

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE

Book-Entry

PRELIMINARY OFFICIAL STATEMENT

DATED: JULY 23, 2020

Rating: S&P - “__”
(See “Miscellaneous – Rating”)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).

\$7,665,000*

**MACON COUNTY, TENNESSEE
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2020**

Dated: August 14, 2020*

Due: June 1 (as shown below)

The \$7,665,000* General Obligation School Bonds, Series 2020 (the “Bonds”) of Macon County, Tennessee (the “County”) shall be issued as fully registered Bonds in denominations of \$5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) except as otherwise described herein. DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds will be payable semi-annually on each June 1 and December 1 beginning on December 1, 2020 by check or draft mailed to the owners thereof as shown on the books and records of Wilmington Trust, N.A., Birmingham, Alabama, the registration and paying agent (the “Registration Agent”). In the event of discontinuation of the book-entry system, principal of and interest on the Bonds are payable at the designated corporate trust office of the Registration Agent.

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of the principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The Bonds are subject to redemption prior to maturity as described herein.

<u>June 1</u>	<u>Principal</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ¹	<u>June 1</u>	<u>Principal</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ¹
2022	\$270,000			555648 GA6	2032	\$420,000			555648 GL2
2023	285,000			555648 GB4	2033	435,000			555648 GM0
2024	300,000			555648 GC2	2034	445,000			555648 GN8
2025	315,000			555648 GD0	2035	460,000			555648 GP3
2026	330,000			555648 GE8	2036	475,000			555648 GQ1
2027	345,000			555648 GF5	2037	485,000			555648 GR9
2028	365,000			555648 GG3	2038	500,000			555648 GS7
2029	380,000			555648 GH1	2039	515,000			555648 GT5
2030	395,000			555648 GJ7	2040	535,000			555648 GU2
2031	410,000			555648 GK4					

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

The Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by its counsel, Farrar, Holliman & Butler Attorneys at Law, Lafayette, Tennessee. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York on or about August 14, 2020*.

RAYMOND JAMES®

Municipal Advisor

August 3, 2020*

* Subject to revision and adjustment as outlined in the “Official Notice of Sale” which is an integral part hereof and incorporated herein by reference.

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

This "Preliminary Official Statement" may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this "Preliminary Official Statement", the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this "Preliminary Official Statement". The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the County's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This "Preliminary Official Statement" and the Appendices hereto contain brief descriptions of, among other matters, the County, the Bonds, the Resolution (as defined herein), the Disclosure Certificate, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Resolution.

The Bonds have not been registered under the Securities Act of 1933 and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts. This "Preliminary 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 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the County or the Municipal Advisor to give any information or to make any representations other than those contained in this "Preliminary Official Statement", and, if given or made, such other information or representations should not be relied upon as having been authorized by the County or Municipal Advisor. Except where otherwise indicated, all information contained in this "Preliminary Official Statement" has been provided by the County. The information set forth herein has been obtained by the County from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor. The information contained herein is subject to change without notice, and neither the delivery of this "Preliminary Official Statement" nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the County, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Any CUSIP data included in this "Preliminary Official Statement" is subject to Copyright, American Bankers Association (the "ABA"), and is provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed herein are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds, and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

MACON COUNTY, TENNESSEE

COUNTY MAYOR

Steve N. Jones

BOARD OF COUNTY COMMISSIONERS

Benton Bartley
Scott D. Cothron
Justin Ray Dyer
Scott J. Gammons
Todd D. Gentry
Helen L. Hesson
Jeffery M. Hughes

Terry M. Jenkins
Wendell T. Jones
Barry W. King
Kyle L. Petty
Angela Michelle Phillips
Charles Porter

Michael D. Slayton
Phillip S. Snow
Chad M. West
Larry West
Jarhea Wilmore
Kenneth Witte
Tony W. Wix

COUNTY ADMINISTRATION

Connie B. Blackwell, County Clerk
Rickey Shoulders, Property Assessor
Cynthia J. Jones, Register of Deeds

Mark J. Gammons, Sheriff
Audie Cook, Highway Chief Administrative Officer
Kimberly Denise Parks, Trustee

BOARD OF EDUCATION

Jed Goad
Wayne Marsh

Bryan Nichols

Rebekah Tuttle
Jeff Harper

BOARD OF EDUCATION ADMINISTRATION

Tony Boles, Director of Schools

COUNSEL TO THE COUNTY

E. Guy Holliman, County Attorney
Farrar, Holliman & Butler, Attorneys at Law
Lafayette, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Nashville, Tennessee

REGISTRATION AND PAYING AGENT

Wilmington Trust, N.A.
Birmingham, Alabama

MUNICIPAL ADVISOR

Raymond James & Associates, Inc.
Nashville, Tennessee

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SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this “Preliminary Official Statement”. This Summary Statement shall not be reproduced, distributed or otherwise used except in conjunction with the remainder of this “Preliminary Official Statement”.

- The Issuer Macon County, Tennessee (the “County”). See the section entitled “Supplemental Information Statement” (APPENDIX B) for more information.
- Securities Offered..... \$7,665,000* General Obligation School Bonds, Series 2020 (the “Bonds”) of the County, dated August 14, 2020*. The Bonds will mature each June 1 beginning June 1, 2022 through June 1, 2040, inclusive. See the section entitled “SECURITIES OFFERED – Authority and Purpose”.
- Security The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged. See the section entitled “SECURITIES OFFERED – Security”.
- Purpose..... The Bonds are being issued to finance the (i) construction, improvement, renovation, equipping, design, and site development of school buildings, the acquisition of all related property real and personal property and payment of legal, fiscal, administrative, architectural and engineering costs incident thereto (the “Projects”); (ii) payment of capitalized interest on the bonds for the period of construction of the Projects and for up to six months thereafter; (iii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs; and (iv) payment of costs incident to the issuance and sale of the Bonds. See the sections entitled “SECURITIES OFFERED – Authority and Purpose and the Refunding Plan” for additional information.
- Optional Redemption..... The Bonds are subject to optional redemption prior to maturity on and after June 1, 2027 at the redemption price of par and accrued interest. See the section entitled “SECURITIES OFFERED - Optional Redemption”.
- Rating..... S&P Global Ratings, Inc. (“S&P”) – “___”. See the section entitled “MISCELLANEOUS – Rating” for more information.
- Municipal Advisor Raymond James & Associates, Inc., Nashville, Tennessee (“Raymond James”). Also see the section entitled “MISCELLANEOUS – Financial Professionals”.
- Underwriter _____, _____, _____ (the “Underwriter”). Also see the section entitled “MISCELLANEOUS –Financial Professionals”.
- Bond Counsel Bass, Berry & Sims PLC, Nashville, Tennessee (the “Bond Counsel”). Also see the section entitled “MISCELLANEOUS – Financial Professionals”.

* Subject to revision and adjustment as outlined in the “Official Notice of Sale” which is an integral part hereof and incorporated herein by reference.

Registration and Paying Agent ... Wilmington Trust, N.A., Birmingham, Alabama (the “Registration Agent”). Also see the section entitled “MISCELLANEOUS –Financial Professionals”.

Book Entry Only The Bonds will be issued under the Book Entry System except as otherwise described herein. For additional information, see the section entitled “BASIC DOCUMENTATION – Book Entry System”

Tax Matters In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County (i) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading “Tax Matters” herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See “Tax Matters” herein). See also “APPENDIX A: Form of Legal Opinion included herein.

General..... The Bonds are being issued in full compliance with Sections 49-3-1001 et seq., Tennessee Code Annotated, as supplemented and revised. The Bonds will be issued with CUSIP numbers through the facilities of The Depository Trust Company, New York, New York. See the section entitled “SECURITIES OFFERED – Authority and Purpose” for more information.

Disclosure In accordance with Rule 15c2-12 of the Securities and Exchange Commission as amended (the “Rule”), the County will provide the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and the State information depository (“SID”), if any, annual financial statements and other pertinent credit or event information, including the Annual Financial Reports, see the section entitled “MISCELLANEOUS - Continuing Disclosure”

Other Information The information in the “Preliminary Official Statement” is deemed "final" within the meaning of Rule 15c2-12(b)(5) of the SEC (the “Rule”) as of the date which appears on the cover except for information allowed to be omitted pursuant to the Rule. For more information concerning the County or the “Preliminary Official Statement”, contact the Honorable Steve N. Jones, County Mayor, Macon County Courthouse, Lafayette, Tennessee 37083, Telephone: 615-666-2363 or the Municipal Advisor, Raymond James & Associates, Inc., One Burton Hills Blvd., Suite 225, Nashville, Tennessee 37215, Telephone: 615-665-6920 or 800-764-1002.

