NEW ISSUES
BOOK-ENTRY-ONLY

Rating: Standard & Poor's: "Applied For"

PRELIMINARY OFFICIAL STATEMENT

$9,600,000*

SMITH COUNTY, TENNESSEE

$1,100,000* General Obligation Refunding Bonds, Series 2015B
(Federally Taxable)

$8,500,000* General Obligation Refunding Bonds, Series 2015C
(Bank Qualified)

$1,100,000* General Obligation Refunding Bonds, Series 2015B (Federally Taxable)
OFFERED FOR SALE NOT SOONER THAN
Wednesday, July 15, 2015 at 10:15 A.M. E.D.T.
Through the Facilities of ***PARITY***®
and at the offices of
Cumberland Securities Company, Inc.
Knoxville, Tennessee

$8,500,000* General Obligation Refunding Bonds, Series 2015C (Bank Qualified)
OFFERED FOR SALE NOT SOONER THAN
Wednesday, July 15, 2015 at 10:25 A.M. E.D.T.
Through the Facilities of ***PARITY***®
and at the offices of
Cumberland Securities Company, Inc.
Knoxville, Tennessee

Cumberland Securities Company, Inc.
Financial Advisor

July 8, 2015

*Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 8, 2015

NEW ISSUES
BOOK-ENTRY-ONLY

Rating: Standard & Poor's – "Applied For"
(See "MISCELLANEOUS- RATING" herein)

In the opinion of the Bond Counsel, interest on the Series 2015B Bonds will be included in gross income of the owners thereof for federal income tax purposes. In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Series 2015C 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 and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. 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 "LEGAL MATTERS - 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 inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. (See "LEGAL MATTERS - Tax Matters" herein).

$9,600,000*

SMITH COUNTY, TENNESSEE

$1,100,000* General Obligation Refunding Bonds, Series 2015B (Federally Taxable)
$8,500,000* General Obligation Refunding Bonds, Series 2015C (Bank Qualified)

Dated: Date of delivery (Assume August 20, 2015). Due: June 1, as shown below.

The $1,100,000* General Obligation Refunding Bonds, 2015B (Federally Taxable) (the "Series 2015B Bonds") and the $8,500,000* General Obligation Refunding Bonds, Series 2015C (Bank Qualified) (the "Series 2015C Bonds") (collectively, the "Bonds") of Smith County, Tennessee (the "County") shall be issued as book-entry-only Bonds in denominations of $5,000 and authorized integral multiples thereof. The Bonds will be 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 is payable semi-annually from the date thereof commencing on December 1, 2015 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, 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 principal corporate trust office of the Registration Agent.

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.

The Bonds maturing June 1, 2021 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2020.

Series 2015B (Federally Taxable)

Maturity (June 1)	Amount*	Interest Rate	Yield	CUSIPS **
2016	$600,000			
2017	500,000			

Series 2015C (Bank Qualified)

Maturity (June 1)	Amount*	Interest Rate	Yield	CUSIPS **	Maturity (June 1)	Amount*	Interest Rate	Yield	CUSIPS **
2017	$100,000				2024	$635,000			
2018	565,000				2025	650,000			
2019	575,000				2026	670,000			
2020	585,000				2027	690,000			
2021	600,000				2028	710,000			
2022	605,000				2029	735,000			
2023	620,000				2030	760,000			

This cover page contains certain information for quick reference only. It is not a summary of these issues. 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, Knoxville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Branden Bellar, County Attorney. It is expected that the Bonds will be available for delivery through the facilities of Depository Trust Company in New York, New York, on or about August __, 2015.

Cumberland Securities Company, Inc.
Financial Advisor

__, 2015

*Preliminary, subject to change.

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 Issuer 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 Issuer'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 Issuer, the Bonds, the Resolution, 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 Bond Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, 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 Issuer, the Financial Advisor or the Underwriter 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 Issuer, the Financial Advisor or the Underwriter. Except where otherwise indicated, all information contained in this Preliminary Official Statement has been provided by the Issuer. The information set forth herein has been obtained by the Issuer 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 Financial Advisor or the Underwriter. 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 Issuer, 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.

** These CUSIP numbers have been assigned by Standard & Poor’s CUSIP Service Bureau, a division of the McCraw-Hill Companies, Inc., and are included solely for the convenience of the Bond holders. The County is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

SMITH COUNTY, TENNESSEE

OFFICIALS

County Mayor	Michael F. Nesbitt
County Clerk	Clifa L. Norris
Assessor of Property	Terry Collins
County Trustee	Lee Ann Williams
County Attorney	Branden Bellar

BOARD OF COUNTY COMMISSIONERS

Tommy Bane	Billy Halliburton
Billy Bass	Mark Jones
Pam Billington	Barbara Kannapel
Carolyn Boles	Chas Kent
Ronald Cowan	Josh Kirby
Daniel Cripps	Joseph Nixon
Potsie Enoch	Linda Nixon
Thomas Gibbs	Glenn Reece
Frank Gibbs	James Winfree
Randy Glover	Frank Woodard
David Gross	Michael Woodard
Dennis Hackett	Billy Woodard

REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Knoxville, Tennessee

FINANCIAL ADVISOR

Cumberland Securities Company, Inc.
Knoxville, Tennessee

TABLE OF CONTENTS

SUMMARY STATEMENT ... i

SUMMARY NOTICE OF SALE ... iii

DETAILED NOTICE OF SALE ... v

BID FORM – Series 2015B Bonds ... xii

BID FORM – Series 2015C Bonds ... xiii

SECURITIES OFFERED
- Authority and Purpose ... 1
- Refunding Plan ... 1
- Description of the Bonds ... 1
- Security ... 2
- Series 2015C Bonds Qualified Tax-Exempt Obligations ... 2
- Optional Redemption ... 2
- Mandatory Redemption ... 3
- Notice of Redemption ... 4
- Payment of Bonds ... 4

BASIC DOCUMENTATION
- Registration Agent ... 5
- Book-Entry-Only System ... 5
- Discontinuance of Book-Entry-Only System ... 7
- Disposition of Bond Proceeds ... 8
- Discharge and Satisfaction of Bonds ... 8
- Remedies of Bondholders ... 9

LEGAL MATTERS
- Litigation ... 10
- Federal Tax Matters – Series 2015B Bonds ... 10
- Federal Tax Matters – Series 2015C Bonds ... 14
- State Tax Matters ... 16
- Changes in Federal and State Tax Law ... 16
- Closing Certificates ... 16
- Approval of Legal Proceedings ... 17

MISCELLANEOUS
- Rating ... 18
- Competitive Public Sale ... 18
- Financial Advisor; Related Parties; Other ... 19
- Additional Debt ... 19
- Debt Limitations ... 20
- Debt Record ... 20
- Continuing Disclosure ... 20
  - *Five-Year History of Filing* ... 20
  - *Content of Annual Report* ... 20

Reporting of Significant Events 22
Termination of Reporting Obligation 23
Amendment; Waiver 23
Default 23
Additional Information 24
CERTIFICATION OF THE COUNTY 25

APPENDIX A: LEGAL OPINIONS

APPENDIX B: SUPPLEMENTAL INFORMATION STATEMENT
General Information
Location B-1
General B-1
Transportation B-1
Education B-1
Medical Facilities B-2
Manufacturing and Commerce B-3
Employment Information B-4
Economic Data B-5
Recreation B-6
Debt Structure
Summary of Bonded Indebtedness B-7
Indebtedness and Debt Ratios B-8
Debt Service Requirements - General Obligation B-10
Debt Service Requirements – Courthouse / Jail Maintenance Fund B-11
Debt Service Requirements - Education Debt Service Fund B-12
Debt Service Requirements – Solid Waste Fund B-13
Debt Service Requirements – Highway Fund B-14
Financial Information
Basis of Accounting and Presentation B-15
Fund Balances and Retained Earnings B-15
Five-Year Summary of Revenues, Expenditures and
Changes in Fund Balance – General Fund B-16
Investment and Cash Management Practices B-17
Property Tax
Introduction B-17
Reappraisal Program B-17
Assessed Valuations B-18
Property Tax Rates and Collections B-19
Ten Largest Taxpayers B-19
Local Option Sales Tax B-20
Pension Plans B-20

APPENDIX C: GENERAL PURPOSE FINANCIAL STATEMENTS

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	Smith County, Tennessee (the "County" or "Issuer"). See APPENDIX B contained herein.
Securities Offered	The $1,100,000* General Obligation Refunding Bonds, 2015B (Federally Taxable) (the "Series 2015B Bonds") and the $8,500,000* General Obligation Refunding Bonds, Series 2015C (Bank Qualified) (the "Series 2015C Bonds") (collectively, the "Bonds") of the County, dated the date of delivery (estimated to be August 20, 2015). The Series 2015B Bonds will mature each June 1 beginning June 1, 2016 and June 1, 2017. The Series 2015C Bonds will mature each June 1 beginning June 1, 2017 through June 1, 2030, 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.
Purpose	The Bonds are being issued for the purpose of (i) refinancing, in whole or in part, certain Outstanding Debt of the County, as described herein; and (ii) payment of the costs related to the issuance and sale of the Bonds. See the section entitled "SECURITIES OFFERED - Authority and Purpose" contained herein.
Optional Redemption	The Bonds maturing June 1, 2021 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2020. See Section entitled "SECURITIES OFFERED – Optional Redemption".
Tax Matters	In the opinion of Bond Counsel, interest on the Series 2015B Bonds will be included in gross income for federal income tax purposes. Interest on the Series 2015B Bonds will be exempt from certain taxation in Tennessee; all as more fully described in the section entitled "(See "LEGAL MATTERS -Tax Matters" herein.) In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Series 2015C Bonds is 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 and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. Interest on the Series 2015C Bonds will be exempt from certain taxation in Tennessee, all as more fully described in the section entitled "LEGAL MATTERS-Tax Matters" and APPENDIX A (form of opinion) included herein.
Bank Qualification	The Series 2015C Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled "LEGAL MATTERS - Tax Matters" for additional information.
Rating	Standard & Poor's: "Applied For". See the section entitled "MISCELLANEOUS - Rating" for more information.

*Preliminary, subject to change.

Financial Advisor	Cumberland Securities Company, Inc., Knoxville, Tennessee. See the section entitled "MISCELLANEOUS-Financial Advisor; Related parties; Other" herein.
Underwriter	_________________.
Bond Counsel	Bass, Berry & Sims PLC, Knoxville, Tennessee.
Book-Entry Only	The Bonds will be issued under the Book-Entry-Only System except as otherwise described herein. For additional information, see the section entitled "BASIC DOCUMENTATION - Book-Entry-Only System"
Registration Agent	Regions Bank, Nashville, Tennessee.
General	The Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See "SECURITIES OFFERED" herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of The Depository Trust Company, New York, New York.
Disclosure	In accordance with Rule 15c2-12 of the U.S. Securities and Exchange Commission as amended, the County will provide the Municipal Securities Rulemaking Board (the "MSRB") and the State information depository ("SID"), if any, annual financial statements and other pertinent credit or event information, including Comprehensive Annual Financial Reports, see the section entitled "MISCELLANEOUS-Continuing Disclosure."
Other Information	The information in this PRELIMINARY OFFICIAL STATEMENT is deemed "final" within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission as of the date which appears on the cover hereof except for the omission of certain pricing information allowed to be omitted pursuant to Rule 15c2-12. For more information concerning the County or the PRELIMINARY OFFICIAL STATEMENT contact Michael Nesbitt, County Mayor, 122 Turner High Circle, Carthage, Tennessee 37030, Telephone: (615) 735-2294, or the County's Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee, 37919, Telephone: (865) 988-2663. Additional information regarding BiDCOMP™/PARITY® may be obtained from PARITY®, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: 800-850-7422.

