

State of Tennessee

Indebtedness Report

(Unaudited)



June 30, 2012



STATE OF TENNESSEE

COMPTROLLER OF THE TREASURY

STATE CAPITOL

NASHVILLE, TENNESSEE 37243-9034

PHONE (615) 741-2501

Justin P. Wilson
Comptroller

August 24, 2012

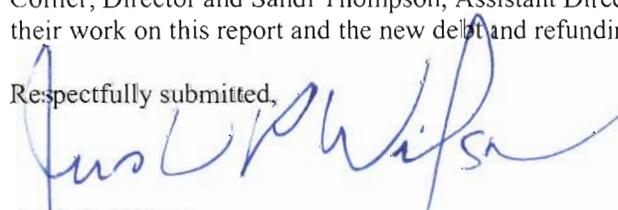
The Honorable Bill Haslam, Governor
The Honorable Ron Ramsey, Speaker of the Senate
The Honorable Beth Harwell, Speaker of the House of Representatives
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243

Ladies and Gentlemen:

The semi-annual State Indebtedness Report of the State of Tennessee is presented to provide information on the four state debt issuers: The State Funding Board for the Tennessee General Obligation Debt, the Tennessee Local Development Authority, the Tennessee State School Bond Authority and the Tennessee Housing Development Agency. The Report reflects the outstanding indebtedness both at December 31, 2011 and at June 30, 2012. It also includes information on authorized and unissued debt and credit ratings for each debt issuer as well as the statutory debt capacity limit for the General Obligation Debt of the State. It includes information on the success of the refunding debt issues undertaken in the past twelve months. Finally, it presents information on the loan programs administered by the Office of State and Local Finance: the Clean Water State Revolving Fund (CWSRF), the Drinking Water State Revolving Fund (DWSRF), the Energy Efficient Schools Initiative (EESI) and the State Infrastructure Fund (SIF). Included in the narrative for each debt program is a link to the program's debt policy. The report includes neither information on the unfunded liability of the Tennessee Consolidated Retirement System (TCRS) nor the liability for Other Post-Employment Benefits (OPEB).

I thank the members of the State Funding Board, the Tennessee Local Development Authority, the Tennessee State School Bond Authority and the Bond Finance Committee of the Tennessee Housing Development Agency for their help and support of the debt issuance and management process. We also thank our staff in the Office of State and Local Finance and the Tennessee Housing Development Agency for their constant attention to the details of these important financing programs, especially Mary-Margaret Collier, Director and Sandi Thompson, Assistant Director of the Office of State and Local Finance, for their work on this report and the new debt and refunding debt issues sold during the past twelve months.

Respectfully submitted,


Justin P. Wilson
Comptroller of the Treasury

C: Senate Finance, Ways and Means Committee
Randy McNally, Chair
Douglas Henry, Vice-Chair
Bo Watson, Secretary

House Finance, Ways and Means Committee
Charles Sargent, Chair
Michael Harrison, Vice-Chair
Curtis Johnson, Secretary

Fiscal Review Committee
Senator Bill Ketron, Chair
Representative Curtis Johnson, Vice-Chair
Lucian Geise, Director

Legislative Budget Committee
Rick Nicholson, Senate Budget Analysis Director
Cathy Higgins, House Budget Analysis Director

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State of Tennessee Indebtedness Report

(Unaudited)

	<u>a/o December 31, 2011</u>		<u>a/o June 30, 2012</u>		<u>Variance</u> <u>Increase (Decrease)</u>	
	<u>Number of</u> <u>loans/projects</u>	<u>Debt Outstanding</u>	<u>Number of</u> <u>loans/projects</u>	<u>Debt Outstanding</u>	<u>Number of</u> <u>loans/projects</u>	<u>Debt Outstanding</u>
<u>Long-term General Obligation debt</u>						
General Obligation Bonds Outstanding	1,885	\$ 2,072,230,000	1,885	\$ 1,994,650,000	-	\$ (77,580,000)
<u>General Obligation Commercial Paper</u>						
Tax-Exempt	135	\$ 98,851,000	121	\$ 174,471,000	(14)	\$ 75,620,000
Taxable	3	24,699,000	3	23,299,000	-	\$ (1,400,000)
Total Commercial Paper outstanding	138	\$ 123,550,000	124	\$ 197,770,000	(14)	\$ 74,220,000
<u>Tennessee Local Development Authority</u>						
Bonds issued and outstanding	46	\$ 8,845,000	39	\$ 7,620,000	(7)	\$ (1,225,000)
<u>Tennessee State School Bond Authority</u>						
Higher Education Facilities Program						
Bonds outstanding	178	\$ 1,018,980,000	202	\$ 968,325,000	24	\$ (50,655,000)
Commercial Paper outstanding:						
Tax-Exempt	50	\$ 172,885,000	75	\$ 214,328,000	25	\$ 41,443,000
Taxable	10	22,595,000	9	39,348,000	(1)	\$ 16,753,000
Total Commercial Paper	60	\$ 195,480,000	84	\$ 253,676,000	24	\$ 58,196,000
Qualified Zone Academy Bond Program						
Bonds outstanding	16	\$ 43,920,000	16	\$ 43,920,000	-	\$ -
Qualified School Construction Bonds						
Series 2009	13	\$ 177,000,000	13	\$ 177,000,000	-	\$ -
Series 2010	15	\$ 212,440,000	15	\$ 212,440,000	-	\$ -
<u>Tennessee Housing Development Agency</u>						
Mortgage Loans/Principal Outstanding	21,321	\$ 1,620,855,000	20,311	\$ 1,374,385,000	(1,010)	\$ (246,470,000)
("NIBP") (2009 Bond Resolution)	5,251	\$ 645,600,000	6,119	\$ 631,910,000	868	\$ (13,690,000)
Mortgage Loans / Principal Outstanding	26,572	\$ 2,266,455,000	26,430	\$ 2,006,295,000	(142)	\$ (260,160,000)
Total State Indebtedness:	a/o 12/31/11:	\$ 6,118,900,000	a/o 6/30/12:	\$ 5,861,696,000		\$ (257,204,000)