\$7,665,000*
MACON COUNTY, TENNESSEE
General Obligation School Bonds, Series 2020

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This “Preliminary Official Statement” which includes the “Summary Statement” and “Appendices” is furnished in connection with the offering by Macon County, Tennessee (the “County”) of its \$7,665,000* General Obligation School Bonds, Series 2020 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Sections 49-3-1001 et seq., Tennessee Code Annotated, as supplemented and amended and other applicable provisions of law. The Bonds were authorized by the County Commission of the County (the “Governing Body”) pursuant to a resolution duly adopted on July 20, 2020 (the “Resolution”).

The Bonds are being issued to finance the (i) construction, improvement, renovation, equipping, design, and site development of school buildings, the acquisition of all related property real and personal property and payment of legal, fiscal, administrative, architectural and engineering costs incident thereto (the “Projects”); (ii) payment of capitalized interest on the bonds for the period of construction of the Projects and for up to six months thereafter; (iii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs; and (iv) payment of costs incident to the issuance and sale of the Bonds.

DESCRIPTION OF THE BONDS

The Bonds initially will be dated the date of their issuance estimated to be August 14, 2020*. Interest on the Bonds will be payable semiannually on June 1 and December 1, commencing December 1, 2020. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds.

See the section entitled “BASIC DOCUMENTATION - The Book-Entry System” and the “Registration Agent” for additional information.

SECURITY

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

*Subject to revision and adjustment as outlined in the “Official Notice of Sale” which is an integral part hereof and incorporated herein by reference.

REDEMPTION

Optional Redemption. Bonds maturing on or before June 1, 2027 shall mature without option of prior redemption and Bonds maturing June 1, 2028 and thereafter, shall be subject to redemption prior to maturity at the option of the County on June 1, 2027 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Governing Body of the County, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[*Mandatory Redemption.* Subject to the credit hereinafter provided, the County shall redeem Bonds maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation

under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of Redemption. Notice of call for redemption[, whether optional or mandatory] shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

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BASIC DOCUMENTATION

BOOK ENTRY-ONLY SYSTEM

The Registration Agent, U.S. Bank National Association, Nashville, Tennessee, its successor or the County will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book entry system maintained by DTC (the “Book-Entry-Only System”). One or more fully registered bond certificates will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

DTC and its Participants. DTC is a limited purpose trust company organized under the New York Bank Law, a “**banking organization**” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “**clearing corporation**” within the meaning of the New York Uniform Commercial Code, and a “**clearing agency**” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for securities that its participants (the “**Direct Participants**”) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry-only changes in DTC Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of its Direct Participants and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (the “NSCC”, “GSCC”, “MBSCC”, and “EMCC”, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc. (the “NYSE”), the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly (the “**Indirect Participants**” and, together with the Direct Participants, the “**Participants**”). DTC has S&P’s rating of “AA+.” The rules

applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtc.com.

Purchase of Ownership Interests. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "**beneficial owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through whom such beneficial owners entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the Bonds, except as specifically provided in the Bonds in the event that use of the book-entry-only system is discontinued.

Payments of Principal and Interest. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "**street name**", and will be the responsibility of such Participant and not of DTC, the County or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of Direct and Indirect Participants.

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy

to the County as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE COUNTY, THE MUNICIPAL ADVISOR, THE BOND COUNSEL OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of Bonds. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the beneficial owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the County, the Bond Counsel, the Registration Agent or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

Discontinuance of Book-Entry-Only System. In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the County determines to discontinue the Book-Entry System; the Book-Entry System shall be discontinued. Upon the occurrence of the event described above, the County will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to beneficial owners.

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County, the Bond Counsel, the Registration Agent and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the beneficial owners of the Bonds. None of the County, the Bond Counsel, the Registration Agent or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the beneficial owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

TRANSFERS AND EXCHANGES

The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be

transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or the Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the County to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled “SECURITIES OFFERED – Redemption.”

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds relating to the proceeds from the Bonds:

Sources of Funds:

Par Amount
Plus: Net Premium
TOTAL SOURCES:

Uses of Funds:

Deposit to the Construction Fund
Underwriter’s Discount
Costs of Issuance
TOTAL USES:

DISCHARGE AND SATISFACTION OF BONDS

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar

federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds, respectively, and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds, respectively, are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds, to the Registration Agent, for cancellation by it; and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Bonds or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on the Bonds, when due, then and in that case the indebtedness evidenced by the Bonds, respectively, shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of the Bonds, shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds, in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided, neither Federal Obligations nor moneys deposited with the Registration Agent nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on the Bonds, respectively, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

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BONDHOLDERS' RISKS

GENERAL

Set forth below are certain risks purchasers of the Bonds should consider when making an investment decision. All potential risks are not included and the discussion is not intended to be exhaustive.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions, which are often subject to discretion and delay. The enforceability of remedies or rights with respect to the Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing constitutional and statutory law and judicial decisions, certain remedies specified by the Resolution may not be readily available or may be limited. The legal opinion to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

ADDITIONAL BONDS

The County may issue additional bonds in accordance with the provisions of the Act. The issuance of additional bonds would increase the debt service requirements and could adversely affect the sources of funds available to service the Bonds.

COVID-19 PANDEMIC

The worldwide outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread to several counties and cities in the State of Tennessee, including the County and is considered by the World Health Organization to be a Public Health Emergency of International Concern. The spread of COVID-19 has led to quarantine and other “social distancing” measures in affected regions. While effects of COVID-19 on the County may be temporary, the virus has affected travel, commerce and financial markets across the world. Additionally, U.S. and global stock markets have recently experienced significant volatility and overall declines that have attributed to COVID-19 concerns.

The County is unable to predict: (i) the extent or duration of the COVID-19 outbreak or any other epidemic or pandemic; (ii) the extent or duration of existing and additional quarantines, travel restrictions or other measures relating to COVID-19 or any other epidemic or pandemic; or (iii) whether and to what extent the COVID-19 outbreak or any other epidemic or pandemic may disrupt the local or global economy, manufacturing or the supply chain or whether any such disruption may adversely affect the operations of the County. Given the evolving nature of the spread of the virus and the behavior of governments, businesses and individuals in response thereto, the County cannot accurately predict the magnitude of the impact of COVID-19 on the County, its financial condition or on its credit rating (See the section entitled “Miscellaneous – Rating”, herein). The

County is proactively taking steps to mitigate the spread of COVID-19 and to preserve effective staffing for all essential County operations.

Although the County cannot accurately predict the magnitude of the ultimate impact of COVID-19 outbreak on the County's finances, the County is carefully monitoring the immediate effect of the COVID-19 outbreak on the County's finances and is attempting to make projections as to the effect of the COVID-19 outbreak for the upcoming fiscal year. The County's largest source of revenue comes from its property taxes. Property taxes are due each year on October 1 and are delinquent on the last day of February of the following year, so all tax year 2019 taxes (Fiscal Year 2020) were required to be paid without any penalty by February 29, 2020. Economic uncertainties resulting from the COVID-19 outbreak may affect collections in future years if the COVID-19 outbreak and resulting economic restrictions continue. For additional information, see the section entitled "Real Property Assessment, Tax Levy and Collection Procedures" in APPENDIX B: Supplemental Information Statement ("APPENDIX B").

The County's second largest source of revenue comes from the local sales and use taxes. All local sales and use taxes are collected by the State and the County does not typically receive notice from the State of its share of local sales and use taxes collected for approximately 50 days after the close of each month. With respect to sales and use tax revenues for the most recent months for which information is available, the County's local sales and use tax revenues have remained relatively the same when compared to corresponding months in the prior fiscal year. The County has not received any information regarding local sales and use tax revenues for any subsequent months. For additional information, see the section entitled "Local Option Sales and Use Tax" in APPENDIX B).

The County also collects other tax revenues such as business taxes that are expected to be materially affected by business closures and reduced economic activity resulting from the COVID-19 outbreak.

The County has adopted a budget for the 2021 fiscal year commencing July 1, 2020 which anticipates approximately the same amount of revenues and expenses as the prior year. Given the uncertainties as to when businesses will be fully operational, any projected declines are uncertain and the ultimate amount of revenues from local sales and use taxes and other similar business taxes may be less or more than what has been projected in the County's adopted budget.