GENERAL FUND BALANCES
Summary of Changes In Fund Balances
For the Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Beginning Fund Balance	$1,283,966	$1,238,813	$785,436	$1,125,864	$1,126,515
Revenues	5,762,846	5,869,325	7,389,590	8,314,600	8,438,814
Expenditures	5,891,028	6,648,619	6,918,723	9,023,412	9,042,052
Excess (Deficiency) of Revenues Over Expenditures					
Debt Proceeds	140,869	-	191,000	774,907	364,036
Insurance Recovery	-	-	-	20,992	558
Transfers In	7,880	375,917	-	24,677	-
Transfers Out	(65,720)	(50,000)	(321,439)	(111,113)	-
Ending Fund Balance	**$1,238,813**	**$785,436**	**$1,125,864**	**$1,126,515**	**$887,871**

Source: Comprehensive Annual Financial Reports of the County.

SUMMARY NOTICE OF SALE

$9,600,000*

SMITH COUNTY, TENNESSEE

$1,100,000* General Obligation Refunding Bonds, Series 2015B

(Federally Taxable)

$8,500,000* General Obligation Refunding Bonds, Series 2015C

(Bank Qualified)

NOTICE IS HEREBY GIVEN that the County Mayor of Smith County, Tennessee (the "County") will receive electronic or written sealed bids until **10:15 a.m. E.D.T.** on **Wednesday, July 15, 2015** for the purchase of all, but not less than all, of the County's $1,100,000* General Obligation Refunding Bonds, 2015B (Federally Taxable) (the "Series 2015B Bonds") . Electronic bids must be submitted through ***PARITY®*** as described in the "Detailed Notice of Sale". In case of written sealed bids, bids will be received at the office of the County's Financial Advisor, Cumberland Securities Company, Inc., Knoxville, Tennessee. Prior to accepting bids, the County reserves the right to adjust the principal amount and maturity amounts of the Series 2015B Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY®*** System not later than 9:30 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours' notice via Bloomberg News Service and/or the ***PARITY®*** System.

NOTICE IS HEREBY GIVEN that the County Mayor of Smith County, Tennessee (the "County") will receive electronic or written sealed bids until **10:25 a.m. E.D.T.** on **Wednesday, July 15, 2015** for the purchase of all, but not less than all, of the County's $8,500,000* General Obligation Refunding Bonds, Series 2015C (Bank Qualified) (the "Series 2015B Bonds"). Electronic bids must be submitted through ***PARITY®*** as described in the "Detailed Notice of Sale". In case of written sealed bids, bids will be received at the office of the County's Financial Advisor, Cumberland Securities Company, Inc., Knoxville, Tennessee. Prior to accepting bids, the County reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY®*** System not later than 9:30 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours notice via Bloomberg News Service and/or the ***PARITY®*** System.

Electronic bids must be submitted through ***PARITY®*** via the BiDComp Competitive Bidding Service as described in the Detailed Notice of Sale, and no other provider of electronic bidding services will be accepted. For the purposes of the bidding process, both written and electronic, the time maintained by ***PARITY®*** shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in ***PARITY®*** conflict with the terms of the Detailed Notice of Sale and this Summary Notice of Sale, the Detailed Notice of Sale and this Summary Notice of Sale shall prevail.

The Series 2015B Bonds will be issued in book-entry form (except as otherwise described in the Detailed Notice of Sale) and dated the date of issuance (assume August 20, 2015). The Series 2015B Bonds

* Preliminary, subject to change.

will mature on June 1 in the years 2016 and 2017, with term bonds optional, with interest payable on June 1 and December 1 of each year, commencing December 1, 2015, and will not be subject to optional redemption. Bidders must bid not less than ninety-nine and one-quarter percent (99.25%) of par or more than one hundred and twenty-five percent (125%) of par for the Series 2015B Bonds. The approving opinion for the Series 2015B Bonds will be furnished at the expense of the County by Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee. No rate or rates bid for the Series 2015B Bonds shall exceed five percent (5.00%) per annum.

The Series 2015C Bonds will be issued in book-entry form (except as otherwise described in the Detailed Notice of Sale) and dated the date of issuance (assume August 20, 2015). The Series 2015C Bonds will mature on June 1 in the years 2017 through 2030, inclusive, with term bonds optional, with interest payable on June 1 and December 1 of each year, commencing December 1, 2015, and will be subject to optional redemption on or after June 1, 2020. Bidders must bid not less than ninety-nine and one-quarter percent (99.25%) of par or more than one hundred and twenty-five percent (125%) of par for the Series 2015C Bonds. The approving opinion for the Series 2015C Bonds will be furnished at the expense of the County by Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee. No rate or rates bid for the Series 2015C Bonds shall exceed five percent (5.00%) per annum.

Unless bids are rejected, the Series 2015B Bonds and Series 2015C Bonds will be awarded by the County Mayor of the County on the sale date to the bidders whose bids results in the lowest true interest rate on the Series 2015B Bonds and Series 2015C Bonds, respectively.

Additional information, including the PRELIMINARY OFFICIAL STATEMENT in near final form and the Detailed Notice of Sale, may be obtained through www.prospectushub.com or from the County's Financial Advisor, Cumberland Securities Company, Inc., Knoxville, Tennessee (865) 988-2663. Further information regarding ***PARITY®*** may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Michael Nesbitt
County Mayor

DETAILED NOTICE OF SALE

$9,600,000*

SMITH COUNTY, TENNESSEE

$1,100,000* General Obligation Refunding Bonds, Series 2015B

(Federally Taxable)

$8,500,000* General Obligation Refunding Bonds, Series 2015C

(Bank Qualified)

NOTICE IS HEREBY GIVEN that the County Mayor of Smith County, Tennessee (the "County") will receive electronic or written sealed bids until **10:15 a.m. E.D.T.** on **Wednesday, July 15, 2015** for the purchase of all, but not less than all, of the County's $1,100,000* General Obligation Refunding Bonds, 2015B (Federally Taxable) (the "Series 2015B Bonds") . Electronic bids must be submitted through ***PARITY®*** as described in the "Detailed Notice of Sale". In case of written sealed bids, bids will be received at the office of the County's Financial Advisor, Cumberland Securities Company, Inc., Knoxville, Tennessee. Prior to accepting bids, the County reserves the right to adjust the principal amount and maturity amounts of the Series 2015B Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY®*** System not later than 9:30 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours' notice via Bloomberg News Service and/or the ***PARITY®*** System.

NOTICE IS HEREBY GIVEN that the County Mayor of Smith County, Tennessee (the "County") will receive electronic or written sealed bids until **10:25 a.m. E.D.T.** on **Wednesday, July 15, 2015** for the purchase of all, but not less than all, of the County's $8,500,000* General Obligation Refunding Bonds, Series 2015C (Bank Qualified) (the "Series 2015B Bonds"). Electronic bids must be submitted through ***PARITY®*** as described in the "Detailed Notice of Sale". In case of written sealed bids, bids will be received at the office of the County's Financial Advisor, Cumberland Securities Company, Inc., Knoxville, Tennessee. Prior to accepting bids, the County reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY®*** System not later than 9:30 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours notice via Bloomberg News Service and/or the ***PARITY®*** System.

Description of the Bonds. The Bonds will be issued in book-entry-only form without coupons and will be issued or reissued upon transfer, in $5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2015.

The Series 2015B Bonds will mature and be payable on June 1 of each year as on the following page:

* Preliminary, subject to change.

YEAR (JUNE 1)	Federally Taxable 2015B AMOUNT*
2016	$600,000
2017	500,000

The Series 2015C Bonds will mature and be payable on June 1 of each year as on the following page:

YEAR (JUNE 1)	Bank Qualified 2015C AMOUNT*	YEAR (JUNE 1)	Bank Qualified 2015C AMOUNT*
2017	$100,000	2024	$635,000
2018	565,000	2025	650,000
2019	575,000	2026	670,000
2020	585,000	2027	690,000
2021	600,000	2028	710,000
2022	605,000	2029	735,000
2023	620,000	2030	760,000

* Preliminary, subject to change.

Bank Qualification. The Series 2015C Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the "Book-Entry-Only System"). One fully-registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The Book-Entry-Only system will evidence beneficial ownership interests of the Bonds in the principal amount of $5,000 for the Bonds and any integral multiple of $5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity or upon earlier redemption to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Notwithstanding the foregoing, if the winning bidder certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, the use the Book-Entry-Only system is not required.

In the event that the Book-Entry-Only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of $5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) at its principal corporate trust office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

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

Municipal Bond Insurance. The County has provided information to prospective bond insurance companies in order to qualify the Bonds under their respective optional bidding programs. If the successful bidder or bidders for the Bonds desires to purchase a municipal bond insurance policy insuring payment of all or a portion of the debt service payable on the Bonds, the successful bidder or bidders does so at its own risk and expense and the obligation of the successful bidder to pay for such series Bonds shall not be conditioned on the issuance of a municipal bond insurance policy. The County will cooperate with the successful bidder(s) in obtaining such insurance, but the County will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder(s) will be responsible for all costs, expenses and charges associated with the issuance of such insurance, including but not limited to the premium for the insurance policy, and excluding only the fees of Standard & Poor's that will be paid by the County.

Purpose. The Bonds are being issued for the purpose of (i) refinancing, in whole or in part, certain Outstanding Debt of the County, as described in the Preliminary Official Statement; and (ii) payment of the costs related to the issuance and sale of the Bonds.

Optional Redemption. The Bonds maturing on June 1, 2021 and thereafter are subject to optional redemption prior to maturity at the option of the County on or after June 1, 2020 at the redemption price of par plus accrued interest as provided herein.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as one or more term bonds ("Term Bonds") bearing a single interest rate. If the successful bidder for the Bonds designates certain consecutive serial maturities of such Bonds to be combined as one or more Term Bonds as allowed herein, then each Term Bond shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date. Term Bonds to be redeemed within a single maturity shall be selected in the manner provided above for optional redemption of Bonds within a single maturity.

Bidding Instructions. The County will receive electronic or sealed written bids for the purchase of all, but not less than all, of the Bonds. Bidders for the Bonds are requested to name the interest rate or rates the Bonds are to bear in multiples of one-eighth of one percent and/or one-hundredth of one percent (.01%) or one (1) basis point, but no rate specified shall be in excess of five percent (5.00%) per annum. There will be no limitation on the number of rates of interest that may be specified in a single bid for the Bonds but a single rate shall apply to each single maturity of the Bonds. Bidders must bid not less than ninety-nine and one-quarter percent (99.25%) of par or no more than one hundred and twenty-five percent (125%) of par.

Bidders may designate two or more consecutive serial maturities of the Bonds as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities.

Electronic bids must be submitted through ***PARITY***® via BiDCOMP Competitive Bidding System and no other provider of electronic bidding services will be accepted. Subscription to the i-Deal LLC Dalcomp Division's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid. The County will not confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. For the purposes of the bidding process, the time as maintained by ***PARITY***® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in ***PARITY***® conflict with the terms of the Detailed Notice of Sale, this Notice shall prevail. An electronic bid made through the facilities of ***PARITY***® shall be deemed an offer to purchase in response to the Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed written bid delivered to the County. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by ***PARITY***®. The use of ***PARITY***® facilities are at the sole risk of the prospective bidders.

