to keep the System operating in an economical and efficient manner; provided, however, that in the event the funds provided for in the Bond Resolution for the payment of the principal of and interest on the Series 2026 Bonds should be insufficient for said purpose, then and in that event, to the extent of any such insufficiency, the amount necessary to pay accruing interest and to provide for the payment of the principal of the Series 2026 Bonds as set forth in paragraph (a)(2)(A) of this Section shall

be drawn from the Depreciation Fund, and shall be used together with funds otherwise available to pay such accruing interest and to provide for the payment of principal as set forth in paragraph (a)(2)(A) of this Section. No funds paid into the Depreciation Fund shall be used to prepay principal or premium, if any, unless such prepayment is for the entire balance of the principal amount of the Series 2026 Bonds.

(4) *Contingent Fund.* In order to fund the Contingent Fund provided for herein, after the deposits required by paragraphs (a)(1), (a)(2) and (a)(3) of this Section, there shall next be deposited into the Contingent Fund the amount of $5,000; provided, however, that deposits may be made on or before the first Business Day of each month, beginning with the first calendar month after the Closing Date, until the amount on deposit in the Contingent Fund is equal to $5,000, at which amount it shall thereafter be maintained by such future monthly deposits as may be necessary for that purpose. The Contingent Fund shall be used for the purpose of paying the cost of unforeseen contingencies arising in the operation and maintenance of the System, including the construction of reasonable and proper improvements, repairs, and extensions thereto; provided, however, that in the event the funds provided for in the Bond Resolution for the payment of the principal of and interest on the Series 2026 Bonds should be insufficient for said purpose, then and in that event, to the extent of any such insufficiency, the amount necessary to pay accruing interest and to provide for the payment of the principal of the Series 2026 Bonds as set forth in paragraph (a)(2)(A) of this Section shall be drawn from the Contingent Fund and shall be used, together with funds otherwise available, to pay such accruing interest and to provide for the payment of principal as set forth in Section 5.03(a)(2)(A).

(b) The funds in the foregoing funds shall be held separate and apart from all other funds of the Municipality and shall be applied in the manner provided. Any surplus Revenues remaining after all deposits required by the Bond Resolution have been made may be used solely for purposes pertaining to the System, including payment of any general obligation debt previously or hereafter incurred for the System. The foregoing notwithstanding, any amounts required to be paid by the Municipality from such surplus Revenues for general administrative charges pertaining to the System shall be considered as being used for purposes pertaining to the System.

(c) If in any month the Revenues are insufficient to deposit the required amount in any of the funds as hereinbefore provided, the deficiency shall be made up in the subsequent payment or payments in addition to the payments which would otherwise be required to be made into such funds in subsequent months; provided, however, that any deficiency in the Current Debt Service Account and the Debt Service Reserve Account shall be made up before any further payment is made to the Depreciation Fund or the Contingent Fund.

(d) The investments of funds in the Debt Service Reserve Account shall be valued in such manner as the Municipality shall determine at the fair market value thereof annually on the last Business Day of each Fiscal Year. If the fair market value of said investments is less than the Reserve Account Requirement, the Municipality shall, as soon as possible but in any event within the following 12 months, place money from the Revenue Fund into the Debt Service Reserve Account as provided in paragraph (a)(2)(B) above to bring the aggregate value of the Debt Service Reserve Account up to the Reserve Account Requirement. If the fair market value of such investments is greater than the Reserve Account Requirement, the amount of money in excess of the Reserve Account Requirement shall be paid into the Current Debt Service Account.

Investment of Funds on Deposit in the Funds. The funds at any time on deposit in any fund or account provided for by the Bond Resolution not immediately required for disbursement for the purposes for which such funds or accounts are established, shall be invested in such instruments or investments as are permissible under the Code or under applicable law of the State. The income received on the investment of any such funds shall be credited to the fund or account for which such investments are made; provided that, with respect to the Current Debt Service Account and except with respect to the Improvement Fund, the excess, if any, of such income above the amounts required to be on deposit in such funds or accounts shall be transferred to the Current Debt Service Account and applied to the purposes for which such account is established. The income received on any investments in the Improvement Fund shall be credited to such fund until the Project is complete.

Combined Water and Sewer Improvement Fund. Pursuant to the Bond Resolution, the proceeds of the Series 2026 Bonds remaining after deposits have been made to the various funds and accounts described therein shall be irrevocably deposited by the Municipality into the Improvement Fund. Funds in the Improvement Fund shall be applied solely and only to the payment of the costs of the Project and costs incidental thereto (including but not limited to costs of the authorization, issuance, sale, validation, and delivery of the Series 2026 Bonds and Bond Insurance Policy premiums, if any, for the Series 2026 Bonds). Any balance remaining in the Improvement Fund after completion of the Project shall be transferred to the Current Debt Service Account and applied to the payment of the principal of and interest on the Series 2026 Bonds

Operation and Maintenance. The Municipality will maintain the System and all parts thereof in good condition, and will continuously operate the same in an efficient and economical manner, making such expenditures for equipment and for renewal, repair, and replacement as may be proper for the economical operation and maintenance thereof.

Sale of the System. The System may be sold or otherwise disposed of only as a whole or substantially as a whole, and only if the net proceeds to be realized shall be sufficient, together with other funds available therefor, to provide for the payment of the principal of, premium, if any, and interest on the Series 2026 Bonds and fully to retire all of the Series 2026 Bonds and any other indebtedness to the payment of which the Net Revenues of the System are pledged, and all interest thereon to their respective dates of maturity or earlier redemption dates. The proceeds from such sale or other disposition of the System shall immediately be deposited into the Current Debt Service Account, or if the Series 2026 Bonds are not then redeemable, into an escrow fund as provided in the Bond Resolution, and shall be used only for the purpose of paying the principal of, premium, if any, and interest on the Series 2026 Bonds, as the same shall become due, or for the redemption of callable Bonds (subject to the Bond Resolution).

The foregoing provision notwithstanding, the Municipality shall have and reserves the right to sell or otherwise dispose of any of the property comprising a part of the System hereafter determined in the manner provided in the Bond Resolution to be no longer necessary, useful or profitable in the operation thereof, for fair and reasonable prices.

Prior to any such sale or other disposition of said property, the Consulting Engineers shall make a finding in writing determining that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the proceeds from any sale of

such property shall be deposited into the Revenue Fund and used only as provided in the Bond Resolution for such fund.

Issuance of Other Obligations Payable Out of Revenues. The Municipality will not issue any other obligations, except upon the conditions and in the manner provided in the Bond Resolution, payable from the Net Revenues and being on a parity with the lien of the Series 2026 Bonds and the interest thereon, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance, or any other charge having priority to or being on a parity with the lien of the Series 2026 Bonds and the interest thereon.

The Municipality may issue obligations junior and subordinate to the Series 2026 Bonds at any time, provided that the issuance of such obligations does not violate any covenants of the Municipality concerning any of its then outstanding obligations. All obligations issued by the Municipality secured by Net Revenues other than Additional Bonds shall contain an express statement that such obligations are junior and subordinate in all respects to the Series 2026 Bonds as to lien on and source of and security for payment from the Net Revenues, and in all other respects.

Insurance for the System. As long as any of the Series 2026 Bonds shall remain Outstanding and unpaid, the Municipality shall carry and maintain all-risk insurance upon all the properties forming a part of the System which may be of an insurable nature, such insurance to be of the type and kind and for such amount or amounts as carried and maintained by other municipalities rendering services of a similar character in similar communities. The proceeds of all such insurance shall be used only for the maintenance and restoration of the System, or for the payment of the principal of, premium, if any, and the interest on the Series 2026 Bonds.

To the extent the Municipality is not covered by sovereign immunity, the Municipality will also carry adequate public liability and property damage insurance. Proceeds of insurance awards, except public liability and property damage policies, will be used to repair the damaged property or replace the destroyed property, and excess proceeds shall be deposited into the Depreciation Fund or in the Current Debt Service Account to redeem the Series 2026 Bonds, or if the Series 2026 Bonds are not then redeemable, into an escrow fund as provided in the Bond Resolution.

Books and Records. The Municipality will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Municipality in which complete and correct entries shall be made in accordance with generally accepted accounting principles consistently applied of all transactions relating to the System, and any Bondholder and the Paying Agent shall have the right at all reasonable times to inspect the System and all parts thereof, and all records, accounts and data of the Municipality relating thereto.

The Municipality shall promptly after the close of each Fiscal Year cause the books, records and accounts of the System for the preceding Fiscal Year to be properly audited by a qualified and independent firm of certified public accountants, which report shall cover in reasonable detail the operation of the System and the insurance carried with respect thereto. The Municipality shall make available generally said report, or a reasonable summary thereof, to any Bondholder upon request.

The Municipality shall also, prior to the commencement of each Fiscal Year, cause the System to be inspected by the Consulting Engineers, who shall file a report with the Clerk prior to the commencement of such Fiscal Year, setting out the condition of the physical plant of the System and any recommendations which the Consulting Engineers shall deem to be advisable. Such report shall include the following:

(a) Advice and recommendations concerning the maintenance, repair and operation of the System.

(b) Advice and recommendations as to renewals or replacements of any part of the System.

(c) Advice and recommendations as to extensions of the System.

(d) The estimated cost of any recommended renewals, replacements or extensions to the System.

(e) Advice and recommendations concerning the amount and character of insurance that should be carried on the System.

(f) Advice and recommendations concerning any revision of the rates to be charged for the services of the System.

(g) A statement of the judgment of the Consulting Engineers concerning whether the System had been maintained in good repair and operating order, with such suggestions as the Consulting Engineers may deem advisable concerning changes in the methods of operating the System.

The Municipality covenants with the Registered Owners that if the report of the Consulting Engineers shall show that the System has not been maintained in good repair and operating condition, it will, from available Revenues and from the Depreciation Fund and, to the extent applicable, from the Contingent Fund, promptly restore the System to good repair and operating condition; that all recommendations of said report shall receive impartial consideration by the Governing Body; and that the Municipality and the Governing Body shall endeavor in good faith to carry out the recommendations that may be made by the Consulting Engineers.

Operating Budget. Prior to the commencement of each Fiscal Year following the Closing Date, the Governing Body shall prepare or shall cause to be prepared and adopted by resolution of the Governing Body a detailed budget setting out the estimated receipts and expenditures of the System for the then ensuing Fiscal Year. This budget shall contain:

(a) an estimate of the Revenues expected to be derived from the operation of the System during the next ensuing Fiscal Year;

(b) a statement of the estimated Current Expenses during the next ensuing Fiscal Year;

(c) a statement of the amount of principal and interest due on the Series 2026 Bonds and any other indebtedness payable from Net Revenues during the ensuing Fiscal Year;

(d) a statement of what replacements to the System may be anticipated and the estimated cost thereof;

(e) a statement of the total amount anticipated to be payable from Revenues during the next ensuing Fiscal Year; and

(f) a statement of the amount on deposit in each of the funds referred to in the Bond Resolution.

Consulting Engineers. The Municipality will retain Consulting Engineers to inspect the System and make the annual report concerning the same referred to in the Bond Resolution, and to perform the duties provided for therein for such Consulting Engineers.

Default and Remedies. An "Event of Default" as used in the Bond Resolution means any of the following: (a) failure to pay the principal of, premium, if any, or interest on any of the Series 2026 Bonds when such payments shall become due, (b) failure to comply with any other of the covenants of the Municipality set out in the Bond Resolution and the continuation thereof for 30 days after written notice specifying such failure shall have been given to the Municipality by any Bondholder, or Bond Insurer, if any, provided that, if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Municipality to remedy such default within such 30 day period shall not constitute a default under the Bond Resolution if the Municipality shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch within no longer than 60 days after the aforesaid written notice, or (c) filing by the Municipality of a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable federal or state law, or (d) the declaration or determination of a default under the additional bonds resolutions.

The Registered Owner of any of the Series 2026 Bonds may, by suit, action, mandamus or other proceedings at law or in equity, enforce and compel performance by the appropriate official or officials of the Municipality of any or all acts and duties to be performed by the Municipality under the provisions of the Act and of the Bond Resolution. If there be any default in the payment of the principal of and interest on the Series 2026 Bonds, any court having jurisdiction in the proper action may, upon petition of the Registered Owners of a majority in principal amount of the Series 2026 Bonds then Outstanding, appoint a receiver to administer and operate the System with power to fix rates and collect charges sufficient to provide for the payment of the Series 2026 Bonds and to pay the expenses of operating and maintaining the System in conformity with the provisions of the Act and the Bond Resolution.

Additional Bonds. No Additional Bonds shall be issued unless the conditions set forth in the Bond Resolution are satisfied and unless all of the following conditions are complied with:

(a) The Municipality must be current in all deposits into the various funds and all payments theretofore required to have been deposited or made by it under the provisions of the Bond Resolution.

(b) If the Additional Bonds are to be issued for the purpose of financing the construction or acquisition of improvements to the System then:

(1) The amount of the Net Revenues during any 12 consecutive months of the eighteen (18) months immediately preceding the delivery of the Additional Bonds, as certified by the Consulting Engineers or an accountant, will be equal to 120% of the Maximum Annual Debt Service Requirement for the then Outstanding Bonds.

(2) The Consulting Engineers or accountant shall also certify that the amount of the Net Revenues derived from the operation of the System in each year after acquisition or completion of such improvements and during the period such Additional Bonds will be Outstanding, as estimated by the Consulting Engineers, will, in each year, be at least equal to 120% of the principal and interest which will mature and become due in each such year on (A) the then Outstanding Bonds and (B) the Additional Bonds then proposed to be issued.

(3) If any changes have been made and are in effect at the time of the adoption of the Additional Bonds Resolution in the schedule of rates and charges imposed by the Municipality for services furnished by the System which were in effect during any part of the consecutive twelve-month period referred to in this subsection (b), the Consulting Engineers or accountant may, if such changes resulted in increases in such rates and charges, and shall, if such changes resulted in reductions in such rates and charges, adjust the Net Revenues to be certified for such consecutive twelve-month period to reflect any change in such Net Revenues which would have occurred if the schedule of rates and charges in effect at the time of the adoption of the Additional Bonds Resolution had been in effect during that portion of such consecutive twelve-month period in which such schedule was not in effect.

(c) If the Additional Bonds are to be issued for the purpose of refunding all or a portion of any series of Outstanding Bonds, the issuance of such Additional Bonds shall either result in a net present value debt service savings of not less than 2% of the principal amount of the Series 2026 Bonds to be refunded or the issuance of such Additional Bonds shall satisfy the applicable tests set forth in subsections (b) and (c) above.

(d) The Municipality covenants and provides in the Bond Resolution that the Additional Bonds Resolution shall provide that the Debt Service Reserve Account shall be additionally fully funded in an amount equal to the Reserve Account Requirement.

(e) The Additional Bonds Resolution must provide that principal shall mature on the Payment Date on which principal is due and interest shall come due on the Payment Date on which interest is due.

All of such Additional Bonds, regardless of the time or times of their issuance shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment therefrom without preference of any Series 2026 Bonds over any other.

The Municipality shall not issue any obligations whatsoever payable from the Net Revenues of the System which rank equally as to lien and source and security for their payment from such Net Revenues with the Series 2026 Bonds, except in the manner and under the conditions provided above. The Municipality may issue bonds junior and subordinate to the Series

2026 Bonds at any time, provided that the issuance of such bonds does not violate any covenants of the Municipality concerning any of its then Outstanding Bonds.

Defeasance of Series 2026 Bonds. If the Municipality shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 2026 Bonds the principal of, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Bond Resolution, then the pledge of any Net Revenues, and other funds and securities pledged under the Bond Resolution and all covenants, agreements and other obligations of the Municipality to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2026 Bonds or interest installments for the payment or redemption of which funds shall have been set aside and shall be held in trust by the Paying Agent (through deposit by the Municipality of funds for such payment or redemption or otherwise) shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph under this subheading. All Outstanding Series 2026 Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph under this subheading if (a) in case any of said Series 2026 Bonds are to be redeemed on any date prior to their maturity, the Municipality shall have adopted a resolution or order directing the call and redemption of such Series 2026 Bonds on said date and (b) there shall have been deposited with the Paying Agent either funds in an amount which shall be sufficient, or funds which shall be invested in direct obligations of the United States of America or obligations the principal of and interest on which is guaranteed by the United States of America and which are not redeemable prior to their maturity by the issuer or any other person other than the holder thereof, the principal of and the interest on which when due will provide money which, together with the funds, if any, deposited with the Paying Agent at the same time, shall be sufficient, without reinvestment, to pay when due the principal and interest due and to become due on said Series 2026 Bonds on and prior to the redemption date or maturity date thereof, as the case may be and (c) in the event said Series 2026 Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Municipality shall have adopted a resolution or order directing the call and redemption of such Series 2026 Bonds on such date. Neither investments nor funds deposited with the Paying Agent pursuant to the provisions under this subheading nor principal or interest payments on any such investments shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or interest payments on the Series 2026 Bonds; provided, that if the interest on such investments deposited with the Paying Agent, if not then needed for such purpose, may to the extent practicable and legally permissible, be reinvested in investments of the type allowed in the Bond Resolution maturing at times and in amounts sufficient to pay when due the principal or interest due on the interest date or maturity date of the Series 2026 Bonds, as the case may be, and interest earned from such reinvestments may be paid over to the Municipality, as received by the Paying Agent, free and clear of any trust, lien or pledge.

Amounts paid by the Bond Insurer, if any, to the Holders of the Series 2026 Bonds shall not constitute the payment of the Series 2026 Bonds pursuant to the Bond Resolution, and the Series 2026 Bonds shall continue to be Outstanding and the amounts due thereon shall continue to be due and owing under the Bond Resolution until paid in accordance therewith.

Modification or Amendment. (a) No material modification or amendment of the Bond Resolution or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of the Holders of two-thirds or more in principal amount of the Series 2026 Bonds then Outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of the Series 2026 Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the Municipality to fix, maintain and collect fees, rentals and other charges for the System or to pay the interest and principal on the Series 2026 Bonds, as the same mature and become due, from the Net Revenues of the System, or reduce such percentage of Holders of the Series 2026 Bonds required above for such modification or amendment without the consent of the Holders of all of the Series 2026 Bonds.

(b) The foregoing shall not be construed to prohibit supplemental amendments of the Bond Resolution without the consent of Bondholders for the following purposes:

(1) to add to the covenants and agreements of the Municipality contained in the Bond Resolution other covenants and agreements thereafter to be observed and performed by the Municipality, provided that such other covenants and agreements shall not either expressly or implicitly limit or restrict any of the obligations of the Municipality contained in the Bond Resolution;

(2) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained in the Bond Resolution or in any supplemental resolution or to make any provisions with respect to matters arising under the Bond Resolution or any supplemental resolution for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of the Bond Resolution or any supplemental resolution and do not adversely affect the interests of the Holders of the Series 2026 Bonds;

(3) to subject to the lien of the Series 2026 Bonds and the pledge contained in the Bond Resolution additional Revenues or receipts;

(4) to provide for the use of a Reserve Fund Surety Bond in the Debt Service Reserve Account; or

(5) to provide for the issuance of Additional Bonds.

(c) Notwithstanding any provision therein to the contrary, the Bond Resolution may be amended by resolution of the Municipality prior to the delivery of any of the Series 2026 Bonds with the consent of the Purchaser and the Bond Insurer, if any.

TAX EXEMPTION

Exclusion from Gross Income Pursuant to Section 103 of the Internal Revenue Code. In the opinion of Bond Counsel, under existing statutes, regulations, rulings, and decisions, as presently interpreted and construed, and based on the assumptions described below, and subject to the exceptions, conditions, and limitations described below, interest on the Series 2026 Bonds earned by the respective owners thereof is excludable from gross income for federal income tax purposes pursuant to the Code.

The Code includes certain restrictions, conditions, and requirements, compliance with which subsequent to issuance of the Series 2026 Bonds is necessary in order that interest on the Series 2026 Bonds be (and continue to be) excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. In rendering its opinion, Bond Counsel will assume continuous compliance with all provisions of the Code, compliance with which subsequent to the date of issuance of the Series 2026 Bonds is necessary in order that interest on the Series 2026 Bonds be and continue to be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. The Municipality has covenanted to comply with each such requirement, and failure of the Municipality to comply with such requirements may cause interest on the Series 2026 Bonds to be includable in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2026 Bonds.

Alternative Minimum Tax. Pursuant to Section 55 of the Code, an alternative minimum tax is imposed if a taxpayer's regular income tax for a year is less than such taxpayer's "tentative minimum tax" for such year. "Tentative minimum tax" is computed on the basis of "alternative minimum taxable income." "Alternative minimum taxable income" is taxable income determined with certain adjustments and increased by certain items of tax preference.

Among the adjustments applicable in determining "alternative minimum taxable income" for corporations (other than S corporations, regulated investment companies, real estate investment trusts, and real estate mortgage investment conduits, as such terms are defined in the Code) is 75% of the amount by which "adjusted current earnings" exceeds the "alternative minimum taxable income" (determined without regard to the adjustments based on "adjusted current earnings" and the alternative net operating loss deduction described in Section 56 of the Code). Interest on the Series 2026 Bonds will be included in computing "adjusted current earnings."

Among the items of tax preference for all taxpayers is interest on any "specified private activity bond," reduced by any deduction (not allowable in computing the regular tax) which would have been allowable if such were included in gross income. In the opinion of Bond Counsel, the Series 2026 Bonds will not be "specified private activity bonds."

Certain Other Provisions of the Code Affecting Owners of the Series 2026 Bonds; Other Federal Tax Consequences of Interest on the Series 2026 Bonds.

Branch Profits Tax. Interest on the Series 2026 Bonds earned by certain foreign corporations doing business in the United States of America may be subject to the branch profits tax imposed by Section 884 of the Code.

S Corporations. Interest on the Series 2026 Bonds will be includable in calculating the tax on "excess net passive income" imposed by Section 1375 of the Code on certain Subchapter S corporations that have Subchapter C earnings and profits.

Social Security and Railroad Retirement Benefits. Interest on the Series 2026 Bonds held by persons who also receive Social Security or Railroad Retirement Benefits may have the effect of subjecting part of such benefits to federal income taxation.

Insurance Companies. Pursuant to Section 832 of the Code, deductible underwriting losses of property and casualty insurance companies will be reduced by 15% of the

amount of interest earned on the Series 2026 Bonds. (If the amount of the reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income).

Financial Institutions. Section 265(b)(1) of the Code provides that commercial banks, thrift institutions, and other financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax-exempt obligations acquired after August 7, 1986 (other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code).

The Series 2026 Bonds are not "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

Bond Counsel is of the opinion that under existing laws of the State, interest on the Series 2026 Bonds earned by the respective owners thereof is exempt from income taxes of the State.

Bond Counsel Opinion. Bond Counsel will not address or opine with respect to any federal tax consequences arising with respect to the Series 2026 Bonds, other than its opinion with respect to the exclusion of interest on the Series 2026 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, its opinion that the Series 2026 Bonds are not "qualified tax-exempt obligations," and its opinion that the Series 2026 Bonds are not "specified private activity bonds." Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2026 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Future Federal Legislation. Legislation which may affect the tax consequences of owning municipal bonds is constantly being considered by the United States Congress. There can be no assurance that legislation enacted after the date of issuance of the Series 2026 Bonds will not adversely affect the tax consequences of owning the Series 2026 Bonds, the exclusion of interest on the Series 2026 Bonds from gross income for federal income tax purposes or the market price of the Series 2026 Bonds.

VALIDATION

The Series 2026 Bonds have been validated before the Chancery Court of Oktibbeha County, Mississippi, as provided by Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters in connection with the authorization and issuance of the Series 2026 Bonds are subject to the final approval of the legality thereof by Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2026 Bonds. No representation is made to the Registered Owners of the Series 2026 Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in this Official Statement and Bond Counsel assumes no responsibility to the Registered Owners of the Series 2026 Bonds except for the matters set forth in such opinion.

LITIGATION

No litigation is pending or, to the knowledge of the Municipality, threatened in any court to restrain or enjoin the issuance or delivery of any of the Series 2026 Bonds or the collection of Revenues pledged or to be pledged to pay the principal of and interest on the Series 2026 Bonds, or in any way contesting or affecting the validity of the Series 2026 Bonds or the Bond Resolution or the power to collect and pledge said Revenues to pay the Series 2026 Bonds, or contesting the powers or authority of the Municipality to issue the Series 2026 Bonds or adopt the Bond Resolution.

OFFICIAL STATEMENT CERTIFICATE

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. At the time of the delivery of the Series 2026 Bonds, the representative of the Purchaser will receive a certificate signed on behalf of the Municipality by an authorized officer of the Municipality acting solely in his/her official capacity, substantially to the effect that to the best of his/her knowledge and belief, as of the date of the delivery of the Series 2026 Bonds to the Purchaser, this Official Statement, excluding the Appendices, as then supplemented or amended, does not contain an untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein in the light of the circumstances under which they were made, not misleading. In rendering such certificate, the official executing the certificate may state that he/she has relied in part on his/her examination of the records of the Municipality relating to matters within his/her own area of responsibility, and discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants, and representatives of the Municipality.

REGISTRATION, SALE, AND DISTRIBUTION

The Series 2026 Bonds have not been registered under the Securities Act of 1933, as amended (in reliance upon an exemption therefrom), or the blue sky laws of any jurisdiction. No assurance can be given that any trading market will develop for the Series 2026 Bonds after their initial sale by the Municipality. The Municipality has no control over the prices at which the Series 2026 Bonds will be initially reoffered to the public.

THE MUNICIPAL ADVISOR

Stephens Inc., Ridgeland, Mississippi is serving as the "Independent Registered Municipal Advisor" (the "IRMA" or the "Municipal Advisor") to the Municipality in connection with the issuance of the Series 2026 Bonds. In its capacity as the IRMA, Stephens Inc. has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal or state income tax status of the Series 2026 Bonds or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the Municipality and other sources believed to be reliable but has not been independently verified by the IRMA.

The IRMA has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Municipality and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the IRMA does not guarantee the accuracy or completeness of such information.