The County expects to receive some federal and/or State assistance to offset costs to the County of addressing the COVID-19 outbreak. As this point, the County has not been informed as to the timing or amount of federal assistance, but has received notification of partial State assistance which will be used for capital items (\$862,974). At this time, the County does not know the scope of expenses that will be payable from any federal or future State assistance. Therefore, the County cannot determine whether any decline in tax revenues will be mitigated, in whole or part, by and such future federal or State assistance. The County's budget for the 2021 fiscal year currently includes only the aforementioned known State assistance budgeted for one-time capital expenses.

The County's current liquidity position is expected to be adequate to fund essential services and make timely debt service payments on debt of the County. The County also maintains reserves in its debt service fund over and above actual annual requirements.

Various types of information regarding employment and income trends within the County are detailed in APPENDIX B. This information reflects data prior to the COVID-19 outbreak and may not be reflective of current financial conditions. For example, unemployment rates throughout the United States, including the County, have increased significantly since the COVID-19 outbreak. Furthermore, APPENDIX B lists the largest employers in the County. The COVID-19 outbreak has affected businesses throughout the United States, including businesses in the County and many of the employers listed in APPENDIX B may have been forced to reduce their employment from the levels described in APPENDIX B. Given the fluidity of the current economic environment, the County is not able to provide sufficiently accurate updates to this information.

OTHER RISK FACTORS

In the future, the following additional factors, among others, may adversely affect the operations of the County to an extent that cannot be determined at this time:

- (1) The ability of the County to insure or otherwise protect itself against property damage and general liability claims due to cost or other unknown factors.
- (2) Proposals to eliminate the tax-exempt status of debt instruments issued by the County or to limit the use of such tax-exempt bonds, which have been made in the past, and which may be made again in the future. The adoption of such proposals would increase the cost to the County of financing future capital needs.

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LEGAL MATTERS

LITIGATION

General. There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the County to sell or issue the Bonds or to collect its ad valorem taxes to pay principal of and interest on the Bonds.

At the time of delivery of and payment for the Bonds, the County will deliver, or cause to be delivered, a certificate of the County stating that there is no controversy or litigation of any nature then pending or threatened, restraining or enjoining the issuance, sale execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the County taken with respect to the authorization, issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Bonds or the existence, boundaries or powers of the County, or the title of its officials to their respective offices. See the subsection in this section entitled “Closing Certificates” for additional information.

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that have been filed and of any actions or claims presently pending or threatened against the County or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the County’s financial condition.

REMEDIES OF BONDHOLDERS

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and
- is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code.

The Code imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that the Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder or who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also “Changes in Federal and State Tax Law” below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder’s tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner’s original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Bond will have “original issue discount” if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel’s opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder’s federal gross income under the Internal Revenue Code. The tax accounting treatment

of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes In Federal And State Tax Law

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and

Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

The form of the opinion of Bond Counsel is attached as “APPENDIX A: FORM OF OPINION”. Copies of the opinion will be available at the time of the initial delivery of the Bonds.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the County will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) A certificate as to the “Official Statement”, in final form (as defined herein), signed by the County Mayor and the County Clerk acting in their official capacities to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the “Official Statement”, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, not misleading, (b) since the date of the “Official Statement”, in final form, no event has occurred which should have been set forth in such a memo or supplement, and (c) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) a non-arbitrage certificate which supports the conclusions that based upon facts, estimates and circumstances in effect, upon delivery of the Bonds, the proceeds of the Bonds will not be used in a manner which would cause the Bonds to be arbitrage bonds; (iii) certificates as to the delivery and payment, signed by the County Mayor and County Trustee acting in their official capacities evidencing delivery of and payment for the Bonds; (iv) a signature identification and incumbency certificate, signed by the County Mayor, County Clerk and County Trustee acting in their official capacities certifying as to the due execution of the Bonds; and (v) a Continuing Disclosure Certificate regarding certain covenants of the County concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

For additional information, see the section entitled “MISCELLANEOUS – Underwriting”, “MISCELLANEOUS - Additional Information” and MISCELLANEOUS - Continuing Disclosure”.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Bass, Berry & Sims PLC, Nashville, Tennessee, bond counsel solely to the County (“Bond Counsel”). Bond Counsel did not prepare the “Preliminary Official Statement” or the “Official Statement”, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the “Preliminary Official Statement” or “Official Statement”, in final form, except for the information under the section entitled “TAX MATTERS”. The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under

present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A.

Certain legal matters will be passed upon for the County by its counsel, Farrar, Holliman & Butler, Attorneys at Law, Lafayette, Tennessee.

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MISCELLANEOUS

RATING

S&P Global Ratings, Inc. ("S&P") has assigned the Bonds the credit rating of “___” which appears on the cover of this “Preliminary Official Statement”.

The County furnished S&P certain information and materials and had “due diligence” meetings concerning the Bonds and the County. Generally, S&P bases its ratings on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that any rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. The County undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings or other actions by a rating agency may have an adverse effect on the market price of the Bonds.

Any explanation of the significance of the ratings may be obtained only from S&P.

COMPETITIVE PUBLIC SALE

The Bonds will be offered for sale at competitive public bidding on August 3, 2020*. Details concerning the public sale were provided to potential bidders and others through the “Preliminary Official Statement” that is dated July 23, 2020.

Through IHS Markit’s IPREO’s BiDCOMP®/Parity® system, ___ of the original ___ firms which indicated an interest in bidding for the Bonds submitted proposals ranging from the best bid of _____% on a true interest cost basis (“TIC”) to _____%.

The successful bidder for the Bonds was an account led by _____, _____ (the “Underwriter”) who contracted with the County, subject to the conditions set forth in the “Official Notice of Sale” including permitted adjustments, to purchase the Bonds at a price of \$ _____ (consisting of the par amount of the Bonds of \$ _____, plus a premium of \$ _____, less an underwriter’s discount of \$ _____) or a bid price of _____% of par.

FINANCIAL PROFESSIONALS

Municipal Advisor. Raymond James & Associates, Inc., (“Raymond James”) Nashville, Tennessee has served as Municipal Advisor to the County in connection with the Bonds and will receive compensation for duties performed in that role conditioned upon the sale and issuance of the Bonds.

Bond Counsel. Bass, Berry & Sims PLC presently represents the Municipal Advisor on legal matters unrelated to the County and may continue to do so in the future.

* Subject to revision

Investments. Among other services, Raymond James also assists local jurisdictions in the investment of idle funds and may serve in various other capacities. If the County chooses to use one or more of these other services, then Raymond James may be entitled to separate compensation for such services which may be shared with other divisions of the firm including Public Finance. Whether such fees are shared or not, the standard fees will be the same. On prior occasions, Raymond James may have served the County in such a capacity may do so again in the future.

Dissemination Agent. Raymond James may be employed to serve the County as its dissemination agent with respect to its continuing disclosure undertakings for the Bonds and other debt obligations. For such services, Raymond James would receive a separate annual fee.

DEBT LIMITATIONS

Under the legal authority under which the Bonds are sold and issued, there is no limit on the amount of debt obligations that may be issued by the County. (See DEBT STRUCTURE - Indebtedness and Debt Ratios for more information).

ADDITIONAL DEBT OBLIGATIONS

The County has authorized the sale and issuance of a bond to the U.S. Department of Agriculture (“USDA”) under the USDA’s Community Facilities Direct Loan Program in the amount not to exceed \$24,000,000 (the “USDA Loan”). Proceeds from the USDA Loan will be used to make improvements and extensions to the County’s existing Justice Center and County Jail facilities. Consistent with the terms and conditions of the USDA Loan, interim construction financing in the form of bond anticipation notes (“BANs”) will be placed and such BANs will be redeemed with permanent financing from the USDA once the 18 month to 24 month construction period has concluded. Construction on the Justice Center and County Jail facilities is anticipated to commence during the first quarter of 2021. No other debt obligations have been authorized at this time, but the County has plans to build and fund a new elementary school in the future, most likely through the USDA Community Facilities Direct Loan Program.

OFFICIAL STATEMENT

Certain information relative to the location, economy and finances of the County is found in the “Preliminary Official Statement” and the “Official Statement”. While not guaranteed as to completeness or accuracy, the “Preliminary Official Statement” and the “Official Statement” are believed to be correct as of their respective dates based on information supplied by the County and other reliable sources and by the certification by the County as to the “Official Statement”.