For further information regarding ***PARITY***®, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, Telephone: 212-849-5000.

In the event of a system malfunction in the electronic bidding process only, bidders may submit bids prior to the established date and time by FACSIMILE transmission sent to the County's Financial Advisor, Cumberland Securities Company, Inc. at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. The County and the Financial Advisor shall not be responsible for confirming receipt of any facsimile bid or for any malfunction relating to the transmission and receipt of such bids.

Separate written sealed bids should be submitted in sealed envelope marked "Bid for Bonds" at the offices of the County's Financial Advisor, 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee 37919. Written bids must be submitted on the Bid Forms included with the PRELIMINARY OFFICIAL STATEMENT.

The County reserves the right to reject all bids for the Bonds and to waive any informalities in the bids accepted. Acceptance or rejection of "Bids for Bonds" for the Bonds will not obligate the County to accept or reject "Bids for Bonds".

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the County Mayor to the bidder whose bid complies with this notice and results in the lowest true interest rate on the Bonds to be calculated as that rate that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds exclusive of accrued interest. For purposes of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the County Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

After receipt of the bids, the County reserves the right to make adjustments and/or revisions to the Bonds, as described below.

Adjustment and/or Revision. While it is the County's intention to sell and issue the approximate par amounts of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size the Bonds or if the refundings fail to save the County the funds necessary to complete the refundings. Accordingly, the County Mayor reserves the right, in his sole discretion, to adjust down the original par amount of the Bonds by up to $2,450,000. The principal factor to be considered in making any adjustments is the amount of premium bid for particular maturities. Among other factors the

Mayor may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds is the size of individual maturities or sinking fund installments and/or other preferences of the County. Additionally, the Mayor reserves the right to change the dated date of the Bonds. The maximum adjustment will only be made if the maximum bid (including premium) is received.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid for the Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Bonds bears to the original par amount of such Bonds offered for sale.

The successful bidder for the Bonds will be tentatively notified by not later than 5:00 p.m. (Eastern Daylight Time), on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the County's Financial Advisor (wire transfer or certified check) the amount of two percent (2%) of the aggregate principal amount of the Bonds offered for sale which will secure the faithful performance of the terms of the bid. A certified check or wire transfer must be received by the County's Financial Advisor no later than the close of business on the day following the competitive sale. A wire transfer may be sent to First Tennessee Bank, ABA Number: 084-000-026 First Tenn Mem, FAO Cumberland Securities Company, Inc., Account No. 183302631, for further credit to Good Faith Trust Account.

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the County as liquidated damages.

In the event of the failure of the County to deliver the Bonds to the purchaser in accordance with the terms of this Notice within forty-five (45) days after the date of the sale, the good-faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

Reoffering Prices; Other Information. The successful bidder must furnish the following information to the County to complete the *Official Statement* in final form within two (2) hours after receipt and award of the bid for the Bonds:

1. The offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);

2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the prices or yields as provided above);

3. The identity of the underwriters if the successful bidder is part of a group or syndicate; and

4. Any other material information necessary to complete the *Official Statement* in final form but not known to the County.

In addition, within two hours of the award of the Bonds, the successful bidder shall furnish to the County a certificate acceptable to Bond Counsel stating: (i) the reoffering prices (as shown in the bidder's winning bid); (ii) that the successful bidder will make a bona fide public offering of all of the Bonds at such reoffering prices; and (iii) that the successful bidder reasonably expects that the Bonds (or at least

10% of each maturity of the Bonds) will be sold to the public (excluding bond houses, brokers and other intermediaries) at those reoffering prices.

As a condition to the delivery of the Bonds, the successful bidder will be required to deliver a certificate to the County confirming that nothing has come to the bidder's attention that would lead it to believe that its certification with respect to the reoffering prices of the Bonds given in connection with the award of the Bonds is inaccurate, and addressing such other matters as to the reoffering prices of the Bonds as bond counsel may request.

Legal Opinions. The approving opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the County. As set forth in the *Preliminary Official Statement*, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes; is not an item of tax preference for purposes of the federal law alternative minimum tax imposed on individuals and corporations; and is taken into account in determining adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion contained in Appendix A.

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"), and to provide notice of the occurrence of certain enumerated events, if determined by the County to be material under applicable federal securities laws. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the operation of the Electronic Municipal Market Access system (the "EMMA") and 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 material events will be filed by the County either with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of material events will be summarized in the County's *Official Statement* to be prepared and distributed in connection with the sale of the Bonds.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days notice will be given to the successful bidder. Delivery will be made in book-entry-only form through the facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in *Federal Funds* or other immediately available funds.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the County. The County will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds.

Official Statements; Other. The County has deemed the PRELIMINARY OFFICIAL STATEMENT to be final as of its date within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") except for the omission of certain pricing and other information. The County will furnish the successful bidder at the expense of the County a reasonable number of copies of the *Official Statement* in final form, containing the pricing and other information to be supplied by the successful bidder and to be dated the date of the sale, to be delivered by the successful bidder to the persons to whom such bidder and members of its bidding group initially sell the Bonds within seven (7) business days. Acceptance of the bid will constitute a contract between the County and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement*, the Detailed Notice of Sale and the Official Bid Form, may be obtained from the County's Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee, 37919, Telephone: 865-988-2663. Further information regarding ***PARITY***® may be obtained from i-Deal LLC, 1359 Broadway, 2^{nd} Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Michael Nesbitt, County Mayor

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BID FORM

Honorable Michael Nesbitt, County Mayor
122 Turner High Circle
Carthage, TN 37030

July 15, 2015

Dear Mr. Nesbitt:

For your legally issued, properly executed $1,100,000* General Obligation Refunding Bonds, 2015B (Federally Taxable) (the "Series 2015B Bonds") of Smith County, Tennessee, in all respects as more fully outlined in your Notice of Sale, which by reference are made a part hereof, we will pay you a sum of ___________________________________ ______________________ ($_______________________).

The Series 2015B Bonds shall be dated the date of issuance (assume August 20, 2015) and shall be callable in accordance with the Detailed Notice of Sale. The Series 2015B Bonds shall mature on June 1 and bear interest at the following rates:

Maturity (June 1)	**Federally Taxable 2015B Amount***	**Rate**
2016	$600,000	___
2017	500,000	___

We have elected the option to designate two or more consecutive serial maturities as term bond maturities as indicated:

Term Bond 1: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.

It is our understanding that the Series 2015B Bonds are offered for sale to the final approving opinion of Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee, whose opinion together with the executed Series 2015B Bonds, will be furnished by the County without cost to us.

If our bid is accepted, we agree to provide a good faith deposit for 2% of the aggregate principal amount of Series 2015B Bonds on which we have bid by the close of business on the date following the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Series 2015B Bonds on which we have bid.

Accepted for and on behalf of the
Smith County, Tennessee, this
15th day of July, 2015.

____
Michael Nesbitt, County Mayor

Respectfully submitted,

____

____

Total interest cost from
August 20, 2015 to final maturity $____________
Less: Premium /plus discount, if any $_________
Net Interest Cost .... $_____________
True Interest Rate................... ____%

The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.

*Preliminary, subject to change.

BID FORM

Honorable Michael Nesbitt, County Mayor
122 Turner High Circle
Carthage, TN 37030

July 15, 2015

Dear Mr. Nesbitt:

For your legally issued, properly executed $8,500,000* General Obligation Refunding Bonds, Series 2015C (Bank Qualified) (the "Series 2015C Bonds") of Smith County, Tennessee, in all respects as more fully outlined in your Notice of Sale, which by reference are made a part hereof, we will pay you a sum of ________________________________ ____________________ ($______________________).

The Series 2015C Bonds shall be dated the date of issuance (assume August 20, 2015) and shall be callable in accordance with the Detailed Notice of Sale. The Series 2015C Bonds shall mature on June 1 and bear interest at the following rates:

Maturity (June 1)	**Federally Taxable 2015C Amount***	**Rate**	**Maturity (June 1)**	**Federally Taxable 2015C Amount***	**Rate**
2017	$100,000	___	2024	$635,000	___
2018	565,000	___	2025	650,000	___
2019	575,000	___	2026	670,000	___
2020	585,000	___	2027	690,000	___
2021	600,000	___	2028	710,000	___
2022	605,000	___	2029	735,000	___
2023	620,000	___	2030	760,000	___

We have the option to designate two or more consecutive serial maturities as term bond maturities as indicated:

Term Bond 1: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.
Term Bond 2: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.
Term Bond 3: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.
Term Bond 4: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.

It is our understanding that the Series 2015C Bonds are offered for sale as "qualified tax-exempt obligations" subject to the final approving opinion of Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee, whose opinion together with the executed Series 2015C Bonds, will be furnished by the County without cost to us.

If our bid is accepted, we agree to provide a good faith deposit for 2% of the aggregate principal amount of Series 2015C Bonds on which we have bid by the close of business on the date following the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Series 2015C Bonds on which we have bid.

Accepted for and on behalf of the
Smith County, Tennessee, this
15th day of July, 2015.

____
Michael Nesbitt, County Mayor

Respectfully submitted,

____
____

Total interest cost from
August 20, 2015 to final maturity $_______________
Less: Premium /plus discount, if any $____________
Net Interest Cost .... $_______________
True Interest Rate......................... _____%

The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.

*Preliminary, subject to change.

$9,600,000*

SMITH COUNTY, TENNESSEE

$1,100,000* General Obligation Refunding Bonds, Series 2015B

(Federally Taxable)

$8,500,000* General Obligation Refunding Bonds, Series 2015C

(Bank Qualified)

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This PRELIMINARY OFFICIAL STATEMENT which includes the Summary Statement hereof and appendices hereto is furnished in connection with the offering by Smith County, Tennessee (the "County", "Municipality" or "Issuer") of its $1,100,000* General Obligation Refunding Bonds, 2015B (Federally Taxable) (the "Series 2015B Bonds") and the $8,500,000* General Obligation Refunding Bonds, Series 2015C (Bank Qualified) (the "Series 2015C Bonds") (collectively, the "Bonds").

The Bonds are authorized to be issued pursuant to the provisions of Sections 9-21-101 et. seq., *Tennessee Code Annotated,* and other applicable provisions of law and pursuant to a resolution duly adopted by the Board of Commissioners of the County on May 11, 2015 (the "Resolutions").

The Bonds are being issued for the purpose of (i) refinancing, in whole or in part, certain Outstanding Debt, as described in the "Refunding Plan" below; and (ii) payment of the costs related to the issuance and sale of the Bonds.

REFUNDING PLAN

The County is proposing to refinance the County's outstanding Loan Agreement, Series 2008 dated May 30, 2008 maturing June 1, 2016 through June 1, 2021 (collectively, the "Outstanding Debt"). The Outstanding Debt is expected to be redeemed within 90 days of the issuance of the Bonds. Additionally, the County will terminate an interest rate collar agreement associated with the Outstanding Debt.

As required by Title 9, Chapter 21, Part 9 of *Tennessee Code Annotated* as supplemented and revised, a plan of refunding (the "Plan") for the Outstanding Debt was submitted to the Director of the Office of State and Local Finance for review, and a report was received thereon.

DESCRIPTION OF THE BONDS

The Bonds will be dated and bear interest from their date of issuance and delivery (assume August 20, 2015). Interest on the Bonds will be payable semi-annually on June 1 and December 1,

*Preliminary, subject to change.

commencing December 1, 2015. The Bonds are issuable in book-entry-only form in $5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the County Mayor and shall be attested by the County Clerk. No Bond shall be valid until it has been authorized by the manual signature of an authorized officer or employee of the Registration Agent and the date of the authentication noted thereon.