AUDITORS

The financial statements of the City as of September 30, 2024, have been audited by Watkins, Ward and Stafford, PLLC, Certified Public Accountants, Starkville, Mississippi, independent certified public accountants, as set forth in their report attached as **Appendix B**. Watkins, Ward and Stafford, PLLC, has not performed any procedures relating to this Official Statement.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2026 Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series 2026 Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Series 2026 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, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. 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.

Current Financial Strength Ratings

On August 4, 2025, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On June 30, 2025, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

On July 10, 2024, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (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, 2025.

Capitalization of AG

At March 31, 2026:

- The policyholders' surplus of AG was approximately $3,158 million.
- The contingency reserve of AG was approximately $1,539 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,402 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, 2025 (filed by AGL with the SEC on February 27, 2026); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026).

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 2026 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 2026 Bonds or the advisability of investing in the Series 2026 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".

RATINGS

S&P is expected to assign their municipal bond insured rating of "AA" (stable outlook)" to the Series 2026 Bonds based solely on the understanding that upon issuance and delivery of the

Series 2026 Bonds, the Bond Insurance Policy guaranteeing the payment when due of the principal of and interest on the Series 2026 Bonds will be issued by the Bond Insurer. Such rating reflects only the views of such organization and explanations of the significance of such rating should be obtained from such agency. An explanation of the significance of such rating may be obtained from AG. The rating is not a recommendation to buy, sell, or hold the Series 2026 Bonds. Generally, rating agencies base their ratings on information and materials furnished to the agencies and on investigations, studies, and assumptions by the rating agencies. There is no assurance that the rating will be maintained for any given period of time or that the rating will not be revised downward or withdrawn entirely by AG, if, in AG's judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2026 Bonds. Neither the Municipality, the Municipal Advisor, nor the underwriter of the Series 2026 Bonds has undertaken any responsibility to oppose any revision or withdrawal of this rating.

UNDERWRITING

The Series 2026 Bonds have been purchased by _____ (the "Purchaser"), at competitive sale from the Municipality for resale. The Purchaser has agreed to purchase the Series 2026 Bonds at the purchase price of $_____, calculated at par of $18,000,000, plus a premium of $_____, less Purchaser's discount of $_____, and less premium for the Bond Insurance Policy of $_____. The initial public offering yields of the Series 2026 Bonds are set forth on the inside front cover of this Official Statement and may be changed from time to time by the Purchaser. The Purchaser may also allow a concession from the public offering prices to certain dealers. The Purchaser has received no fee from the Municipality for underwriting the Series 2026 Bonds. If the Series 2026 Bonds are sold at the public offering yields as set forth on the inside front cover of this Official Statement, the Purchaser anticipates total selling compensation of $_____ for the Series 2026 Bonds.

REGISTRAR AND PAYING AGENT

U. S. Bank Trust Company, National Association, is acting as Paying Agent, Registrar, and Transfer Agent for the Series 2026 Bonds (the "Paying Agent"). The Paying Agent has not provided, or undertaken to determine, the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Series 2026 Bonds; or (iii) the tax exempt status of the interest on the Series 2026 Bonds.

MISCELLANEOUS

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2026 Bonds, the security for the payment of the Series 2026 Bonds, and the rights and obligations of the Registered Owners thereof.

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of our knowledge, information in this Official Statement does not include any untrue statement of material fact; nor does the information omit the statement of any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Municipality has prepared this Official Statement which it deems, for purposes of Rule 15c2-12 of the Securities and Exchange Commission, to be final and complete as of its date, except for the omission of the offering prices, interest rates,, and any other terms of the Series 2026 Bonds depending on such matters, and the identity of the Purchaser, subject to revision, amendment, and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed this Official Statement. Upon the sale and award of the Series 2026 Bonds, the Municipality will publish an Official Statement in substantially the same form as this Official Statement subject to minor additions, deletions and revisions as required to complete this Official Statement. The successful bidder must notify the Clerk of the Municipality in writing within five business days of the sale and award if the bidder requires additional copies of the Official Statement to comply with applicable regulations. The cost for such additional copies will be paid by the successful bidder requesting such copies. By submission of its bid, the successful bidder will be deemed to have agreed to supply to the Municipality all necessary pricing information and any Purchaser identification determined by the Municipality to be necessary for the Official Statement within 24 hours after the sale and award of the Series 2026 Bonds.

A copy of this Official Statement may be obtained from:

Joanna McLaurin
City Clerk
City of Starkville, Mississippi
j.mclaurin@cityofstarkville.org
(662) 323-2525

or

Brad C. Davis, Esq.
Bond Counsel
Watkins & Eager PLLC
bdavis@watkinseager.com
(601) 965-1988

City of Starkville, Mississippi

***/s/ D. Lynn Spruill*, Mayor**

***/s* Joanna McLaurin, City Clerk**

Appendix A

General Information regarding the Municipality and its Economy

DEMOGRAPHIC AND ECONOMIC INFORMATION

General Description.

The City of Starkville, Mississippi (the "Municipality"), the county seat of Oktibbeha County, Mississippi (the "County"), is located in the northeastern section of the County. The Municipality, originally named "Boardtown," was renamed "Starkville" in 1834 in honor of General John Stark, a hero of the American Revolution. The Municipality is located 125 miles northeast of Jackson, Mississippi, the capital city of the State of Mississippi (the "State"), 130 miles southwest of Birmingham, Alabama, 165 miles southeast of Memphis, Tennessee, and 286 miles northeast of New Orleans, Louisiana.

Mississippi State University of Agriculture and Applied Science (the "University") is located primarily immediately adjacent to the Municipality, with only a small portion on the western edge of the University within the boundaries of the Municipality. The University is an important factor in the Municipality's growth and development. The University was established by the Legislature in 1878 as a Land Grant Institution and is comprised of ten colleges and schools that offer 120 majors.

The County, located in the northeastern prairie soil area of the State, was named for the Indian word meaning "bloody water," and has a land area of 459 square miles. 26 of the existing 82 counties in the State were in existence before the County was formally organized on December 23, 1833, from a portion of the Choctaw Territory ceded by the Treaty of Dancing Rabbit Creek in 1830.

Population.

The population of the Municipality and the County have been recorded as follows:

	2025	2020	2010	2000	1990
The Municipality	25,844*	24,356	23,888	21,869	18,474
The County	51,896	51,780	47,671	42,902	38,404

*estimate as of July 1, 2024

SOURCE: United States Department of Commerce, Census data at **www.census.gov**.

Mississippi State University Enrollment.

The fall semester enrollment of the University was as follows:

2025	2024	2023	2022	2021
23,563	23,150	22,657	22,649	23,086

SOURCE: Mississippi State University, Office of Institutional Research and Effectiveness.

Government.

The Municipality operates under a Code Charter approved in May of 1837 and is governed by the Mayor and Board of Aldermen (the "Governing Body"), consisting of seven aldermen who are elected from separate precincts or wards. The Mayor is elected at-large. The Mayor and members of the Board of Aldermen are elected for four-year terms which run concurrently.

The current Mayor and members of the Board of Aldermen are:

Name	Occupation	Position Held Since
Lynn Spruill	Mayor	2017
Mike Brooks	Real Estate Appraiser	2019
Kim Moreland	Commercial Real Estate	2024
Roy A'. Perkins	Attorney	1993
William Pochop	Financial Representative	2025
Sandra C. Sistrunk	Retired	2017
Kyle Skinner	Real Estate	2025
Henry N. Vaughn, Sr.	Retired	2009

Transportation.

Access to the Municipality is available by several means. U. S. Highway 82 and State Highways 12, 25, 182, and 389 serve the immediate area. A number of County highways provide access to many outlying areas in the County.

Rail service is provided to the Municipality by the Kansas City Southern Railroad. Several common carriers are authorized to serve the Municipality. The nearest commercial airport is Golden Triangle Regional Airport in Lowndes County, Mississippi, 15 miles from the Municipality. Bryan Field is located within the County a distance of three miles from the

Municipality. The nearest port is the Lowndes County Port, which has a channel depth of nine feet and is located 22 miles away in Lowndes County, Mississippi, on the Tennessee-Tombigbee Waterway.

Per Capita Income.

Year	County	Mississippi	United States	County as % of U.S.
2024	$44,064	$52,646	$76,375	57.69%
2023	$42,241	$49,652	$69,810	60.51%
2022	$39,730	$47,134	$66,244	59.98%
2021	$39,966	$46,869	$64,460	62.00%
2020	$36,752	$42,513	$59,153	62.13%

SOURCE: United States Department of Commerce, Bureau of Economic Analysis www.bea.gov.

Major Employers.

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

Employer	Employees	Product/Service
Mississippi State University	5,900	Education
Starkville School District	650	Education
Oktibbeha Hospital	650	Healthcare
Wal-Mart Stores, Inc.	470	Retail
Southwire Company	261	Wire And Cable
Xerium Technologies	220	Felt
Kroger	200	Food Retailer
Golden Triangle Planning and Development District	200	Economic Development
Northeast Mississippi Coca-Cola	185	Beverage Distribution
Lowes	148	Retail

SOURCE: Greater Starkville Development Partnership. January 2026.

Gross Sales.

State Fiscal Year Ended June 30	Municipality	County
2025	$805,161,146	$1,135,602,900
2024	$750,662,563	$1,039,086,264
2023	$737,116,751	$974,735,310
2022	$691,004,097	$892,417,215
2021	$639,340,461	$822,965,917

SOURCE: Mississippi Department of Revenue website: http://www.dor.ms.gov

Retail Sales.

State Fiscal Year Ended June 30	Municipality	County
2025	$500,273,752	$545,270,505
2024	$450,326,786	$499,749,773
2023	$437,419,288	$482,728,351
2022	$422,633,730	$479,592,208
2021	$402,797,306	$456,121,337

SOURCE: Mississippi Department of Revenue website: http://www.dor.ms.gov

Sales Tax Rebates from State. The State rebates on a monthly basis 18.5% of the total State sales tax for all sales originating within the Municipality; this rebate may be used for any lawful purpose. Sales tax rebates from the State to the Municipality are as follows:

State Fiscal Year Ended June 30	Amount
2025	$10,132,809
2024	$9,007,176
2023	$8,988,989
2022	$8,588,523
2021	$7,887,023

SOURCE: Mississippi Department of Revenue website: http://www.dor.ms.gov

Diversions from the State to the Municipality regarding Use Tax Collections.

(pursuant to the Mississippi Infrastructure Modernization Act of 2018)

	2025	2024	2023	2022	2021
January Diversion	$1,112,935.15	$1,080,181.70	$1,018,492.91	$746,892.34	$387,143.33
July Diversion	$1,286,035.38	$1,102,406.79	$1,048,101.97	$720,580.41	$403,527.17
TOTAL	$2,398,970.53	$2,182,588.49	$2,066,594.88	$1,467,472.75	$790,670.50

SOURCE: Mississippi Department of Revenue website: http://www.dor.ms.gov

Diversions from the State to the Municipality regarding Special Sales Tax.

(pursuant to Local and Private Acts of the Mississippi Legislature and local referendum; dedicated for parks and recreation improvements)

	2025	2024	2023	2022	2021
Starkville Tourism and Convention Tax	$3,150,734	$3,029,019	$2,880,107	$2,674,657	$2,224,373
Starkville-Oktibbeha Tourism Tax	$402,067	$399,023	$441,975	$326,124	$194,004
Starkville Restaurant, Parks, & Recreation Special Tax	$1,545,529	$1,492,540	$1,431,578	$1,324,372	$1,127,888
Starkville Hotel, Parks, & Recreation Special Tax	$256,713	$241,581	$229,620	$180,890	$102,629
TOTAL	$5,355,043	$5,162,163	$4,983,280	$4,506,043	$3,648,894

SOURCE: Mississippi Department of Revenue website: http://www.dor.ms.gov

Employment Statistics of the County.

	2024	2023	2022	2021	2020
Civilian Labor Force	22,380	21,700	22,020	22,190	21,740
Unemployed	770	730	910	1,250	1,690
Unemployment Rate	3.4	3.4	4.1	5.6	7.8
Employed	21,610	20,970	21,110	20,940	20,050

SOURCE: Mississippi Department of Employment Security, website: www.mdes.ms.gov Annual Averages, Labor Force and Establishment Based Employment.

Educational Facilities.

Starkville Oktibbeha Consolidated School District (the "District") is one of the largest school districts in the State, with a student enrollment of more than 4,800. The Municipality's school system merged with Oktibbeha County School District to form the District beginning in the 2015-2016 school year.

Students in preschool through grade 12 in the District are housed in seven school plants. Emerson Preschool is a licensed preschool that provides year-round comprehensive developmentally appropriate program for young children. Emerson is currently enrolling children ages two to five years old.

Sudduth Elementary School and West Oktibbeha Elementary School serve kindergarten through 2nd grade students. Henderson Ward Elementary School serves 3rd grade through 5th grade. East Oktibbeha Elementary School serves kindergarten through 5th grade.

Armstrong Middle School serves 6th grade through 8th grade and was constructed in 1976. An addition was completed in 1996 and additional renovations were completed in 1999.

Starkville High School serves 9th grade through 12th grade and was constructed in 1961 with additions in 1976, 1984, 1987, and 1998. Also on the Starkville High School campus is Millsaps Vocational Center which was constructed in 1972 and renovated in 1998.

The administrative office for the District is located in the Greensboro Center which is the renovated former Starkville High School. The building was constructed in 1927-29 and was extensively renovated in 1987. The facility now also serves as a civic center for the Municipality and surrounding area.

Related facilities of the District include a bus transportation complex, a maintenance building, an athletic complex, three gymnasiums, a baseball field, a softball field, and a newly constructed football stadium with an approximate seating capacity of 6,500.

Enrollment figures for the District for the scholastic year 2025-2026 and for the four preceding years are as follows:

Scholastic Year	Enrollment
2025-26	4,873
2024-25	5,070
2023-24	4,882
2022-23	4,894

SOURCE: Mississippi Department of Education website: https://mdek12.org/

TAX INFORMATION

Assessed Valuation.

Assessment Year	Real Property	Personal Property	Public Utility Property	Total
2025	$274,175,436	$72,316,140	$2,698,326	$349,189,902
2024	$269,424,825	$70,754,304	$2,377,495	$342,556,624
2023	$258,886,039	$73,306,329	$2,128,191	$334,320,559
2022	$252,344,846	$66,891,533	$1,992,409	$321,228,788
2021	$224,856,310	$62,575,746	$1,967,979	$289,400,035

SOURCE: Office of the City Clerk. January 2026.

The above assessed valuations are based upon the following assessment ratios: real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 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.

Procedure For Property Assessments.

Real and personal property valuations other than motor vehicles and property owned by public utilities are determined by the County Tax Assessor. All taxable real property situated in the Municipality 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 Governing Body on the first Monday in July. Thereafter, the assessments are equalized by the Governing Body and notice is given to the taxpayers that the Governing Body will meet to hear objections to the assessments. After objections are heard, the Governing Body adjusts the rolls and submits them to the Mississippi Department of Revenue, which examines them on receipt. The Mississippi Department of Revenue may then accept the rolls or, if it finds a roll incorrect in any particular, return the rolls to the Governing Body to be corrected in accordance with the recommendations of the Mississippi Department of Revenue. If the Governing Body has any objections to the order of the Mississippi Department of Revenue, it may arrange a hearing before the Mississippi Department of Revenue. Otherwise, the assessment roll is finalized and submitted to the Tax Assessor and Tax Collector for the County for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the Mississippi Department of Revenue. With minor exceptions the property of public utilities is assessed each year by the Mississippi Department of Revenue.

Homestead Exemption. The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the state level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the type and dollar amount of property that may come within the exemption.

Those homeowners who qualify for 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 classified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of $7,500 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the Mississippi Department of Revenue. No taxing unit may be reimbursed an amount in excess of 106% of the total net reimbursement made to such taxing unit in the next preceding year.

Tax Levy Per $1,000 Valuation.

	2026	2025	2024	2023	2022
Total	34.00	32.00	32.00	30.13	30.13

Pursuant to special legislative authority, the Municipality also levies a tax of 2 mills for the provision of parking facilities and the development and growth of the Downtown Business District.

SOURCE: Office of the City Clerk. January 2026.

Ad Valorem Tax Collections.

Year Ended September 30	Taxes Due	Taxes Collected	Difference Over (Under)
2025	$11,019,500	$10,810,435	(209,065)
2024	10,698,258	10,704,257	$5,999
2023	$9,677,210	$9,533,615	($143,595)
2022	$8,719,623	$8,713,968	($5,655)
2021	$8,155,000	$8,393,293	$238,293

SOURCE: Office of the City Clerk. January 2026.

DEBT INFORMATION

Legal Debt Limit Statement.

(as of June 1, 2026)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation – $349,189,902)	$52,378,485	$69,837,980
Present Debt Subject to Debt Limits	$31,130,000	$38,941,182
Margin for Further Debt Under Debt Limits after Issuance of Bonds	**$21,248,485**	**$30,896,798**

Statutory Debt Limits.

The Municipality is subject to a general statutory debt limitation under which no county in the State may incur general obligation bonded indebtedness in an amount which will exceed 15% of the assessed value of all taxable property within such county according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of this 15% limitation, there may be deducted all bonds or other evidences of indebtedness issued for the construction of hospitals, ports, or other capital improvements payable primarily from the net revenues to be generated from such hospital, port, or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county.

The total general obligation indebtedness of a county, both bonded and floating (including bonds excepted from the 15% limit above), may not exceed 20% of the assessed value of all taxable property within such county, but bonds issued for school purposes and industrial development bonds issued under the State's Balance Agriculture with Industry Program are specifically excluded from both the 15% limitation and the 20% limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the 20% limitation. Industrial development revenue bonds are excluded from all limitations on indebtedness, as are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt Subject to Legal Debt Limits.

(as of June 1, 2026)

Issue	Date of Issue	Amount Outstanding
Utility Refunding Bonds*	10/18/2012	$321,182
Public Improvement Bonds	6/25/2015	$1,445,000
Public Improvement Bonds, Series 2016A	10/15/2016	$1,885,000
Public Improvement Bonds, Series 2016B	10/15/2016	$1,505,000
Taxable Development Bonds	10/12/2017	$4,200,000
Refunding Bonds	4/24/2018	$3,190,000
Public Improvement Bonds	4/30/2018	$1,960,000
Public Improvement Bond	10/30/2019	$1,945,000
Street Improvement Bonds*	12/6/2022	$3,265,000
Street Improvement Bonds*	5/23/2024	$4,225,000
Public Improvement Bonds	4/14/2026	$15,000,000
TOTAL		**$38,941,182**

*subject only to the 20% legal debt limitation.

Outstanding General Obligation Bonded Debt Not Subject to Legal Debt Limits.

(as of June 1, 2026)

Issue	Date of Issue	Amount Outstanding
Special Obligation Bonds, Series 2020A*	4/22/2020	$14,070,000
Special Obligation Bonds, Series 2020B*	8/18/2020	$9,560,000
General Obligation Public Improvement Bonds, Series 2024*	4/23/2024	$11,785,000
TOTAL		**$35,415,000**

*****Pursuant to the Authority Act (as defined in the Official Statements for the Series 2020A Bonds and the Series 2020B Bonds), the Series 2020A Bonds, the Series 2020B Bonds, and the Series 2024 Bonds were issued as general obligations of the Municipality but not subject to the 15% debt legal limitation or the 20% legal debt limitation.

Outstanding Revenue Bonded Debt.

(as of June 1, 2026)

Issue	Date of Issue	Amount Outstanding
Combined Water and Sewer System Revenue Bonds, Series 2019	5/1/2019	$7,340,000
Electric System Revenue Bonds, Series 2020	3/10/2020	$5,545,000
Combined Water and Sewer System Revenue Bonds, Series 2025A	5/21/2025	$6,845,000
TOTAL		**$19,730,000**

Limited Tax Bonds.

(as of June 1, 2026)

Issue	Date of Issue	Amount Outstanding
TIF Revenue Bonds, Series 2016	8/31/2016	$140,000
TIF Revenue Bonds, Series 2022	3/1/2022	$397,200
TIF Revenue Bonds, Series 2022	10/25/2022	$1,302,500
TIF Revenue Bonds, Series 2025	3/6/2025	$4,067,500
TOTAL		**$5,907,200**

Other Debt.

The Municipality has entered into agreements with the State of Mississippi for various Capital Improvements Revolving Loans, Drinking Water Improvements Revolving Loans, and Water Pollution Control Revolving Loans. The Municipality has also entered into a number of capital leases which are subject to annual appropriations. For additional information, see **Appendix B** to the Official Statement.

Pension Plan and PERS Liability.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB-68"). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves information provided by government employers about financial support for pensions that is provided by other entities.

The Municipality has no pension plan or retirement plan for employees. All full-time employees of the Municipality are members of and contribute to the Mississippi Public Employees' Retirement System ("PERS"), a cost-sharing, multiple employer retirement system administered by the State for the benefit of its local governments and State personnel. Benefit provisions, including employer contribution rates, are established by State statute and may be amended from time to time only by the Legislature. The State statute historically provided for the PERS Board of Trustees to set employer contribution rates based on liabilities of the pension plan as determined by actuarial valuation. The percentage that an employer is required to contribute increased from 14.26% to 15.75% effective July 1, 2013. The PERS Board of Trustees voted on June 26, 2018, to increase the employer contribution requirement from 15.75% to 17.40% effective July 1, 2019, and voted on December 20, 2022, to increase the employer contribution requirement from 17.40% to 22.40% effective October 1, 2023. The PERS Board of Trustees voted on February 28, 2023, to delay the effective date of the increase to 22.40% to July 1, 2024. In its 2024 Regular Session, the Legislature took several actions regarding PERS, including removing the ability of PERS to set employer contributions, voting to replace the increase to 22.40% with five annual increases of 0.50% for five years, or a total increase of 2.50% to 19.90% in 2028, and providing a $110,000,000 direct contribution to PERS accounts.

For more information on the Municipality's pension plan and obligations, see **Appendix B** to the Official Statement.

Appendix B

Audited Financial Statements for the Fiscal Year Ended September 30, 2024; Budget for the Fiscal Year Ended September 30, 2025; and, Budget for the Fiscal Year Ending September 30, 2026

City of Starkville, Mississippi

Audit Report

September 30, 2024

City of Starkville, Mississippi

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City of Starkville, Mississippi

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Aldermen
City of Starkville, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Starkville, Mississippi, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Starkville, Mississippi's basic financial statements as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Starkville, Mississippi, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Starkville, Mississippi 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.

Emphasis of Matter

As discussed in Note 1, as of July 1, 2023, the Electric Department of the City of Starkville, Mississippi, changed its fiscal year-end from June 30 to September 30. As a result of this change, the current reporting period for the Electric Department of the City of Starkville, Mississippi covers a fifteen-month period beginning July 1, 2023 and ending September 30, 2024. Our opinion is not modified with respect to this matter.

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 City of Starkville, Mississippi'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 City of Starkville, Mississippi'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 City of Starkville, Mississippi'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 Schedules, Schedules of the City's Proportionate Share of the Net Pension Liability and Contributions (excluding Starkville Electric Department), Schedules of Starkville Electric Department's Proportionate Share of the Net Pension Liability and Contributions, and related notes to the required supplementary information on pages 4-16 and 63-72 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 City of Starkville, Mississippi's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of surety bonds for municipal officials, schedule of bonded indebtedness, schedule of long-term notes, and 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 related notes to the schedule of federal awards 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of surety bonds for municipal officials, schedule of bonded indebtedness, schedule of long-term notes, the schedule of expenditures of federal awards, and the related notes to the schedule of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2025, on our consideration of the City of Starkville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Starkville, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Starkville, Mississippi's internal control over financial reporting and compliance.

Starkville, Mississippi
August 4, 2025

Watkins Ward and Stafford, PLLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Starkville
Management's Discussion and Analysis
September 30, 2024

Introduction

The discussion and analysis of the City of Starkville's financial performance provides a narrative review of the municipality's financial activities for the fiscal year ended September 30, 2024. The intent of this document is to view the City's performance during the subject year as a whole. The notes to financial statements as well as the financial statements must be considered to fully develop an understanding of the City's overall financial performance and condition.

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

The City of Starkville is located in Oktibbeha County and serves as its county seat. Oktibbeha County is in the northeastern portion of the State of Mississippi, approximately 37 miles from the Alabama state line along U.S. Highway 82. The population, according to the most recent 2020 United States census, is 24,360. The current report from the United States Census Bureau for 2023 shows a population estimate of 25,444. The completion of the annexation of approximately 2.3 square miles to the east finalized in April of 2022 is an element of that increased population base coupled with the business climate growth of the Golden Triangle Regional industrial development. The growth in the population of the City continues to show an incremental growth from the increased interest in and development of such new businesses as Aluminum Dynamics and expansion of existing businesses as Steel Dynamics and Paccar Industries. There are also industries such as Columbia Industries that have moved from other regions of the United States to take up residence in the business-friendly south with Starkville being a direct beneficiary of that decision.

Starkville remains the largest municipality in the Golden Triangle Region with no indication of a change in that position. The local Golden Triangle economic base from which Starkville receives the largest measure of the population influx is driven by retail, manufacturing, healthcare and Mississippi State University with emphasis on transportation and sciences and technology research.

Financial Highlights

The City of Starkville is financially sound and has an economic base continuing to shift to the east and toward the increased quantity of retail, commercial and residential investment. Through the adoption of a unified development code the core zoning changes for density and greater urbanization the City enhances the development of mixed-use projects in its urban core. Starkville continues to see multiple areas being redeveloped with projects that include campus style student housing owned by the University and private commercial entities. From mixed use urban housing developments to the prospect of additional hotels and office development, the interest in investing in Starkville is robust.

Due to the expanded emphasis on athletics and historical attractions the alumni of the University are steadily returning to enjoy the various aspects of a university town. Starkville is a Mississippi Certified Retirement community. This designation is bringing in the investment in additional retirement homes and residential opportunities that cater to those with the disposable income as they choose where they wish to spend their retirement time.

Financial Highlights (Continued)

The City and the University are finding ways to share a focus on the quality of life available in a university town with growing proximity to new university properties and city amenities. The partnership between the University and the City has never been stronger and the continued partnership with transportation and housing projects highlights that positive approach to our mutual benefit. The Town and Gown relationship is cemented by the shared vision of the seamless nature of the transition from the campus to the city and back.