Raymond James has not been engaged by County to provide or validate any information in this “Official Statement” relating to County, including (without limitation) any of County’s financial and operating data, whether historical or projected. Raymond James is not a public accounting or auditing firm and has not been engaged by County to review or audit any information in this “Official Statement” in accordance with accounting standards.

CONTINUING DISCLOSURE

At the time the Bonds are delivered, the County will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the County by not later than twelve months after each of the County's fiscal years (the "Annual Report"), commencing with the fiscal year ending June 30, 2020, and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board ("MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and with any State Information Depository established in the State of Tennessee (the "SID"). If the County is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of events will be filed by the County with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report and the notices of events is set forth in "Appendix D: Form of Continuing disclosure Certificate". These covenants have been made in order to assist the underwriters in complying with SEC Rule 15c2-12(b) (the "Rule"). Prior to the issuance of the Bonds, the County has not entered into any continuing disclosure undertakings and consequently has not failed to comply, in any material respect, in the last five years with any previous undertakings with regard to said Rule to provide Annual Reports or notices of events.

Pursuant to the amendments to the Rule which became effective on February 27, 2019, officials of the County were briefed on the additional notice requirements and the importance of compliance with the Rule and the new amendments. The County Mayor is the designated official responsible for the County's continuing disclosure obligations. The County may employ a Dissemination Agent to assist it in all filings.

See "APPENDIX C: Form of Continuing Disclosure Certificate" for additional information.

ADDITIONAL INFORMATION

References, excerpts and summaries contained herein of certain provisions of the laws of the State and any documents referred to herein do not purport to be complete statements of the provisions for such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights of the holders thereof. The "Preliminary Official Statement" and the "Official Statement" in final forms, and any advertisement of the Bonds are not to be construed as a contract or agreement between the County and the purchasers of any of the Bonds. Any statements or information printed in the "Preliminary Official Statement" and the "Official Statement", in final forms, involving matters of opinion or of estimates, whether or not expressly so identified, is intended merely as such and not representations of fact.

The County has deemed this "Preliminary Official Statement" as "final" as of its date within the meaning of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC") (the "Rule") except for certain information allowed to be omitted by the Rule.

CERTIFICATION OF THE COUNTY

At the time of payment for and delivery of the Bonds, the County will furnish the purchaser a certificate, signed by the County Mayor and the County Clerk, to the effect that (a) the descriptions and statements of or pertaining to the County contained in its “Official Statement” and any addendum thereto, for its Bonds, on the date of such “Official Statement”, on the date of sale of the Bonds and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the County and its affairs, including its financial affairs, are concerned, such “Official Statement” did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data of or pertaining to entities other than the County, and their activities contained in such “Official Statement” are concerned, such statements and data have been obtained from sources which the County believes to be reliable and that the County has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the County since June 30, 2019, the date of the last audited financial statements of the County, the electronic link to which appears in “APPENDIX D: Annual Financial Report”.

/s/ _____
County Mayor

ATTEST:

/s/ _____
County Clerk

APPENDIX A

FORM OF LEGAL OPINION

BASS BERRY SIMS PLC

150 Third Avenue South, Suite 2800
Nashville, TN 37201
(615) 742-6200

_____, 2020

Board of Commissioners of Macon County, Tennessee
Lafayette, Tennessee

[Underwriter]

Re: \$_____ General Obligation School Bonds, Series 2020 of Macon County,
Tennessee

Ladies and Gentlemen:

We have acted as bond counsel to Macon County, Tennessee (the “Issuer”) in connection with the issuance of the Issuer's \$_____ General Obligation School Bonds, Series 2020, dated the date hereof (the “Bonds”). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds has been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitutes a valid and binding general obligation of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds (the “Resolution”) has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The Bonds constitute a general obligation of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code, that

must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on the Bonds during the period the Bonds is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

It is to be understood that the rights of the owner of the Bonds and the enforceability of the Bonds and the Resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of any offering documents distributed relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

28596069.1

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

MACON COUNTY, TENNESSEE

INTRODUCTION

Macon County (the “County”) is located about 60 miles northeast of Nashville and about 45 miles southeast of Bowling Green, Kentucky in the northeaster Highland Rim of Middle Tennessee. Other significant cities near the County include Cookeville (Putnam), TN which is 49 miles southeast, Gallatin (Sumner), TN which is approximately 30 miles east and Lebanon (Wilson), TN which is 31 miles southwest of the County.



The County was established on 842 from portions of Smith and Sumner counties. There are two incorporated cities in the County that include Lafayette, the County seat and Red Boiling Springs. There are also eight unincorporated communities throughout the County. According to the U.S. Census, Lafayette, the County’s largest City, had a population in 2010 of 4,474. In 2018, Lafayette’s population was estimated to be approximately 5,217¹.

According to the U. S. Census Bureau, the County is composed of approximately 307 square miles. The County is bordered by Clay, Jackson, Smith, Trousdale and Sumner counties in Tennessee and to the northeast and northwest respectively, Monroe County and Allen County, Kentucky.

State routes 10, 52, 56, and 80 are major roads that serve the County. State route 52 connects to I-65 approximately 35 west near Portland, Tennessee. Additionally, State routes 141, 151, 261 and 262 also provide a transportation network linking the County. The Lafayette Municipal Airport is a general aviation facility located nearby. This facility features a 5,200 foot runway. The nearest commercial airport is in Nashville.

The County produces more than 40 million board feet of hardwood and as such is Tennessee’s second largest producer of hardwood. The County is also the nation’s leading producer of burley tobacco. Other crops include soybeans, corn, bell peppers, wheat, tomatoes and other fruits. Cattle production offers another attractive agribusiness opportunity.

Census Population*	Macon County	% Increase	% Tennessee	% Increase
2019 ¹	24,602	10.58%	6,829,174 ¹	7.61%
2010	22,248	9.13%	6,346,105	11.5%
2000	20,386	28.17%	5,689,283	16.7%
1990	15,906	1.31%	4,877,185	6.2%
1980	15,700	27.49%	4,591,120	16.9%
1970	12,315	0.97%	3,926,018	10.1%

*Source: U.S. Census Bureau

¹ Source: City and County Totals Dataset: Population Change and Estimated Components of Population Change: June 1, 2010 to July 1, 2019.

GOVERNMENTAL STRUCTURE

General. A 20-member Board of County Commissioners (the “Governing Body”) governs the County. Commissioners are elected to four-year terms of office from ten districts with the most recent term beginning in September 2018. The County Mayor is the chief executive officer and ceremonial head of the County. The County Mayor is elected County-wide to a four-year term of office that runs concurrent with the terms of the Governing Body.

County services include judicial, public safety, roads and bridges, assessing and collecting property taxes and public education.

For additional information on the County, please visit the official County website:
www.maconcountyttn.gov

EMPLOYMENT INFORMATION

The chart below depicts the average annual employment and unemployment trends in the County and State (on a seasonally adjusted basis) for the last 10 years:

ANNUAL AVERAGE					
<u>Location</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
United States	4.0%	4.3%	4.3%	5.3%	6.2%
Tennessee	3.5%	3.8%	4.0%	5.8%	6.7%
Macon County	3.2%	3.5%	4.3%	5.3%	6.5%
✓ Workforce	10,991	10,697	10,219	9,941	9,920
✓ Employment	10,638	10,327	9,775	9,414	9,271
✓ Unemployment	363	370	444	527	649

Source: Tennessee Department of Labor & Workforce Development, Annual Averages: Labor Force and Nonfarm Employment Estimates 2014-2018. Complete information for 2019 in not available.