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.

The County, through its governing body, shall annually levy and collect a tax on all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due. Principal and interest on the Bonds falling due at any time when there are insufficient funds from such tax shall be paid from the current funds of the County and reimbursement therefore shall be made out of taxes provided by the Resolution when the same shall have been collected. The taxes may be reduced to the extent of direct appropriations from the General Fund of the County to the payment of debt service on the Bonds.

The Bonds are not obligations of the State of Tennessee (the "State") or any political subdivision thereof other than the County.

SERIES 2015C BONDS QUALIFIED TAX-EXEMPT OBLIGATIONS

Under the Internal Revenue Code of 1986, as amended (the “Code”), in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain “qualified tax-exempt obligations,” as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Series 2015C Bonds, Bond Counsel has determined that the Series 2015C Bonds, upon issuance, will be “qualified tax-exempt obligations” within the meaning of the Code.

OPTIONAL REDEMPTION OF THE BONDS

The Bonds maturing June 1, 2021 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2020 in whole or part at any time at a redemption price of par plus accrued interest.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County Commissioners, 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

The bidders have the option of creating term bonds pursuant to the Detailed Notice of Sale. If term bonds are created, then the following provisions will apply. Subject to the credit hereinafter provided, the County shall redeem Bonds maturing June 1, 20__, and June 1, 20__ on the redemption dates set forth below opposite the maturity date, 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. The Bonds to be so redeemed shall be selected by lot or in such other random manner as the Registration Agent in its discretion may designate.

The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation 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 section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. 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 shall be accordingly reduced. The County shall on or before the forty-fifth (45) 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) described above 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. The 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.

PAYMENT OF BONDS

The Bonds will bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, on the dates provided herein, such interest being computed upon the basis of a 360-day year of twelve 30-day months. Interest on each Bond shall be paid by check or draft of the Registration Agent to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Registration Agent.

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BASIC DOCUMENTATION

REGISTRATION AGENT

The Registration Agent, Regions Bank, 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, except as follows. However, if the winning bidder certifies to the County that it intends to hold the Bonds for its own account and has no present intent to reoffer the Bonds, then the use of the Book-Entry-Only System is not required.

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.

BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the Issuer 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 Issuer 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.

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 fully registered bond certificate 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, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry-only transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates rep resenting their ownership interests in Bonds, except in the event that use of the book-entry-only system for the Bonds 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 Issuer 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 the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds f or their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of 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 Issuer 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 ISSUER, THE UNDERWRITER, THE BOND COUNSEL, THE FINANCIAL ADVISOR 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 Issuer, the Bond Counsel, the Registration Agent, the Financial Advisor 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-Only System, the Book-Entry-Only 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-only system has been obtained from sources that the County believes to be reliable, but the County, the Bond Counsel, the Registration Agent and the Financial Advisor 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 Financial

Advisor 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.

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

DISPOSITION OF BOND PROCEEDS

The proceeds of the sale of the Bonds shall be applied by the County as follows:

(a) all accrued interest, if any, shall be deposited to the appropriate fund of the County to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;

(b) an amount, which together with investment earnings thereon and legally available funds of the County, if any, that will be sufficient to pay principal of, premium, if any, and interest on the portion of the Outstanding Debt being refunded shall be applied to the payment of such outstanding portion of the Outstanding Debt; and

(c) the remainder of the proceeds of the sale of the Bonds shall be used to pay the costs of issuance the Bonds, and all necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, registration agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds.

DISCHARGE AND SATISFACTION OF BONDS

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

1. 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;

2. 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 Defeasance 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 and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds 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); or

3. 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 such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such 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 Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance 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 Defeasance 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 Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds 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. For the purposes of this Section, Defeasance Obligations shall direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, 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.

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.

LEGAL MATTERS

LITIGATION

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.

FEDERAL TAX MATTERS – SERIES 2015B BONDS

Disclaimer. Any discussion of the tax issues relating to the Series 2015B Bonds in this Official Statement was written to support the promotion or marketing of the Series 2015B Bonds. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice with respect to the Series 2015B Bonds based on its particular circumstances from an independent tax advisor.

General. The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2015B Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses Series 2015B Bonds held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2015B Bonds as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency is not the United States dollar. Potential purchasers of the Series 2015B Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Series 2015B Bonds.

Interest on the Series 2015B Bonds is included from gross income for federal income tax purposes and so will be fully subject to federal income taxation. Purchasers other than those who purchase Series 2015B Bonds in the initial offering at their stated principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2015B Bonds. In general, interest paid on the Series 2015B Bonds accrual of original issue discount and market discount, if any, will be treated as ordinary income to an owner of Series 2015B Bonds and, after adjustment for the foregoing, principal payments will be treated as a return of capital.

Original Issue Discount. The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2015B Bonds issued with original issue discount ("Discount Series 2015B Bonds"). A Bond will be treated as having original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price at which a substantial amount of the Series 2015B Bonds of the same maturity have first been sold to the public, excluding Bond houses and brokers) equals or exceeds one quarter of one percent of such Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity.

A Discount Bond's "stated redemption price at maturity" is the total of all payments provided by the Discount Bond that are not payments of "qualified stated interest." Generally, the term "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Bond is the sum of the "daily portions" of original issue discount with respect to such Discount Bond for each day during the taxable year in which such holder held such Discount Bond. The daily portion of original issue discount on any Discount Bond is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Bond's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount Bond at the beginning of any accrual period is the sum of the issue price of the Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Bond that were not qualified stated interest payments. Under these rules, holders will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable Bond premium or acquisition premium) on the Discount Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount. Any owner who purchases a Bond at a price which includes market discount in excess of a prescribed de minimis amount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such owner will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Bond as ordinary income to the extent of any remaining accrued market discount (under this caption) or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes The Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

An owner who acquires a Bond at a market discount also may be required to defer, until the maturity date of such Series 2015B Bonds or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Bond for the days during the taxable year on which the owner held the Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the Bondowner elects to include such market discount in income currently as described above.

Bond Premium. A purchaser who purchases a Bond at a cost greater than its then principal amount (or, in the case of a Bond issued with original issue premium, at a price in excess of its adjusted issue price) will have amortizable Bond premium. If the holder elects to amortize the premium under Section 171 of the Code (which election will apply to all Series 2015B Bonds held by the holder on the first day of the taxable year to which the election applies, and to all Series 2015B Bonds thereafter acquired by the holder), such a purchaser must amortize the premium using constant yield principles based on the purchaser's yield to maturity. Amortizable Bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable Bond premium that is applied to reduce interest payments. Purchasers of any Series 2015B Bonds who acquire such Series 2015B Bonds at a premium (or with acquisition premium) should consult with their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to state and local tax consequences of owning such Series 2015B Bonds.

Sale or Redemption of Series 2015B Bonds. A Bondowner's tax basis for a Bond is the price such owner pays for the Bond plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified stated interest" payments) and any amortized Bond premium. Gain or loss recognized on a sale, exchange or redemption of a Bond, measured by the difference between the amount realized and the basis of the Bond as so adjusted, will generally give rise to capital gain or loss if the Bond is held as a capital asset (except as discussed above under "Market Discount"). The legal defeasance of Series 2015B Bonds may result in a deemed sale or exchange of such Series 2015B Bonds under certain circumstances; owners of such Series 2015B Bonds should consult their tax advisors as to the Federal income tax consequences of such an event.

Backup Withholding. A Bondowner may, under certain circumstances, be subject to "backup withholding" (currently the rate of this withholding obligation is 28%, but the rate may change in the future) with respect to interest or original issue discount on the Series 2015B Bonds. This withholding generally applies if the owner of a Bond (a) fails to furnish the Trustee or other payor with its taxpayer identification number, (b) furnishes the Trustee or other payor an incorrect taxpayer identification number, (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under certain circumstances, fails to provide the Trustee or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to Bondowners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Series 2015B Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

Backup withholding is not an additional tax. Any amount paid as backup withholding would be credited against the Bondholder's U.S. federal income tax liability, provided that the requisite information is timely provided to the IRS. The amount of "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to payments on the Series 2015B Bonds will be reported to the Bondowners and to the Internal Revenue Service.

Nonresident Borrowers. Under the Code, interest and original issue discount income with respect to Series 2015B Bonds held by nonresident alien individuals, foreign corporations or other non-United States persons ("Nonresidents") generally will not be subject to the United States withholding tax (or backup withholding) if the County (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Bond is a Nonresident. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident Bondowner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA. The Employees Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series 2015B Bonds.

The opinions of Bond Counsel are not intended or written by Bond Counsel to be used and cannot be used by an owner of the Series 2015B Bonds for the purpose of avoiding penalties that may be imposed on the owner of the Series 2015B Bonds. The opinions of Bond Counsel are provided to support the promotion or marketing of the Series 2015B Bonds. In all events, all investors should consult their own tax advisors in determining the Federal, state, local and other tax consequences to them of the purchase, ownership and disposition of the Series 2015B Bonds.

Prospective Bondholders should consult their own tax advisors regarding the foregoing matters.

FEDERAL TAX MATTERS - SERIES 2015C BONDS

Federal

General. Bass, Berry & Sims PLC, Knoxville, Tennessee, is Bond Counsel to the County for the Series 2015C 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 Series 2015C Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code),
- is not a preference item for a bondholder under the federal alternative minimum tax, and
- is included in the adjusted current earnings of a corporation under the federal corporate alternative minimum tax.

The Code imposes requirements on the Series 2015C Bonds that the County must continue to meet after the Series 2015C Bonds are issued. These requirements generally involve the way that 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 Series 2015C 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 who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2015C 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 Series 2015C 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 Series 2015C Bonds or affect the market price of the Series 2015C Bonds. See also "Changes in Federal and State 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 Series 2015C 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 Series 2015C Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with a 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 Series 2015C Bonds with a bond premium, it should consult its tax advisor regarding the tax accounting treatment of a 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 Series 2015C Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of an original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Series 2015C Bonds will be increased. If a bondholder owns one of these Series 2015C Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Series 2015C Bonds - Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Series 2015C Bonds, Bond Counsel has determined that the Series 2015C Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Series 2015C 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 Series 2015C 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 TAX MATTERS

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) 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 (c) 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 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. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, 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 thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. 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.

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, signed by the County Mayor acting in his official capacity to the effect that to the best of his 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, 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, (c) there has been no material adverse change in the operation or the affairs of the County since the date of the *Official Statement*, in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) 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) certificates as to the delivery and payment, signed by the County Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the County Mayor and County Clerk acting in their official capacities certifying as to the due execution of the Bonds; and, (iv) 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.

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, Knoxville, Tennessee, Bond Counsel. Bond Counsel has not prepared 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 in the section entitled "LEGAL MATTERS - 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. For additional information, see the section entitled "MISCELLANEOUS – "Competitive Public Sale", "Additional Information" and "Continuing Disclosure."

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MISCELLANEOUS

RATING

Standard & Poor's Rating Services ("Standard & Poor's") has given the Bonds the rating of "Applied For".

There is no assurance that such rating will continue for any given period of time or that the rating may not be suspended, lowered or withdrawn entirely by Standard & Poor's, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy and debt of the United States of America, including, without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Bonds. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

The rating reflects only the views of Standard & Poor's and any explanation of the significance of such rating should be obtained from Standard & Poor's.