The City is committed to financial responsibility. Starkville focuses on operational efficiency through ever diligent strategic planning, responsible budgeting and monitoring and improving internal controls. The City maintains a quality fiscal management structure which includes highly trained professionals whose experience in financial management is superior. The revenue stream from ad valorem taxes is steady, but the supplement of sales taxes shows the intent is to have diverse revenue sources from sports tourism to industry and retail. The City has become the strongest member of the triad of the Golden Triangle through aggressively maintaining a conservative fund balance.

The City is moving forward rapidly with transformational projects that improve the potential for the entire central business district to become more economically viable through infrastructure upgrades, quality of life amenities and transportation and safety enhancements. One of the projects has received over $35,000,000 in Federal and State funding and will be the catalyst for further development in an area easily considered as part of the Central Business District that has been in decline for the past five decades. The downtown redevelopment and redesign project will dramatically alter the economic options for encouraging enhanced retail and dining in the corridor that the City shares with the University. This future will create an atmosphere that will focus on the University and City relationship and its future successes through promoting partnership and mutual interests.

Starkville enjoys strong growth in both residential and commercial real estate development. Sales tax collections continue to grow. The city derives additional revenue from a two percent (2%) tax on food and beverage sales which then supports economic development, tourism, parks, and student activity. The City's sports tournament facility has been in operation for a second year and has proven to support the businesses during those times when the university is not in session. The support of the community allowed for an additional 1% food and beverage tax to be approved to support the construction and operation of Cornerstone Park. This is working to bridge the gap and making a financial impact that keeps a steadier stream of business and revenue throughout the year. This project was designed to provide a strong tourism base as well as provide an enhanced recreation venue for residents thereby improving the quality-of-life aspects so necessary to attract businesses and retain residents.

Starkville's unemployment rate for September 2024 is roughly 3.2%. This is one of the lower rates for the State of Mississippi during this timeframe.

Capital improvement in fiscal year 2024 continued to focus on improvements to electric, water, wastewater, road, bicycle and pedestrian infrastructure. The City has placed an emphasis on a long-term response for handling future projected growth by adding redundancy and improving reliability within our basic infrastructure systems. The commitment to replacement of infrastructure is intended to stay well ahead of the cycle of a "maintenance only standard and replacement as a last resort". To that end, the city invested in studies that will guide our capital expenditures based on data and not whim. We have studied our water

Financial Highlights (Continued)

and wastewater systems as well as our street infrastructure in order to maximize our tax dollars and effectuate the most impactful methodologies using the best procedures and products available.

The City's retail base has been stable and the demand for properties in the commercial corridors remains high. The newest mixed-use developments have filled with tenants for the additional spaces they have created. The SMART bus system contributes to increased transportation alternatives for the City of Starkville and the campus of MSU at no cost to the participants through grant funding. This city-wide service offers options for all the residents of Starkville to access the healthcare system and the multiple shopping venues. The Triangle Crossing shopping center has been hugely successful and continues to draw from surrounding counties as well as support and answer the needs and desires of the student and residential population.

Both the Starkville George M. Bryan field and the Golden Triangle Regional Airport continue to be the beneficiaries of significant Federal Aviation Administration grants that have provided additional space for lease revenue opportunities while also increasing potential flight capacity with commercial carriers and private aviation participation. The Golden Triangle Regional Airport is one of only three airports in Mississippi which operates a profitable passenger service and has expanded its capacity through larger aircraft from Delta to service the demand. Its success has recently spurred interest in the consideration of the addition of a westbound flight from the American Airlines commuter service provider, SkyWest Airlines. The local airport serving the city, George M. Bryan Field, has received multiple grants that will be funding not only extending its runway but also adding additional hangars to house future corporate business interests. This local airport is replete with returning alumni for the exciting athletic events throughout the school year.

Fiscal Year 2024 brought significant gains in multi-family and single-family housing. Starkville continued to experience construction starts. Steady enrollment growth and loyal followers of the athletic programs at Mississippi State University create an expectation that the recent construction surge will continue. The development requests for subdivisions and business construction have been steady through the 2024 year.

The Mill conference center continues to provide options for conferences and activities for the city and the university. The organizations that are using Starkville as a meeting location are growing and allowing activities throughout the calendar year. The MSU Foundation, the fundraising arm of Mississippi State University, has recently invested in three hotels in the area. With that investment they are upgrading existing hotels and planning on developing further retail, shopping, living and hotel space within the city. That investment is expected to bear fruit in the 2027 timeframe.

The City's investment with Oktibbeha County in an industrial park is the new home to an Amazon last mile fulfillment center. Garan Manufacturing has been a longtime industrial resident of the City of Starkville and continues its presence in the park. The plans for a new 200,000 square foot pad and the completion of the 100,000 square foot pad should provide an additional attraction for future industry.

Total net position increased by $298,618 which represents a 96% decrease from the prior fiscal year. The City's ending cash balance increased by $6,774,648 which represents a 38.78% increase from the prior fiscal year. Investments increased by $3,981,805 which represents a 23.37% increase from prior fiscal year.

Financial Highlights (Continued)

The City had $110,074,860 in total revenues. General revenues accounted for $35,131,168 or 31.92%. Program specific revenues in the form of charges for services and grants and contributions accounted for $74,943,692 or 68.08% of total revenues.

The City had $109,776,242 in total expenses; only $74,943,692 of these expenses were offset by charges for services, grants or outside contributions. General revenues of $35,131,168 were adequate to provide for the remainder of the expenses.

Among the major funds, the General Fund, Parks Capital Project (2023) Fund, 2022 G.O. Public Improvement Bonds Fund, and ARPA Fund had $30,415,914, $13,777,082, $5,744,115, and $276,877 in revenues and $29,426,435, $3,964,877, $5,693,841, and $18 in expenditures. The General Fund, Parks Capital Project (2023) Fund, 2022 G.O. Public Improvements Bond Fund, and ARPA Fund's fund balance increased $989,479, $9,812,205, $50,274, and $276,859 respectively, from the prior year.

Capital assets, net of accumulated depreciation, increased by $12,702,788.

Long-term debt increased by $13,339,902.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of 3 components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Figure 1 – Required Components of the City's Annual Report

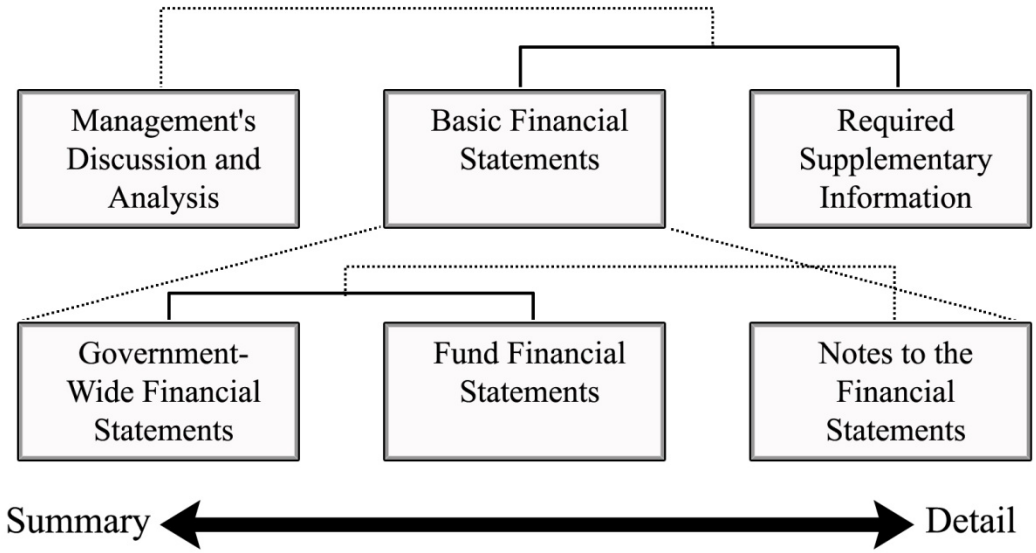

Figure 1 shows how required parts of this annual report are arranged and relate to one another.

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

	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and component units	All activities of the City that are not business-type or fiduciary in nature	The City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances	• Statement of net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital and short and long term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short and long term
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City finances, in a manner similar to private-sector businesses.

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

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

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The activities of the City include general government; public safety; public services (infrastructure); utilities; parks and recreation; sanitation; and interest on long-term debt.

The Government-wide Financial Statements can be found on pages 19 and 20 of this report.

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 City uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a city's near-term financing requirements. Governmental funds include the general, special revenue, debt service, and capital projects funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the "Governmental Funds Balance Sheet" and the "Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances" provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 23 and 25, respectively.

The City maintains individual governmental funds. 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 other non-major funds are combined together and presented in these reports as other governmental funds.

Proprietary funds are used to account for services for which the City charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government wide statements, provide both long-term and short-term financial information. The City's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. The measurement focus of proprietary fund is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows are all required statements.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 29 through 61 of this report.

In addition to the basic financial statements and accompanying notes, this report presents certain **Required Supplementary Information** concerning the budgetary comparative information for the general fund and each major special revenue fund, schedules of the City and Electric Department's proportionate share of the net pension liability and schedules of City and Electric Department's contributions. This information can be found on page 62-68 of this report.

Government-wide Financial Analysis

Net Position – Net position may serve over time as a useful indicator of government's financial position. In the case of the City of Starkville, assets exceeded liabilities by $79,427,193 as of September 30, 2024.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture & equipment, leased property under lease liabilities and construction in progress) less related outstanding debt used to acquire such assets. The City uses these capital assets to provide services to its citizens.

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

The following table presents a summary of the City's net position for the fiscal year ended September 30, 2024 and 2023.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and Other assets	$ 44,574,228	32,050,399	23,024,782	24,790,111	67,599,010	56,840,510
Capital Assets, net	86,168,668	76,217,142	87,408,729	84,657,467	173,577,397	160,874,609
Total Assets	130,742,896	108,267,541	110,433,511	109,447,578	241,176,407	217,715,119
Deferred outflows of resources	5,789,168	7,083,387	3,418,231	3,468,986	9,207,399	10,552,373
Current and other liabilities	16,731,045	14,905,393	14,192,426	13,216,259	30,923,471	28,121,652
Long-term debt	104,427,078	87,817,078	33,893,627	33,058,917	138,320,705	120,875,995
Total Liabilities	121,158,123	102,722,471	48,086,053	46,275,176	169,244,176	148,997,647
Deferred inflows of resources	1,459,677	-	252,760	141,270	1,712,437	141,270
Net Position:						
Net investment in capital assets	14,387,036	20,241,768	66,425,213	63,282,454	80,812,249	83,524,222
Restricted	19,077,270	9,080,727	1,340,619	3,625,690	20,417,889	12,706,417
Restricted- Inventory	-	-	1,599,593	1,788,436	1,599,593	1,788,436
Unrestricted	(19,730,754)	(16,694,038)	(3,671,784)	(2,196,462)	(23,402,538)	(18,890,500)
Total Net Position	$ 13,733,552	12,628,457	65,693,641	66,500,118	79,427,193	79,128,575

Changes in Net Position – The City's total revenues for the fiscal year ended September 30, 2024 was $110,074,860. The total cost for all services provided was $109,776,242. The increase in net position was $298,618. The following table presents a summary of the change in net position for the fiscal year ended September 30, 2024.

	2024	2023
Revenues:		
Program revenues	$ 74,943,692	63,626,612
General revenues	35,131,168	35,026,241
Total revenues	110,074,860	98,652,853
Expenses:		
Governmental Activities	35,058,593	33,521,717
Business-type Activities	74,717,649	57,670,920
Total expenses	109,776,242	91,192,637
Prior period adjustments	-	2,159
Increase in net position	$ 298,618	7,462,375

Governmental Activities – The following table presents the cost of five major functional activities of the City: General Government, Public Safety, Public Services, Parks & Recreation and Utilities.

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

	Total Costs	Net Costs
General Government	$ 7,712,308	$ 7,241,034
Public Safety	16,180,128	13,971,243
Public Services	9,138,045	9,138,045
Utilities	74,717,649	2,454,116
Interest on long-term debt	2,028,110	2,028,110

Financial Analysis of the City's Funds

Governmental funds – At the close of the fiscal year, the City of Starkville's governmental funds reported a combined fund balance of $32,085,279 an increase of $11,428,260. The primary reasons for this increase are highlighted in the analysis of governmental activities on page 24.

The General Fund is the principal operating fund of the City.

Budgetary Highlights of Major Funds

- Over the course of the year, the City of Starkville revised its annual operating budget on several occasions.

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

Capital Assets and Debt Administration

Capital Assets – As of September 30, 2024, the City of Starkville's total capital assets were $335,338,970. This includes infrastructure, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress. This amount represents an increase over the previous year of $21,270,409.

Total accumulated depreciation and amortization as of September 30, 2024 was $161,689,873 and $71,700, respectively, including $10,299,274 of depreciation expense and $71,700 of amortization expense for the year. The balance in total net capital assets was $173,577,397 at year-end.

Additional information on the City of Starkville's capital assets can be found in Note 4 on pages 42 of this report.

Debt Administration – At September 30, 2024, the City of Starkville had $91,129,103 in long-term debt outstanding. This includes compensated absences, general obligation bonds, other loans, and obligations under lease liabilities. Of this debt, $6,508,948 is due within one year.

The State of Mississippi limits the amount of debt a City can issue to generally 15% of total assessed value. The City's outstanding debt is below its current limit.

Additional information on City of Starkville's long-term debt can be found in Note 5 and Note 6 on pages 43 - 48 of this report.

Current and Future Items of Impact

The City of Starkville's future growth continues to be encouraging. The developments that are in progress include residential and commercial projects as well as partnership projects through grants from various sources. These projects will be of significance in their economic impact and they are geared to further increase the quality-of-life aspects in multiple areas of the City and University.

There continue to be strong economic forces investing in the region. There are multiple developers from around the state and as far away as New York and Texas and Oregon that are viewing the local area as investment opportunities.

The Golden Triangle Region continues to be marketed aggressively and successfully and has invested in an additional mega-site that is currently being marketed for the possible use of a single entity with up to another 1,000 jobs. Mississippi State's research capacity remains the single largest draw for the high-tech industries as they compete in the new age of technology. The competitive Mississippi economic climate is a large factor in this success. There is no area in the south that has a better economic climate for business investment with what will be 5 mega-sites within a 20-minute drive of Starkville. Starkville remains the primary beneficiary of these investments as it is the location where everyone chooses to live and shop.

The Starkville Oktibbeha County School District is in the process of bonding for a new state-of-the-art high school that will complement the existing Partnership school that is located on the Mississippi State campus. This enhancement of our school system will be a draw for families and industries to understand that we are serious about being the best place to live for the employees of any business endeavor.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the City of Starkville City Clerk's office at 110 W. Main Street, Starkville, Mississippi, 39759.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
    - Governmental funds
    - Proprietary (enterprise) funds

In addition, the notes to financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Starkville, Mississippi
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	$ -	12,351,925	12,351,925
Cash - restricted	19,707,497	-	19,707,497
Investments	21,022,859	-	21,022,859
Accounts receivable, net	1,613,444	6,357,552	7,970,996
Other receivables, net	313,630	75,460	389,090
Notes receivable,net	260,677	-	260,677
Internal balance	1,656,121	(1,656,121)	-
Prepaid expense	-	4,081,512	4,081,512
Inventory	-	1,599,593	1,599,593
Capital assets:			
Land and construction in progress	1,792,946	3,244,916	5,037,862
Other capital assets, net	84,375,722	84,163,813	168,539,535
Other assets	-	214,861	214,861
Total assets	130,742,896	110,433,511	241,176,407
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized debt expense	-	359,073	359,073
Deferred outflows related to pensions	5,789,168	3,059,158	8,848,326
Total deferred outflows of resources	5,789,168	3,418,231	9,207,399
LIABILITIES			
Accounts payable	3,493,022	8,207,130	11,700,152
Retainage payable	-	20,854	20,854
Accrued liabilities	1,479,623	470,502	1,950,125
Cash deficit	916,630	-	916,630
Unearned revenue	6,352,126	-	6,352,126
Customer deposits	-	3,219,634	3,219,634
Other liabilities	66,836	358,685	425,521
Long-term liabilities			
Due within one year:			
Capital debt	4,252,713	2,079,141	6,331,854
Lease liabilities	170,095	6,999	177,094
Due in more than one year:			
Capital debt	65,768,341	17,193,646	82,961,987
Lease liabilities	761,033	31,343	792,376
Compensated absences	797,791	68,001	865,792
Unfunded pension liability	37,099,913	16,430,118	53,530,031
Total liabilities	121,158,123	48,086,053	169,244,176
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	252,760	252,760
Deferred inflows related to bonds	1,459,677	-	1,459,677
Total deferred inflows of resources	1,459,677	252,760	1,712,437
NET POSITION			
Invested in capital assets, net of related debt	14,387,036	66,425,213	80,812,249
Restricted for:			
Public safety	15,056	-	15,056
General government	601,993	-	601,993
Debt service	214,474	1,340,619	1,555,093
Capital projects	18,245,747	-	18,245,747
Inventory	-	1,599,593	1,599,593
Unrestricted	(19,730,754)	(3,671,784)	(23,402,538)
Total net position	$ 13,733,552	65,693,641	79,427,193

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) / Revenue
Governmental Activities					
General government	$ 7,712,310	471,274	-	-	(7,241,036)
Public safety					
Police	9,321,198	686,197	691,055	-	(7,943,946)
Fire	6,501,290	-	831,633	-	(5,669,657)
Public inspection	338,513	-	-	-	(338,513)
Civil defense	19,127	-	-	-	(19,127)
Highways and streets	2,690,967	-	-	-	(2,690,967)
Health and sanitation	104,804	-	-	-	(104,804)
Culture and recreation	4,096,536	-	-	-	(4,096,536)
Economic development and assistance	2,245,738	-	-	-	(2,245,738)
Interest on long-term debt	2,028,110	-	-	-	(2,028,110)
Total governmental activities	35,058,593	1,157,471	1,522,688	-	(32,378,434)
Business-type Activities					
Electric utilities	59,566,947	57,976,948	-	-	(1,589,999)
Water and sewer utilities	11,460,527	10,976,171	-	-	(484,356)
Sanitation and waste	3,689,853	3,071,866	-	-	(617,987)
Sanitary landfill	322	238,548	-	-	238,226
Total business-type activities	74,717,649	72,263,533	-	-	(2,454,116)
Total primary government	$ 109,776,242	73,421,004	1,522,688	-	(34,832,550)

	Governmental Activities	Business-type Activities	Total
Changes in Net Position:			
Net (expense) / revenue	$ (32,378,434)	(2,454,116)	(34,832,550)
General revenues			
Taxes			
Property taxes	10,228,927	-	10,228,927
Sales and use taxes	14,643,416	-	14,643,416
Other taxes	873,527	-	873,527
Investment income	1,494,401	391,676	1,886,077
Other	6,744,957	754,264	7,499,221
Transfers	(501,699)	501,699	-
Total general revenues	33,483,529	1,647,639	35,131,168
Changes in net position	1,105,095	(806,477)	298,618
Net position, September 30, 2023	12,628,457	66,500,118	79,128,575
Net position, September 30, 2024	$ 13,733,552	65,693,641	79,427,193

The accompanying notes to financial statements are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

City of Starkville, Mississippi
Balance Sheet - Governmental Funds
September 30, 2024

	General	Parks Capital Project (2023)	2022 G.O Public Improvement Bonds	ARPA	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ -	12,154	565,345	-	2,555,001	3,132,500
Cash - restricted	680,223	10,246,411	2,633,512	42,051	6,105,300	19,707,497
Investments	15,617,828	-	-	5,405,031	-	21,022,859
Receivables (Net)						
Accounts	1,343,372	-	-	-	270,072	1,613,444
Other	313,630	-	-	-	-	313,630
Notes receivable	260,677	-	-	-	-	260,677
Due from other funds	175,404	-	-	1,306,917	-	1,482,321
Total Assets	$ 18,391,134	10,258,565	3,198,857	6,753,999	8,930,373	47,532,928
LIABILITIES						
Cash deficit	$ 4,049,130	-	-	-	-	4,049,130
Accounts payable	1,161,122	1,007,124	1,161,533	-	163,243	3,493,022
Accrued liabilities	1,479,623	-	-	-	-	1,479,623
Due to other funds	6,912	-	-	-	-	6,912
Other liabilities	66,836	-	-	-	-	66,836
Unearned revenue	46,954	-	-	6,305,172	-	6,352,126
Total Liabilities	6,810,577	1,007,124	1,161,533	6,305,172	163,243	15,447,649
FUND BALANCES						
Fund balances - restricted						
Restricted for police protection	15,056	-	-	-	-	15,056
Restricted for airport projects	601,993	-	-	-	-	601,993
Restricted for debt service	-	-	-	-	214,474	214,474
Restricted for capital projects	-	9,251,441	2,037,324	448,827	6,508,155	18,245,747
Fund balances - assigned for budgetary purposes	-	-	-	-	2,044,501	2,044,501
Fund balances - unassigned	10,963,508	-	-	-	-	10,963,508
Total Fund Balances	11,580,557	9,251,441	2,037,324	448,827	8,767,130	32,085,279
Total Liabilities and Fund Balances	$ 18,391,134	10,258,565	3,198,857	6,753,999	8,930,373	47,532,928

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2024

Fund Balances - total governmental funds		$ 32,085,279
Amounts reported for governmental activities in Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets, net	86,168,668	86,168,668
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred Inflows of Resources	(1,459,677)	
Deferred Outflows of Resources	5,789,168	4,329,491
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds:		
Long-Term Liabilities	(108,849,886)	(108,849,886)
Net Position of Governmental Activities		$ 13,733,552

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended September 30, 2024

	General	Parks Capital Project (2023)	2022 G.O. Public Improvement Bonds	ARPA	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
General property taxes	$ 10,228,927	-	-	-	-	10,228,927
Licenses and permits	471,274	-	-	-	-	471,274
Intergovernmental:						
Federal	1,105,616	-	-	-	592,941	1,698,557
State of Mississippi	10,709,522	-	-	-	-	10,709,522
State of Mississippi- 1% & 2% tax	-	-	-	-	2,976,842	2,976,842
State of Mississippi- modernization use tax	-	-	-	-	2,182,589	2,182,589
Oktibbeha County and Mississippi State	1,765,302	-	161,128	-	444,432	2,370,862
Fines and forfeits	599,617	-	-	-	86,580	686,197
Interest income	699,813	215,485	71,113	228,253	102,191	1,316,855
Penalties and interest	33,938	-	-	-	-	33,938
Other revenues	3,706,336	14,000	-	-	65,177	3,785,513
Total Revenues	29,320,345	229,485	232,241	228,253	6,450,752	36,461,076
EXPENDITURES						
General government	5,709,148	-	-	-	-	5,709,148
Public safety:						
Police	7,627,426	-	-	-	-	7,627,426
Fire	4,763,409	-	-	-	-	4,763,409
Public inspection	281,010	-	-	-	-	281,010
Civil defense	19,127	-	-	-	-	19,127
Highways and streets	1,826,037	-	-	-	-	1,826,037
Health and sanitation	104,804	-	-	-	-	104,804
Culture and recreation	1,730,274	-	-	-	-	1,730,274
Economic Development and Assistance	680,440	-	-	-	519,779	1,200,219
Capital outlay	1,737,708	3,701,050	5,555,011	-	3,867,749	14,861,518
Contractual services	-	263,827	138,830	18	627,673	1,030,348
Supplies	-	-	-	-	12,185	12,185
Miscellaneous expenses	-	-	-	-	2,986	2,986
Debt service:						
Principal	634,168	-	-	-	2,942,749	3,576,917
Interest	99,196	-	-	-	1,928,914	2,028,110
Total Expenditures	25,212,747	3,964,877	5,693,841	18	9,902,035	44,773,518
Excess (deficiency) of revenues over (under) expenditures	4,107,598	(3,735,392)	(5,461,600)	228,235	(3,451,283)	(8,312,442)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	4,213,688	4,213,688
Transfers out	(4,213,688)	-	-	-	(501,699)	(4,715,387)
Sale of surplus equipment	51,453	-	-	-	-	51,453
Investment gain	84,128	-	44,794	48,624	-	177,546
Premium on bond issuance	-	992,597	467,080	-	-	1,459,677
Leases issued	959,988	-	-	-	38,737	998,725
Proceeds from bonds	-	12,555,000	5,000,000	-	-	17,555,000
Net other financing sources	(3,118,119)	13,547,597	5,511,874	48,624	3,750,726	19,740,702
Net change in fund balances	989,479	9,812,205	50,274	276,859	299,443	11,428,260
Fund balances, September 30, 2023	10,591,078	(560,764)	1,987,050	171,968	8,467,687	20,657,019
Fund balances, September 30, 2024	$ 11,580,557	9,251,441	2,037,324	448,827	8,767,130	32,085,279

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2024

Net change in Fund Balances - total governmental funds		$ 11,428,260
Amounts reported for governmental activities in Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	14,861,518	
Less current year depreciation	(4,816,577)	
Less current year amortization	(68,728)	
Net loss on sale of capital assets	(24,687)	9,951,526
Bond and loan proceeds provide current financial rescources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of borrowed principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments:		
Proceeds from capital leases	(998,725)	
Proceeds from bonds	(17,555,000)	
Proceeds from bond premiums	(1,459,677)	
Principal payments	3,576,917	(16,436,485)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental fund:		
Change in unfunded pension liability	(2,539,340)	
Change in deferred outflows of resources	(1,294,219)	
Change in long-term compensated absences	(4,647)	(3,838,206)
Change in Net Position of Governmental Funds		$ 1,105,095

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Net Position - Proprietary Funds
September 30, 2024