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LARGEST NON-GOVERNMENTAL EMPLOYERS

The largest non-governmental employers¹ in the County are shown below:

<u>Employer</u>	<u>Product/Service</u>	<u>Full Time Approx.</u>		<u>% County Total</u>
		<u>Total</u>	<u>Rank</u>	
Wal-Mart	Retail	270	1	2.7%
Fleetwood Homes	Manufactured Housing	203	2	2.1%
Macon County General Hospital	Healthcare	151	3	1.5%
Tennplasco	Manufacturing	145	4	1.5%
Tri-County Electric	Utilities	139	5	1.4%
Flex Technologies	Manufacturing	130	6	1.3%
The Place Care & Rehab	Healthcare	120	7	1.2%
North Central Telephone Co-op	Utilities	98	8	1.0%
Measure Up	Merchandise Manufacturing	90	9	0.9%
Racoe, Inc.	Merchandise Manufacturing	69	10	0.7%

Source: Macon County website. Industries and Middle Tennessee Industrial Development Association

¹ Macon County Government, City of Lafayette and Macon County Schools are also significant employers in the County

ECONOMIC DATA

ANNUAL AVERAGE PER CAPITA PERSONAL INCOME					
<u>Location</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
U. S.	\$50,154	\$48,762	\$46,335	\$47,669	\$46,049
Tennessee	\$47,422	\$45,537	\$44,156	\$42,069	\$40,457
Macon County	\$33,297	\$32,787	\$31,629	\$31,183	\$29,791
County vs. U. S.	66.4%	67.2%	68.3%	65.4%	64.7%
County vs. TN	70.2%	72.0%	71.6%	74.1%	73.6%

Source: U.S. Department of Commerce, Bureau of Economic Analysis – SA1 Personal Income Summary. All dollars are in current dollars not adjusted for inflation.

EDUCATIONAL OPPORTUNITIES

Macon County School System. Public education is provided to residents by the Macon County School System which is directed by the local Board of Education (the “Board”) and administered by the Director of Schools appointed by the Board. The County operates eight schools, including five elementary, three of which participate in a voluntary Pre-K program. Of the remaining three schools, there is a Macon County Junior High School and Macon County High School and Red Boiling Springs School – grades 1 through 12.

For the last five fiscal years, the Macon County School System’s full time equivalent average daily membership (“ADM”) was as follows:

Fiscal Years (Ending June 30th)	<u>ADM</u>
2020	3,886
2019	3,872
2018	3,854
2017	3,818
2016	3,679
2015	3,680

Source: Tennessee Department of Education – Annual Statistical Reports and Macon County Schools. Does not include pre-K.

Higher Education. Tennessee Technological University, popularly known as Tennessee Tech, is an accredited public university located in Cookeville and Western Kentucky University is located in nearby Bowling Green, Kentucky. Cumberland University is in nearby Lebanon, Tennessee.

Community Colleges and Technical Schools. Operating under the jurisdiction of the Tennessee Board of Regents, a Colleges of Applied Technology is located nearby in Hartsville. Additionally, the Board of Regent’s Community College System operates Volunteer State Community College in nearby Gallatin. Volunteer State offers a two year college degree program in technologies that are used by highly sophisticated businesses allowing students to be trained for well-paying jobs and careers. Macon County High School participates with Volunteer State in a dual enrollment program.

Source: Tennessee Board of Regents website

Additional Education Opportunities. Numerous other private and public institutions are available to County residents especially in Knoxville, Nashville, Memphis and Chattanooga.

HEALTHCARE

Macon Community Hospital. Macon Community Hospital (the “Hospital”) is a 25 bed critical access hospital serving the County and surrounding area located in Lafayette. The Hospital offers an array of services including a state-of-the-art Emergency Department with eight examination rooms, Medical Imaging, Specialty Clinics (cardiology, orthopedics, surgery, etc.) and outpatient therapy services among other traditional medical services.

Source: Macon Community Hospital website

For additional information, see the website: www.mcgh.net

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**MACON COUNTY
DEBT STRUCTURE
SUMMARY OF BONDED INDEBTEDNESS**

As of June 30, 2020 Plus the Series 2020 School Bonds

The following section outlines various important factors related to the outstanding debt of the County.

Amount Issued ⁽¹⁾	Purpose	Due Date	Debt Outstanding ⁽¹⁾
\$ 5,000,000	Capital Outlay Notes (2019) Highway Pavings	9/17/2029	\$ 5,000,000
460,500	Capital Outlay Notes (2020) Solid Waste Equipment	3/4/2030	460,500
1,000,000	Capital Outlay Notes (2020) - Highway Materials	3/4/2030	1,000,000
1,000,000	Capital Outlay Notes (2018) - Highway Equipment ⁽²⁾	1/10/2024	682,907
2,223,244	Energy Efficiency Loan (2011) ⁽³⁾	3/1/2024	732,498
737,410	Energy Efficiency School Initiative (2015) ⁽³⁾	6/1/2024	417,581
<u>\$ 10,421,154</u>	Total Existing Debt		<u>\$ 8,293,486</u>
<u>7,665,000</u>	* Plus: General Obligation School Bonds, Series 2020 ⁽³⁾		<u>7,665,000</u>
<u>\$ 18,086,154</u>	Net Direct Bonded Debt		<u>\$ 15,958,486</u>

⁽¹⁾ Does not include capitalized leases, interfund loans or compensated absences, if any, or intra-fund loans. Also does not included unamortized premium.

⁽²⁾ Payable through the Highway and Public Works Fund

⁽³⁾ Payable through the General Purpose School Fund and General Debt Service Fund

* Subject to adjustment and revision as outlined in the "Official Notice of Sale".

MACON COUNTY

INDEBTEDNESS AND DEBT RATIOS

As of June 30, 2020 Plus the Series 2020 School Bonds

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the County's Annual Financial Reports. The report for the most recent reporting period is attached. The table should be read in conjunction with those statements. The table does not include future funding plans whether disclosed or not in this document.

INDEBTEDNESS ⁽¹⁾	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021⁽⁴⁾</u> (After Issuance)
TAX SUPPORTED						
General Obligation Bonds and Notes	\$ 9,925,526	\$ 7,025,973	\$ 5,740,174	\$ 3,707,782	\$ 8,293,486	\$ 15,958,486
TOTAL TAX SUPPORTED	<u>\$ 9,925,526</u>	<u>\$ 7,025,973</u>	<u>\$ 5,740,174</u>	<u>\$ 3,707,782</u>	<u>\$ 8,293,486</u>	<u>\$ 15,958,486</u>
TOTAL DEBT	\$ 9,925,526	\$ 7,025,973	\$ 5,740,174	\$ 3,707,782	\$ 8,293,486	\$ 15,958,486
LESS: DEBT SERVICE FUND	<u>(2,769,389)</u>	<u>(2,174,972)</u>	<u>(2,180,223)</u>	<u>(2,288,572)</u>	<u>(2,288,572)</u>	<u>(2,288,572) *</u>
NET DIRECT DEBT	\$ 7,156,137	\$ 4,851,001	\$ 3,559,951	\$ 1,419,210	\$ 6,004,914	\$ 13,669,914
OVERLAPPING DEBT⁽²⁾	\$ 126,697	\$ 44,992	\$ 24,996	\$ 61,521	\$ 41,237	\$ 41,237 *
NET DIRECT & OVERLAPPING DEBT	\$ 7,282,834	\$ 4,895,993	\$ 3,584,947	\$ 1,480,731	\$ 6,046,151	\$ 13,711,151

PROPERTY TAX BASE⁽³⁾

Estimated Actual Value	\$ 1,210,838,283	\$ 1,242,289,574	\$ 1,411,937,963	\$ 1,428,648,495	\$ 1,448,015,358	\$ 1,448,015,358
Appraised Value	1,210,838,283	1,242,289,574	1,291,499,655	1,428,648,495	1,221,690,558	1,221,690,558
Assessed Value	341,419,826	351,844,600	375,844,600	400,981,721	406,000,690	406,000,690

Source: Tax Aggregate Reports of the State of

* Best available information

⁽¹⁾ Does not include compensated absences, capitalized leases or unamortized premiums. See the Notes to the Annual Financial Statements of the County referenced herein for additional details.

⁽²⁾ OVERLAPPING DEBT includes Lafayette and Red Boiling Springs

⁽³⁾ The most recent reappraisal of property was effective as of January 1, 2018 (FY 2019). The next reappraisal of property is set for Tax Year 2023.

⁽⁴⁾ Subject to revision and adjustment as outlined in the "Official Notice of Sale".