COMPETITIVE PUBLIC SALE

The Bonds were offered for sale at competitive public bidding on July 15, 2015. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated July 8, 2015.

The successful bidder for the Series 2015B Bonds was an account led by ___________________, ________, ________ (the "Underwriters") who contracted with the County, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Series 2015B Bonds at a purchase price of $___________ (consisting of the par amount of the Series 2015B Bonds, less an underwriter's discount of $_________ and less an original issue discount of $___________) or ____% of par.

The successful bidder for the Series 2015C Bonds was an account led by ___________________, ________, ________ (the "Underwriters") who contracted with the County, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Series 2015C Bonds at a purchase price of $___________ (consisting of the par amount of the Series 2015C Bonds, less an underwriter's discount of $_________ and less an original issue discount of $___________) or ____% of par.

FINANCIAL ADVISOR; RELATED PARTIES; OTHER

Financial Advisor. Cumberland Securities Company, Inc., Knoxville, Tennessee has been employed by the County to serve as its Financial Advisor. The Financial Advisor is an independently owned financial advisory firm.

Regions Bank. Regions Bank (the "Bank") is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds. In instances where the Bank serves the County in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statement. Certain information relative to the location, economy and finances of the Issuer is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer. The information set forth herein has been obtained by the Issuer 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 Financial Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this 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 Issuer, 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.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement*, in final form, and the *Official Statement*, in final form on behalf of the County and will be compensated and/or reimbursed for such distribution and other such services.

Bond Counsel. From time to time, Bass, Berry & Sims PLC has represented the Bank on legal matters unrelated to the County and may do so again in the future.

Other. Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company's role as serving as the County's Dissemination Agent. If the County chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. including Dissemination Agent and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

ADDITIONAL DEBT

The County has not authorized any additional debt. However, the County has ongoing captial needs that may or may not require the issuance of additional debt.

DEBT LIMITATIONS

Pursuant to Title 9, Chapter 21, *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the County uses the statutory authority granted therein to issue bonds. (see "DEBT STRUCTURE - Indebtedness and Debt Ratios" for additional information.)

DEBT RECORD

There is no record of a default on principal and interest payments by the County from information available. Additionally, no agreements or legal proceedings of the County relating to securities have been declared invalid or unenforceable.

CONTINUING DISCLOSURE

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under 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 the end of each fiscal year commencing with the fiscal year ending June 30, 2015 (the "Annual Report"), and to provide notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

Five-Year History of Filing. The County has not filed any Annual Reports or disclosure information in the last five years, as required under its formerly outstanding Continuing Disclosure Agreement that was entered into in connection with the issuance of the General Obligation School Refunding Bonds, Series 2005, dated January 1, 2005 (the "Series 2005 Bonds") and had failed to file notice of such failure to file. Therefore, on February 6, 2015, the County instructed Cumberland Securities Company, Inc. to file the last five years of audited financial statements and the additional information for the fiscal year ended June 30, 2014. On April 1, 2015, the Series 2005 Bonds were redeemed and the related Continuing Disclosure Agreement was no longer in effect. The County on March 31, 2015, issued its General Obligation Refunding Bonds, Series 2015A, dated March 31, 2015 (the, "Series 2015A Bonds") and entered into a new Continuing Disclosure Agreement (the "2015A Agreement"). The County is in compliance with the 2015A Agreement. Additionally, the County will retain Cumberland Securities Company, Inc. as its Dissemination Agent to file its required information going forward on an annual basis.

Content of Annual Report. The County's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the County for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the County's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in APPENDIX B entitled "SUPPLEMENTAL INFORMATION STATEMENT."

1. Summary of Long-term indebtedness as of the end of such fiscal year as shown on page B-7;

2. The indebtedness and debt ratios as of the end of such fiscal year, together with information about the property tax base as shown on pages B-8 through B-9;

3. Information about the Bonded Debt Service Requirements – General Obligation Debt Service Fund as of the end of such fiscal year as shown on page B-10;

4. Information about the Bonded Debt Service Requirements – Courthouse / Jail Maintenance Debt Service Fund as of the end of such fiscal year as shown on page B-11;

5. Information about the Bonded Debt Service Requirements – General Fund as of the end of such fiscal year as shown on page B-12;

6. Information about the Bonded Debt Service Requirements – Solid Waste Fund as of the end of such fiscal year as shown on page B-13;

7. Information about the Bonded Debt Service Requirements – Highway Fund as of the end of such fiscal year as shown on page B-14;

8. The fund balances and retained earnings for the fiscal year as shown on page B-15;

9. Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year as shown on page B-16;

6. The estimated assessed value of property in the County for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year as shown on page B-18;

7. Property tax rates and tax collections of the County for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year as shown on page B-19; and

10. The ten largest taxpayers as shown on page B-19.

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the County or related public entities, which have been submitted to each of the Repositories or the U.S. Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The County will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the County shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any. Notwithstanding the foregoing, notice of Listed Events described in subsection (3)(h) and (i) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the County shall determine the materiality of such event as soon as possible after learning of its occurrence.

3. The following are the Listed Events:

   a. Principal and interest payment delinquencies;

   b. Non-payment related defaults, if material;

   c. Unscheduled draws on debt service reserves reflecting financial difficulties;

   d. Unscheduled draws on credit enhancements reflecting financial difficulties;

   e. Substitution of credit or liquidity providers, or their failure to perform;

   f. 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;

   g. Modifications to rights of Bondholders, if material;

   h. Bond calls, if material, and tender offers;

   i. Defeasances;

   j. Release, substitution, or sale of property securing repayment of the securities, if material;

   k. Rating changes;

   l. Bankruptcy, insolvency, receivership or similar event of the obligated person;

m. 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; and

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Termination of Reporting Obligation. The County's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the County may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default. In the event of a failure of the County to comply with any provision of the Disclosure Certificate, any Bondholder or any beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the County to comply with the Disclosure Certificate shall be an action to compel performance.

ADDITIONAL INFORMATION

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of 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 OFFICIAL STATEMENT, in final form, and any advertisement of the Bonds, is 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 this PRELIMINARY OFFICIAL STATEMENT or the OFFICIAL STATEMENT, in final form, involving matters of opinions or of estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

The County has deemed this PRELIMINARY OFFICIAL STATEMENT as “final” as of its date within the meaning of Rule 15c2-12(b) of the U.S. Securities and Exchange Commission except for the omission of certain pricing information allowed to be omitted pursuant to Rule 15c2-12(b).

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CERTIFICATION OF THE COUNTY

On behalf of the County, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/____________________________
County Mayor

ATTEST:

/s/____________________________
County Clerk

APPENDIX A

LEGAL OPINIONS

LAW OFFICES OF
BASS, BERRY & SIMS PLC
900 SOUTH GAY STREET, SUITE 1700
KNOXVILLE, TENNESSEE 37902

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Smith County, Tennessee (the "Issuer") of the $____________ General Obligation Refunding Bonds, Series 2015B (Federally Taxable) (the "Series 2015B Bonds") and the $________________ General Obligation Refunding Bonds, Series 2013C (Bank Qualified) (the "Series 2015C Bonds," and together with the Series 2015B Bonds, the "Bonds") dated ___________________, 2015. 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 have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds 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 general obligations of the Issuer to 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 territorial limits of the Issuer.

4. Interest on the Series 2015C Bonds is 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 and corporations; however, for purposes of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, 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. Interest on the Series 2015B Bonds is not excludable from gross income for federal income tax purposes. Except as set forth in this Paragraph 4 and Paragraph 6, 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) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are 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 (c) 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.

6. The Series 2015C Bonds are "qualified tax-exempt" obligations within the meaning of Section 265 of the Code.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions 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 the Official Statement 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,

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

GENERAL INFORMATION

LOCATION

Smith County (the "County") lies along the western foothills of the Cumberland Mountains in the central portion of the State of Tennessee. The City of Carthage (the "City") serves as the county seat. The County is bordered to the north by Trousdale, Macon and Jackson Counties. Putnam County provides the County's eastern border, while Dekalb County makes up the County's southern border. To the west, the County is bordered by Wilson County. The City is located 49 miles southeast of Nashville. The other incorporated cities in the County include Gordonsville and South Carthage. The population according to the 2010 U.S. Census for the County was 19,166 and for the City was 2,306.

GENERAL

Approximate land area of the County measures 314 square miles. Leading crops include hay, soybeans, corn and tobacco.

The County is part of the Nashville-Murfreesboro Metropolitan Statistical Area (the "MSA"), which includes Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties. According to the 2010 US Census the MSA had a population of 1,674,191.

The County is also part of the Nashville-Murfreesboro Combined Statistical Area (the "CSA") which includes Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties. According to the 2010 Census, the CSA had a population of 1,674,191. The City of Nashville, the State Capital, is the largest city in the CSA with a population of 626,681 according to the 2010 Census.

TRANSPORTATION

Transportation for the County is provided by a variety of sources. The County is served by Interstate 40, U.S. Highways 70N and 141, and State Highways 25, 53, 80, 85, 263, and 264. One motor freight carrier maintains routes throughout the County. Nashville and Eastern Railroad provide the County's rail services. The nearest port facility is 50 miles away in Nashville on the Cumberland River. Private air service is provided by the Lebanon Municipal Airport about 22 miles away which has a 5,000 foot runway. The closest full-service commercial airport is located 49 miles away at the Nashville International Airport.

EDUCATION

The *Smith County School System* serves the County with nine total schools, which include six elementary schools, one middle school and two high schools. The fall 2013 enrollment was 3,210 students with 185 teachers.

Source: Tennessee Department of Education.

Volunteer State Community College is a public two-year community college in Gallatin, Tennessee, serving a twelve-county region including the counties of Clay, Jackson, Macon, Overton, Pickett, Putnam, Robertson, Smith, Sumner, Trousdale and Wilson. Fall 2013 enrollment was 8,190. Off-Campus operations include two Degree-Granting Centers, five major teaching sites, high-school dual enrollment sites and various allied health and business sites in Davidson, Macon, Robertson, Overton and Wilson Counties.

Source: Volunteer State Community College.

The Tennessee Technology Center at Hartsville. The Tennessee Technology Center at Hartsville is part of a statewide system of 26 vocational-technical schools. The Tennessee Technology Center meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The Technology Center at Hartsville serves the north central region of the state including Trousdale, Macon, Smith and Sumner Counties. The Technology Center at Hartsville began operations in 1965, and the 20 acre main campus is located in Trousdale County. Fall 2012 enrollment was 913 students. There are also Instructional Service Centers located at the Trousdale County High School and Gallatin Housing Authority (SumHar Rose Learning Center).

Source: Tennessee Technology Center at Hartsville.

MEDICAL FACILITIES

Riverview Regional Medical Center. Riverview Regional Medical Center ("RRMC") in Carthage has 63 staffed beds and provides general medical and surgical care, 24-hour emergency services, skilled nursing, psychiatric services and geriatric care to residents of Smith and surrounding counties. Formerly Carthage General Hospital, the hospital was built in 1966 and HighPoint Health System acquired the hospital in 2004. More than 80 physicians and mid-level providers are on the RRMC medical staff.