	Electric Department	Water & Sewer Department	Sanitation and Waste Fund	Non-Major Enterprise Fund	Total Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 7,495,427	3,567,595	127,114	1,161,789	12,351,925
Accounts receivables, net	4,845,832	1,246,123	247,131	18,466	6,357,552
Other receivables, net	75,460	-	-	-	75,460
Due from other funds	88,053	85,747	-	-	173,800
Prepaid expense	4,081,512	-	-	-	4,081,512
Inventory	1,207,452	392,141	-	-	1,599,593
Total current assets	17,793,736	5,291,606	374,245	1,180,255	24,639,842
Non-current assets:					
Other assets	214,861	-	-	-	214,861
Land and construction in progress	1,987,955	1,158,361	-	98,600	3,244,916
Other capital assets, net of depreciation	50,380,878	32,635,714	1,145,677	1,544	84,163,813
Total non-current assets	52,583,694	33,794,075	1,145,677	100,144	87,623,590
Total Assets	70,377,430	39,085,681	1,519,922	1,280,399	112,263,432
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized debt expense	166,435	192,638	-	-	359,073
Deferred outflows related to pensions	1,726,355	700,434	632,369	-	3,059,158
Total Deferred Outflows of Resources	1,892,790	893,072	632,369	-	3,418,231
Total Assets and Deferred Outflows of Resources	$ 72,270,220	39,978,753	2,152,291	1,280,399	115,681,663
LIABILITIES					
Current liabilities:					
Accounts payable	$ 8,048,465	93,941	64,724	-	8,207,130
Retainage payable	-	20,854	-	-	20,854
Accrued liabilities	201,602	268,900	-	-	470,502
Compensated absences	-	-	68,001	-	68,001
Due to other funds	173,221	1,394,847	81,141	-	1,649,209
Accrued interest - long-term debt	10,589	-	-	-	10,589
Bonds payable, current	515,000	602,083	-	-	1,117,083
Notes payable, current	-	567,400	394,658	-	962,058
Lease liabilities, current	-	-	6,999	-	6,999
Other current liabilities	198,907	-	-	-	198,907
Total current liabilities	9,147,784	2,948,025	615,523	-	12,711,332
Non-current liabilities:					
Bonds payable, non-current	6,075,000	8,152,833	-	-	14,227,833
Notes payable, non-current	-	2,668,562	297,251	-	2,965,813
Lease liabilities, non-current	-	-	31,343		31,343
Customer deposits	2,714,043	505,591	-	-	3,219,634
Other liabilities	686	148,503	-	-	149,189
Unfunded pension liability	7,990,177	4,456,498	3,983,443		16,430,118
Total non-current liabilities	16,779,906	15,931,987	4,312,037	-	37,023,930
Total Liabilities	25,927,690	18,880,012	4,927,560	-	49,735,262
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	252,760	-	-	-	252,760
Total Deferred Inflows of Resources	252,760	-	-	-	252,760
NET POSITION					
Invested in capital assets, net of related debt	45,778,833	20,644,836	-	1,544	66,425,213
Restricted	-	61,764	-	1,278,855	1,340,619
Nonspendable	1,207,452	392,141	-	-	1,599,593
Unrestricted	(896,515)	-	(2,775,269)	-	(3,671,784)
Total Net Position	46,089,770	21,098,741	(2,775,269)	1,280,399	65,693,641
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 72,270,220	39,978,753	2,152,291	1,280,399	115,681,663

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2024

	Electric Department	Water & Sewer Department	Sanitation and Waste Fund	Non-Major Enterprise Fund	Total Enterprise Funds
OPERATING REVENUES					
Charges for services	$ 57,976,948	10,976,171	3,071,866	238,548	72,263,533
Total operating revenues	57,976,948	10,976,171	3,071,866	238,548	72,263,533
OPERATING EXPENSES					
Purchased power	46,563,594	-	-	-	46,563,594
Operating and maintenance	9,343,284	9,422,569	3,422,787	257	22,188,897
Depreciation	3,420,931	1,655,074	246,757	65	5,322,827
Total operating expenses	59,327,809	11,077,643	3,669,544	322	74,075,318
Operating income (loss)	(1,350,861)	(101,472)	(597,678)	238,226	(1,811,785)
NON-OPERATING REVENUES (EXPENSES)					
Other revenue (expenses)	154,745	560,339	39,180	-	754,264
Transfers	-	501,699	-	-	501,699
Interest on investments	287,260	104,416	-	-	391,676
Amortization expense	(19,972)	(13,959)	(2,972)	-	(36,903)
Interest and fiscal charges	(219,166)	(368,925)	(17,337)	-	(605,428)
Total non-operating revenues (expenses)	202,867	783,570	18,871	-	1,005,308
Changes in net position	(1,147,994)	682,098	(578,807)	238,226	(806,477)
Net position, September 30, 2023	47,237,764	20,416,643	(2,196,462)	1,042,173	66,500,118
Net position, September 30, 2024	$ 46,089,770	$ 21,098,741	$ (2,775,269)	$ 1,280,399	$ 65,693,641

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2024

	Electric Department	Water & Sewer Department	Sanitation and Waste Fund	Non-Major Enterprise Fund	Total Enterprise Funds
Cash Flows from Operating Activities					
Cash received from customers	$ 57,976,948	10,976,171	3,071,866	238,548	72,263,533
Cash paid to employees	(2,945,538)	(1,807,441)	(2,240,762)	-	(6,993,741)
Cash paid to suppliers	(50,853,950)	(5,305,169)	(279,095)	(257)	(56,438,471)
Net Cash Provided By Operating Activities	4,177,460	3,863,561	552,009	238,291	8,831,321
Cash Flows from Capital and Related Financing Activities					
Proceeds from issuance of debt	-	-	205,508	-	205,508
Payment of debt	(500,000)	(1,136,313)	(375,484)	-	(2,011,797)
Payment of interest	(201,853)	(368,925)	(17,337)	-	(588,115)
Purchase of capital assets	(4,035,983)	(9,914,425)	(237,582)	-	(14,187,990)
Removal cost	(131,768)	-	-	-	(131,768)
Salvage	11,382	-	-	-	11,382
Reclassifications	17,539	6,052,769	-	-	6,070,308
Other receipts (payments)	(3,000)	741,785	-	2,400	741,185
Net Cash Provided (Used) in Capital and Related Financing Activities	(4,843,683)	(4,625,109)	(424,895)	2,400	(9,891,287)
Cash Flows from Investing Activities					
Interest received on investments	287,260	104,416	-	-	391,676
Change in other investments	(9,021)	-	-	-	(9,021)
Collections on energy conservation loans receivable	2,896	-	-	-	2,896
Net Cash Provided by Investing Activities	281,135	104,416	-	-	385,551
Net Change in Cash	(385,088)	(657,132)	127,114	240,691	(674,415)
Cash and Cash Equivalents, October 1, 2023	7,880,515	4,224,727	-	921,098	13,026,340
Cash and Cash Equivalents, September 30, 2024	$ 7,495,427	3,567,595	127,114	1,161,789	12,351,925
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:					
Operating income (loss)	$ (1,350,861)	(101,472)	(597,678)	238,226	(1,811,785)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,569,419	1,655,074	246,757	65	5,471,315
Other non-operating revenues	154,745	1,166,454	39,180	-	1,360,379
Other non-operating expenses	(52,830)	-	-	-	(52,830)
Changes in operating assets and liabilities:					
(increase) decrease in receivables	41,509	682,261	318,690	-	1,042,460
(increase) decrease in inventory	91,640	97,203	-	-	188,843
(increase) decrease in other assets	(1,077,615)	-	-	-	(1,077,615)
(increase) decrease in deferred outflows of resources	(316,899)	196,144	151,539	-	30,784
increase (decrease) in payables	1,475,638	(25,875)	25,442	-	1,475,205
increase (decrease) accrued liabilities	(148,677)	(209,111)	81,141	-	(276,647)
increase (decrease) in deficit cash	-	-	(4,603)	-	(4,603)
increase (decrease) in customer deposits	(344,336)	54,138	-	-	(290,198)
increase (decrease) in unfunded pension liability	1,897,626	358,928	297,327	-	2,553,881
increase (decrease) in other liabilities	126,611	(10,183)	(5,786)	-	110,642
increase (decrease) in deferred inflows of resources	111,490	-	-	-	111,490
Total adjustments	5,528,321	3,965,033	1,149,687	65	10,643,106
Net cash provided by operating activities	$ 4,177,460	3,863,561	552,009	238,291	8,831,321

The accompanying notes to financial statements are an integral part of these financial statements.

Note 1: Summary of Significant Accounting Policies

The City of Starkville, Mississippi's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

a. Reporting Entity

The citizens of Starkville, Mississippi, have elected to operate under a Code Charter as permitted by Mississippi Statutes 21-3-3, which prescribes a Mayor and Board of Aldermen form of government.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service.

Note 1: **Summary of Significant Accounting Policies (Continued)**

Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

Excluded from the reporting entity:

Starkville Public Schools. The Starkville Public Schools' governing board is appointed primarily by the City's governing body (four of the five members). The City does not hold title to any of the school's assets, nor does it have any right to the school's surpluses. The City does not have the ability to exercise influence over the daily operations or approve budgets.

Starkville Public Library. The Starkville Public Library's governing board is appointed jointly by various entities. The City's governing body appoints five of the ten members but does not have the ability to exercise influence over the daily operations or approve budgets. Additionally, the City does not hold title to any of the library's assets, nor does it have any right to the library's surpluses.

b. **Basic Financial Statements – Government-Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks and recreation, public works, and general administrative services are classified as governmental activities. The City's electric, water and sewer, sanitation, and landfill services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

Note 1: **Summary of Significant Accounting Policies (Continued)**

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, fire, etc.) or a business-type activity. Operating revenues include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

c. **Basic Financial Statements – Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The City reports the following major Governmental Funds:

The *General Fund* is the government's primary operating fund It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Parks Capital Project 2023 Fund* is a capital projects fund which accounts for expenditures related to the improvements of McKee Park.

The *2022 G.O. Public Improvement Bonds Fund* is a capital projects fund which accounts for expenditures related to infrastructure improvements, outdoor recreation, and sewerage systems within the community.

The *ARPA Fund* is a special revenue fund which accounts for financial resources from the American Rescue Plan grant funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

Note 1: Summary of Significant Accounting Policies (Continued)

1. Governmental Funds

a. General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes General Activities, Multi-Unit Drug Task Force Operations, Airport Activities, Restricted Police Activities, Restricted Fire Activities, Accounts Payable Clearing and Payroll Clearing.

b. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds are the CDBG Henderson Street Area Redevelopment Project Fund, the Law Enforcement Grants Fund, the Computer Assessments Fund, the CDBG Rehabilitation Loan Program Fund, Federal Forfeited Funds Fund, American Recovery Reinvestment Fund, and the TVA Hewlett Wood Products, Inc. Loan Fund.

c. Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. The Debt Service Funds are the City Bond and Interest Fund and the School Bond and Interest Fund.

d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Funds are the Parking Mill Project Fund, Public Improvement Bonds Fund, Parks and Recreation Bond 2020 Fund, the Parks and Recreation Tourism Fund, Industrial Park Bond Fund, Fire Station #5 Fund, Build Grant 182/MLK Corridor Fund, 2022 G.O. Public Improvement Bonds, 2022 Local Improvements Project Fund, Parks Capital Project Fund, and Stark/Hospital Road Expansion Fund.

2. Proprietary Funds

The City reports the following major Proprietary Funds:

The *Starkville Electric Department* is a fund which accounts for the distribution of electricity to the residents of the City of Starkville and Mississippi State University.

The *Water and Sewer Fund* is a fund which accounts for the activities of the City's water and sewer distribution and collections. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt.

Note 1: **Summary of Significant Accounting Policies (Continued)**

The *Sanitation and Waste Fund* is a fund which accounts for the activities of the City's garbage collections.

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

a. **Enterprise Funds** are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Funds are the Electric Department Fund, the Water and Sewer Department Fund, the Sanitation Fund, and the Sanitary Landfill Fund.

d. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Note 1: Summary of Significant Accounting Policies (Continued)

e. Change in Fiscal Year End-Starkville Electric Department

Effective July 1, 2023, Starkville Electric Department changed its fiscal year end from June 30 to September 30 under the direction of the Board of Aldermen. This change was made to better align its financial reporting with that of the City of Starkville, Mississippi. The financial statements presented are for the 15-month transition period from July 1, 2023 to September 30, 2024, therefore, should be considered when analyzing year-to-year changes in financial position and results of operations.

f. Financial Statement Amounts

1. Deposits and Investments:

State law authorizes the City to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or municipality of this state. Further, the City may invest in certain repurchase agreements. Investments in governmental securities are stated at fair value.

For purposes of the statement of cash flows for the proprietary funds, the City defines cash equivalents as short-term, highly liquid investments with original maturity dates of three months or less.

2. Receivables:

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

3. Inventory:

Inventory is valued at the lower of cost (first-in, first-out) or market.

4. Capital Assets:

Capital assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 – 50 years
Water and sewer system	30 – 50 years
Machinery and equipment	5 – 10 years
Improvements	10 – 20 years
Other infrastructure	10 – 50 years

Note 1: Summary of Significant Accounting Policies (Continued)

5. Revenues:

Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

6. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. Compensated Absences:

The City accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

8. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. Basis of Budgeting:

The City prepares its governmental fund type budgets in accordance with state statutes, which require the cash basis of accounting for revenues. Expenditures are budgeted and reported on the modified accrual basis of accounting. For purposes of budgetary comparisons in the financial statements, the City has elected to compare GAAP basis revenue to budget. This presentation provides a reasonable basis of comparison because the difference in beginning and ending receivables is immaterial.

Note 1: Summary of Significant Accounting Policies (Continued)

10. Deferred Outflows / Inflows

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

Deferred outflows related to pensions- This amount represents the City's proportionate share of the deferred outflows of resources reported by the pension plan in which the City participates. See Note 16 for additional details.

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

Deferred inflows of resources- This amount represents the City's proportionate share of the deferred inflows of resources reported by the pension plan in which the City participates. See Note 16 for additional details.

11. 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.

12. Subscription-Based Information Technology Arrangements

The Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Technology Arrangements* (SBITAs) (GASB 96), to establish uniform accounting and financial reporting requirements for SBITAs, and to enhance understandability, relatability, relevance, and consistency of information about SBITAs.

The City has evaluated its technology arrangements under the requirements of GASB Statement No. 96. As of September 30, 2024, the City does not have any arrangements that meet the definition of a SBITA.

13. Long-term Liabilities

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

Note 1: Summary of Significant Accounting Policies (Continued)

13. Long-term Liabilities (Continued)

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the Fund financial statements, Governmental Fund Types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Net Position:

GASB 63 requires the classification of net position into three components – invested in capital assets, net of related debt, restricted and unrestricted. These classifications are defined as follows:

a. Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

Note 1: Summary of Significant Accounting Policies (Continued)

15. Net Position (Continued)

b. Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

c. Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Net Position Flow Assumption

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

16. Fund Balance:

GASB 54 requires the classification of fund balance into five components – nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as follows:

a. **Nonspendable fund balance** - amounts that cannot be spent due to form such as inventories, prepaid amounts, etc…

b. **Restricted fund balance** - amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

The City has the following restricted assets: restricted for fire protection, restricted for police protection, restricted for airport activities, restricted for parks and recreation, restricted for debt service and restricted for capital projects.

c. **Committed fund balance** - amounts constrained for a specific purpose by an entity using its highest level of decision-making authority. It would require the same group to remove or change the constraints placed on the resources. Currently, there are no committed fund balances.

Note 1: **Summary of Significant Accounting Policies (Continued)**

d. **Assigned fund balance** - for all funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed.

The City classifies unspent budgeted projects that are re-budgeted in the subsequent year to assigned for budgetary purposes.

e. **Unassigned fund balance** – the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

17. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

18. Changes in Accounting Standards:

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, Other Deposits, and Investments

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation. All of the City's funds eligible to be included in the state's collateral pool program were properly included and were fully collateralized as of September 30, 2024.

The carrying amount of the City's deposits with financial institutions was $20,996,400 on September 30, 2024 and the bank balance was $20,231,828.

The balances do not reflect cash or other deposits held in the name of Starkville Electric Department and Starkville Water Department in the amounts of $7,495,427 and $3,567,595 respectively, which are separately secured.

Investments:

Fair Value Measurements for Investments can be categorized by the following fair value hierarchy. The fair value hierarchy prioritizes the inputs used to measure fair value into three broad Levels (Levels 1, 2, and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3.

Level 1 inputs include US government and agency securities, foreign government debt, listed equities and money market securities.
Level 2 inputs include corporate bonds (investment grade, high yield), mortgage-backed securities, bank loans, loan commitments, less liquid listed equities, municipal bonds and certain OTC derivatives.
Level 3 inputs include distressed debt, private equity, exotic or non-standard derivatives.

Investment balances at September 30, 2024, are as follows:

Investment Type	Maturities	Fair Value Level	Fair Value
First American Funds Inc. US Treasury Money MarketFund Class Y 3696	N/A	Level 1	$ 15,378,327
USA Treasury Bills	1-2 years	Level 1	5,644,532
Total			$ 21,022,859

Note 3: Interfund Transactions and Balances

The following is a summary of interfund balances at September 30, 2024:

A. Due From/To Other Funds:

Due From	Due to	Amount
General Fund	Electric Department	$ 87,474
General Fund	Water and Sewer Department	87,930
ARPA Fund	Water and Sewer Department	1,306,917
Water and Sewer Department	Electric Department	85,747
Electric Department	Sanitation and Waste	81,141
Electric Department	General Fund	6,912
		$ 1,656,121

B. Transfers In/Out:

Transfers In	Transfers Out	Amount
Water and Sewer Department	Other Governmental Funds	$ 501,699
Other Governmental Funds	General Fund	4,213,688
Total		$ 4,715,387

The principal purpose of inter-fund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

Note 4: Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

		Balance 9/30/2023	Additions	Retirements	Adjustments	Balance 9/30/2024
Governmental activities						
Land and construction in progress	$	1,792,946	-	-	-	1,792,946
Other capital assets		156,175,198	13,764,615	(763,527)	-	169,176,286
Less: accumulated depreciation		(81,751,002)	(4,816,577)	738,840	-	(85,828,739)
Governmental activities capital assets, net	$	76,217,142	8,948,038	(24,687)	-	85,140,493
Business-type activities:						
Land and construction in progress - Electric	$	1,465,370	522,585	-	-	1,987,955
Other capital assets - Electric		78,370,505	3,513,398	(621,889)	(17,539)	81,244,475
Less: accumulated depreciation - Electric		(28,036,453)	(3,580,801)	753,657	-	(30,863,597)
Capital assets, net - Electric	$	51,799,422	455,182	131,768	(17,539)	52,368,833
Land and construction in progress - Water - Sewer	$	3,438,701	3,772,428	(6,052,768)	-	1,158,361
Other capital assets - Water - Sewer		65,725,248	6,141,997	(255,733)	-	71,611,512
Less: accumulated depreciation - Water - Sewer		(37,563,936)	(1,655,074)	243,218	(6)	(38,975,798)
Capital assets, net - Water - Sewer	$	31,600,013	8,259,351	(6,065,283)	(6)	33,794,075
Land and construction in progress - Sanitation - Landfill	$	98,600	-	-	-	98,600
Other capital assets - Sanitation - Landfill		7,001,993	193,009	(67,643)	-	7,127,359
Less: accumulated depreciation - Sanitation-Landfill		(5,842,561)	(246,821)	67,643	-	(6,021,739)
Capital assets, net - Sanitation-Landfill	$	1,258,032	(53,812)	-	-	1,204,220
Business-type activities capital assets, net		84,657,467	8,660,721	(5,933,515)	(17,545)	87,367,128
Lease assets, net (Note 5)						$ 1,069,776
Total capital assets, net, as reported in the statement of net position						$ 173,577,397

When the City of Starkville updates its fixed assets subsidiary records, the adjustment column reports the appropriate corrections to the various classes of fixed assets. The adjustments for this year were to clean up the fixed asset schedule to agree to their records.

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	$1,074,057
Public safety - Police	370,203
Public safety - Fire	437,047
Highways and streets	587,158
Culture and recreation	2,348,112
Total governmental activities depreciation expense	$4,816,577
Business-type activities:	
Electric	$3,580,801
Water and sewer	1,655,074
Sanitation	246,757
Landfill	65
Total business-type activities depreciation expense	$5,482,697

Starkville Electric Department's depreciation of $3,569,419 which consists of $3,420,931 charged to depreciation expense and $148,488 charged to building and transportation clearings.

Note 5: Intangible Right-to-Use Leases

A summary of lease asset activity during the year ended September 30, 2024 is as follows:

Governmental Activities:

	Balance 9/30/2023	Additions	Remeasurements	Deductions	Balance 9/30/2024
Lease assets:					
Vehicles	$ -	1,096,903	-	-	1,096,903
Total lease assets	-	1,096,903	-	-	1,096,903
Less accumulated amortization for:					
Lease assets:					
Vehicles	-	68,728	-	-	68,728
Total accumulated amortization	-	68,728	-	-	68,728
Total lease assets, net	-	1,028,175	-	-	1,028,175
Total governmental activities lease assets, net	$ -	1,028,175	-	-	1,028,175

Business-type Activities:

	Balance 9/30/2023	Additions	Remeasurements	Deductions	Balance 9/30/2024
Lease assets:					
Vehicles	-	44,573	-	-	44,573
Total lease assets	-	44,573	-	-	44,573
Less accumulated amortization for:					
Lease assets:					
Vehicles	-	2,972	-	-	2,972
Total accumulated amortization	-	2,972	-	-	2,972
Total lease assets, net	-	41,601	-	-	41,601
Total business-type activities lease assets, net	$ -	41,601	-	-	41,601

Amortization expense was charged to the following functions:

	Amount
Governmental Activities:	
Public safety - Police	$ 56,703
Public safety - Fire	3,957
Highways and streets	5,252
Culture and recreation	2,816
Total governmental activities amortization expense	$ 68,728

	Amount
Business-type Activities:	
Sanitation	$ 2,972
Total business-type activities amortization expense	$ 2,972

Note 5: Intangible Right-to-Use Leases (Continued)

A summary of lease liabilities during the year ended September 30, 2024 is as follows:

Governmental Activities:

	Balance 9/30/2023	Additions	Remeasurements	Deductions	Balance 9/30/2024
Lease liabilities	$ -	998,725	-	67,597	931,128
Total	$ -	998,725	-	67,597	931,128

Business-type Activities:

	Balance 9/30/2023	Additions	Remeasurements	Deductions	Balance 9/30/2024
Lease liabilities	$ -	41,073	-	2,731	38,342
Total	$ -	41,073	-	2,731	38,342

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

At lease commencement, the City 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 City generally uses the federal prime rate as the discount rate for leases unless the rate that the lessor charges is known.

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

Note 5: **Intangible Right-to-Use Leases (Continued)**

As Lessee:

The City has entered into multiple lease agreements with Enterprise Fleet Management for the lease of vehicles owned by Enterprise Fleet Management. Lease terms range from March 2024 through July 2024. The lease agreements can only be cancelled if both parties agree. There is an option to extend the lease agreements on a month-to-month basis for an unlimited period. There are no variable payment options.