DEBT RATIOS	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	After Issuance FY 2021
TOTAL DEBT to Estimated Actual Value	0.82%	0.57%	0.41%	0.26%	0.57%	1.10%
TOTAL DEBT to Appraised Value	0.82%	0.57%	0.44%	0.26%	0.68%	1.31%
TOTAL DEBT to Assessed Value	2.91%	2.00%	1.53%	0.92%	2.04%	3.93%
NET DIRECT DEBT to Estimated Actual Value	0.82%	0.57%	0.41%	0.26%	0.57%	1.10%
NET DIRECT DEBT to Appraised Value	0.82%	0.57%	0.44%	0.26%	0.68%	1.31%
NET DIRECT DEBT to Assessed Value	2.91%	2.00%	1.53%	0.92%	2.04%	3.93%
OVERLAPPING DEBT to Estimated Actual Value	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
OVERLAPPING DEBT to Appraised value	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
OVERLAPPING DEBT to Assessed Value	0.04%	0.01%	0.01%	0.02%	0.01%	0.01%
NET DIRECT & OVERLAPPING DEBT to Estimated Actual Value	0.60%	0.39%	0.25%	0.10%	0.42%	0.95%
NET DIRECT & OVERLAPPING DEBT to Appraised Value	0.60%	0.39%	0.28%	0.10%	0.49%	1.12%
NET DIRECT & OVERLAPPING DEBT to Assessed Value	2.13%	1.39%	0.95%	0.37%	1.49%	3.38%
PER CAPITA RATIOS						
POPULATION ⁽¹⁾	23,340	23,905	24,289	24,602	24,602	24,602
PER CAPITA PERSONAL INCOME ⁽²⁾	\$31,629	\$32,787	\$33,297	\$33,297	\$33,297	\$33,297
Estimated Actual Value to POPULATION	\$51,878	\$51,968	\$58,131	\$58,070	\$58,858	\$58,858
Assessed Value to POPULATION	\$14,628	\$14,718	\$15,474	\$16,299	\$16,503	\$16,503
Total Debt to POPULATION	\$425	\$294	\$236	\$151	\$337	\$649
Net Direct Debt to POPULATION	\$307	\$203	\$147	\$58	\$244	\$556
Overlapping Debt to POPULATION	\$5	\$2	\$1	\$3	\$2	\$2
Net Direct & Overlapping Debt to POPULATION	\$312	\$205	\$148	\$60	\$246	\$557
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	1.34%	0.90%	0.71%	0.45%	1.01%	1.95%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	0.97%	0.62%	0.44%	0.17%	0.73%	1.67%
Overlapping Debt Per Capita as a % of PER CAPITA PERSONAL INCOME	0.02%	0.01%	0.00%	0.01%	0.01%	0.01%
Net Direct & Overlapping Debt Per Capita as a % of PER CAPITA PERSONAL INCOME	0.99%	0.62%	0.44%	0.18%	0.74%	1.67%

⁽¹⁾ POPULATION data according to the U.S. Census Bureau

⁽²⁾ PER CAPITA PERSONAL INCOME is based upon the most current data available from the U.S. Census Bureau

MACON COUNTY
DEBT SERVICE REQUIREMENTS - G.O. Tax Secured
As of June 30, 2020 Plus the Series 2020 School Bonds

Year Ending June 30	Principal*			Percent Total Debt Retired	Interest*			Total Debt Service Requirements*
	Outstanding Debt ⁽¹⁾	Series 2020 Bonds*	Total Principal		Outstanding Debt ⁽¹⁾	Series 2020 Bonds*	Total Interest	
2021	\$ 1,043,885	-	\$ 1,043,885		\$ 198,770	\$ 226,993	\$ 425,763	\$ 1,469,648
2022	1,063,144	270,000	1,333,144		176,371	277,950	454,321	1,787,465
2023	1,082,449	285,000	1,367,449		153,926	264,450	418,376	1,785,825
2024	1,060,837	300,000	1,360,837		131,014	250,200	381,214	1,742,051
2025	637,298	315,000	952,298		109,344	235,200	344,544	1,296,842
2026	651,546	330,000	981,546	44.11%	91,956	219,450	311,406	1,292,952
2027	665,953	345,000	1,010,953		74,409	202,950	277,359	1,288,312
2028	680,770	365,000	1,045,770		56,477	185,700	242,177	1,287,947
2029	695,922	380,000	1,075,922		38,159	167,450	205,609	1,281,531
2030	711,681	395,000	1,106,681		19,261	152,250	171,511	1,278,191
2031	-	410,000	410,000	73.24%	-	140,400	140,400	550,400
2032	-	420,000	420,000		-	128,100	128,100	548,100
2033	-	435,000	435,000		-	115,500	115,500	550,500
2034	-	445,000	445,000		-	102,450	102,450	547,450
2035	-	460,000	460,000		-	89,100	89,100	549,100
2036	-	475,000	475,000	87.25%	-	75,300	75,300	550,300
2037	-	485,000	485,000		-	61,050	61,050	546,050
2038	-	500,000	500,000		-	46,500	46,500	546,500
2039	-	515,000	515,000		-	31,500	31,500	546,500
2040	-	535,000	535,000	100.00%	-	16,050	16,050	551,050
	<u>\$ 8,293,486</u>	<u>\$ 7,665,000</u>	<u>\$ 15,958,486</u>		<u>\$ 1,049,686</u>	<u>\$ 2,988,543</u>	<u>\$ 4,038,229</u>	<u>\$ 19,996,714</u>

* Subject to revision and adjustment.

MACON COUNTY
Summary of Revenues, Expenditures and
Changes In Fund Balances - General Fund

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Revenues										
Taxes	\$ 4,497,026	\$ 4,348,660	\$ 4,394,577	\$ 5,143,188	\$ 5,617,001	\$ 5,711,267	\$ 5,725,416	\$ 5,750,255	\$ 6,238,368	\$ 6,181,211
Licenses & Permits	45,341	47,257	43,133	45,234	33,565	50,737	80,589	101,830	90,574	159,292
Fines and Forfeits	113,663	105,846	108,604	107,266	125,885	139,007	145,241	164,787	171,610	136,546
Charges for Services	1,553,451	1,547,421	1,643,320	1,671,611	1,856,314	1,621,616	1,467,261	1,459,556	1,500,368	1,408,882
Other Revenues	255,136	243,765	141,009	156,581	178,256	481,694	500,824	436,064	365,163	667,871
Fees Received from County Officials	634,350	660,344	658,310	685,559	744,101	732,511	835,134	876,524	855,250	1,016,262
State of Tennessee	427,894	469,740	572,433	524,448	541,119	534,718	1,065,765	692,725	779,645	826,963
Federal Government	331,343	860,618	497,563	443,644	1,309,844	1,895,441	516,631	246,006	5,000	15,200
Other Governments and Citizens Groups	148,716	153,961	117,565	396,421	401,790	221,139	92,539	21,275	-	17,500
Total Revenues	\$ 8,006,920	\$ 8,437,612	\$ 8,176,514	\$ 9,173,952	\$ 10,807,875	\$ 11,388,130	\$ 10,429,400	\$ 9,749,022	\$ 10,005,978	\$ 10,429,727
Expenditures										
General Government	\$ 1,026,406	\$ 1,037,132	\$ 1,144,701	\$ 1,128,199	\$ 1,115,670	\$ 1,332,399	\$ 1,518,088	\$ 1,326,695	\$ 1,375,212	\$ 1,391,595
Finance	347,021	333,911	348,832	357,896	706,010	772,385	725,499	800,335	793,180	1,120,474
Administration of Justice	644,667	662,942	701,246	684,064	692,406	730,972	722,700	747,648	822,426	870,186
Public Safety	2,768,341	2,916,203	3,005,764	2,908,430	2,827,018	2,816,850	3,103,814	3,207,838	3,271,091	3,656,061
Public Health and Welfare	1,875,640	1,959,689	2,156,811	2,091,848	2,125,743	2,118,794	2,074,089	2,282,474	2,118,647	2,137,927
Social, Cultural, and Recreational Services	362,932	153,932	188,000	169,651	661,278	186,736	200,453	226,224	247,095	249,241
Agriculture and Natural Resources	69,264	70,108	78,471	67,909	89,992	76,382	97,215	113,103	113,212	123,369
Other Operations	960,433	873,881	863,451	1,126,005	913,110	1,013,820	1,202,078	1,121,047	1,159,577	1,134,384
Capital Projects	169,606	706,005	737,228	130,346	2,057,874	1,864,652	531,600	-	-	11,576
Total Expenditures	\$ 8,224,310	\$ 8,713,803	\$ 9,224,504	\$ 8,664,348	\$ 11,189,101	\$ 10,912,990	\$ 10,175,536	\$ 9,825,364	\$ 9,900,440	\$ 10,694,813
Excess of Revenues										
Over (Under) Expenditures	\$ (217,390)	\$ (276,191)	\$ (1,047,990)	\$ 509,604	\$ (381,226)	\$ 475,140	\$ 253,864	\$ (76,342)	\$ 105,538	\$ (265,086)
Other Financing Sources										
(Uses)										
Notes Issued	\$ -	\$ -	\$ 201,229	\$ 203,536	\$ 659,993	\$ 75,000	\$ 1,114,701	\$ -	\$ -	\$ -
Insurance Recovery	36,352	28,482	26,820	83,752	28,680	30,729	58,195	72,110	8,282	2,209
Transfers In	2,400	2,400	2,400	2,400	2,400	18,206	2,400	3,702	2,400	2,400
Transfers Out	(221,913)	(6,000)	(154,508)	-	-	-	-	(879,422)	(151,941)	(231,461)
Total	\$ (183,161)	\$ 24,882	\$ 75,941	\$ 289,688	\$ 691,073	\$ 123,935	\$ 1,175,296	\$ (803,610)	\$ (141,259)	\$ (226,852)
Excess of Revenues										
Over (Under) Expenditures										
& Other Uses	\$ (400,551)	\$ (251,309)	\$ (972,049)	\$ 799,292	\$ 309,847	\$ 599,075	\$ 1,429,160	\$ (879,952)	\$ (35,721)	\$ (491,938)
Fund Balance July 1	2,440,395	2,039,844	1,788,535	816,486	1,615,778	1,925,625	2,524,700	3,953,860	3,073,908	3,038,187
Restatement	-	-	-	-	-	-	-	-	-	-
Fund Balance June 30	\$ 2,039,844	\$ 1,788,535	\$ 816,486	\$ 1,615,778	\$ 1,925,625	\$ 2,524,700	\$ 3,953,860	\$ 3,073,908	\$ 3,038,187	\$ 2,546,249

