



Jason E. Mumpower
Comptroller

February 4, 2022

Honorable Mr. Jim Mangubat, County Executive
and Honorable Board of Commissioners
Wayne County
100 Court Circle, Suite 300
Waynesboro, TN 38485

Dear Mr. Mangubat and Board of Commissioners:

Thank you for your recent correspondence. We acknowledge receipt on February 3, 2022, of a request from Wayne County (the "County") for a report on a plan of refunding (the "Plan") for the County's proposed issuance of a maximum of \$1,329,584 Water System Revenue and Tax Refunding Bonds, Series 2022 (the "Series 2022 Refunding Bonds").

Pursuant to the provisions of Tennessee Code Annotated Title 9, Chapter 21, enclosed is a report based upon our review of the County's Plan. The Plan, this letter, and the enclosed report should be made available on the County's website and must be presented to each member of the Board for review prior to the adoption of an authorizing resolution for the refunding bonds.

Private Negotiated Sale Approval (GO Refunding Bonds)

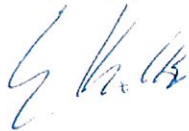
Pursuant to Tenn. Code Ann. § 9-21-910, the County's request to sell the Series 2022 Refunding Bonds by negotiated sale is approved. This approval is conditioned upon the requirement that the bonds are sold with the same, or accelerated, principal repayment schedule as presented in the County's Plan.

Requirements After Debt is Issued

Our website contains specific compliance requirements your local government will be responsible for once the bonds are issued: <http://tncot.cc/debt>. The listing is not all inclusive and you should work with your financial advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.

If you should have questions or need assistance, please refer to our online resources on our website or feel free to contact your financial analyst, Ronald Queen, at 615-401-7862 or Ron.Queen@cot.tn.gov.

Very truly yours,



Betsy Knotts
Director of the Division of Local Government Finance

cc: Mr. Bryan Burklin, Assistant Director, Local Government Audit, COT
Mr. Charles Bone, Esq. Spencer Fane Bone McAllester
Ms. Linda Mooningham, Tennessee Municipal Bond Fund

BK: rq



Report on Water System Revenue & Tax Refunding Bonds, Series 2022 (Bank Qualified)
Wayne County, Tennessee

This report is being issued pursuant to Tenn. Code Ann. § 9-21-903 and is based upon information as presented in a plan of refunding (the “Plan”) received by our office on February 3, 2022, from Wayne County, Tennessee (the “County”). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary. This report and the County’s Plan must be presented to the governing body prior to the adoption of a resolution authorizing the refunding bonds.

COSTS:

Estimated costs of issuance are summarized below and based upon the principal amount of \$1,329,584 of the Series 2022 Refunding Bonds:

	Amount	Price per \$1,000 Bond
Tennessee Municipal Bond Fund	\$ 6,600.00	\$ 4.96
Bond Counsel (Spencer Fane Bone McAllester)	1,330.00	\$ 1.00
Total Cost of Issuance	\$ 7,930.00	\$ 5.96

Tennessee Municipal Bond Fund (TMBF) Placement Process

TMBF requested rates on the Series 2022 Refunding Bonds issue from a network of banks TMBF works with across the State and presented the lowest rate obtained to the County for

its consideration. The TMBF negotiated with the banks to include an additional 0.15% (also called 15 basis points) added to the interest rates submitted by the banks, which, if the County uses the TMBF Alternative Loan Program, will be paid to TMBF over the life of the loan. The cost is calculated annually on the outstanding amount of the debt and is paid by the bank to TMBF from periodic interest payments made by the County to the bank.

In addition to the above costs of issuance, the County will potentially incur the following[1]:

Potential Annual Fee Associated with TMBF Loan

	Year	Amount
	2022	\$ -
Fee is 15 basis points on the outstanding	2023	2,083
loan balance paid as part of the	2024	1,335
interest payment to the lending bank.	2025	674

[1] The Series 2022 Refunding Bonds are estimated to have an interest rate of 1.93%, which includes an additional 0.15% (also called basis points), which will be paid to the TMBF over the life of the Series 2022 Refunding Bonds by the bank purchasing the Series 2022 Refunding Bonds as described above.

BENEFITS:

The County’s stated objective for the refunding is to achieve savings. The anticipated net present value savings are \$193,681, achieved by shortening the final maturity by 28 years and reducing the average interest rate on the debt.

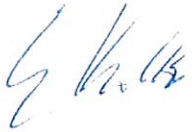
Balloon Indebtedness

The proposed structure of the Series 2022 Refunding Bonds is not balloon indebtedness as defined in Tenn. Code Ann. § 9-21-133 because the new payment schedule is for a three year period with approximately level annual debt service and reducing the interest rate paid.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of

refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the County's governing body to review prior to adopting a new authorizing resolution for the refunding bonds.



Betsy Knotts
Director of the Division of Local Government Finance
Date: February 4, 2022