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Enterprise Fleet Management	7.81%	60 mos	3/1/2024	2/28/2029	861	38,509
Enterprise Fleet Management	8.44%	60 mos	6/1/2024	5/31/2029	782	36,088
Enterprise Fleet Management	8.44%	60 mos	6/1/2024	5/31/2029	831	38,342
Enterprise Fleet Management	8.44%	60 mos	6/1/2024	5/31/2029	1,130	52,168
Enterprise Fleet Management	8.20%	60 mos	3/1/2024	2/28/2029	948	42,049
Enterprise Fleet Management	7.81%	60 mos	3/1/2024	2/28/2029	828	37,016
Enterprise Fleet Management	8.20%	60 mos	3/1/2024	2/28/2029	948	42,041
Enterprise Fleet Management	8.20%	60 mos	4/1/2024	3/31/2029	948	42,696
Enterprise Fleet Management	8.20%	60 mos	4/1/2024	3/31/2029	948	42,705
Enterprise Fleet Management	8.44%	60 mos	6/1/2024	5/31/2029	915	42,230
Enterprise Fleet Management	8.50%	60 mos	7/1/2024	6/30/2029	916	42,825
Enterprise Fleet Management	8.50%	60 mos	7/1/2024	6/30/2029	984	46,023
Enterprise Fleet Management	8.50%	60 mos	7/1/2024	6/30/2029	916	42,825
Enterprise Fleet Management	8.50%	60 mos	7/1/2024	6/30/2029	916	42,825
Enterprise Fleet Management	8.50%	60 mos	7/1/2024	6/30/2029	968	45,271
Enterprise Fleet Management	8.50%	60 mos	7/1/2024	6/30/2029	934	43,662
Enterprise Fleet Management	8.05%	60 mos	8/1/2024	7/31/2029	1,020	48,898
Enterprise Fleet Management	8.05%	60 mos	8/1/2024	7/31/2029	1,008	48,311
Enterprise Fleet Management	8.05%	60 mos	8/1/2024	7/31/2029	1,008	48,311
Enterprise Fleet Management	8.05%	60 mos	8/1/2024	7/31/2029	1,020	48,888
Enterprise Fleet Management	8.05%	60 mos	8/1/2024	7/31/2029	1,020	48,899
Enterprise Fleet Management	8.05%	60 mos	8/1/2024	7/31/2029	1,020	48,888
					$ 20,869	$ 969,470

Note 5: Intangible Right-to-Use Leases (Continued)

The following is a schedule by years of total payments due as of September 30, 2024:

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	$ 170,095	70,397	6,999	2,969
2026	184,647	55,845	7,613	2,355
2027	200,446	40,047	8,281	1,687
2028	217,596	22,895	9,008	961
2029	158,344	5,261	6,441	206
Total	$ 931,128	194,445	38,342	8,178

Note 6: Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Balance 9/30/2023	Additions	Reductions	Balance 9/30/2024	Amount Due Within One Year
Governmental Activities					
General obligation bonds					
TIF Revenue Bonds, Series 2011	$ 94,000	-	46,000	48,000	48,000
GO Public Improvement Bonds, Series 2015	1,835,000	-	125,000	1,710,000	130,000
GO Public Improvement, Series 2016A	2,290,000	-	130,000	2,160,000	135,000
GO Public Improvement, Series 2016B	1,835,000	-	105,000	1,730,000	110,000
TIF Revenue Bonds, Series 2016	400,000	-	125,000	275,000	135,000
GO Refunding Bond, Series 2018	1,545,000	-	380,000	1,165,000	375,000
GO Development Bonds, Series 2017	5,250,000	-	350,000	4,900,000	350,000
2018 Refunding Bond-City Hall	3,735,000	-	290,000	3,445,000	320,000
Special Obligation, Series 2018	3,285,000	-	430,000	2,855,000	440,000
Special Obligation, Series 2018	2,494,000	-	178,000	2,316,000	183,000
Special Obligation, Series 2020A	14,245,000	-	55,000	14,190,000	60,000
Special Obligation, Series 2020B	9,650,000	-	30,000	9,620,000	30,000
TIF Revenue Bonds, Series 2022	627,300	-	75,300	552,000	76,700
GO Bonds, Series 2022	4,400,000	-	555,000	3,845,000	580,000
TIF Revenue Bonds, Series 2022	1,437,400	-	65,800	1,371,600	69,100
GO Public Improvement Bonds, Series 2024	-	5,000,000	-	5,000,000	355,000
GO Public Improvement Bonds, Series 2024	-	12,555,000	-	12,555,000	375,000
Total	$ 53,122,700	17,555,000	2,940,100	67,737,600	3,771,800

Note 6: Long-Term Liabilities (Continued)

	Balance 9/30/2023	Additions	Reductions	Balance 9/30/2024	Amount Due Within One Year
Notes payable					
Asphalt Truck (Kenworth)	16,788	-	16,788	-	-
Fire Truck	538,076	-	104,039	434,037	105,797
2 Pumper Trucks	686,720	-	76,174	610,546	78,752
2019 Street Excavator	67,307	-	29,277	38,030	30,294
2022 Dodge Durango	23,487	-	13,273	10,214	10,214
2020 Fire Truck-Bankfirst	1,155,830	-	146,258	1,009,572	148,604
Utility Associates-Body Cameras	155,400	-	77,700	77,700	77,700
FUSUS Real Time Crime Center	65,000	-	65,000	-	-
Harley-Davidson Motorcycles	6,300	-	6,300	-	-
Dell Server	103,504	-	23,050	80,454	24,839
Dell Server Storage Array	25,259	-	2,358	22,901	4,713
Flexible Multisensor Fixed Cameras/Surveillance Cameras	9,003	-	9,003	-	-
Compensated absences	793,144	4,647	-	797,791	-
Total	$ 3,645,818	4,647	569,220	3,081,245	480,913
Total Governmental Activities	$ 56,768,518	17,559,647	3,509,320	70,818,845	4,252,713

	Balance 9/30/2023	Additions	Reductions	Balance 9/30/2024	Amount Due Within One Year
Business-type Activities					
Bonds and notes payable					
Utility Revenue Bonds, Series 2019	$ 8,570,000	-	395,000	8,175,000	410,000
Electric System Revenue Bond, Series 2020	7,090,000	-	500,000	6,590,000	515,000
GO Utility Refunding Bond Series 2012	768,306	-	188,390	579,916	192,083
Drinking Water Improvements Revolving Loan	169,017	-	56,567	112,450	57,998
Water Pollution Control Revolving Loan	479,849	-	219,210	260,639	223,077
Water Pollution Control Revolving Loan	89,881	-	15,865	74,016	16,307
MDA Capital Improvements Loan	273,207	-	19,520	253,687	17,020
MDA Capital Improvements Loan	182,461	-	22,479	159,982	26,278
MDA Capital Improvements Loan	358,640	-	44,691	313,949	53,066
MDA Capital Improvements Loan	908,352	-	61,973	846,379	62,843
MDA Capital Improvements Loan	125,269	-	39,304	85,965	38,629
MDA Capital Improvements Loan	383,100	-	26,745	356,355	26,698
MDA Capital Improvements Loan	594,338	-	33,787	560,551	33,387
MDA Capital Improvements Loan	224,771	-	12,782	211,989	12,097
3 Refuse Trucks & Knuckle Boom	248,041	-	122,435	125,606	125,606
2021 Tractor and Cutter	13,926	-	13,926	-	-
Garbage Truck/Front End Loader	122,864	-	39,952	82,912	40,946
2021 Rear Loader Truck	100,200	-	42,666	57,534	57,534
2022 Kubota Tractor	44,293	-	25,032	19,261	19,261
2022 Knuckleboom Loader	158,893	-	62,372	96,521	63,945
2023 Freightliner M2 #9147	211,828	-	47,922	163,906	49,082
8 Yard Rear Loader	-	164,435	18,266	146,169	38,284
Compensated absences	73,787	-	5,786	68,001	-
Total	$ 21,191,202	164,435	2,014,670	19,340,788	2,079,141

Note 6: Long-Term Liabilities (Continued)

All liabilities of The City of Starkville are secured by the full faith and credit of the municipality.

The nine outstanding issues of General Obligation Bonds are due in annual installments ranging from $100,000 to $935,000 each through various dates, the last of which is the year 2044. Interest rates range from 2.12% to 5.00%.

The City has entered into bond purchase agreements to issue and sell Tax Increment Financing Revenue Bonds. The principal of the bonds is due in annual installments. The Series 2011, Series 2016, and Series 2022 Bonds were issued for the purpose of constructing various infrastructure improvements to support the projects. The City's tax increment financing bond indebtedness is recorded as a liability of the City to match revenue streams to the related debt for which they have been pledged. The obligation of the City to pay principal and interest on these bonds is limited solely to the tax increment financing (TIF) revenues generated from the project. Should TIF revenues not be sufficient to meet the required debt service obligations, the City is not obligated to make such bond payments from any other sources of its revenues. However, the City intends to annually appropriate funds sufficient to make all payments required by the bonds for the next fiscal year. Management does not anticipate that any of the City's general funds will be required to make up any deficiency in bond payments during the next fiscal year.

Legal Debt Margin

The amount of debt, excluding specific exempted debt that can be incurred by the City is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the City, according to the last completed assessment for taxation. In no case shall the total indebtedness exceed 20% of the assessed value of the property. As of September 30, 2024, the amount of outstanding debt was equal to 5.92% of the latest property assessments.

Note 7: Unemployment Compensation Fund

The City has elected to establish a revolving fund for unemployment compensation which is to be maintained in the amount of 2% of the first $6,000 of employee wages paid in the preceding calendar year. The Unemployment Compensation Fund was fully funded at September 30, 2024.

Note 8: Defined Benefit Pension Plan – City of Starkville (Excluding Starkville Electric Department)

The Public Employee's Retirement System of Mississippi (PERS) assigns a proportionate share of the collective net pension liability to each participating employer based on the employer's contributions to the plan. The City of Starkville participates in PERS under two separate employer accounts: one covering all activities of the City excluding Starkville Electric Department and one covering Starkville Electric Department. These allocations are reported separately in Notes 8 and 9.

Note 8: Defined Benefit Pension Plan – City of Starkville (Excluding Starkville Electric Department) (Continued)

General Information about the Pension Plan

Plan Description. PERS is a defined benefit cost-sharing plan administered by the PERS System that provides retirement benefits to all eligible employees. Membership in PERS is a condition of employment granted upon hiring for qualifying employees including officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public-school districts, and other public employees whose employers have elected to participate. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the System's Board of Trustees. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. Current rates are 17.40 percent for employers and 9.00 percent for members. PERS employers contributed $1,456 million and members contributed $683 million for fiscal year 2024. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest.

Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. 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. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. 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. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. § 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. The PERS plan financial report is included in the Annual Comprehensive Financial Report of the Public Employees' Retirement System available at www.PERS.ms.gov.

Note 8: Defined Benefit Pension Plan – City of Starkville (Excluding Starkville Electric Department) (Continued)

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2024 was 17.90% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the fiscal years ending September 30, 2024, 2023 and 2022 were $2,341,648, $2,194,650, and $1,984,730 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 September 30, 2024, the City reported a liability of $45,539,854 which was for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2024, the City's proportion was 0.175373 percent. This was an increase of .007015 percent from its proportionate share used to calculate the September 30, 2023 net pension liability, which was based on a measurement date of June 30, 2023.

For the year ended September 30, 2024, the City recognized pension expense of $7,240,802. At September 30, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,425,099	-
Net difference between projected and actual earnings on pension plan investments	27,995	-
Changes of assumptions	2,707,902	-
Change in proportion percentage	1,288,951	-
City contributions subsequent to the measurement date	672,024	-
	$ 7,121,971	-

$672,024 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Note 8: Defined Benefit Pension Plan – City of Starkville (Excluding Starkville Electric Department) (Continued)

Year ended September 30,	
2024	2,600,909
2025	3,945,233
2026	273,749
2027	(369,944)
2028	-
	$ 6,449,947

Actuarial assumptions. The total pension liability as of June 30, 2024 was determined by an actuarial valuation prepared as of June 30, 2023, and by the investment experience for the fiscal year ending June 30, 2024. The following actuarial assumptions are applied to all periods in the measurement:

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

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95 percent 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(B) 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 from July 1, 2018 to June 30, 2022. This 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.

Note 8: Defined Benefit Pension Plan-City of Starkville (Excluding Starkville Electric Department) (Continued)

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:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
Domestic Equity	25	%	5.15	%
International Equity	20		5.00	
Global Equity	12		5.15	
Fixed Income	18		2.75	
Real Estate	10		3.50	
Private Equity	10		6.25	
Infrastructure	2		3.85	
Private Credit	2		4.90	
Cash Equivalents	1		0.50	
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 percent) and that employer contributions will be phased in to 19.90 percent over five fiscal years (17.90 percent for FYE 2025, 18.40 percent for FYE 2026, 18.90 percent for FYE 2027, 19.40 percent for FYE 2028, and 19.90 percent for FYE 2029 and beyond). 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 City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	$ 59,026,278	$ 45,539,854	$ 34,502,237

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 9: Defined Benefit Pension Plan – Starkville Electric Department

General Information about the Pension Plan

Plan Description. PERS is a defined benefit cost-sharing plan administered by the PERS System that provides retirement benefits to all eligible employees. Membership in PERS is a condition of employment granted upon hiring for qualifying employees including officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public-school districts, and other public employees whose employers have elected to participate. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the System's Board of Trustees. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. Current rates are 17.40 percent for employers and 9.00 percent for members. PERS employers contributed $1,456 million and members contributed $683 million for fiscal year 2024.

A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. 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. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. 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. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

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.

Note 9: Defined Benefit Pension Plan – Starkville Electric Department (Continued)

General Information about the Pension Plan

Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. § 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. The PERS plan financial report is included in the Annual Comprehensive Financial Report of the Public Employees' Retirement System available at www.PERS.ms.gov.

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the Electric Department is required to contribute at an actuarially determined rate. The employer's rate was 17.90% and 17.40% of annual covered payroll as of September 30, 2024 and June 30, 2023, respectively. 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 Electric Department's contributions to PERS for the 15-month period ended September 30, 2024, was $515,986, and for fiscal years ending June 30, 2023 and 2022, were $341,006 and $345,255, 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 for the 15-month period ended September 30, 2024

At September 30, 2024, the Electric Department reported a liability of $7,990,177, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Electric Department's proportion of the net pension liability was based on a projection of the Electric Department's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The Electric Department's proportionate share used to calculate the September 30, 2024 net pension liability was 0.030770%, which was based on a measurement date of June 30, 2024. This was an increase of 0.001171% 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.

Note 9: Defined Benefit Pension Plan – Starkville Electric Department (Continued)

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

For the 15-month period ended September 30, 2024, the Electric Department recognized pension expense of $2,208,204. At September 30, 2024 the Electric Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 429,902	-
Net difference between projected and actual earnings on pension plan investments	26,478	-
Changes of assumptions	494,911	-
Change in proportion percentage	651,099	252,760
City contributions subsequent to the measurement date	123,965	-
	$ 1,726,355	252,760

$123,965 reported as deferred outflows of resources related to pensions resulting from Electric Department contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	
2025	494,157
2026	780,295
2027	140,086
2028	(64,908)
2029	-
	$ 1,349,630

Actuarial assumptions. The total pension liability as of June 30, 2024 was determined by an actuarial valuation prepared as of June 30, 2023, and by the investment experience for the fiscal year ending June 30, 2024.

Note 9: Defined Benefit Pension Plan – Starkville Electric Department (Continued)

The following actuarial assumptions are applied to all periods in the measurement:

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

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95 percent 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(B) 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 are based on the experience investigation for the four-year period ending June 30, 2022.

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:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
Domestic Equity	25	%	5.15	%
International Equity	20		5.00	
Global Equity	12		5.15	
Debt Securities	18		2.75	
Real Estate	10		3.50	
Private Equity	10		6.25	
Infrastructure	2		3.85	
Private Credit	2		4.90	
Cash Equivalents	1		0.50	
Total	100	%		

Note 9: Defined Benefit Pension Plan – Starkville Electric Department (Continued)

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 made at the current employer contribution rate (17.90%). 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 Electric Department's proportionate share of the net pension liability to changes in the discount rate. The following presents the Electric Department's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Electric Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Electric Department's proportionate share of the net pension liability	$ 10,356,432	$ 7,990,177	$ 6,053,576

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 10: Joint Ventures

The City of Starkville entered into an agreement with the Golden Triangle Solid Waste Management Authority. This Authority was organized under laws of the State of Mississippi (Section 17-17-301 et seq. Miss. Code of 1972 as amended). The Authority's purpose is to operate and maintain a landfill facility. The project was permitted by DEQ in December, 1994. The City of Starkville's share of expense and liability is based on a pro rata share of waste tonnage. The City's portion of this expense was $388,831 in 2024. The members, in addition to the City of Starkville, are Noxubee County, City of West Point, Clay County, City of Columbus, Lowndes County, City of Macon, Oktibbeha County, Webster County, City of Eupora, Choctaw County, and the Town of Ackerman. Because of the nature of the Authority's operations there is no determinable equity interest of the City of Starkville. The Authority is designed to generate revenues from its members in an amount adequate only to cover its operating costs. The Authority is audited separately and financial statements are available upon request.

Note 11: Related Party

The City of Starkville, Mississippi, is currently under a board-approved, open-ended contract with an outside consulting company to provide support to the Electric Department. The owner of the consulting company is the former general manager of the Electric Department for 11 years and the father of the current General Manager for the Electric Department. For the 15-month period ended September 30, 2024, the amount paid to the consulting company was $77,140.

Note 12: Risk Management

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

Under GASB Statement No. 10, *Accounting and Financial Reporting for Risks Financing and Related Insurance Issues,* a liability for claims must be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. As of the date of this audit report, there were no known claims above the amount of coverage purchased for risks of loss related to torts, theft of, damage to, and the destruction of assets, errors and omissions, injuries to employees, and natural disasters at September 30, 2024, therefore no liability has been accrued at this time.

Note 13: Property Tax

Numerous statutes exist under which the Mayor and Board of Aldermen may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Mayor and Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year.

Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. The City taxes are collected and remitted to the City by the Oktibbeha County Tax Collector.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

Note 13: Property Tax (Continued)

The distribution of taxes to funds was made in accordance with prescribed tax levies, and uncollected taxes were properly handled.

Delinquent taxes are not recorded as assets.

Note 14: Economic Development, Tourism, and Convention Tax

In 2004, the Legislature of the State of Mississippi passed a local and private bill on behalf of the City of Starkville authorizing a 2 % tax on the gross income of restaurants derived from the sale of prepared food and alcoholic and nonalcoholic beverages. The tax is collected by the Mississippi State Tax Commission in the same manner that sales taxes are collected. The proceeds of the tax less 3% are paid monthly to the City of Starkville to be distributed to the appropriate entities as follows:

Economic Development Authority – 15%
Visitor and Convention Council – 15%
Starkville Parks and Recreation – 40%
Mississippi State University – 20%
Used for economic and community development projects, initiatives or opportunities – 10%

The distribution of the tax is audited in the course of this audit.

Note 15: Contingent Liabilities

Federal Grants- The City 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 disallowance resulting from a grantor audit may become a liability to the City. No provision for any liability that may result has been recognized in the City's financial statement.

Litigation – The City is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the City with respect to the various proceedings. However, the City's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the City.

Note 16: Effect of Deferred Amounts on Net Position

The governmental activities' unrestricted net position amount of $(19,730,754) includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of $536,361 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. The $5,252,807 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next 4 years.

Note 16: Effect of Deferred Amounts on Net Position (Continued)

The business-type activities' unrestricted net position amount of $(3,671,784) includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of $186,464 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. The $2,172,260 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next 4 years.

The governmental activities' unrestricted net position amount of $(19,730,754) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from bonds. The $992,597 balance of deferred inflows of resources related to bonds at September 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next 20 years.

The governmental activities' unrestricted net position amount of $(19,730,754) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from bonds. The $467,080 balance of deferred inflows of resources related to bonds at September 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next 10 years.

The business-type activities' restricted net position amount of $1,340,619 includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of $73,164 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. The $627,270 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next 4 years.

The business-type activities' restricted net position amount of $1,340,619 includes the effect of deferred inflows of resources related to pensions. The $ 252,760 balance of the deferred inflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next 4 years.

The business-type activities' unrestricted amount of $(3,671,784) includes the effect of deferred outflows of resources related to unamortized debt expense. The $166,435 balance of deferred outflows related to unamortized debt expense at September 30, 2024, will be recognized as expense and will decrease the unrestricted net position over the next 11 years.

The business-type activities' restricted amount of $1,340,619 includes the effect of deferred outflows of resources related to unamortized debt expense. The $192,638 balance of deferred outflows related to unamortized debt expense at September 30, 2024, will be recognized as expense and will decrease the unrestricted net position over the next 15 years.

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

Note 17: Subsequent Events (Continued)

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 City of Starkville, Mississippi, evaluated the activity of the City through August 4, 2025, the date the financial statements were available to be issued, and determined that the following subsequent events should be noted in the financial statements:

- Approved acceptance of the Safe Streets and Roads for All (SS4A) implementation grant in the amount of $8,900,415 with a local match of $2,240,000 over 3 years on October 1, 2024.
- Approved issuance of $7,000,000 combined Water and Sewer System Revenue Bonds, Series 2025 on October 1, 2024.
- Approved the purchase of a 25-yard refuse truck from Ingram Equipment Company, the lowest bidder, in the amount of $277,500.00 with financing to be a loan from the General Fund to Sanitation net of insurance proceeds on October 15, 2024. The loan amount will be $179,407.
- Approved the purchase of a Street Sweeper from Ingram Equipment Company, the lowest bidder in the amount of $344,500.00 with financing to be a five-year loan from General Fund to Sanitation Fund on October 15, 2024.
- Approved issuance of $8,000,000 Combined Water and Sewer System Revenue Bonds, Series 2025B on November 5, 2024.
- Approved to lease six vehicles from Enterprise Fleet Management for a total one-time cost of $32,400 plus a total annual vehicle cost of $71,339 for five years on November 19, 2024.
- Approved authorizing and directing the issuance of TIF Revenue Bonds, Series 2025 (Garan Manufacturing Redevelopment Project) in the amount of $4,250,000 on January 21, 2025.
- Approved contract between the City of Starkville Police Department and Mississippi State University to provide traffic control services at MSU athletic events not to exceed $150,000 annually with the term of this agreement to automatically extend by one year term at the conclusion of each year up to a total of five years on February 4, 2025.
- Approved a five-year lease contract with Enterprise Fleet Management for a White 2023 Dodge Charger at a total monthly lease charge of $686 with an additional cost of $2,800 to have the vehicle wrapped on April 1, 2025.
- Approved a four-year lease contract for a Jacobsen TR320 Triplex Reel Mower from Ladd's Turf Equipment-Memphis at an annual cost of $13,248 plus an annual service contract of $3,192 on April 1, 2025.
- Approved land acquisition of 109 acres located at Golden Triangle Regional Airport for the purpose of adding acreage for future development at an estimated annual cost of $30,000 to the City on April 1, 2025.
- Approved low bid from ECON Construction, Inc. including the deductive alternate 1 and additive alternate 1 for a total contract amount of $7,576,203 for the Main Street Improvements Project on April 11, 2025.
- Approved $7,000,000 combined water and sewer system revenue bonds, series 2025A on May 2, 2025.

Note 17: Subsequent Events (Continued)

- Approved OpenGov Software agreement through SHI International Corp to replace Brightly for Transportation, parks and recreation, facilities, water distribution, fleet, walkability, signals, stormwater, and work order management not to exceed $208,189 over the next two years with implementation June 2025-September 2025 not to exceed $40,075 on May 20, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended September 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance
REVENUES					
General property taxes	$ 10,208,900	-	10,208,900	10,228,927	20,027
Licenses and permits	300,500	115,000	415,500	471,274	55,774
Intergovernmental	13,000,169	916,606	13,916,775	13,580,440	(336,335)
Fines and forfeitures	650,000	-	650,000	599,617	(50,383)
Charges for services	38,400	-	38,400	33,938	(4,462)
Other revenues	3,403,546	1,017,787	4,421,333	4,406,149	(15,184)
Total Revenues before Prior Year Fund Balance	27,601,515	2,049,393	29,650,908	29,320,345	(330,563)
EXPENDITURES					
General government	5,536,664	53,100	5,589,764	5,709,148	(119,384)
Public safety:					
Police	7,882,821	(167,100)	7,715,721	7,627,426	88,295
Fire	4,779,694	152,099	4,931,793	4,763,409	168,384
Public inspection	330,955	(39,500)	291,455	281,010	10,445
Civil defense	18,000	1,250	19,250	19,127	123
Highways and streets	1,914,515	(73,100)	1,841,415	1,826,037	15,378
Health and sanitation	123,825	(14,500)	109,325	104,804	4,521
Culture and recreation	1,505,000	225,000	1,730,000	1,730,274	(274)
Other	817,466	67,572	885,038	680,440	204,598
Capital outlay	952,210	784,696	1,736,906	1,737,708	(802)
Debt service	615,776	(115,333)	500,443	733,364	(232,921)
Total Expenditures	24,476,926	874,184	25,351,110	25,212,747	138,363
Excess (deficiency) of revenues over (under) expenditures	3,124,589	1,175,209	4,299,798	4,107,598	(192,200)
OTHER FINANCING SOURCES (USES)					
Other financing sources (uses)	(3,066,300)	(1,047,390)	(4,113,690)	(3,118,119)	995,571
Net other financing sources (uses)	(3,066,300)	(1,047,390)	(4,113,690)	(3,118,119)	995,571
Excess of revenues and other sources over expenditures and other uses	$ 58,289	127,819	186,108	989,479	803,371
Fund balances, September 30, 2023				10,591,078	
Fund balances, September 30, 2024				$ 11,580,557	

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

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - ARPA Fund
For the Year Ended September 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance
REVENUES					
Intergovernmental revenues	$ 6,666,911	-	6,666,911	-	(6,666,911)
Interest income	205,000	-	205,000	228,253	23,253
Total Revenues before Prior Year Fund Balance	6,871,911	-	6,871,911	228,253	(6,643,658)
EXPENDITURES					
Capital outlay	1,000,000	1,475,000	2,475,000	-	2,475,000
Contractual services	10,871,911		10,871,911	18	10,871,893
Total Expenditures	11,871,911	1,475,000	13,346,911	18	13,346,893
Excess (deficiency) of revenues over (under) expenditures	(5,000,000)	(1,475,000)	(6,475,000)	228,235	6,703,235
OTHER FINANCING SOURCES (USES)					
Other financing sources (uses)	-	-	-	48,624	48,624
Net other financing sources (uses)	-	-	-	48,624	48,624
Excess of revenues and other sources over expenditures and other uses	$ (5,000,000)	(1,475,000)	(6,475,000)	276,859	6,751,859
Fund balances, September 30, 2023				171,968	
Fund balances, September 30, 2024				$ 448,827	

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

City of Starkville, Mississippi
Schedule of the City's Proportionate Share of the Net Pension Liability
(Excluding Starkville Electric Department)
For the Year Ended September 30, 2024
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	$ 45,539,854	$ 42,344,259	$ 34,104,620	$ 24,862,321	$ 30,003,804	$ 28,206,446	$ 26,575,995	$ 25,103,652	$ 25,575,881	$ 22,392,036
City's proportionate share of the net pension liability	0.175373%	0.168358%	0.165688%	0.168211%	0.160136%	0.161264%	0.159779%	0.151014%	0.143182%	0.144857%
City's covered-employee payroll	$ 13,480,897	$ 12,531,687	$ 11,337,979	$ 11,178,723	$ 9,621,576	$ 9,586,602	$ 9,880,331	$ 9,623,365	$ 9,568,019	$ 9,049,841
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	337.81%	337.90%	300.80%	222.41%	311.84%	294.23%	268.98%	260.86%	267.31%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.53%	61.49%	57.47%	61.70%

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

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

City of Starkville, Mississippi
Schedule of the City's Contributions
(Excluding Starkville Electric Department)
For the Year Ended September 30, 2024
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 2,341,648	$ 2,194,650	$ 1,984,730	$ 1,994,173	$ 1,675,067	$ 1,706,834	$ 1,556,152	$ 1,515,680	$ 1,506,965	$ 1,425,350
Contribution in relation to the contractually required contribution	2,341,648	2,194,650	1,984,730	1,994,173	1,675,067	1,706,834	1,556,152	1,515,680	1,506,965	1,425,350
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	13,457,747	12,612,931	11,406,494	11,460,764	9,626,822	10,549,036	9,880,331	9,623,365	9,568,019	9,049,841
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	17.40%	17.40%	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%

Effective 7/1/19, the employer contribution rate increased from 15.75% of covered payroll to 17.40%. The City paid all required contributions at the legal rate.