Source: Annual Financial Reports of Putnam, Tennessee.

FINANCIAL INFORMATION

BUDGETARY PROCESS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (a special revenue fund), which is not budgeted, and the capital projects funds (except for the General Capital Projects Fund), which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

The County is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Governing Body and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the Governing Body may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The County's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures.

Source: Annual Financial Reports of the County

INVESTMENT AND CASH MANAGEMENT PRACTICES

Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loans associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the County's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The County may make investments with longer maturities if various restrictions set out in State law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool (LGIP) and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least 2% below the fair value of the securities on the day of purchase.

Investment of idle operating funds is controlled by State statute. Generally, such policies limit investment instruments to direct U.S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. Unless deposited in a financial institution participating in the State

Consolidated Collateral Pool, all demand deposits or Certificates of Deposit must be secured by similar grade collateral (i.e., to direct U.S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit) pledged at 105% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

General. Under the Constitution and laws of the State, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property.

Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required to be classified into four sub-classifications and assessed at the rates as follows:

- (a) Public Utility Property - includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property - includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose, to be assessed at 40% of its value;
- (c) Residential Property - includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit, to be assessed at 25% of its value; and
- (d) Farm Property - includes all real property used or held for use in agriculture, to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required to be classified into three sub-classifications and assessed at the rates as follows:

- (a) Public Utility Property - assessed at 55% of its value;
- (b) Industrial and Commercial Property - assessed at 30% of its value; and
- (c) All other Tangible Personal Property - assessed at 5% of its value, subject to an

exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee (the “Constitution”) empowers the General Assembly to classify Intangible Personal Property into sub-classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State for purposes of taxation.

The Constitution requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

Taxation of Property. The Constitution empowers the General Assembly to authorize the several counties and incorporated towns in the State to impose taxes for county and municipal purposes in the manner prescribed by law. Under Tennessee Code Annotated, the General Assembly has authorized the counties and incorporated municipalities to levy an ad valorem tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the legislative body of each jurisdiction based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

Assessment of Property. All assessments of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local boards of equalization begin their annual sessions.

The boards of equalization are required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

State Assessments of Public Utility Property. The State Comptroller of the Treasury (the “Comptroller”) is authorized and directed under State law to assess for taxation, for State, county

and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by law.

On or before the first Monday in August of each year, the assessments are required to be completed and the Comptroller is required to send a notice of assessment to each company assessable. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the Comptroller, who may change or affirm the valuation. On or before the first Monday in September of each year, the Comptroller is required to file with the State Board of Equalization ("State Board") assessments so made. The State Board is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the Comptroller.

The State Board has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board is final and conclusive as to all matters passed upon by the State Board, subject to judicial review consisting of a new hearing in chancery court.

Periodic Reappraisal and Equalization. Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board, by a continuous four-year cycle comprised of an on-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State.

Certified Tax Rate. Upon a general reappraisal of property as determined by the State Board, the county assessor of property is required to (1) certify to the governing bodies of the county and each town within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate ("Certified Tax Rate") which will provide the same ad valorem revenue for that jurisdiction as was levied during the previous year. The governing body of a county or Town may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

No tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any town until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

Tax Freeze for the Elderly Homeowner. The Constitution was amended in November, 2006 to authorize the General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible.

Tax Collection and Tax Lien. County Property taxes are payable the first Monday in December of each year although cities and towns may follow different calendars based on their Charter requirements. Unless a city or town collects its own taxes as it is permitted to do, the county trustee of each county acts as the collector of all county property taxes.

The taxes assessed by the State, a county, a town, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

The County. According to the State of Tennessee Real Estate Appraisal Report, property in the County reflected a ratio of appraised value to true market value of 0.8437 in tax year 2019 (FY 2020) resulting from a County - wide reappraisal certified in 2018 (fiscal year 2019). The County is on a 5 year appraisal cycle. The next County - wide appraisal is scheduled for 2023.

		<u>Real Property</u>							
<u>FY</u>	<u>Tax Year</u>	<u>Industrial/ Commercial⁽¹⁾</u>	<u>Residential</u>	<u>Farm/ Other Property⁽²⁾</u>	<u>Tangible/ Intangible Personal Property</u>	<u>Public Utility Property</u>	<u>Total Assessed Value</u>	<u>Estimated Actual Value</u>	<u>County Tax Rate</u>
2020	2019	\$72,235,760	\$192,300,650	\$92,805,400	\$14,895,451	\$33,763,429	\$406,000,690	\$1,448,015,358	\$2.4000
2019	2018*	71,380,880	187,162,250	91,706,225	17,745,075	32,987,291	400,981,721	\$1,428,648,495	2.2129
2018	2017	60,691,440	159,992,925	82,309,575	15,943,329	56,239,753	375,177,022	1,411,937,963	2.5200
2017	2016	59,895,880	156,231,300	81,262,650	17,096,412	37,358,358	351,844,600	1,242,289,574	2.4000
2016	2015	55,550,080	153,998,550	79,746,075	16,854,260	35,270,861	341,419,826	1,210,838,283	2.4000
	Rate	40%	25%	25%	30%/40%	55%			

* Reappraisal occurred in tax years 2018. The effect of the State reappraisal and reassessment statutes is to adjust the property tax rate downward to prevent a taxing unit from collecting additional property tax revenues as a result of reappraisal. Following reappraisal in tax year 2018, the County's certified tax rate was \$0.3129 per \$100.00 assessed valuation lower than the previous year. See the discussion in the preceding section entitled "FINANCIAL INFORMATION – Real Property Assessment, Tax Levy and Collection Procedures – Certified Tax Rate".

(1) Includes mineral assessments, if any.

(2) Includes Farm/Other Property.

Source: Tax Aggregate Report of Tennessee published by the State Board of Equalization

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the County for the five most recent fiscal years as well as the aggregate uncollected balances for each fiscal year ending June 30.

PROPERTY ASSESSMENTS, TAXES & LEVIES					FY COLLECTIONS		TOTAL COLLECTIONS	
							As of April 30, 2020	
<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Assessed Valuations</u>	<u>Co. Tax Rates¹</u>	<u>Taxes Levied</u>	<u>Fiscal Year Collections</u>	<u>Percent of Levy</u>	<u>Amount</u>	<u>Percent</u>
2020	2019	\$406,000,690	\$2.4000	\$9,763,095	\$9,214,697	94.4%	In Process	
2019	2018*	400,981,721	2.2129	8,877,545	8,536,569	96.2%	8,877,545	90.9%
2018	2017	375,177,022	2.5200	8,825,065	8,472,078	96.2%	8,536,569	96.2%
2017	2016	351,844,600	2.4000	8,482,339	8,134,842	96.0%	8,737,369	99.0%
2016	2015	341,419,826	2.4000	8,202,625	7,860,319	95.9%	8,465,914	98.8%

* Reappraisal occurred in tax years 2018. The effect of the State reappraisal and reassessment statutes is to adjust the property tax rate downward to prevent a taxing unit from collecting additional property tax revenues as a result of reappraisal. Following reappraisal in tax year 2018, the County's certified tax rate was \$0.3129 per \$100.00 assessed valuation lower than the previous year. See the discussion in the preceding section entitled "FINANCIAL INFORMATION – Real Property Assessment, Tax Levy and Collection Procedures – Certified Tax Rate".