The HighPoint Health System is comprised of four hospitals, including Sumner Regional Medical Center, the 155-bed flagship hospital located in Gallatin; Riverview Regional Medical Center - North, a 63-bed acute care hospital in Carthage; Riverview Regional Medical Center – South, a 25-bed critical access hospital in Carthage; and Trousdale Medical Center, a 25-bed critical access hospital in Hartsville. The system is part of LifePoint Hospital, Inc. based in Brentwood, Tennessee. LifePoint's network of 50 hospital facilities nationwide, which includes six other hospitals in Tennessee: Athens Regional Medical Center in Athens, Crockett Hospital in Lawrenceburg, Livingston Regional Hospital in Livingston, Hillside Hospital in Pulaski, Southern Tennessee Medical Center in Winchester and Emerald-Hodgson Hospital (a campus of Southern Tennessee Medical Center) in Sewanee. (See "RECENT DEVELOPMENTS" for more information.)

Source: Riverview Regional Medical Center.

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MANUFACTURING AND COMMERCE

The following is a list of the major industrial employers in the County:

Major Industrial Employers in Smith County

Company	Product	Employment
Nyrstar Zinc Mine	Zinc mining	450
Bonnell Aluminum	Aluminum extrusion	440
Dana Driveshaft Products, LLC	Driveshaft supplier	225
Shiroki Manufacturing	Automotive supplier	209
Graphic Packaging	Paper board packaging	200
Fabricated Tube Products	Metal tube fabrication	140
Taiho TN, Mfg. LLC	Head gaskets	50
Rackley Roofing Co	. Commercial roofing-sheet metal	35
Elmet-ETI	High condition components	30
Tom Arnold Construction	State bid work	24
Prospect, Inc.		20
Filtra Systems	Filtra equipment	20
Eatherly Group, Inc.	Road-bridge construction	20

Source: Middle Tennessee Industrial Development Association - 2014.

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EMPLOYMENT INFORMATION

For the month of March 2015, the unemployment rate for Smith County stood at 6.5% with 8,060 persons employed out of a labor force of 8,620.

The Nashville-Murfreesboro-Franklin MSA's unemployment for March 2015 was at 4.6% with 876,310 persons employed out of a labor force of 918,450. As of March 2015, the unemployment rate in the Nashville-Murfreesboro CSA stood at 4.7%, representing 924,740 persons employed out of a workforce of 970,220.

Unemployment

	Annual Average **2010**	Annual Average **2011**	Annual Average **2012**	Annual Average **2013**	Annual Average **2014**
National	9.6%	8.9%	8.1%	7.4%	6.2%
Tennessee	9.7%	9.2%	8.0%	8.2%	6.7%
Smith County	**10.4%**	**9.4%**	**7.5%**	**7.5%**	**6.3%**
Index vs. National	108	106	93	101	102
Index vs. State	107	102	94	91	94
Nashville – Murfreesboro MSA	**8.6%**	**8.0%**	**6.6%**	**6.5%**	**5.2%**
Index vs. National	90	90	81	88	84
Index vs. State	89	87	82	79	78
Nashville – Murfreesboro CSA	**8.9%**	**8.2%**	**6.7%**	**6.6%**	**5.4%**
Index vs. National	93	92	83	89	87
Index vs. State	92	89	84	80	81

Source: Tennessee Department of Employment Security, CPS Labor Force Estimates Summary.

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ECONOMIC DATA

Per Capita Personal Income

	2009	2010	2011	2012	2013
National	$39,379	$40,144	$42,332	$44,200	$44,765
Tennessee	$34,439	$35,426	$37,151	$39,002	$39,558
Smith County	**$28,577**	**$29,814**	**$31,698**	**$33,545**	**$34,371**
Index vs. National	73	74	75	76	77
Index vs. State	83	84	85	86	87
Nashville – Murfreesboro MSA	**$39,369**	**$40,571**	**$42,494**	**$45,207**	**$45,759**
Index vs. National	100	101	100	102	102
Index vs. State	114	115	114	116	116
Nashville – Murfreesboro CSA	**$38,549**	**$39,704**	**$41,576**	**$44,217**	**$44,800**
Index vs. National	98	99	98	100	100
Index vs. State	112	112	112	113	113

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Social and Economic Characteristics

	National	Tennessee	Smith County
Median Value Owner Occupied Housing	$176,700	$139,200	$113,800
% High School Graduates or Higher Persons 25 Years Old and Older	86.0%	84.4%	78.9%
% Persons with Income Below Poverty Level	15.4%	17.6%	19.4%
Median Household Income	$53,046	$44,298	$42,383

Source: U.S. Census Bureau State & County QuickFacts - 2013.

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RECREATION

Cordell Hull Birthplace State Park. The Cordell Hull Birthplace and Museum is a historic site located in Jackson, Smith and Pickett Counties. The site is located on 45-acres on the Highland Rim near the Kentucky border. The site consists of a representation of Hull's log cabin birthplace, an activities center and a museum housing documents and artifacts. Also on the park is beautiful Bunkum Cave Trail leading to an overlook and the actual entrance of historic Bunkum Cave where Cordell Hull's father made moonshine years ago. The collection includes his Nobel Peace Prize that is on display. Following nomination by Roosevelt, the Norwegian Nobel Committee presented the 1945 Nobel Prize for Peace to Hull in recognition of his work in the Western Hemispheres, for his international trade agreements, and for his efforts in establishing the United Nations.

Source: Tennessee State Parks.

Cordell Hull Lake. Cordell Hull Lake is located on the Cumberland River in Smith, Jackson, and Clay Counties of Tennessee. The 72-mile long lake has 381 miles of shoreline and contains 11,960 surface areas of water. Total storage capacity at maximum pool is 13,920 acres. Cordell Hull Lake has a total of 38,633 acres of land and water. Picnicking, camping, boating, and fishing are all popular activities on the Lake.

Source: US Army Corps of Engineers

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SMITH COUNTY, TENNESSEE

SUMMARY OF BONDED INDEBTEDNESS

AMOUNT ISSUED		PURPOSE	DUE DATE	INTEREST RATE(S)	Estimated As of June 30, 2015 (1) OUTSTANDING
$ 1,250,000		General Obligation Bond, Series 2009 (General Fund) (Fire Trucks)	June 2029	Fixed	$ 982,364
60,000		Capital Outlay Notes, Series 2010B (General Fund) (Ambulances)	July 2016	Fixed	20,000
112,500		Capital Outlay Notes, Series 2010 (General Fund) (EMS)	July 2019	Fixed	62,500
191,000		Capital Outlay Notes, Series 2012 (General Fund) (Patrol Cars)	Aug 2015	Fixed	63,667
191,000		Capital Outlay Notes, Series 2013 (GDSF) (Patrol Cars)	Dec 2016	Fixed	127,333
90,000		General Obligation Bond, Series 2003 (GDSF) (Welcome Center)	Oct 2042	Fixed	77,285
1,250,000	(2)	Loan Agreement, Series 2005 (General Debt Service Fund)	May 2025	Variable	702,000
257,200		USDA Loan Agreement, Series 2006 (GDSF) (Community Center)	May 2042	Fixed	225,635
1,378,600	(2)	Loan Agreement, Series 2007 (General Debt Service Fund)	May 2027	Variable	980,940
1,066,800		Capital Outlay Notes, Series 2007 (GDSF) (Health Dept)	Jan 2019	Fixed	355,600
260,000		Capital Outlay Notes, Series 2008 (GDSF) (Health Center)	Mar 2020	Fixed	108,333
300,000		Capital Outlay Notes, Series 2012 (GDSF) (Lighting)	Dec 2015	Fixed	100,000
100,000		Capital Outlay Notes, Series 2013 (GDSF) (Highway)	April 2019	Fixed	66,667
205,907		Capital Outlay Notes, Series 2013 (GDSF) (Mowers)	Jan 2016	Fixed	68,635
78,000		Capital Outlay Notes, Series 2013 (GDSF) (Ambulance)	Feb 2016	Fixed	26,000
85,000		Capital Outlay Notes, Series 2014 (GDSF) (Lights)	Mar 2017	Fixed	56,667
88,036		Capital Outlay Notes, Series 2014 (GDSF) (Ambulance)	Jan 2017	Fixed	58,691
10,000,000	(2)	Loan Agreement, Series 2008 (Jail Maintenance Fund)	May 2030	Variable	8,329,000
8,930,000		General Obligation Refunding Bonds, Series 2015A (Education Debt Service) (As of April 01, 2015)	April 2021	Fixed	8,930,000
2,000,000		General Obligation Bond, Series 2005 (Solid Waste)	Dec 2045	Fixed	1,805,154
700,000		Capital Outlay Notes, Series 2007 (Solid Waste)	July 2016	Fixed	155,555
508,138		Capital Outlay Notes, Series 2012 (Solid Waste)	Mar 2021	Fixed	338,759
258,200		Capital Outlay Notes, Series 2013 (Solid Waste)	Dec 2019	Fixed	215,233
2,280,990		Capital Outlay Notes, Series 2013 (Solid Waste)	July 2022	Fixed	2,027,546
553,055		Capital Outlay Notes, Series 2014 (Solid Waste)	April 2017	Fixed	368,704
82,000		Capital Outlay Notes, Series 2014 (Solid Waste)	Mar 2017	Fixed	54,667
182,000		Capital Outlay Notes, Series 2014 (Highway)	Jan 2017	Fixed	121,333
200,000		Capital Outlay Notes, Series 2015 (Highway) (Post 6-30-2014)	Feb 2018	Fixed	173,423
$ 32,658,426		**TOTAL BONDED DEBT**			$ 26,601,691
$ 1,100,000		General Obligation Refunding Bonds, Series 2015B (Federally Taxable)	June 2017	Fixed	$ 1,100,000
8,500,000		General Obligation Refunding Bonds, Series 2015C (Bank-Qualified)	June 2030	Fixed	8,500,000
(10,000,000)		Less: Bonds Being Refinanced			(8,329,000)
$ 32,258,426		**NET BONDED DEBT**			$ 27,872,691

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the CAFR.

(2) The County budgets to account for interest rate and/or basis risk.

SMITH COUNTY, TENNESSEE
Indebtedness and Debt Ratios

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the CAFR and the table should be read in conjunction with those statements.

	For Fiscal Year Ended June 30				Unaudited	After Issuance
INDEBTEDNESS	**2011**	**2012**	**2013**	**2014**	**2015**	**2015**
TAX SUPPORTED						
General Obligation Bonds & Notes	$ 15,283,633	$ 12,754,487	$ 12,237,097	$ 12,164,657	$ 12,706,073	$ 13,977,073
School Bonds & Notes (Education Debt Service)	14,000,000	12,900,000	11,780,000	10,550,000	8,930,000	8,930,000
TOTAL TAX SUPPORTED	$ 29,283,633	$ 25,654,487	$ 24,017,097	$ 22,714,657	$ 21,636,073	$ 22,907,073
REVENUE SUPPORTED						
Solid Waste Debt (Tax Backed)	$ 3,326,730	$ 3,598,753	$ 3,305,074	$ 5,631,512	$ 4,965,617	$ 4,965,617
TOTAL DEBT	$ 32,610,363	$ 29,253,240	$ 27,322,171	$ 28,346,169	$ 26,601,691	$ 27,872,691
Less: Solid Waste Debt	$ (3,326,730)	$ (3,598,753)	$ (3,305,074)	$ (5,631,512)	$ (4,965,617)	$ (4,965,617)
Less: General Debt Service Fund	$ (556,198)	(926,713)	(717,924)	(315,111)	(315,111)	(315,111)
Less: Education Debt Service Fund	(1,692,002)	(1,964,162)	(2,277,469)	(2,607,520)	(2,607,520)	(2,607,520)
NET DIRECT DEBT	$ 27,035,433	$ 22,763,612	$ 21,021,704	$ 19,792,026	$ 18,713,442	$ 19,984,442

PROPERTY TAX BASE						
Estimated Actual Value	$ 1,204,765,530	$ 1,188,002,481	$ 1,181,067,409	$ 1,198,555,548	$ 1,237,394,023	$ 1,237,394,023
Appraised Value	$ 1,092,119,953	$ 1,127,889,555	$ 1,181,067,409	$ 1,198,555,548	$ 1,227,742,350	$ 1,227,742,350
Assessed Value	$ 303,942,400	$ 315,547,770	$ 331,767,763	$ 336,700,765	$ 346,544,229	$ 346,544,229

Source: General Purpose Financial Statements and County Officials.