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

City of Starkville, Mississippi
Schedule of Starkville Electric Department's Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2024
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Electric Department's proportion of the net pension liability	$ 7,990,177	$ 6,092,551	$ 4,279,676	$ 4,802,928	$ 5,146,708	$ 4,139,614	$ 4,172,472	$ 4,254,311	$ 3,506,344	$ 2,851,499
Electric Department's proportionate share of the net pension liability	0.030770%	0.029599%	0.028955%	0.024810%	0.029256%	0.024888%	0.025100%	0.023817%	0.022683%	0.023492%
Electric Department's covered-employee payroll	$ 2,252,996	$ 1,984,224	$ 1,748,429	$ 1,692,371	$ 1,709,067	$ 1,617,397	$ 1,544,343	$ 1,523,613	$ 1,417,092	$ 1,011,314
Electric Department's proportionate share of the net pension liability as a percentage of its covered-employee payroll	354.65%	307.05%	244.77%	283.80%	301.14%	294.23%	268.98%	260.86%	267.31%	281.96%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	59.93%	70.44%	58.97%	61.59%	62.53%	61.49%	57.47%	61.70%	66.77%

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

City of Starkville, Mississippi
Schedule of Starkville Electric Department's Contributions
For the Year Ended September 30, 2024
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 515,986	$ 341,006	$ 345,255	$ 304,227	$ 294,473	$ 269,178	$ 254,740	$ 243,234	$ 239,969	$ 223,192
Contribution in relation to the contractually required contribution	515,986	341,006	345,255	304,227	294,473	269,178	254,740	243,234	239,969	223,192
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electric Department's covered-employee payroll	2,965,437	1,959,805	1,984,224	1,748,429	1,692,371	1,709,067	1,617,397	1,544,343	1,523,613	1,417,092
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

Effective 7/1/19, the employer contribution rate increased from 15.75% of covered payroll to 17.40%. The Electric Department paid all required contributions at the legal rate.

City of Starkville, Mississippi
Notes to Required Supplementary Information

Budgetary Comparison Schedules

NOTE 1 – BASIS OF PRESENTATION

The Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) present 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.

NOTE 2 – BUDGET AMENDMENTS AND REVISIONS

The budget is adopted by the Board of Aldermen. Amendments can be made on the approval of the Board. By statute, final budget revisions must be approved on or before October 15. A budgetary comparison for the general fund and each major special revenue fund is presented on a cash basis of accounting.

Pension Schedules

NOTE 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%.

NOTE 1 – CHANGES OF ASSUMPTIONS (CONTINUED)

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%.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

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

2019

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

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

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

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

The price inflation assumption was reduced from 3.00% to 2.75%. The wage inflation assumption was reduced from 3.25% to 3.00%. Withdrawal rates, pre-retirement mortality rates, 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 7% to 9%.

NOTE 1 – CHANGES OF ASSUMPTIONS (CONTINUED)

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 the female rates up to age 72, 100% for ages above 76.
- Projection Scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

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

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

- For males, 97% of male rates at all ages.
- For females, 110% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9.00% to 12.00%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6.00% to 4.00%.

2023

- The investment rate of return assumption was changed from 7.55% to 7.00%.
- The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.
- Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
- The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

NOTE 1 – CHANGES OF ASSUMPTIONS (CONTINUED)

- 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.

NOTE 2 – CHANGES IN BENEFIT PROVISIONS

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.

NOTE 3 – METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

Method and assumptions used in calculations of actuarially determined contributions:

The actuarially determined contribution rates in the schedule of employer contributions are calculated as June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2022 valuation for the June 30, 2024 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	25.6 years
Asset valuation method	5-year smoothed market
Price inflation	2.40%
Salary increase	2.65% to 17.90%, including inflation
Investment rate of return	7.55%, net of pension plan investment expense, including inflation

SUPPLEMENTARY INFORMATION

City of Starkville, Mississippi
Combining Balance Sheet by Activity
General Fund
September 30, 2024

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Total General Fund
Assets						
Cash and cash equivalents	$ -	-	-	-	1,588,783	1,588,783
Cash - restricted	-	15,056	-	665,167	-	680,223
Investments	15,617,828	-	-	-	-	15,617,828
Receivables (Net)						
Accounts	1,343,372	-	-	-	-	1,343,372
Other	313,630	-	-	-	-	313,630
Note receivable	260,677	-	-	-	-	260,677
Due from other funds	132,965	-	-	-	216,119	349,084
Total Assets	$ 17,668,472	15,056	-	665,167	1,804,902	20,153,597
Liabilities						
Cash deficit	$ 5,633,081	-	4,832	-	-	5,637,913
Accounts payable	1,089,581	-	-	63,174	8,367	1,161,122
Accrued liabilities	-	-	-	-	1,479,623	1,479,623
Unearned revenue	46,954	-	-	-	-	46,954
Other payable	66,836	-	-	-	-	66,836
Due to other funds	80,592	-	-	-	100,000	180,592
Total Liabilities	6,917,044	-	4,832	63,174	1,587,990	8,573,040
Fund Equity						
Fund balances - restricted						
Restricted for police protection	-	15,056	-	-	-	15,056
Restricted for airport projects	-	-	-	601,993	-	601,993
Fund balances - unassigned	10,751,428	-	(4,832)	-	216,912	10,963,508
Total Fund Equity	10,751,428	15,056	(4,832)	601,993	216,912	11,580,557
Total Liabilities and Fund Equity	$ 17,668,472	15,056	-	665,167	1,804,902	20,153,597

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2024

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Revenues					
Taxes					
General property taxes	$ 10,228,927	-	-	-	10,228,927
Licenses and permits					
Privilege license	77,758	-	-	-	77,758
Permits and inspections	331,339	-	-	-	331,339
Franchise fees	62,177	-	-	-	62,177
Intergovernmental					
DUI	96,619	-	-	-	96,619
JAG	75,948	-	-	-	75,948
FAA	-	-	-	484,929	484,929
COPS grant	276,209	-	-	-	276,209
Homeland security grants	122,773	-	-	-	122,773
Other	49,138	-	-	-	49,138
State of Mississippi					
General sales and use tax	9,462,428	-	-	-	9,462,428
Liquor licenses	96,000	-	-	-	96,000
Municipal aid - gas tax	24,746	-	-	-	24,746
Law enforcement assistance grants	103,283	16,223	-	-	119,506
Fire protection grants	-	-	157,383	-	157,383
Municipal aid	12,176	-	-	-	12,176
Homestead	297,195	-	-	-	297,195
Tennesse Valley Authority	455,586	-	-	-	455,586
MDOT grant	-	-	-	41,137	41,137
Telephone Utility Tax	21,557	-	-	-	21,557
Other	6,953	-	14,855	-	21,808

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2024

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Oktibbeha County and Mississippi State					
Road maintenance	$ 750,379	-	-	-	750,379
Airport support		-	-	313,340	313,340
Fire control	674,250	-	-	-	674,250
Lieu of tax	9,025	-	-	-	9,025
Other	18,308	-	-	-	18,308
Fines and forfeits	599,617	-	-	-	599,617
Interest income	699,813	-	-	-	699,813
Penalties and interest	33,938	-	-	-	33,938
Miscellaneous					
Administration/Electric	1,612,643	-	-	-	1,612,643
Administration/Sanitation	50,000	-	-	-	50,000
Atmos Energy	135,332	-	-	-	135,332
Rents	4,135	-	-	112,179	116,314
TV Cable Franchise	139,192	-	-	-	139,192
Administration/Water	75,000	-	-	-	75,000
Administration/Airport	15,000	-	-	-	15,000
Parks and Recreation Fees, Donations and Grants	84,725	-	-	-	84,725
Housing Project Tax	74,134	-	-	-	74,134
Other	294,727	3,460	-	1,105,809	1,403,996
Total Revenues	27,071,030	19,683	172,238	2,057,394	29,320,345

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2024

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Expenditures					
General government:					
Legislative					
Personnel services	$ 217,670	-	-	-	217,670
Contractual services	14,597	-	-	-	14,597
Total Legislative	232,267	-	-	-	232,267
Judicial					
Personnel services	402,674	-	-	-	402,674
Supplies	10,035	-	-	-	10,035
Contractual services	34,013	-	-	-	34,013
Total Judicial	446,722	-	-	-	446,722
Executive					
Personnel services	547,676	-	-	-	547,676
Supplies	5,044	-	-	-	5,044
Contractual services	336,359	-	-	-	336,359
Capital outlay	10,705	-	-	-	10,705
Total Executive	899,784	-	-	-	902,802
Elections					
Supplies	464	-	-	-	464
Contractual services	1,045	-	-	-	1,045
Total Elections	1,509	-	-	-	1,509
City Clerk and Tax Collector					
Personnel services	447,201	-	-	-	447,201
Supplies	7,887	-	-	-	7,887
Contractual services	186,317	-	-	-	186,317
Total City Clerk and Tax Collector	641,405	-	-	-	641,405

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2024

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Legal					
Personnel services	$ 72,255	-	-	-	72,255
Contractual services	188,770	-	-	-	188,770
Total Legal	261,025	-	-	-	261,025
City Planner					
Personnel services	303,375	-	-	-	303,375
Supplies	189	-	-	-	189
Contractual services	21,512	-	-	-	21,512
Capital outlay	30,904	-	-	-	30,904
Total City Planner	355,980	-	-	-	355,980
Other Administrative					
Personnel services	408,666	-	-	-	408,666
Supplies	3,672	-	-	-	3,672
Contractual services	47,653	-	-	-	47,653
Total Other Administrative	459,991	-	-	-	459,991
City Hall					
Supplies	4,356	-	-	-	4,356
Contractual services	88,689	-	-	-	88,689
Capital outlay	68,142	-	-	-	68,142
Total City Hall	161,187	-	-	-	161,187
Other Miscellaneous					
Personnel services	459,096	-	-	296,436	755,532
Supplies	7,903	-	-	789,416	797,319
Contractual services	92,251	-	-	103,499	195,750
Capital outlay	29,550	-	-	471,127	500,677
Total Other Miscellaneous	588,800	-	-	1,660,478	2,249,278
Total General Government	4,048,670	-	-	1,660,478	5,709,148

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2024

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Public Safety					
Public Safety - Police and E911					
Personnel services	$ 6,316,282	-	-	-	6,316,282
Supplies	395,951	7,091	-	-	403,042
Contractual services	826,882	2,684	-	-	829,566
Capital outlay	78,536	-	-	-	78,536
Total Public Safety - Police and E911	7,617,651	9,775	-	-	7,627,426
Public Safety - Fire					
Personnel services	4,260,824				4,260,824
Supplies	107,453	-	1,552	-	109,005
Contractual services	235,228	-	-	-	235,228
Capital outlay	158,352	-	-	-	158,352
Total Public Safety - Fire	4,761,857	-	1,552	-	4,763,409
Public Safety - Public Inspection					
Personnel services	264,010	-	-	-	264,010
Supplies	2,673	-	-	-	2,673
Contractual services	14,327	-	-	-	14,327
Total Public Safety - Public Inspection	281,010	-	-	-	281,010
Public Safety - Civil Defense					
Contractual services	19,127	-	-	-	19,127
Total Public Safety - Civil Defense	19,127	-	-	-	19,127
Total Public Safety	12,679,645	9,775	1,552	-	12,690,972

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2024

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Highways and Streets					
City Streets					
Personnel services	$ 1,001,157	-	-	-	1,001,157
Supplies	250,706	-	-	-	250,706
Contractual services	144,854	-	-	-	144,854
Capital outlay	1,943	-	-	-	1,943
Total City Streets	1,398,660	-	-	-	1,398,660
Street Lights					
Contractual services	427,377	-	-	-	427,377
Total Street Lights	427,377	-	-	-	427,377
Total Highways and Streets	1,826,037	-	-	-	1,826,037
Health and Sanitation					
Health and welfare - animals					
Personnel services	94,389	-	-	-	94,389
Supplies	4,802	-	-	-	4,802
Contractual services	5,613	-	-	-	5,613
Total Health and Welfare - Animals	104,804	-	-	-	104,804
Total Health and Sanitation	104,804	-	-	-	104,804

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2024

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Culture and Recreation					
Parks and Recreation					
Contractual services	$ 1,730,274	-	-	-	1,730,274
Total Parks and Recreation	1,730,274	-	-	-	1,730,274
Total Culture and Recreation	1,730,274	-	-	-	1,730,274
Economic Development and Assistance					
Contractual services	666,500				666,500
Capital Outlay	13,940	-	-	-	13,940
Total Economic Development and Assistance	680,440	-	-	-	680,440
Debt Service					
Principal	487,910	-	146,258	-	634,168
Interest	81,638	-	17,558	-	99,196
Total Debt Service	569,548	-	163,816	-	733,364
Miscellaneous					
Capital Outlay	1,685,304	-	-	52,404	1,737,708
Total Miscellaneous	1,685,304	-	-	52,404	1,737,708
Total Expenditures	23,324,722	9,775	165,368	1,712,882	25,212,747
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,746,308	9,908	6,870	344,512	4,107,598

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2024

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Other Financing Sources (Uses)					
Operating transfers in	$ -	-	-	168,722	168,722
Operating transfers out	(4,382,410)	-	-	-	(4,382,410)
Sale of surplus equipment	51,453	-	-	-	51,453
Gain on investment	84,128	-	-	-	84,128
Leases issued	959,988	-	-	-	959,988
Total Other Financing Sources (Uses)	(3,286,841)	-	-	168,722	(3,118,119)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	459,467	9,908	6,870	513,234	989,479
Fund Balances					
September 30, 2023	10,291,961	5,148	(11,702)	88,759	10,591,078
September 30, 2024	$ 10,751,428	15,056	(4,832)	601,993	11,580,557

City of Starkville, Mississippi
Balance Sheet - Non-Major Governmental Funds
September 30, 2024

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS				
Cash and cash equivalents	$ 2,044,501	-	510,500	2,555,001
Cash - restricted	-	214,474	5,890,826	6,105,300
Accounts receivable, net	-	-	270,072	270,072
Total Assets	$ 2,044,501	214,474	6,671,398	8,930,373
LIABILITIES				
Accounts payable	$ -	-	163,243	163,243
Total Liabilities	-	-	163,243	163,243
FUND BALANCES				
Fund balances - restricted				
Restricted for debt service	-	214,474	-	214,474
Restricted for capital projects	-	-	6,508,155	6,508,155
Fund balances - assigned for budgetary purposes	2,044,501	-	-	2,044,501
Total Fund Balances	2,044,501	214,474	6,508,155	8,767,130
Total Liabilities and Fund Balances	$ 2,044,501	214,474	6,671,398	8,930,373

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues				
Intergovernmental:				
Federal				
BUILD grant	$ -	-	438,189	438,189
SS4A grant	-	-	154,752	154,752
State of Mississippi				
Special 1% Tax	-	-	1,751,853	1,751,853
Special 2% Tax	-	-	1,224,989	1,224,989
Modernization Use Tax	2,182,589	-	-	2,182,589
Oktibbeha County				
TIF reimbursement	-	127,297	317,135	444,432
Fines and forfeits	86,580	-	-	86,580
Interest income	-	-	102,191	102,191
Miscellaneous income	-	-	65,177	65,177
Total Revenues	2,269,169	127,297	4,054,286	6,450,752
Expenditures				
Debt Service:				
Principal	555,000	1,920,100	467,649	2,942,749
Interest	167,200	706,225	1,055,489	1,928,914
Capital outlay	25,650	-	3,842,099	3,867,749
Contractual services	-	-	627,673	627,673
Supplies	12,185	-	-	12,185
Miscellaneous expenses	2,263	500	223	2,986
Economic Development and Assistance	1,520	-	518,259	519,779
Total Expenditures	763,818	2,626,825	6,511,392	9,902,035
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,505,351	(2,499,528)	(2,457,106)	(3,451,283)
Other Financing Sources (Uses)				
Operating transfers in	-	2,706,300	2,616,689	5,322,989
Operating transfers out	-	(200,000)	(1,411,000)	(1,611,000)
Leases issued	-	-	38,737	38,737
Total Other Financing Sources (Uses)	-	2,506,300	1,244,426	3,750,726
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,505,351	6,772	(1,212,680)	299,443
Fund Balances				
September 30, 2023	539,150	207,702	7,720,835	8,467,687
September 30, 2024	$ 2,044,501	214,474	6,508,155	8,767,130

City of Starkville, Mississippi
Statement of Net Position - Non-Major Enterprise Fund
September 30, 2024

	Landfill Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,161,789
Accounts receivables, net	18,466
Total current assets	1,180,255
Non-current assets:	
Capital assets:	
Fixed assets, net of depreciation	100,144
Total non-current assets	100,144
Total Assets	1,280,399
Total Assets	$ 1,280,399
NET POSITION	
Invested in capital assets, net of related debt	$ 100,144
Unrestricted	1,180,255
Total Net Position	1,280,399
Total Liabilities and Net Position	$ 1,280,399

City of Starkville, Mississippi
Statement of Revenues, Expenses, and Changes in Net Position -
Non-Major Enterprise Fund
For the Year Ended September 30, 2024

	Landfill Fund
OPERATING REVENUES	
Charges for services	$ 238,548
Total operating revenues	238,548
OPERATING EXPENSES	
Operating and maintenance	257
Depreciation	65
Total operating expenses	322
Operating income	238,226
Change in net position	238,226
NET POSITION	
Net position, September 30, 2023	1,042,173
Net position, September 30, 2024	$ 1,280,399

City of Starkville, Mississippi
Statement of Cash Flows - Non-Major Enterprise Fund
For the Year Ended September 30, 2024

	Landfill Fund
Cash Flows from Operating Activities	
Cash received from customers	$ 238,548
Cash paid to suppliers	(257)
Net cash provided by operating activities	238,291
Cash Flows from Noncapital Financing Activities	
Transfers	-
Net cash provided by noncapital financing activities	-
Cash Flows from Capital and Related Financing Activities	
Other receipts (payments)	2,400
Net cash provided by capital and related financing activities	2,400
Cash Flows from Investing Activities	
Receipt of interest	-
Net cash provided by investing activities	-
Net change in cash	240,691
Cash and cash equivalents, September 30, 2023	921,098
Cash and cash equivalents, September 30, 2024	$ 1,161,789
Reconciliation of Operating Income to Net Cash Flows Provided by Operating Activities:	
Operating income	$ 238,226
Adjustments to reconcile operating income to net cash provided in operating activities:	
Depreciation	65
Total adjustments	65
Net cash provided by operating activities	$ 238,291

City of Starkville, Mississippi
Schedule of Surety Bonds for Municipal Officials
September 30, 2024

Name	Position	Bonding Company	Bond Amount
Lynn Spruill	Mayor	Travelers Casualty	$ 100,000
Sandra Sistrunk	Alderman	Travelers Casualty	$ 100,000
Kim Moreland	Alderman	Travelers Casualty	$ 100,000
Jeffrey Rupp	Alderman	Travelers Casualty	$ 100,000
William Michael Brooks	Alderman	Travelers Casualty	$ 100,000
Preston Beatty	Alderman	Travelers Casualty	$ 100,000
Roy A. Perkins	Alderman	Travelers Casualty	$ 100,000
Henry Vaughn, Sr.	Alderman	Travelers Casualty	$ 100,000
Lesa Hardin	City Clerk	Western Surety Co.	$ 50,000
Joanna McLaurin	Grants Coordinator	Western Surety Co.	$ 50,000
Vanyette Shay Holmes	Deputy Court Clerk	Western Surety Co.	$ 50,000
Monica Lairy	Court Clerk	Western Surety Co.	$ 50,000
Charles Yarbrough	Fire Chief	Western Surety Co.	$ 50,000
Lashonda Malone	Executive Admin Asst.	Western Surety Co.	$ 50,000
Mark Ballard	Police Chief	Western Surety Co.	$ 50,000
Thomas Roberson	Police Officer	Western Surety Co.	$ 50,000
Matthew Davis	Police Officer	Western Surety Co.	$ 50,000
Parker Madeen	Corporal	Western Surety Co.	$ 50,000
Garrett Peters Mittan	Detective	Western Surety Co.	$ 50,000
Caryl Elise Pritchard	Staff Support - Police Dept.	Western Surety Co.	$ 50,000
Jerald Lyle McCaskey	Code Compliance	Western Surety Co.	$ 50,000
Rodney Lincoln	Airport Director	Western Surety Co.	$ 50,000
Cindy Perkins	Accounts Payable Deputy Clerk	Western Surety Co.	$ 50,000
Lisa Lemasters	Accounts Receivable Deputy Clerk	Western Surety Co.	$ 50,000
Stephen Corban	Finance Director	Western Surety Co.	$ 50,000
Shenilca Eppenger	Deputy Court Clerk	Western Surety Co.	$ 50,000
Chyann Hornburger	Deputy Court Clerk	Western Surety Co.	$ 50,000
Bridgette H McCleer	Permit Service Technician	Western Surety Co.	$ 50,000
Jillian Dutcher	Deputy Court Clerk	Western Surety Co.	$ 50,000
Bonnie Brumley Edwards	Permit Tech Assistant	Western Surety Co.	$ 50,000
Courtlin Jones	Deputy Court Clerk	Western Surety Co.	$ 50,000
Susan White	Deputy Court Clerk	Western Surety Co.	$ 50,000
John Pearson	Police Officer	Western Surety Co.	$ 50,000
Jeremy Scott Lomax	Police Officer	Western Surety Co.	$ 50,000
Christopher Jackson	Police Officer	Western Surety Co.	$ 50,000
Garrett Blake miles	Corporal	Western Surety Co.	$ 50,000
Joanna Dew	Permit Tech Assistant	Western Surety Co.	$ 50,000

City of Starkville, Mississippi
Schedule of Bonded Indebtedness
September 30, 2024

Name and Date	Maturity Date	Interest Percent	Balance 9/30/2023	Transactions Issued	Transactions Redeemed	Balance 9/30/2024
General Obligation Bonds						
Governmental Activities:						
2018 Refunding Bond-City Hall						
	5/1/2024	3.00	290,000		290,000	-
	5/1/2025	3.00	320,000			320,000
	5/1/2026	3.00	335,000			335,000
	5/1/2027	3.00	350,000			350,000
	5/1/2028	3.00	365,000			365,000
	5/1/2029	3.00	380,000			380,000
	2030-2033	3.00	1,695,000			1,695,000
Total			3,735,000	-	290,000	3,445,000
TIF Revenue Bonds, Series 2011						
	5/1/2024	4.50	46,000		46,000	-
	5/1/2025	4.50	48,000			48,000
Total			94,000	-	46,000	48,000
GO Public Improvement Bonds, Series 2015						
	6/1/2024	3.00	125,000		125,000	-
	6/1/2025	2.50	130,000			130,000
	6/1/2026	2.75	135,000			135,000
	6/1/2027	2.75	140,000			140,000
	6/1/2028	2.75	145,000			145,000
	6/1/2029	2.75	150,000			150,000
	2030-2034	2.75-3.00	825,000			825,000
	6/1/2035	3.00	185,000			185,000
Total			1,835,000	-	125,000	1,710,000
TIF Revenue Bonds, Series 2016						
	7/1/2024	5.00	125,000		125,000	-
	7/1/2025	5.00	135,000			135,000
	7/1/2026	5.00	140,000			140,000
Total			400,000	-	125,000	275,000
GO Public Improvement Bonds, Series 2016A						
	7/1/2024	5.00	130,000		130,000	-
	7/1/2025	5.00	135,000			135,000
	7/1/2026	5.00	140,000			140,000
	7/1/2027	5.00	145,000			145,000
	7/1/2028	5.00	150,000			150,000
	7/1/2029	5.00	155,000			155,000
	2030-2034	5.00	850,000			850,000
	2035-2037	5.00	585,000			585,000
Total			2,290,000	-	130,000	2,160,000
GO Public Improvement Bonds, Series 2016B						
	7/1/2024	5.00	105,000		105,000	-
	7/1/2025	5.00	110,000			110,000
	7/1/2026	5.00	115,000			115,000
	7/1/2027	5.00	115,000			115,000
	7/1/2028	5.00	120,000			120,000
	7/1/2029	5.00	125,000			125,000
	2030-2034	5.00	680,000			680,000
	2035-2037	5.00	465,000			465,000
Total			1,835,000	-	105,000	1,730,000
GO Development Bonds, Series 2017						
	7/1/2024	5.00	350,000		350,000	-
	7/1/2025	5.00	350,000			350,000
	7/1/2026	5.00	350,000			350,000
	7/1/2027	5.00	350,000			350,000
	7/1/2028	5.00	350,000			350,000
	7/1/2029	5.00	350,000			350,000
	2030-2034	5.00	1,750,000			1,750,000
	2035-2038	5.00	1,400,000			1,400,000
Total			5,250,000	-	350,000	4,900,000

City of Starkville, Mississippi
Schedule of Bonded Indebtedness
September 30, 2024

Name and Date	Maturity Date	Interest Percent	Balance 9/30/2023	Transactions Issued	Transactions Redeemed	Balance 9/30/2024
GO Refunding Bonds, Series 2018						
	6/1/2024	5.00	380,000		380,000	-
	6/1/2025	5.00	375,000			375,000
	6/1/2026	5.00	390,000			390,000
	6/1/2027	5.00	400,000			400,000
Total			1,545,000	-	380,000	1,165,000
MSDB Special Obligation Bond, Series 2018						
	5/1/2024	5.00	430,000		430,000	-
	5/1/2025	5.00	440,000			440,000
	5/1/2026	5.00	455,000			455,000
	5/1/2027	5.00	470,000			470,000
	5/1/2028	5.00	480,000			480,000
	5/1/2029	5.00	495,000			495,000
	5/1/2030	5.00	515,000			515,000
Total			3,285,000	-	430,000	2,855,000
2019 GO Bonds 3M Street						
	11/1/2023	2.32	178,000		178,000	-
	11/1/2024	2.32	183,000			183,000
	11/1/2025	2.32	188,000			188,000
	11/1/2026	2.32	193,000			193,000
	11/1/2027	2.32	199,000			199,000
	11/1/2028	2.32	204,000			204,000
	2029-2031	2.32	1,349,000			1,349,000
Total			2,494,000	-	178,000	2,316,000
MSDB Special Obligation Bond, Series 2020A						
	9/30/2024	1.75	55,000		55,000	-
	9/30/2025	3.00	60,000			60,000
	9/30/2026	3.00	60,000			60,000
	9/30/2027	3.00	60,000			60,000
	9/30/2028	5.00	495,000			495,000
	9/30/2029	5.00	520,000			520,000
	2030-2034	4.00-5.00	3,335,000			3,335,000
	2035-2039	4.00	4,165,000			4,165,000
	2040-2044	4.00	4,350,000			4,350,000
	9/30/2045	4.00	1,145,000			1,145,000
Total			14,245,000	-	55,000	14,190,000
MSDB Special Obligation Bond, Series 2020B						
	3/1/2024	3.00	30,000		30,000	-
	3/1/2025	3.00	30,000			30,000
	3/1/2026	3.00	30,000			30,000
	3/1/2027	3.00	35,000			35,000
	3/1/2028	3.00	35,000			35,000
	3/1/2029	3.00	35,000			35,000
	2030-2034	3.00-4.00	415,000			415,000
	2035-2039	4.00	570,000			570,000
	2040-2044	2.50-4.00	1,385,000			1,385,000
	2045-2049	2.50	5,625,000			5,625,000
	3/1/2050	2.50	1,460,000			1,460,000
Total			9,650,000	-	30,000	9,620,000
TIF Revenue Bonds - MSU/Cottonmill						
	3/1/2024	1.82	75,300		75,300	-
	3/1/2025	1.82	76,700			76,700
	3/1/2026	1.82	78,100			78,100
	3/1/2027	1.82	79,600			79,600
	3/1/2028	1.82	81,000			81,000
	3/1/2029	1.82	82,500			82,500
	3/1/2030	1.82	154,100			154,100
Total			627,300	-	75,300	552,000
2022 5M GO Bonds						
	8/1/2024	3.80	555,000		555,000	-
	8/1/2025	3.80	580,000			580,000
	8/1/2026	3.80	605,000			605,000
	8/1/2027	3.80	625,000			625,000
	8/1/2028	3.80	650,000			650,000
	8/1/2029	3.80	680,000			680,000
	8/1/2030	3.80	705,000			705,000
Total			4,400,000	-	555,000	3,845,000