¹ Residents that live inside the corporate limits of Lafayette and Red Boiling Springs also pay a separate tax to those jurisdictions.
Sources: Macon County Annual Financial Reports and Tax Aggregate Report of Tennessee published by the State Board of Equalization

Largest Taxpayers. The largest taxpayers (including utilities) in the County during fiscal year 2019** were as follows:

	<u>TAXPAYER</u>	<u>Type of Business</u>	<u>Assessment</u>	<u>Levy as % County Total Levy</u>
1.	Great Spring Waters of America *	Water Bottling Plant	\$6,412,666	1.60%
2.	Wal-Mart	Retail	4,852,666	1.21%
3.	Lafayette Landing LP	Real Estate	2,479,791	0.62%
4.	HKJ Enterprise Partnership	Real Estate	2,076,166	0.52%
5.	Tennplasco	Manufacturing	1,854,083	0.46%
6.	W B Equities LLC	Real Estate	1,712,416	0.43%
7.	Cobb - Vantress Inc.	Chicken Hatchery	1,678,625	0.42%
8.	Citizens Bank	Financial Institution	1,560,708	0.39%
9.	Flex Mechnologies	Manufacturing	1,306,583	0.33%
10.	Lafayette Gardens LP	Real Estate	<u>1,271,666</u>	<u>0.32%</u>
	Total:		<u>\$18,792,704</u>	<u>1.69%</u>

** Fiscal Year 2019 is Tax year 2018
Macon County Assessor

LOCAL OPTION SALES AND USE TAX

Pursuant to applicable provisions of Title 67, Chapter 6, Part 7 of Tennessee Code Annotated as amended, (the "Local Tax Act"), the County levies a county - wide local option sales tax. Under

* This facility ceased operations in December 2018

the Act, counties and incorporated cities may levy a sales tax on the same privileges on which the State levies its sales tax. The rate of any sales tax levied by a county or city is limited to 2.75%.

The revenues from the county-wide sales taxes are distributed pursuant to the provisions of the Local Tax Act and other provisions of the Tennessee Code Annotated. Of the revenues raised through the county-wide sales taxes, 50.0% are directed to educational purposes and are distributed to all organized school systems, in the county in which the taxes are collected based upon the average daily attendance of each school system. There are no other public school systems in the County, currently. Unless waived as permitted by the Local Tax Act, the balance of sales tax collections are divided between the general fund of the county in which the taxes are collected and all incorporated cities or towns in such county based upon the situs of collection.

Following official action by the County Commission in August 2018, a referendum was placed on ballot and approved by County voters in November 6, 2018. The referendum added 0.50% to the then 2.25% County-wide rate. As part of the referendum, the additional 0.50% increment on the Local Option Sales Tax was dedicated to debt service on a new elementary school. Both the City of Lafayette and the City of Red Boiling Springs agreed to waive their statutory entitled portions described above allowing the full amount of the new 0.50% increment to be applied to the construction of the new elementary school. Pursuant to the referendum, the additional increment on the Local Option Sales Tax expires once all debt on the new elementary school is paid in full.

The following table reflects aggregate collections and distributions of the County-wide 2.75%¹ local option sales tax levy:

<u>Fiscal Year</u>	<u>Debt Service Fund¹</u>	<u>Public Education Fund</u>	<u>General Fund</u>	<u>Due To Cities</u>	<u>Total Collections</u>	<u>% Change Prior Year</u>
2019	\$312,453	\$2,266,044	\$284,975	\$1,961,365	\$4,824,838	9.31%
2018	-	2,202,675	244,365	1,966,710	4,413,750	2.43%
2017	-	2,158,219	290,827	1,860,077	4,309,123	7.82%
2016	-	2,121,474	303,138	1,818,780	4,243,392	6.18%
2015	-	1,997,897	312,782	1,685,861	3,996,540	5.61%

Source: Annual Financial Reports of Macon County, Tennessee

All collections include 1.0% Trustee Fee.

¹ Effective on January 1, 2019, the County began collecting an additional 0.50% increment on the Local Option Sales Tax pursuant to a referendum approved by County voters in November 2018. The total Local Option Sales Tax was raised from 2.25% to 2.75%.

The Local Tax Act authorizes a local jurisdiction, by resolution of its governing body, to pledge proceeds raised by the power and authority granted by the Local Tax Act to the punctual payment of principal of and interest on bonds, notes or other evidence of indebtedness issued for purposes for which such proceeds were intended to be spent. The Governing Body has not pledged any local option sales tax proceeds to any such indebtedness of the County.

COUNTY MOTOR VEHICLE PRIVILEGE TAX

Pursuant to Sections 5-8-103 et seq., Tennessee Code Annotated, Tennessee counties are permitted to levy a privilege tax on motor vehicles, commonly referred to as a wheel tax (“Wheel Tax”). Proceeds from wheel tax collections must be used for the county purpose specified in enabling authority approved by the Governing Body or by private act.

The County levies currently levies a Wheel Tax of \$65.00 which is distributed as outlined in the following table. Collections for the most recent five fiscal years are as follows:

	<u>General Fund</u>	<u>General Debt Service Fund</u>	<u>Total</u>
2019	\$333,831	\$1,117,609	\$1,451,440
2018	327,105	1,095,092	1,422,197
2017	354,074	1,099,216	1,453,290
2016	285,042	1,040,434	1,325,476
2015	290,160	1,041,649	1,331,809

Source: Annual Financial Reports of Macon County, Tennessee

PENSION PLANS

For information on the County’s retirement programs including, but not limited to, funding status, trend information and actuarial status of the County’s retirement programs, please refer to the appropriate Notes to Financial Statements located in the Annual Financial Report of the County accessed electronically via the link depicted in APPENDIX D.

OTHER POST-EMPLOYMENT BENEFITS

The County provides post-retirement health care benefits, in accordance with policies established by its resolutions, to employees who retire from the County.

For additional information on post-employment benefits provided by the County including, but not limited to, funding status, trend information and actuarial status, please refer to the appropriate Notes to Financial Statements located in the Annual Financial Report of the County accessed electronically via the link depicted in APPENDIX D.

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**FORM OF CONTINUING DISCLOSURE
AGREEMENT**

MACON COUNTY, TENNESSEE
§ _____
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2020

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered this 14th day of August_2020 by Macon County, Tennessee) (the “Issuer”) in connection with the issuance of its \$ _____ General Obligation School Bonds, Series 2020 (the “Bonds”). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission (the “SEC”). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

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

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the “Official Statement” of the Issuer, dated August 3, 2020, relating to the Bonds.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Registered Owner” means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

“Resolution” shall mean the bond resolution adopted by the Board of Commissioners of the Issuer on July 20, 2020.

“State” shall mean the State of Tennessee.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2020, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include the Issuer’s audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer’s audited financial statements are not available, then the Issuer’s unaudited financial statements.

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2020, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices*. The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);

- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

* As used in subsections (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information.* The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement.* The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment 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 the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), 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 Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall 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 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Dissemination Agent. The Issuer may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement, and the Issuer may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the Issuer shall be the dissemination agent.

SECTION 11. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 12. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

MACON COUNTY, TENNESSEE

By: _____
County Mayor

**MACON COUNTY, TENNESSEE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED**

JUNE 30, 2019

ELECTRONIC LINK

The Annual Financial for the Macon County, Tennessee as of and for the fiscal year ending June 30, 2019 together with the independent auditors' report is available through the Macon County, Tennessee's official website at:

<https://comptroller.tn.gov/content/dam/cot/la/advanced-search/2019/county/FY19MaconAFR.pdf>

This document is hereby incorporated by reference as APPENDIX D.

To the extent there are any differences between the electronically posted Annual Financial Report of Macon County and the printed Annual Financial Report of Macon County, the printed version shall control.

The County's current independent external auditor has not been engaged to perform and has not performed any procedures on the financial statements addressed in that report since the date of its report referenced herein nor have they performed any procedures relating to this "Preliminary Official Statement".