	For Fiscal Year Ended June 30				Unaudited	After Issuance
DEBT RATIOS	**2011**	**2012**	**2013**	**2014**	**2015**	**2015**
TOTAL DEBT to Estimated Actual Value	2.43%	2.16%	2.03%	1.90%	1.75%	1.85%
TOTAL DEBT to Appraised Value	2.68%	2.27%	2.03%	1.90%	1.76%	1.87%
TOTAL DEBT to Assessed Value	9.63%	8.13%	7.24%	6.75%	6.24%	6.61%
NET DIRECT DEBT to Estimated Actual Value	9.08%	7.51%	6.55%	5.97%	5.49%	5.86%
NET DIRECT DEBT to Appraised Value	2.53%	2.10%	1.84%	1.68%	1.55%	1.65%
NET DIRECT DEBT to Assessed Value	9.08%	7.51%	6.55%	5.97%	5.49%	5.86%
PER CAPITA RATIOS						
POPULATION (1)	19,129	19,126	19,061	19,009	19,074	19,074
PER CAPITA PERSONAL INCOME (2)	$31,698	$33,545	$34,371	$34,371	$34,371	$34,371
Estimated Actual Value to POPULATION	62,981	62,115	61,963	63,052	64,873	64,873
Assessed Value to POPULATION	15,889	16,498	17,406	17,713	18,168	18,168
Total Debt to POPULATION	1,705	1,530	1,433	1,491	1,395	1,461
Net Direct Debt to POPULATION	1,413	1,190	1,103	1,041	981	1,048
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	4.83%	4.00%	3.67%	3.48%	3.30%	3.49%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	4.46%	3.55%	3.21%	3.03%	2.85%	3.05%

(1) Per Capita computations are based upon POPULATION data according to the U.S. Census.

(2) PER CAPITA PERSONAL INCOME is based upon the most current data available from the U. S. Department of Commerce.

SMITH COUNTY, TENNESSEE

BONDED DEBT SERVICE REQUIREMENTS - GENERAL

General Fund / General Debt Service Fund

F.Y. Ended 6/30	Estimated Total Bonded Debt Service Requirements (1) Principal	Interest (2)	TOTAL	% All Principal Repaid
2016	$ 681,597	$ 116,178	$ 797,776	18.92%
2017	428,469	97,161	525,630	
2018	303,491	84,317	387,808	
2019	309,067	74,294	383,362	
2020	210,291	64,087	274,378	53.65%
2021	183,136	57,524	240,660	
2022	190,389	52,053	242,443	
2023	197,886	46,356	244,242	
2024	204,637	40,426	245,063	
2025	212,664	34,271	246,935	81.10%
2026	140,971	27,995	168,967	
2027	147,569	22,927	170,496	
2028	97,934	17,719	115,653	
2029	102,345	13,309	115,653	
2030	10,858	8,700	19,558	94.97%
2031	11,351	8,208	19,558	
2032	11,865	7,693	19,558	
2033	12,403	7,155	19,558	
2034	12,966	6,592	19,558	
2035	13,554	6,004	19,558	96.69%
2036	14,169	5,390	19,558	
2037	14,811	4,747	19,558	
2038	15,483	4,075	19,558	
2039	16,185	3,373	19,558	
2040	16,919	2,639	19,558	98.85%
2041	17,687	1,871	19,558	
2042	18,489	1,069	19,558	
2043	4,526	230	4,756	
2044	886	38	924	100.00%
	$ 3,602,601	$ 816,403	$ 4,419,004	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the CAFR.

(2) The County budgets to account for interest rate and/or basis risk.

SMITH COUNTY, TENNESSEE
BONDED DEBT SERVICE REQUIREMENTS - GENERAL OBLIGATION
Courthouse / Jail Maintenance Fund

F.Y. Ended 6/30	Existing Debt - General Obligation as of June 30, 2015 (1)			General Obligation Refunding Bonds, Series 2015B			% 2015B Principal Repaid	General Obligation Refunding Bonds, Series 2015C			% 2015C Principal Repaid	Less: Refunded Debt			Estimated Total Bonded Debt Service Requirements (1)			% All Principal Repaid
	Principal	Interest (2)	TOTAL	Principal	Interest (3)	TOTAL		Principal	Interest (4)	TOTAL		Principal	Interest	TOTAL	Principal	Interest (2)	TOTAL	
2016	$ 416,139	$ 374,605	$ 790,744	$ 600,000	$ 7,415	$ 607,415	54.55%	$ -	$ 145,989	$ 145,989	0.00%	$ (386,000)	$ (365,061)	$ (751,061)	$ 630,139	$ 162,949	$ 793,088	6.25%
2017	436,646	356,946	793,591	500,000	5,000	505,000	100.00%	100,000	187,033	287,033		(405,000)	(348,007)	(753,007)	631,646	200,971	832,617	
2018	459,225	338,413	797,638	-	-	-		565,000	186,033	751,033		(426,000)	(330,110)	(756,110)	598,225	194,336	792,561	
2019	481,888	318,925	800,813	-	-	-		575,000	178,970	753,970		(447,000)	(311,289)	(758,289)	609,888	186,606	796,494	
2020	505,634	298,476	804,109	-	-	-		585,000	170,345	755,345	21.47%	(469,000)	(291,540)	(760,540)	621,634	177,280	798,914	30.67%
2021	531,463	277,016	808,479	-	-	-		600,000	160,108	760,108		(493,000)	(270,816)	(763,816)	638,463	166,307	804,770	
2022	557,390	254,463	811,853	-	-	-		605,000	149,008	754,008		(517,000)	(249,036)	(766,036)	645,390	154,435	799,824	
2023	585,409	230,809	816,218	-	-	-		620,000	137,210	757,210		(543,000)	(226,193)	(769,193)	662,409	141,826	804,235	
2024	614,527	205,966	820,493	-	-	-		635,000	124,500	759,500		(570,000)	(202,202)	(772,202)	679,527	128,264	807,791	
2025	645,757	179,886	825,642	-	-	-		650,000	110,848	760,848	58.06%	(599,000)	(177,016)	(776,016)	696,757	113,717	810,474	63.63%
2026	678,094	152,481	830,575	-	-	-		670,000	96,223	766,223		(629,000)	(150,550)	(779,550)	719,094	98,153	817,248	
2027	711,545	123,705	835,250	-	-	-		690,000	80,143	770,143		(660,000)	(122,760)	(782,760)	741,545	81,088	822,632	
2028	693,000	93,599	786,599	-	-	-		710,000	62,893	772,893		(693,000)	(93,599)	(786,599)	710,000	62,893	772,893	
2029	728,000	62,979	790,979	-	-	-		735,000	43,368	778,368		(728,000)	(62,979)	(790,979)	735,000	43,368	778,368	
2030	764,000	30,815	794,815	-	-	-		760,000	22,420	782,420	100.00%	(764,000)	(30,815)	(794,815)	760,000	22,420	782,420	100.00%
	$ 8,808,716	$ 3,299,082	$ 12,107,798	$ 1,100,000	$ 12,415	$ 1,112,415		$ 8,500,000	$ 1,855,087	$ 10,355,087		$ (8,329,000)	$ (3,231,972)	$ (11,560,972)	$ 10,079,716	$ 1,934,612	$ 12,014,328	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the CAFR.

(2) The County budgets to account for interest rate and/or basis risk.

(3) Estimated Interest Rates. Estimated Average Coupon 0.92%.

(4) Estimated Interest Rates. Estimated Average Coupon 2.42%.

SMITH COUNTY, TENNESSEE
BONDED DEBT SERVICE REQUIREMENTS - GENERAL
As of June 30, 2015

F.Y. Ended 6/30	Total Bonded Debt Service Requirements (1) Principal	Interest	TOTAL	% All Principal Repaid
2016	$ 1,335,000	$ 351,022	$ 1,686,022	14.95%
2017	1,400,000	283,300	1,683,300	30.63%
2018	1,455,000	213,300	1,668,300	46.92%
2019	1,525,000	140,550	1,665,550	64.00%
2020	1,600,000	64,300	1,664,300	81.91%
2021	1,615,000	32,300	1,647,300	100.00%
	$ 8,930,000	$ 1,084,772	$ 10,014,772	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the CAFR.

SMITH COUNTY, TENNESSEE

BONDED DEBT SERVICE REQUIREMENTS - GENERAL OBLIGATION

Solid Waste Fund - Revenue Supported - Tax-Backed

F.Y. Ended 6/30	Estimated Total Bonded Debt Service Requirements (1) Principal	Interest	TOTAL	% All Principal Repaid
2016	$ 672,548	$ 171,907	$ 844,456	13.54%
2017	673,854	150,080	823,934	
2018	385,754	129,833	515,587	
2019	387,175	117,239	504,414	
2020	388,659	104,582	493,241	50.51%
2021	347,160	92,393	439,553	
2022	292,314	80,669	372,983	
2023	293,999	70,139	364,138	
2024	42,313	63,959	106,272	
2025	44,147	62,125	106,272	71.05%
2026	46,060	60,212	106,272	
2027	48,056	58,216	106,272	
2028	50,139	56,133	106,272	
2029	52,312	53,960	106,272	
2030	54,579	51,693	106,272	76.10%
2031	56,944	49,328	106,272	
2032	59,412	46,860	106,272	
2033	61,987	44,285	106,272	
2034	64,673	41,599	106,272	
2035	67,476	38,796	106,272	82.36%
2036	70,401	35,871	106,272	
2037	73,452	32,820	106,272	
2038	76,635	29,637	106,272	
2039	79,956	26,316	106,272	
2040	83,421	22,851	106,272	90.09%
2041	87,036	19,236	106,272	
2042	90,808	15,464	106,272	
2043	94,744	11,528	106,272	
2044	98,850	7,422	106,272	
2045	103,134	3,138	106,272	99.65%
2046	17,618	94	17,712	100.00%
	$ 4,965,617	$ 1,748,383	$ 6,714,000	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the CAFR.

SMITH COUNTY, TENNESSEE

BONDED DEBT SERVICE REQUIREMENTS - GENERAL OBLIGATION

Highway Fund - Tax-Backed

F.Y. Ended 6/30	Estimated Total Bonded Debt Service Requirements (1) Principal	Interest	TOTAL	% All Principal Repaid
2016	$ 124,674	$ 5,130	$ 129,804	42.30%
2017	125,901	2,708	128,608	85.01%
2018	44,182	315	44,498	100.00%
	$ 294,757	$ 8,153	$ 302,910	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the CAFR.

FINANCIAL INFORMATION

BASIS OF ACCOUNTING AND PRESENTATION

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The modified accrual basis of accounting is used to account for all governmental funds of the County. Revenues for such funds are recognized when they become measurable and available as net current assets. Expenditures, other than interest or long-term debt, are recognized when incurred and measurable.