City of Starkville, Mississippi
Schedule of Bonded Indebtedness
September 30, 2024

Name and Date	Maturity Date	Interest Percent	Balance 9/30/2023	Transactions Issued	Transactions Redeemed	Balance 9/30/2024
TIF Revenue Bonds, Series 2022						
	9/30/2024	4.95	65,800		65,800	-
	9/30/2025	4.95	69,100			69,100
	9/30/2026	4.95	72,600			72,600
	9/30/2027	4.95	76,300			76,300
	9/30/2028	4.95	80,200			80,200
	9/30/2029	4.95	84,300			84,300
	2030-2034	4.95	489,800			489,800
	2035-2037	4.95	499,300			499,300
Total			1,437,400	-	65,800	1,371,600
5M GO Public Improvement Bonds, Series 2024						
	2/1/2025	5.00		355,000		355,000
	2/1/2026	5.00		420,000		420,000
	2/1/2027	5.00		440,000		440,000
	2/1/2028	5.00		465,000		465,000
	2/1/2029	5.00		485,000		485,000
	2030-2034	5.00		2,835,000		2,835,000
Total			-	5,000,000	-	5,000,000
13M GO Public Improvement Bonds, Series 2024						
	2/1/2025	5.00		375,000		375,000
	2/1/2026	5.00		395,000		395,000
	2/1/2027	5.00		415,000		415,000
	2/1/2028	5.00		440,000		440,000
	2/1/2029	5.00		460,000		460,000
	2030-2034	5.00		2,685,000		2,685,000
	2035-2039	5.00		3,450,000		3,450,000
	2040-2044	4.00-5.00		4,335,000		4,335,000
Total			-	12,555,000	-	12,555,000
Total Bond Liability, Governmental Activities			53,122,700	17,555,000	2,940,100	67,737,600
Business-type Activities:						
Utility Revenue Bonds, Series 2019						
	5/1/2024	4.00	395,000		395,000	-
	5/1/2025	4.00	410,000			410,000
	5/1/2026	4.00	425,000			425,000
	5/1/2027	4.00	440,000			440,000
	5/1/2028	4.00	460,000			460,000
	5/1/2029	3.00	480,000			480,000
	2030-2034	3.00	2,685,000			2,685,000
	2035-2039	3.00	3,275,000			3,275,000
Total			8,570,000	-	395,000	8,175,000
Electric System Revenue Bonds, Series 2020						
	3/1/2024	2.38	500,000		500,000	-
	3/1/2025	2.38	515,000			515,000
	3/1/2026	2.38	530,000			530,000
	3/1/2027	2.38	545,000			545,000
	3/1/2028	2.38	565,000			565,000
	3/1/2029	2.38	580,000			580,000
	2030-2034	2.38	3,165,000			3,165,000
	3/1/2035	2.38	690,000			690,000
Total			7,090,000	-	500,000	6,590,000
GO Utility Refunding Bond Series 2012						
	6/30/2024	2.12	188,390		188,390	-
	6/30/2025	2.12	192,083			192,083
	6/30/2026	2.12	196,195			196,195
	6/30/2027	2.12	191,638			191,638
			768,306	-	188,390	579,916
Total Bond Liability, Business-type Activities			16,428,306	-	1,083,390	15,344,916
Total Bond Liability			$ 69,551,006	17,555,000	4,023,490	83,082,516

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2024

Payee	Maturity Date	Interest Percent	Balance 9/30/2023	Transactions Issued	Transactions Redeemed	Balance 9/30/2024
Notes Payable						
Governmental Activities:						
2019 Street Excavator						
	FY24	3.43%	29,277		29,277	-
	FY25	3.43%	30,294			30,294
	FY26	3.43%	7,736			7,736
Total			67,307	-	29,277	38,030
2 Pumper Trucks						
	FY24	2.59%	76,174		76,174	-
	FY25	2.59%	78,752			78,752
	FY26	2.59%	81,420			81,420
	FY27	2.59%	84,177			84,177
	FY28	2.59%	87,028			87,028
	FY29	2.59%	89,975			89,975
	2030-2031	2.59%	189,194			189,194
Total			686,720	-	76,174	610,546
Fire Truck						
	FY 24	1.59%	104,039		104,039	-
	FY 25	1.59%	105,797			105,797
	FY 26	1.59%	107,585			107,585
	FY27	1.59%	109,403			109,403
	FY28	1.59%	111,252			111,252
Total			538,076	-	104,039	434,037
Asphalt Truck (2021 Kenworth T370)						
	FY 24	3.43%	16,788		16,788	-
Total			16,788	-	16,788	-
2022 Dodge Durango						
	FY 24	2.94%	13,273		13,273	-
	FY 25	2.94%	10,214			10,214
Total			23,487	-	13,273	10,214
2020 Fire Truck-Bankfirst						
	FY 24	1.59%	146,258		146,258	-
	FY 25	1.59%	148,604			148,604
	FY 26	1.59%	150,987			150,987
	FY 27	1.59%	153,409			153,409
	FY28	1.59%	155,870			155,870
	FY29	1.59%	158,371			158,371
	2029-2031	1.59%	242,331			242,331
Total			1,155,830	-	146,258	1,009,572
Utility Associates-Body Camera						
	FY 24	0.00%	77,700		77,700	-
	FY 25	0.00%	77,700			77,700
Total			155,400	-	77,700	77,700
FUSUS Real Time Crime Center						
	FY 24	0.00%	65,000		65,000	-
Total			65,000	-	65,000	-
Harley-Davidson Motorcycles						
	FY 24	0.00%	6,300		6,300	-
Total			6,300	-	6,300	-

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2024

Payee	Maturity Date	Interest Percent	Balance 9/30/2023	Transactions Issued	Transactions Redeemed	Balance 9/30/2024
Notes Payable						
Governmental Activities:						
Dell Server						
	FY24	5.81%	23,050		23,050	-
	FY25	5.81%	24,839			24,839
	FY26	5.81%	26,768			26,768
	FY27	5.81%	28,847			28,847
Total			103,504	-	23,050	80,454
Dell Server Storage Array						
	FY24	6.81%	2,358		2,358	-
	FY25	6.81%	4,713			4,713
	FY26	6.81%	5,056			5,056
	FY27	6.81%	5,425			5,425
	FY28	6.81%	7,707			7,707
Total			25,259	-	2,358	22,901
10 Multisensor Fixed Cameras						
	FY24	6.28%	9,003		9,003	-
Total			9,003	-	9,003	-
Total Notes Payable, Governmental Activities			2,852,674	-	569,220	2,283,454
Notes Payable						
Business-type Activities:						
Water Pollution Control Revolving Loan						
	FY24	1.75%	219,210		219,210	-
	FY25	1.75%	223,077			223,077
	FY26	1.75%	37,562			37,562
Total			479,849	-	219,210	260,639
Drinking Water Systems Improvements Revolving Loan						
	FY24	2.50%	56,567		56,567	-
	FY25	2.50%	57,998			57,998
	FY26	2.50%	54,452			54,452
Total			169,017	-	56,567	112,450
Water Pollution Control Revolving Loan						
	FY24	2.75%	15,865		15,865	-
	FY25	2.75%	16,307			16,307
	FY26	2.75%	16,761			16,761
	FY27	2.75%	17,228			17,228
	FY28	2.75%	17,708			17,708
	FY29	2.75%	6,012			6,012
Total			89,881	-	15,865	74,016
MDA Capital Improvements Loan Prom Note #06-347-CP-01						
	FY24	2.00%	44,691		44,691	-
	FY25	2.00%	53,066			53,066
	FY26	2.00%	54,137			54,137
	FY27	2.00%	55,229			55,229
	FY28	2.00%	56,344			56,344
	FY29	2.00%	53,271			53,271
	FY30	2.00%	41,902			41,902
Total			358,640	-	44,691	313,949

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2024

Notes Payable Business-type Activities: Payee	Maturity Date	Interest Percent	Balance 9/30/2023	Transactions Issued	Transactions Redeemed	Balance 9/30/2024
Drinking Water Systems Improvements Revolving Loan						
	FY24	2.00%	22,479		22,479	-
	FY25	2.00%	26,278			26,278
	FY26	2.00%	26,808			26,808
	FY27	2.00%	27,350			27,350
	FY28	2.00%	27,902			27,902
	FY29	2.00%	26,380			26,380
	FY30	2.00%	25,264			25,264
Total			182,461	-	22,479	159,982
MDA Capital Improvements Loan Prom Note #07-347-CP-01						
	FY24	2.00%	39,304		39,304	-
	FY25	2.00%	38,629			38,629
	FY26	2.00%	33,774			33,774
	FY27	2.00%	13,562			13,562
Total			125,269	-	39,304	85,965
MDA Capital Improvements Loan Prom Note #12-347-CP-01						
	FY24	2.00%	61,973		61,973	-
	FY25	2.00%	62,843			62,843
	FY26	2.00%	64,112			64,112
	FY27	2.00%	65,406			65,406
	FY28	2.00%	66,726			66,726
	FY29	2.00%	68,073			68,073
	2030-2034	2.00%	361,536			361,536
	2035-2037	2.00%	157,683			157,683
Total			908,352	-	61,973	846,379
MDA Capital Improvements Loan Prom Note #17-347-CP-01						
	FY24	2.00%	33,787		33,787	-
	FY25	2.00%	33,387			33,387
	FY26	2.00%	34,061			34,061
	FY27	2.00%	34,748			34,748
	FY28	2.00%	35,450			35,450
	FY29	2.00%	36,165			36,165
	2029-2033	2.00%	192,076			192,076
	2033-2038	2.00%	194,664			194,664
Total			594,338	-	33,787	560,551
3 Refuse Trucks & Knuckle Boom						
	FY24	2.59%	122,435		122,435	-
	FY25	2.59%	125,606			125,606
Total			248,041	-	122,435	125,606
Garbage Truck/Front End Loader						
	FY24	7.00%	39,952		39,952	-
	FY25	7.00%	40,946			40,946
	FY26	7.00%	41,966			41,966
Total			122,864	-	39,952	82,912
MDA Capital Improvements Loan Prom Note #16-347-CP-01						
	FY24	2.00%	19,520		19,520	-
	FY25	2.00%	17,020			17,020
	FY26	2.00%	17,363			17,363
	FY27	2.00%	17,714			17,714
	FY28	2.00%	18,071			18,071
	FY29	2.00%	18,436			18,436
	2030-2034	2.00%	97,914			97,914
	2035-2038	2.00%	67,169			67,169
Total			273,207	-	19,520	253,687

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2024

Payee	Maturity Date	Interest Percent	Balance 9/30/2023	Transactions Issued	Transactions Redeemed	Balance 9/30/2024
Notes Payable						
Business-type Activities:						
MDA Capital Improvements Loan Prom Note #16-347-CP-02						
	FY24	2.00%	26,745		26,745	-
	FY25	2.00%	26,698			26,698
	FY26	2.00%	27,237			27,237
	FY27	2.00%	27,787			27,787
	FY28	2.00%	28,348			28,348
	FY29	2.00%	28,920			28,920
	2030-2034	2.00%	153,596			153,596
	2035-2037	2.00%	63,769			63,769
Total			383,100	-	26,745	356,355
MDA Capital Improvements Loan Prom Note #17-347-CP-02						
	FY24	2.00%	12,782		12,782	-
	FY25	2.00%	12,097			12,097
	FY26	2.00%	12,341			12,341
	FY27	2.00%	12,590			12,590
	FY28	2.00%	12,844			12,844
	FY29	2.00%	13,103			13,103
	2030-2034	2.00%	69,591			69,591
	2035-2039	2.00%	74,020			74,020
	FY40	2.00%	5,403			5,403
Total			224,771	-	12,782	211,989
2021 Tractor and Cutter						
	FY24	5.00%	13,926		13,926	-
Total			13,926	-	13,926	-
2021 Rear Loader Truck						
	FY24	1.35%	42,847		42,847	-
	FY25	1.35%	57,534			57,534
Total			100,381	-	42,847	57,534
2022 Kubota Tractor						
	FY24	2.94%	25,032		25,032	-
	FY25	2.94%	19,261			19,261
Total			44,293	-	25,032	19,261
2022 Knuckleboom Loader						
	FY24	2.50%	62,372		62,372	-
	FY25	2.50%	63,945			63,945
	FY26	2.50%	32,576			32,576
Total			158,893	-	62,372	96,521
2023 Freightliner M2						
	FY24	2.40%	47,922		47,922	-
	FY25	2.40%	49,082			49,082
	FY26	2.40%	50,271			50,271
	FY27	2.40%	51,488			51,488
	FY28	2.40%	13,065			13,065
Total			211,828	-	47,922	163,906
8 Yard Rear Loader						
	FY24	6.75%		18,266	18,266	-
	FY25	6.75%		38,284		38,284
	FY26	6.75%		40,972		40,972
	FY27	6.75%		43,849		43,849
	FY28	6.75%		23,064		23,064
Total			-	164,435	18,266	146,169
Total Notes Payable, Business-type Activities			4,689,111	164,435	925,675	3,927,871
Total Notes Payable			$ 7,541,785	$ 164,435	$ 1,494,895	$ 6,211,325

City of Starkville, Mississippi
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Agency/ Pass-through Entity/ Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor's Number	Pass-through to Sub-Recipients	Federal Expenditures
United States Department of Justice				
Passed through US Marshall's Service				
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-03435-UHPX	$ -	$ 43,532
Total United States Department of Justice			-	43,532
United States Department of Homeland Security				
Passed-through Mississippi Emergency Management Agency				
Homeland Security Grant	97.067	22HS347	-	22,000
Homeland Security Grant	97.067	A22HS347	-	38,695
Homeland Security Grant	97.067	A23LE347	-	280,005
Assistance to Firefighters Grant	97.044	EMW-2021-FG-03372	-	140,909
Total United States Department of Homeland Security			-	481,609
United States Department of Transportation				
Safe Streets and Roads for All	20.939	693JJ32340308	-	192,000
Passed through Mississippi Department of Transportation:				
Airport Improvement Program	20.106	3-28-0068-026-2021	-	9,092
Airport Improvement Program	20.106	3-28-0068-027-2022	-	59,000
Airport Improvement Program	20.106	3-28-0068-028-2022	-	34,416
Airport Improvement Program	20.106	3-28-0068-029-2023	-	184,711
Airport Improvement Program	20.106	3-28-0068-030-2023	-	3,849
Airport Improvement Program	20.106	3-28-0068-032-2024	-	17,640
Total Airport Improvement Program			-	308,708
Highway Planning and Construction	20.205	FLBD-7113-00(004)LPA/108418-801000	-	542,128
Highway Planning and Construction	20.205	STP-0420-00(026)LPA/109194-701000	-	322,135
Total Highway Planning and Contruction			-	864,263
Total United States Department of Transportation			-	1,364,971
United States Department of Public Safety				
Passed through Mississippi Department of Public Safety				
JAG Hot Spot Grant	16.738	15PBJA-22-GG-00637	-	55,795
State and Community Highway Safety	20.600	PT-2024-PT-23-11	-	7,383
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	154AL-2024-ST-23-11	-	90,148
Total United States Department of Public Safety			-	153,326
United States Department of Treasury				
Passed through Mississippi Development Authority:				
Appalachian Area Development	23.002	MS-19749	-	20,000
Total United States Department of Treasury			-	20,000
Total Expenditures of Federal Awards			$ -	$ 2,063,438

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

City of Starkville, Mississippi
Notes to Schedule of Expenditures of Federal Awards
September 30, 2024

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3: Indirect Cost

The City of Starkville has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SPECIAL REPORTS

INDEPENDENT AUDITORS' 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*

WWS

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Professional Limited Liability Company
Certified Public Accountants

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INDEPENDENT AUDITORS' 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*

To the Honorable Mayor and Board of Aldermen
City of Starkville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Starkville, Mississippi, as of and for the year ended September 30, 2024, and the related notes to financial statements, which collectively comprise the City of Starkville, Mississippi's basic financial statements and have issued our report thereon dated August 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Starkville, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Starkville, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Starkville, Mississippi'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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Starkville, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Starkville, Mississippi
August 4, 2025

Watkins Ward and Stafford, PLLC

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

WWS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Board of Aldermen
City of Starkville, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Starkville, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City of Starkville, Mississippi's major federal program for the year ended September 30, 2024. City of Starkville, Mississippi's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Starkville, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on the 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Starkville, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of City of Starkville, Mississippi's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Starkville, Mississippi's federal program.

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 City of Starkville, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there

is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Starkville, Mississippi's compliance with the requirements of the 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 City of Starkville, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Starkville, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Starkville, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

Watkins Ward and Stafford, PLLC

Starkville, Mississippi

August 4, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

WWS

WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L Stafford, CPA
Harry W. Stevens, CPA
S. Keith Winfield, CPA
William B. Staggers, CPA
Michael W. McCully, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
Kimberly S. Caskey, CPA
Susan M. Lummus, CPA
Stephen D. Flake, CPA
John N. Russell, CPA
Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
Robert E. Cordle, Jr., CPA
Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Clifford P. Stewart, CPA
Edward A. Maxwell, CPA
Bradley L. Harrison, CPA
Justin H. Keller, CPA
Dana R. Estes, CPA
April W. Posey, CPA
Lauren M. Bowen, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

The Honorable Mayor and Board of Aldermen
City of Starkville, Mississippi

We have audited the financial statements of the City of Starkville, Mississippi, as of and for the year ended September 30, 2024, and have issued our report thereon dated August 4, 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.

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 state laws and regulations. However, providing an opinion on compliance with 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 disclosed the following instances of noncompliance with state laws and regulations. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items **2024-01.**

This report is intended for the information and use of the Board of Aldermen, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Starkville, Mississippi
August 4, 2025

Watkins Ward and Stafford, PLLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Starkville, Mississippi
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Section 1: Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to the financial statements noted?	Yes

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of the major program:

CFDA Numbers	Name of Federal Program or Cluster
20.205	Highway Planning & Construction

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee?	No
Prior fiscal year audit findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)	No

City of Starkville, Mississippi
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Section 2: Financial Statement Findings

Material Non-Compliance

2024-01: Revenue Bond Ordinance Requirements Not Followed (Repeat Finding - Starkville Electric Department)

Statement of Condition
The Electric Department failed to adequately fund the accounts as required by the bond resolution of its Series 2020 Revenue Bond Issue.

Criteria
Miss. Code Section 21-33-303 states all municipalities shall adhere to contract obligations which are subject to annual appropriations incurred by any municipality which are payable exclusively from the revenues of any municipally owned utility, or to bonds issued by any municipality under the provisions of Sections 57-1-1 through 57-1-51, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-41-1 through 21-41-53, or to any indebtedness incurred under Section 55-23-8, or to any indebtedness incurred through a loan to a municipality under Section 57-75-11(tt) in connection with a project defined in Section 57-75-5(f)(xxvii).

Effect
The Electric Departments has violated the provisions of the Series 2020 Revenue Bond Issue's bond ordinances.

Cause
Adequate deposits as required by the Series 2020 Revenue Bond Issue bond ordinances were unintentionally overlooked.

Recommendation
All required bond-related accounts should be adequately funded.

Response
We will fund all accounts relating to the Series 2020 Revenue Bond Issue as prescribed by the bond ordinances.

Section 3: Federal Award Findings and Questioned Costs

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

City of Starkville, Mississippi
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2024

2023-01: Revenue Bond Ordinance Requirements Not Followed (Starkville Electric Department)

Statement of Condition
The Electric Department failed to adequately fund the accounts as required by the bond resolution of its Series 2020 Revenue Bond Issue.

Recommendation
All required bond-related accounts should be adequately funded.

Status
The Electric Department still fails to follow revenue bond ordinance requirements. This is still a finding in the current year report. See Finding 2024-01.

THE CITY OF STARKVILLE

CITY HALL, 110 WEST MAIN STREET
STARK.VILLE, MISSISSIPPI 39759
(662) 323-2525

Finance & Compliance Audit Division

As required by Section_2 CFR 200.516(a) of the Uniform Circular, the City of Starkville, Mississippi has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2024.

Finding		Corrective Action Plan Details
2024-01	a.	Name of Contact Person Responsible for Corrective Action
		Lynn Spruill Mayor and Connor Carraway, Accounting & Finance Manager 662-323-3113
	b.	Corrective Action Planned:
		We will fund all accounts relating to the Series 2020 Revenue Bond Issue as prescribed by the bond ordinances.
	c.	Anticipated Completion Date:
		Completed on June 24, 2025

Sincerely,

Lynn Spruill, Mayor

CITY OF STARKVILLE, MISSISSIPPI BUDGET
BUDGET OF ESTIMATED REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2026

	Final Budget for FY26	Estimated Total for FY25
Fund 377 - Build Grant MS 182 / MLK Corridor		
Revenue		
Intergovernmental Revenue	21,500,000	26,500,000
Transfers and Non Revenue Receipts	-	200,000
Total from All Sources Other Than Taxation	21,500,000	26,700,000
Cash Balance at Beginning of Year	-	-
Total Available Cash & Anticipated Revenue from All Sources	21,500,000	26,700,000
Expenditures		
Capital Outlay	21,500,000	26,700,000
Total Disbursements	21,500,000	26,700,000
Balance at End of Year	-	-
Total Expenditures and Year End Balance	21,500,000	26,700,000
Fund 700 - Stark/Hospital Road Expansion		
Revenue		
Miscellaneous	-	24,000
Total from All Sources Other Than Taxation	-	24,000
Cash Balance at Beginning of Year	-	779,774
Total Available Cash & Anticipated Revenue from All Sources	-	803,774
Expenditures		
Transfers	-	803,774
Total Disbursements	-	803,774
Balance at End of Year	-	-
Total Expenditures and Year End Balance	-	803,774
Starkville Utilities - Electric Division		
Revenue		
Electric Sales	42,238,774	42,238,774
Other Revenues	3,681,123	3,530,817
Total Revenues	45,919,897	45,769,591
Expenses		
Purchased Power	34,303,066	34,303,066
Payroll Expenses	3,474,350	3,493,249
Operating Expenses	2,182,000	2,122,000
Maintenance Expenses	1,630,000	1,530,000
Capital Expenses	2,320,000	2,320,000
Debt Expenses	645,481	636,276
Tax Equivalency	1,365,000	1,365,000
Total Expenses	45,919,897	45,769,591

CITY OF STARKVILLE, MISSISSIPPI BUDGET
BUDGET OF ESTIMATED REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2026

	Final Budget for FY26	Estimated Total for FY25
Starkville Utilities - Water Distribution Division		
Revenues		
Water Sales	6,097,551	6,049,264
Other Revenue	877,737	1,330,000
Total Revenue	6,975,288	7,379,264
Expenses		
Payroll Expenses	1,723,169	1,380,322
Operating Expenses	1,216,033	1,141,723
Maintenance Expenses	1,316,000	1,725,000
Capital Expenses	2,065,179	2,380,000
Debt Expenses	654,907	752,219
Total Expenses	6,975,288	7,379,264
Starkville Utilities - Wastewater & Sewer Division		
Revenues		
Sewer Revenues	6,870,170	6,049,265
Grant Revenue	700,000	-
Bond Revenue	9,893,364	-
Other Revenue	575,929	1,330,000
Total Revenue	18,039,463	7,379,265
Expenses		
Payroll Expenses	1,549,235	1,380,323
Operating Expenses	1,067,413	1,141,723
Maintenance Expenses	1,369,373	1,725,000
Capital Expenses	12,876,745	2,380,000
Debt Expenses	1,176,697	752,219
Total Expenses	18,039,463	7,379,265

Appendix C

Form of Bond Counsel Opinion

[letterhead of Bond Counsel]

July 9, 2026

_____

_____

_____

To whom it may concern:

We have acted as Bond Counsel in connection with the issuance by the City of Starkville, Mississippi (the "Municipality"), of its $18,000,000 Combined Water and Sewer System Revenue Bonds, Series 2026, dated and issued July 9, 2026 (the "Series 2026 Bonds"), pursuant to the provisions of Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and the resolutions of the Mayor and Board of Aldermen (the "Governing Body") of the Municipality adopted on October 1, 2024, November 5, 2024, July 15, 2025, September 2, 2025, and December 2, 2025, authorizing and directing the issuance of the Series 2026 Bonds (collectively, the "Bond Resolution").

All capitalized terms not defined herein shall have the meanings given to them in the Bond Resolution.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion, including but not limited to the Act and the Bond Resolution.

As to questions of fact material to our opinion, we have relied upon the representations of the Municipality contained in the Bond Resolution and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation, and we express no opinion relating to the accuracy, completeness or sufficiency of any offering material relating to the Series 2026 Bonds.

Based upon our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Municipality is duly created and validly existing as a body corporate and politic and public instrumentality of the State of Mississippi (the "State") with the corporate power to adopt the Bond Resolution, perform the agreements on its part contained therein, and issue the Series 2026 Bonds.

2. The Bond Resolution has been duly adopted by the Municipality and constitutes a valid and binding obligation of the Municipality enforceable upon the Municipality in accordance with the terms thereof.

3. Pursuant to the Act, the Bond Resolution creates a valid lien on the funds pledged by the Bond Resolution for the security of the Series 2026 Bonds issued pursuant to the requirements set forth in the Bond Resolution, pledged on a parity of lien with the Series 2019

Bonds, the Series 2025 Bonds, the Loans, and any Additional Bonds (all as defined in the Bond Resolution) issued in accordance with the provisions of the Bond Resolution.

4. The Series 2026 Bonds have been duly authorized, executed, and delivered by the Municipality and are valid and binding limited obligations of the Municipality, payable solely from the sources provided therefor in the Bond Resolution. The Series 2026 Bonds and the payment of debt service are not secured by an obligation or pledge of any funds raised by taxation and the Series 2026 Bonds do not represent or constitute a pledge of the general credit of the Municipality.

5. Subject to the condition set forth in the immediately succeeding sentence, (a) the interest on the Series 2026 Bonds (including any original issue discount properly allocable to a holder thereof) is excluded from gross income for federal income tax purposes and (b) the Series 2026 Bonds are not "specified private activity bonds" and interest on the Series 2026 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporation. The opinions set forth in the immediately preceding sentence are subject to the condition that the Municipality comply with all requirements of the Internal Revenue Code of 1986 (the "Code"), compliance with which subsequent to the issuance of the Series 2026 Bonds is necessary in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Municipality has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2026 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2026 Bonds.

6. The Series 2026 Bonds are <u>not</u> qualified tax-exempt obligations as such term is used in Section 265(b)(3) of the Code.

7. We express no opinion regarding other federal tax consequences arising with respect to the Series 2026 Bonds.

8. Under existing statutes, regulations, and court decisions as presently interpreted and construed, interest on the Series 2026 Bonds earned by the respective owners thereof is excludable from gross income for purposes of computing income taxes imposed by the State.

9. The Series 2026 Bonds are exempt from registration under the Securities Act of 1933 and securities laws of the State and the Bond Resolution is exempt from qualification under the Trust Indenture Act of 1939.

The rights of the holders of the Series 2026 Bonds and the enforceability thereof and of the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

Appendix D

Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the City of Starkville, Mississippi (the "Municipality"), in connection with the issuance of its $18,000,000 Combined Water and Sewer System Revenue Bonds, Series 2026, dated and issued July 9, 2026 (the "Series 2026 Bonds"). The Series 2026 Bonds are being issued pursuant to resolutions adopted by the Mayor and Board of Alderman (the "Governing Body") of the Municipality on October 1, 2024, November 5, 2024, July 15, 2025, September 2, 2025, and December 2, 2025 (collectively, the "Bond Resolution").

The Municipality covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Municipality for the benefit of the Bondholders and Beneficial Owners and in order to assist the Participating Purchasers in complying with S.E.C. Rule 15c2-12(b)(5).

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

"Annual Report" means any Annual Report provided by the Municipality pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories, or other intermediaries) or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

"Dissemination Agent" means a banking institution or other person or entity appointed by resolution of the Municipality as the Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Municipality and which has provided the Municipality a written acceptance of such designation.

"EMMA" means MSRB's Electronic Municipal Market Access system on the MSRB Website.

"Listed Event" means any of the events listed in Section 5 of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established under the 1933 Securities Act, as amended, or any successor thereto.

"MSRB Website" means www.emma.msrb.org.

"National Repository" means (a) MSRB's EMMA, and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule.

"Official Statement" means the Official Statement dated June 16, 2026, pertaining to the Series 2026 Bonds.

"Participating Purchaser" means any of the original Purchasers of the Series 2026 Bonds required to comply with the Rule in connection with offering of the Series 2026 Bonds.

"Required Electronic Format" means the electronic format then prescribed by the SEC or the MSRB pursuant to the Rule.

"Repository" means each National Repository and the State Repository.

"Rule" means Rule l5c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" means the State of Mississippi.

"State Repository" means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Agreement, there is no State Repository.

"Submission Date" means the date on which the Annual Report is submitted to the Repositories pursuant to Section 3 of this Disclosure Agreement, which shall be a date not later than 12 months after the end of the Municipality's fiscal year (presently September 30), commencing with the report for the 2025 fiscal year.

SECTION 3. Provision of Annual Reports.

(a) The Municipality shall, or shall cause the Dissemination Agent to, not later than the Submission Date, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Municipality's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5 of this Disclosure Agreement.

(b) Not later than 15 Business Days prior to the Submission Date, the Municipality shall provide the Annual Report to the Dissemination Agent (if other than the Municipality). If the Municipality is unable to provide to the Repositories an Annual Report by the Submission Date, the Municipality shall send a notice to each Repository or the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as "Exhibit A."

(c) The Dissemination Agent shall:

(1) determine each year prior to the Submission Date the name and address of each National Repository and the State Repository, if any; and

(2) if the Dissemination Agent is other than the Municipality, file a report with the Municipality certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Municipality's Annual Report shall contain or include by reference (a) financial information of the type included in the subsections of the Official Statement Entitled "*The Combined Water and Sewer System Of The Municipality*" and (b) the audited financial statements of the Municipality for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Municipality's audited financial statements are not available by the Submission Date, the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Municipality or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Municipality shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events. The Municipality shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2026 Bonds, in a timely manner not in excess of 10 business days after the occurrence thereof:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 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 Municipality;

(13) consummation of a merger, consolidation, or acquisition involving the Municipality, the sale of all or substantially all of the assets of the Municipality other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a financial obligation (as defined in the Rule) of the Municipality, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Municipality, any of which may affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Municipality, any of which reflect financial difficulties.

The events listed above are quoted from the Rule and some may not be applicable to the Municipality or the Series 2026 Bonds.

SECTION 6. Termination of Reporting Obligation. The Municipality's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2026 Bonds. If such termination occurs prior to the final maturity of the Series 2026 Bonds, the Municipality shall give notice of such termination in the manner as for a Listed Event under Section 5of this Disclosure Agreement.

SECTION 7. Dissemination Agent. The Municipality may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Municipality pursuant to this Disclosure Agreement. From the date hereof until such time (if any) that the Municipality appoints a Dissemination Agent, or if a Dissemination Agent appointed by the Municipality resigns or is discharged and the Municipality does not appoint a successor Dissemination Agent, the Municipality, acting through the City Clerk of the Municipality, shall carry out the duties of the Dissemination Agent under this Disclosure Agreement.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Municipality may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5 of this Disclosure Agreement, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Series 2026 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of "nationally recognized bond counsel", have complied with the requirements of the Rule at the time of the original issuance of the Series 2026 Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (1) is approved by the Bondholders in the same manner as provided in the Bond Resolution for amendments to the Bond Resolution with the consent of Bondholders or (2) does not, in the opinion of "nationally recognized bond counsel", materially impair the interests of the Bondholders or Beneficial Owners.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Municipality shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver 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 Municipality. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (a) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (b) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Municipality from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Municipality chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Municipality shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Municipality to comply with any provision of this Disclosure Agreement, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Municipality to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Municipality to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Municipality agrees to indemnify and save the Dissemination Agent, its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Municipality under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2026 Bonds.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Municipality, the Dissemination Agent, the Participating Purchasers, and the Bondholders and Beneficial Owners from time to time of the Series 2026 Bonds, and shall create no rights in any other person or entity.

Date: July 9, 2026

City of Starkville, Mississippi

_____

Mayor

_____

City Clerk

(seal)

Exhibit A

Notice to Repositories of Failure to File Annual Report

Name of Issuer:	**City of Starkville, Mississippi**
Name of	**$18,000,000 Combined Water and Sewer System Revenue Bonds, Series 2026**
Date of Issuance:	**July 9, 2026**

NOTICE IS HEREBY GIVEN that the City of Starkville, Mississippi, has not provided an Annual Report with respect to the above-referenced Series 2026 Bonds as required by the Official Statement for the Series 2026 Bonds. The City of Starkville, Mississippi, anticipates that the Annual Report will be filed by _____, 20__.

Date: _____, 20__.

City of Starkville, Mississippi

_____

City Clerk

Appendix E

Notice of Bond Sale

NOTICE OF BOND SALE

$18,000,000
COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2026
CITY OF STARKVILLE, MISSISSIPPI

NOTICE IS HEREBY GIVEN that the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "Governing Body" of the "Municipality") will receive bids, which may be in electronic form submitted to PARITY® via the BiDCOMP Competitive Bidding System, for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of $18,000,000 Combined Water and Sewer System Revenue Bonds, Series 2026, of the Municipality (the "Series 2026 Bonds), on Tuesday, June 16, 2026, until 11:00 a.m. C.D.T.

The City Clerk of the Municipality (the "City Clerk") will act on behalf of the Governing Body to receive bids at the aforesaid date, time, and place. Immediately following 11:00 a.m. C.D.T. on Tuesday, June 16, 2026, the bids will be publicly opened and read, for consideration by the Governing Body at their regular meeting at 5:30 p.m. C.D.T. on Tuesday, June 16, 2026. All bids will remain firm for eight hours after the time specified for the opening of bids, and an award of the Series 2026 Bonds, or rejection of bids, will be made by the Governing Body within said period of time.

THE BONDS: The Series 2026 Bonds will be dated and bear interest, calculated on the 30/360 basis, from July 9, 2026; will be delivered in definitive form as registered bonds; will be in the denomination of $5,000 each, or integral multiples thereof up to the amount of a single maturity; will be numbered from one upward in the order of issuance; will be payable as to principal at a bank or trust company to be named by the Governing Body, in the manner hereinafter provided; and will bear interest, payable on March 1, 2027, and semiannually thereafter on March 1 and September 1 of each year at the rate or rates offered by the successful bidder in its bid in accordance with this Notice of Bond Sale (this "Notice").

MATURITIES: The Series 2026 Bonds will mature serially, with option of prior payment, on March 1 in each of the years and amounts as follows:

Year of Maturity	Principal Amount
2027	$440,000
2028	$585,000
2029	$615,000
2030	$645,000
2031	$680,000
2032	$715,000
2033	$750,000
2034	$790,000
2035	$830,000
2036	$875,000

2037	**$915,000**
2038	**$950,000**
2039	**$990,000**
2040	**$1,030,000**
2041	**$1,075,000**
2042	**$1,120,000**
2043	**$1,165,000**
2044	**$1,220,000**
2045	**$1,275,000**
2046	**$1,335,000**

REDEMPTION: The Series 2026 Bonds maturing after March 1, 2035, are subject to redemption prior to their stated dates of maturity at the option of the Municipality, on and after March 1, 2035, at par, plus accrued interest to the date of redemption, either in whole or in part on any date, in inverse order of maturity. Interest shall cease to accrue on any of the Series 2026 Bonds which are duly called for redemption on the date set for redemption if payment thereof on the redemption date has been duly made or provided for. At least 30 days before the redemption date of any Series 2026 Bonds, the City Clerk shall cause a notice of any such redemption, either in whole or in part, signed by the City Clerk, (1) to be filed with the Paying Agent (as hereinafter defined) and (2) to be mailed, postage prepaid, to all Registered Owners of the Series 2026 Bonds at their addresses as they appear on the registration books of the Paying Agent, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid, the place or places at which payment shall be made and, if less than all of the Series 2026 Bonds of any one maturity shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2026 Bonds to be redeemed.

REVISED MATURITY SCHEDULE AND/OR BID PARAMETERS: The aggregate principal amount of each series of the Series 2026 Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts of each series of the Series 2026 Bonds (the "Preliminary Annual Principal Amounts" and collectively, with reference to the Preliminary Aggregate Principal Amounts, the "Preliminary Amounts") set forth in this Notice may be revised before the viewing of bids for the purchase of the Series 2026 Bonds, as may the bid parameters set forth herein. Any such revisions (in case of revised principal amounts, the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.I-dealProspectus.com NOT LATER THAN 4:00 P.M., C.D.T. ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Notice, and the bid parameters shall remain as set forth the herein. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS AND BID PARAMETERS, IF ANY. Prospective bidders may request notification of any revisions in the Preliminary Amounts and bid parameters by so advising and emailing Stephens Inc., Ridgeland, Mississippi, the Municipality's "independent registered municipal advisor" (the "Municipal

Advisor"), at max.neely@stephens.com by 12:00 p.m., C.D.T., at least one day prior to the date for receipt of the bids.

CHANGES TO MATURITY SCHEDULE: The Municipality intends, but is not obligated, to adjust the Revised Aggregate Principal Amount of each series of the Series 2026 Bonds and the Revised Annual Principal Amount of each series of the Series 2026 Bonds in such manner as to produce approximately level debt service in years 2026 to 2045. The Municipality reserves the right to change the Revised Aggregate Principal Amount of each series of the Series 2026 Bonds and the Revised Annual Principal Amounts of each series of the Series 2026 Bonds after determination of the winning bidder(s), by increasing or decreasing such Revised Aggregate Principal Amounts and such Revised Annual Principal Amounts by up to 30%. The maximum amount of the Series 2026 Bonds will not exceed $18,000,000. No changes beyond those disclosed above will be made without the consent of the applicable Successful Bidder. Such changes, if any, will determine the final annual principal amount of each maturity of each series of the Series 2026 Bonds (the "Final Annual Principal Amounts") and the final aggregate principal amount of each series of the Series 2026 Bonds (the "Final Aggregate Principal Amount"). The dollar amount bid by the successful bidder for each series of the Series 2026 Bonds will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of such series of the Series 2026 Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. A SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS.

The Municipality anticipates that the Final Annual Principal Amounts of each series of the Series 2026 Bonds and the Final Aggregate Principal Amount of each series of the Series 2026 Bonds will be communicated to the successful bidder(s) prior to the award of such Bonds. THE DOLLAR AMOUNT BID BY EACH SUCCESSFUL BIDDER FOR THE PURCHASE OF THE SERIES 2026 BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY SUCH SUCCESSFUL BIDDER, WILL NOT CHANGE.

BASIS OF AWARD: If an award is made, the Series 2026 Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Municipality for such Bonds as determined by reference to the Revised Aggregate Principal Amounts, prior to post-sale adjustments, as discussed in the paragraph above. The lowest true interest cost will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Series 2026 Bonds (compounded semi-annually from the dated date of such Bonds) produces a value equal to the purchase price of such Bonds. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal. In the event that two or more of the bidders offer to purchase the Series 2026 Bonds at the same lowest true interest cost, the Governing Body shall determine in their sole discretion (but in accordance with fact) which of the bidders shall be awarded such series of the Series 2026 Bonds. The Governing Body reserves the right to waive any irregularity or informality

in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of the Series 2026 Bonds will be made by the Governing Body on the sale date.

AUTHORITY AND SECURITY: The Series 2026 Bonds will be issued pursuant to the authority of Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and the resolutions of the Municipality adopted October 1, 2024, November 5, 2024, July 15, 2025, September 2, 2025, and December 2, 2025, authorizing and directing the issuance of the Series 2026 Bonds (collectively, the "Bond Resolution"). The principal of, premium, if any, and interest on the Series 2026 Bonds will be payable solely from (i) a sufficiency of the revenues derived from the operation of the System (as defined herein) of the Municipality, subject to the payment of the reasonable and necessary expenses of operating and maintaining the System and on a parity of lien with the payment of the $10,000,000 Combined Water and Sewer System Revenue Bonds, Series 2019, dated and issued May 1, 2019, and maturing May 1, 2039 (the "Series 2019 Bonds") the payment of the $7,000,000 Combined Water and Sewer System Revenue Bonds, Series 2025, of the Municipality, dated and issued May 21, 2025, and maturing February 1, 2045 (the "Series 2025 Bonds"), and the payment of any loans from the State of Mississippi (the "State") as of the date of issuance of the Series 2026 Bonds (the "Loans"), and (ii) the Current Debt Service Account and the Debt Service Reserve Account provided for in the Bond Resolution, both of which sources have been pledged on a parity of lien with the Series 2019 Bonds and the Loans. Additional Bonds (as defined in the Bond Resolution) may be issued in the future as authorized in the Bond Resolution.

PURPOSE: The Series 2026 Bonds are being issued to provide funds for improvements, repairs, and extensions to the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality (the "System").

FORM OF BIDS: Bids should be addressed to the Governing Body and should be plainly marked "Bid for $18,000,000 Combined Water and Sewer System Revenue Bonds, Series 2026, of the City of Starkville, Mississippi." All bids should be submitted in substantially the form prepared by the Municipality as the Official Bid Form. A copy of the Official Bid Form may be obtained from the City Clerk at j.mclaurin@cityofstarkville.org, from Stephens Inc., Ridgeland, Mississippi (the "Municipal Advisor"), at max.neely@stephens.com, or from Watkins & Eager PLLC, Jackson, Mississippi ("Bond Counsel") at bdavis@watkinseager.com.

Electronic bids for the Series 2026 Bonds must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to this Notice and shall be binding upon the bidder as if made by a signed sealed written bid made to the Municipality. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of this Notice, this Notice shall prevail. The Municipality shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The Municipality will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by

the Municipality and/or BiDCOMP/PARITY®, respectively, on or before 11:00 a.m. C.D.T., on Tuesday, June 16, 2026, as stated above. The Municipality is not liable for any costs incurred in the preparation, delivery, acceptance, or rejection of any bid.

All bids not in electronic form should be sealed and delivered to the City Clerk at her office in the City Hall located at 110 West Main Street in the Municipality.

INTEREST RATE AND BID RESTRICTIONS: The Series 2026 Bonds shall not bear a greater overall maximum interest rate to maturity than 13% per annum, nor shall the interest rate for any one maturity exceed 13% per annum. No Series 2026 Bond shall bear more than one rate of interest; each Series 2026 Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; all Series 2026 Bonds of the same maturity shall bear the same rate of interest from date to maturity; and the lowest interest rate specified shall not be less than 70% of the highest interest rate specified. Each interest rate specified in any bid must be a multiple of $1/8^{th}$ of 1% or $1/10^{th}$ of 1%, and a zero rate of interest cannot be named.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a wire transfer, cashier's check, certified check, or exchange, issued or certified by a bank, payable to the Mayor and Board of Aldermen of the City of Starkville, Mississippi, in the amount of $360,000, as a guaranty that the bidder will carry out its contract and purchase the Series 2026 Bonds if its bid be accepted. All wire transfers, cashier's checks, certified checks, or exchanges of unsuccessful bidders will be returned immediately after award of the Series 2026 Bonds. If the successful bidder fails to purchase the Series 2026 Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the Municipality as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit.

DTC BOOK-ENTRY: Unless specifically declined by the purchaser, the Series 2026 Bonds are being initially offered as registered in the name of Cede & Co., as Registered Owner and nominee for The Depository Trust Company, New York, New York ("DTC") under DTC's Book-entry system of registration. Purchasers of interests in the Series 2026 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Series 2026 Bonds will be evidenced by book-entry. As long as Cede & Co. is the Registered Owner of the Series 2026 Bonds as nominee of DTC, payments of principal and interest will be made directly to such Registered Owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

AWARD OF BONDS: If an award of the Series 2026 Bonds is made, the Series 2026 Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Municipality. The lowest true interest cost of the Series 2026 Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Series 2026 Bonds (compounded semi-annually from the dated date of the Series 2026 Bonds) produces a value equal to the purchase price of the Series 2026 Bonds. For the purpose of calculating the true interest cost, the principal amount of any term bonds scheduled for mandatory sinking fund redemption (if any) shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal. All bids will remain firm for eight hours

after the time specified for the opening of bids, and an award of the Series 2026 Bonds, or rejection of bids, will be made by the Governing Body within said period of time, and the Governing Body will give a verbal notice to the winning bidder, if any, within approximately one hour of such decision.

RIGHT OF REJECTION, CANCELLATION: The Governing Body reserves the right to reject any or all bids submitted, as well as to waive any irregularity or informality in any bid. The successful bidder will have the right, at its option, to cancel its agreement to purchase the Series 2026 Bonds if the Series 2026 Bonds are not tendered for delivery within 60 days from the date of sale thereof, and in such event the Governing Body will return to said bidder its good faith deposit. The Governing Body will have the right, at its option, to cancel its agreement to sell the Series 2026 Bonds if within 5 days after the tender of the Series 2026 Bonds for delivery the successful bidder will not have accepted delivery of and paid for the Series 2026 Bonds, and in such event the Governing Body will retain the successful bidder's good faith deposit as liquidated damages as hereinabove provided.

PAYING AGENT, TRANSFER AGENT, AND REGISTRAR: The initial payment agent for the Series 2026 Bonds will be U. S. Bank Trust Company, National Association (the "Paying Agent"). The Governing Body's approval of the Paying Agent shall be contingent on a determination as to the willingness and ability of the Paying Agent to perform the duties of registrar and transfer agent and on the satisfactory negotiation of service fees. The Paying Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Series 2026 Bonds are issued. Both principal of and interest on the Series 2026 Bonds will be payable by check or draft mailed to Registered Owners of the Series 2026 Bonds as of the fifteenth day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the Municipality maintained by the Paying Agent. The Series 2026 Bonds will be transferable only upon the books of the Paying Agent, and payment of principal at maturity shall be conditioned on the proper presentation and surrender of the Series 2026 Bonds to the Paying Agent.

DELIVERY: The successful bidder must designate within 30 days of the date of sale, or at such other later date as may be designated by the Governing Body, the names and addresses of the Registered Owners of the Series 2026 Bonds and the denominations in which the Series 2026 Bonds of each maturity are to be issued. If the successful bidder fails to submit such information within the required time, one Bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder. The Series 2026 Bonds will be delivered at a place to be designated by the purchaser and without cost to the purchaser, and payment therefor will be made in immediately available funds.

CUSIP NUMBERS: Unless specifically declined by the purchaser, the Municipal Advisor will request that the CUSIP Service Bureau assign CUSIP identification numbers to the Series 2026 Bonds, which numbers will be printed on the Series 2026 Bonds. The successful bidder will be responsible for the costs of assigning CUSIP numbers to the Series 2026 Bonds. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2026 Bonds in accordance with this Notice.

LEGAL OPINION; CLOSING DOCUMENTS: The Series 2026 Bonds are offered subject to the unqualified approval of the legality thereof by Bond Counsel. In the opinion of Bond Counsel, interest on the Series 2026 Bonds is exempt from federal and Mississippi income taxes under existing laws, regulations, rulings, and judicial decisions with such exceptions as will be described in the Official Statement for the Series 2026 Bonds. A copy of the opinion of Bond Counsel, together with the usual closing papers, including a no-litigation certificate dated the date of delivery of the Series 2026 Bonds, evidencing that no litigation is pending in any way affecting the legality of the Series 2026 Bonds or the taxes to be levied for the payment of the principal thereof and interest thereon, and a transcript of the proceedings relating to the Series 2026 Bonds will be delivered to the successful bidder without charge. The Municipality will pay for all legal fees and will pay for the printing and validation of the Series 2026 Bonds.

BONDS NOT "QUALIFIED TAX-EXEMPT OBLIGATIONS": The Municipality has **not** designated the Series 2026 Bonds as "qualified tax-exempt obligations" within the meaning and for purposes of Section 265(b)(3) of the Code.

FURTHER INFORMATION: The Municipality has prepared a Preliminary Official Statement which it deems, for purposes of S.E.C. Rule 15(c)2-12, to be final and complete as of its date, except for the omission of the offering prices, interest rates, and any other terms of the Series 2026 Bonds depending on such matters, and the identity of the underwriters, subject to revision, amendment and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Upon the award of the Series 2026 Bonds, the Municipality will publish an Official Statement substantially in the same form as the Preliminary Official Statement, subject to minor additions, deletions, and revisions as required to complete the Preliminary Official Statement.

ISSUE PRICE: The successful bidder shall assist the Municipality in establishing the issue price of the Series 2026 Bonds and shall execute and deliver to the Municipality at the closing for the Series 2026 Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2026 Bonds, together with the supporting pricing wires or equivalent communications, in a form reasonably required by the Municipality and Bond Counsel. The Municipality intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2026 Bonds) will apply to the initial sale of the Series 2026 Bonds (the "competitive sale requirements") because: (a) the Municipality shall disseminate this Notice to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (b) all bidders shall have an equal opportunity to bid; (c) the Municipality may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (d) the Municipality anticipates awarding the sale of the Series 2026 Bonds to the bidder who submits a firm offer to purchase the Series 2026 Bonds at the highest price (or lowest interest cost), as set forth in this Notice. Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Series 2026 Bonds, as specified in the bid. In the event that the competitive sale requirements are not satisfied, the Municipality shall advise the winning bidder. The Municipality shall treat the first price at which 10% of a maturity of the Series 2026 Bonds (the "10% test") is

sold to the public as the issue price on that maturity applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Municipality if any maturity of the Series 2026 Bonds satisfies the 10% test as of the date and time of the award of the Series 2026 Bonds. The Municipality will not require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Series 2026 Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Series 2026 Bonds will be subject to the 10% test in order to establish the issue price of the Series 2026 Bonds. If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Series 2026 Bonds, the winning bidder agrees to promptly report to the Municipality the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing of the Series 2026 Bonds has occurred, until the 10% test has been satisfied as to the Series 2026 Bonds of that maturity or until all Bonds of that maturity have been sold. By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2026 Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2026 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2026 Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for the purposes of this Notice. Further, for purposes of this Notice: (a) "public" means any person other than an underwriter or a related party, (b) "underwriter" means (A) any person that agrees pursuant to a written contract with the Municipality (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2026 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2026 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2026 Bonds to the public), (c) a purchaser of any of the Series 2026 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), more

than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or Interests by one entity of the other), and (d) "sale date" means the date that the Series 2026 Bonds are awarded by the Municipality to the winning bidder.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15(c)2-12(b)(5), the Municipality will undertake, pursuant to the Bond Resolution and a Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Failure of the Municipality to deliver the Continuing Disclosure Agreement at the time of issuance and delivery of the Series 2026 Bonds will relieve the successful bidder from its obligation to purchase the Series 2026 Bonds.

By order of the Mayor and Board of Aldermen of the City of Starkville, Mississippi.

***/s/ Joanna McLaurin*, City Clerk**

Publication Information:
The Starkville Daily News
June 4, 2026, and June 11, 2026

Appendix F

Specimen Municipal Bond Insurance Policy

ASSURED GUARANTY®

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.

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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

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