All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred except for prepaid expenses, such as insurance, which are fully expended at the time of payment.

FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

The following table depicts audited fund balances, net assets and retained earnings for the last five fiscal years ending June 30:

	For the Fiscal Year Ended June 30,				
Fund Type	**2010**	**2011**	**2012**	**2013**	**2014**
Governmental Funds:					
General	$1,238,813	$ 785,436	$1,125,864	$1,126,515	$ 887,871
Highway/Public Works	317,056	634,446	560,719	538,482	549,561
Education Debt Service	1,492,183	1,692,002	1,964,162	2,277,469	2,607,520
Nonmajor Funds	1,930,750	1,086,090	1,469,370	992,878	491,073
TOTAL	**$4,978,802**	**$4,197,974**	**$5,120,115**	**$4,935,344**	**$4,536,025**
Proprietary Fund	$(321,436)	$(288,705)	$(415,437)	$(461,173)	$(359,636)

Source: Comprehensive Financial Audit Reports of the County.

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SMITH COUNTY, TENNESSEE

Five Year Summary of Revenues, Expenditures and
Changes In Fund Balances - General Fund
For the Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Revenues:					
Local Taxes	$ 3,539,678	$ 3,643,058	$ 4,053,025	$ 4,152,481	$ 4,312,509
Licenses and Permits	73,490	56,539	78,460	74,168	134,699
Fines and Forfeits	24,535	53,909	45,641	29,889	29,053
Charges for Current Services	63,146	75,869	135,377	1,035,746	1,083,536
Other Local Revenues	263,027	397,533	520,200	445,229	312,427
Fees Recv'd from County Officials	888,295	812,798	816,666	861,461	852,532
State of Tennessee	762,873	665,259	1,574,542	1,448,458	1,369,840
Federal Government	85,568	84,276	84,373	185,085	181,808
Other Governments & Citizens Groups	62,234	80,084	81,306	82,083	162,410
Total Revenues	$ 5,762,846	$ 5,869,325	$ 7,389,590	$ 8,314,600	$ 8,438,814
Expenditures and Other Uses:					
General Government	$ 963,110	$ 1,085,519	$ 1,125,369	$ 1,167,333	$ 1,203,844
Finance	492,105	518,584	512,238	557,545	562,424
Administration of Justice	465,446	493,501	509,760	515,915	525,484
Public Safety	2,672,274	3,272,355	3,484,917	3,650,874	3,792,472
Public Health & Welfare	128,010	135,922	147,745	1,341,209	1,651,248
Social, Cultural, & Recreational Services	137,040	210,927	239,540	536,143	309,503
Agricultural & Natural Resources	111,916	200,425	153,434	130,103	138,774
Other Operations	713,473	522,102	549,970	851,328	599,947
Capital Outlay	-	-	-	-	-
Debt Service	207,654	209,284	195,750	272,962	258,356
Capital Projects	-	-	-	-	-
Total Expenditures	$ 5,891,028	$ 6,648,619	$ 6,918,723	$ 9,023,412	$ 9,042,052
Excess of Revenues & Over (under) Expenditures	$ (128,182)	$ (779,294)	$ 470,867	$ (708,812)	$ (603,238)
Other Financing Sources (Uses):					
Debt Proceeds	$ 140,869	$ -	$ 191,000	$ 774,907	$ 364,036
Insurance Recovery	-	-	-	20,992	558
Interfund Transfers - In	7,880	375,917	-	24,677	-
Interfund Transfers - Out	(65,720)	(50,000)	(321,439)	(111,113)	-
Total Other Financing Sources (Uses)	$ 83,029	$ 325,917	$ (130,439)	$ 709,463	$ 364,594
Excess of Revenue & Other Sources over (Under) Expenditures & Other Sources	$ (45,153)	$ (453,377)	$ 340,428	$ 651	$ (238,644)
Fund Balance July 1	$ 1,283,966	$ 1,238,813	$ 785,436	$ 1,125,864	$ 1,126,515
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	**$ 1,238,813**	**$ 785,436**	**$ 1,125,864**	**$ 1,126,515**	**$ 887,871**

Source: Comprehensive Annual Financial Report for Smith County, Tennessee.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle County operating funds is controlled by state statute and local policies and administered by the County Trustee. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the County. For reporting purposes, all investments are stated at cost which approximates market value. The County Trustee is responsible for all County investments.

PROPERTY TAX

Introduction. The County is authorized to levy a tax on all property within the County without limitation as to rate or amount. All real and personal property within the County is assessed in accordance with the state constitutional and statutory provisions by the County Property Tax Assessor except most utility property, which is assessed by the Office of State Assessed Properties. All property taxes are due on October 1 of each year based upon appraisals as of January 1 of the same calendar year. All property taxes are delinquent on March 1 of the subsequent calendar year.

Reappraisal Program. Title 67, Chapter 5, Part 16, Tennessee Code Annotated, as supplemented and amended, mandates that after June 1, 1989, all property in the State of Tennessee will be reappraised on a continuous six (6) year cycle composed of an on-sight review of each parcel of property over a five (5) year period followed by reevaluation of all such property in the year following the completion of the review. In the second and fourth years of the review, there shall be an updating of all real property values by application of an index or indexes established for the jurisdiction by the State Board of Equalization, so as to maintain real property values at full value as defined in Title 67, Chapter 5, Part 6, Tennessee Code Annotated. The State Board of Equalization shall also consider a plan submitted by a local assessor which would have the effect of maintaining real property values at full value which may be used in lieu of indexing.

Title 67, Chapter 5, Part 17, Tennessee Code Annotated, provides that at such time as such reappraisal and reassessment processes are completed in a particular county, the respective governing bodies of the county and the municipalities located therein shall determine and certify a tax rate which will provide the same ad valorem tax revenue for the respective jurisdiction as was levied prior to reappraisal and reassessment. In computing the new tax rate, the estimated assessed value of all new construction and improvements placed on the tax rolls since the previous year, and the assessed value of all deletions from the previous tax roll are excluded. The new tax rate therefore, is derived from a comparison of tax revenues, tax rates and assessed values of property on the tax roll in both the year before and the year after the reappraisal. The effect of the 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.

Once a municipality or county complies with state law and certifies a tax rate which provides the same property tax revenue as was collected before reappraisal, its governing body may vote to approve a tax rate change which would produce more or less tax revenue. The County has a reappraisal program, conducted by the State Board of Equalization, Division of Property Assessment, which was completed as of January 1, 2013.

Assessed Valuations. According to the Tax Aggregate Report, property in the County reflected a ratio of appraised value to true market value of 0.9922. The following table shows pertinent data for tax year 2014.

Class	Estimated Assessed Valuation	Assessment Rate	Estimated Appraised Value
Public Utilities	$ 27,483,948	55%	$ 62,964,371
Commercial and Industrial	57,741,160	40%	145,487,734
Personal Tangible Property	36,508,846	30%	122,631,598
Residential and Farm	224,810,275	25%	906,310,320
TOTAL	**$346,544,229**		**$1,237,394,023**

Source: 2014 Tax Aggregate Report of Tennessee and the County.

The estimated assessed value of property in the County for the fiscal year ending June 30, 2015 (tax year 2014) is $346,544,229 compared to $336,700,765 for the fiscal year ending June 30, 2014 (tax year 2013). The estimated actual value of all taxable property for tax year 2014 is $1,237,394,023 compared to $1,198,555,548 for tax year 2013.

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[1] The tax year coincides with the calendar year; therefore tax year 2014 is actually fiscal year 2014-2015.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the County for tax years 2010 through 2014 as well as the aggregate uncollected balances for each fiscal year ending June 30.

PROPERTY TAX RATES AND COLLECTIONS				Fiscal Yr Collections		Aggregate Uncollected Balance	
Tax Year	**Assessed Valuation**	**Tax Rates**	**Taxes Levied**	**Amount**	**Pct**	**as of June 30, 2014 Amount**	**Pct**
2010	$303,942,400	$2.19	$6,728,590	$6,527,642	97.0%	N/A	
2011	315,547,770	2.28	7,257,975	7,058,014	97.2%	N/A	
2012	331,767,763	2.23	7,416,800	7,231,714	97.5%	N/A	
2013	336,700,765	2.23	7,639,911	7,338,836	96.1%	$301,075	3.9%
2014	346,544,229	2.32	8,0.8,925*	**IN PROGRESS**			

* Estimated
[1] The tax year coincides with the calendar year; therefore tax year 2014 is actually fiscal year 2014-2013.

Ten Largest Taxpayers. For the fiscal year ending June 30, 2014 (tax year 2013), the ten largest taxpayers in the County are as follows:

	Taxpayer	Business Type	Assessment	Taxes Paid
1.	Upper Cumberland Electric	Public Utility	$ 16,654,151	$ 371,388
4.	Nystar Gordonsville LLC	Zinc mining	14,765,317	252,296
2.	Bon L Manufacturing Co.	Manufacturing	9,428,561	210,258
3.	Graphic Packing	Paper board packaging	3,537,107	78,877
5.	East TN Natural Gas	Public Utility	2,510,822	55,991
6.	WalMart Real Estate	Retail	2,196,320	48,976
7.	Bonnell Aluminum	Aluminum extrusion	1,985,520	44,277
8.	Torque Traction Tech	Manufacturing	1,872,483	41,756
9.	Taiho Manufacturing	Head gaskets	1,576,584	35,157
10.	Heath Care Prop. Inc.	Heathcare	1,434,200	31,983
	TOTAL		**$55,961,065**	**$1,170,959**

Source: The County.

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Ten Largest Taxpayers. For the fiscal year ending June 30, 2013 (tax year 2012), the ten largest taxpayers in the County are as follows:

	Taxpayer	Business Type	Assessment	Taxes Paid
1.	Upper Cumberland Electric	Public Utility	$ 16,003,493	$ 356,877
4.	Nystar Gordonsville LLC	Zinc mining	13,811,818	235,398
3.	Bon L Manufacturing Co.	Manufacturing	5,074,586	113,163
4.	Graphic Packing	Paper board packaging	3,327,635	74,206
5.	WalMart Real Estate	Retail	2,196,320	48,978
6.	The Industrial BD	Manufacturing	2,188,170	48,796
7.	Bonnell Aluminum	Aluminum extrusion	1,985,520	44,277
8.	East TN Natural Gas	Public Utility	1,970,541	43,943
9.	Taiho Manufacturing	Head gaskets	1,712,383	38,186
10.	Torque Traction Tech	Manufacturing	1,578,790	35,207
	TOTAL		**$49,849,256**	**$1,039,031**

Source: The County.

LOCAL OPTION SALES TAX

Fiscal Year	General Fund	Education Debt Service	General Purpose School	Cities	Total
2010	$700,433	$490,087	$1,307,079	$1,098,049	$3,595,653
2011	689,980	508,645	1,356,575	1,176,450	3,731,652
2012	683,972	502,889	1,341,221	1,163,007	3,691,089
2013	724,427	538,890	1,437,238	1,254,726	3,955,276
2014	441,499	324,235	864,747	749,247	2,379,728

Source: The County.

PENSION PLANS

Employees of Smith County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated.* State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Smith County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

For additional information of the 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 General Purpose Financial Statements of the County located herein.

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APPENDIX C

GENERAL PURPOSE FINANCIAL STATEMENTS

OF

SMITH COUNTY, TENNESSEE

FOR THE FISCAL YEAR ENDED

JUNE 30, 2014

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of the Smith County for the fiscal year ended June 30, 2014 which is available upon request from the County.