Authorized/Unissued Debt

(Unaudited)

	<u>a/o December 31, 2011</u>	<u>a/o June 30, 2012</u>	<u>Variance</u> <u>Increase (Decrease)</u>
General Obligation ¹⁾	\$ 1,618,386,223	\$ 1,995,906,223	\$ 377,520,000
Tennessee Local Development Authority (TLDA)	\$ 305,000,000 ²⁾	\$ 305,000,000 ²⁾	\$ -
TLDA Capital Projects	\$ 75,000,000	\$ 75,000,000	\$ -
Tennessee Housing Development Agency (THDA)	\$ 663,545,000 ²⁾	\$ 923,705,000 ²⁾	\$ 260,160,000
Tennessee State School Bond Authority (TSSBA)	\$ 621,766,498 ³⁾	\$ 573,466,743 ³⁾	\$ (48,299,755)
Total Authorized/Unissued Debt	\$ 3,283,697,721	\$ 3,873,077,966	\$ 589,380,245

Footnotes:

1)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Beg. Authorized/Unissued:</td> <td style="width: 10%; text-align: right;">\$ 2,221,633,694</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">\$ 1,618,386,223</td> <td style="width: 30%;"></td> </tr> <tr> <td>Less: Canceled 2011/2012</td> <td style="text-align: right;">(139,447,471)</td> <td></td> <td style="text-align: right;">(4,380,000)</td> <td></td> </tr> <tr> <td>New Bond Authorization 2012-13</td> <td></td> <td></td> <td style="text-align: right;">381,900,000</td> <td></td> </tr> <tr> <td>Less: Bonds Issued 2011 Series A &</td> <td style="text-align: right;">(463,800,000)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Authorized/Unissued a/o 12/31/11:</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 1,618,386,223</td> <td style="text-align: center; vertical-align: bottom;">A/U a/o 6/30/12:</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 1,995,906,223</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 377,520,000</td> </tr> </table>	Beg. Authorized/Unissued:	\$ 2,221,633,694		\$ 1,618,386,223		Less: Canceled 2011/2012	(139,447,471)		(4,380,000)		New Bond Authorization 2012-13			381,900,000		Less: Bonds Issued 2011 Series A &	(463,800,000)				Authorized/Unissued a/o 12/31/11:	\$ 1,618,386,223	A/U a/o 6/30/12:	\$ 1,995,906,223	\$ 377,520,000			
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	\$ 1,618,386,223		\$ 1,995,906,223	\$ 377,520,000																									

2) Amount indicated is the unissued remaining statutory debt limit.

3) Amount indicated is capital projects approved by the TSSBA and the State Building Commission.

General Obligation Debt Information

General Obligation Debt

The State Funding Board debt management policy is located at

<http://www.comptroller.tn.gov/si/policy.asp>

- Principal amount of bonds matured in the amount of \$70,265,000
- The 2012 Series A Refunding bonds were issued in the amount of \$449,070,000
- Principal amount of bonds totaling \$456,385,000 were refunded
- Commercial paper issuance increased by \$74 million to fund capital projects
- The 2012 Bond Act Public Chapter 1024, provided for an increase in bond authorization in the amount of \$381,900,000
- Bond authorization was canceled in the amount of \$4,380,000

SECURITY FOR THE STATE'S GENERAL OBLIGATION BONDS

All general obligation bonds of the State are and will be direct general obligations of the State, payable as to both principal and interest from any funds or monies of the State from whatever source derived. The full faith and credit of the State is pledged to the payment of principal of and interest on all general obligation bonds. As additional security to support its general obligation bonds, the State, pursuant to Section 9-9-103(a), Tennessee Code Annotated, has pledged (i) the annual proceeds of a tax of five cents (5¢) per gallon upon gasoline; (ii) the annual proceeds of a special tax of one cent (1¢) per gallon upon petroleum products; (iii) one-half of the annual proceeds of motor vehicle registration fees now or hereafter required to be paid to the State; and (iv) the annual proceeds of the franchise taxes imposed by the franchise tax law of the State (collectively, "Special Taxes"). All general obligation bonds share this pledge of Special Taxes on a pro rata basis.

Pursuant to Section 9-9-106, Tennessee Code Annotated, the State Funding Board has a lien on the taxes, revenues and fees from the Special Taxes in the full amount required to pay principal of and interest on the State's general obligation bonds issued under Title 9, Chapter 9, Tennessee Code Annotated. Pursuant to Section 9-9-111, Tennessee Code Annotated, the State has covenanted not to decrease by legislative action the Special Taxes unless the State Funding Board certifies that the State is not in default in the payment of any outstanding debt and that Special Taxes at lower rates specified by the State Funding Board in such year or years (not to exceed two (2) years) will be sufficient to make all payments required to be made therefrom by the State on all of its obligations during the period that such decrease will be in effect.

The Special Taxes collected for the last three fiscal years, as reported for each year in the June monthly Statement of Revenue Collections (prepared on a cash basis) were as follows (amounts have been rounded):

	Fiscal Year Ended		
	June 30, 2011	June 30, 2010	June 30, 2009
Gasoline Tax	\$ 155,799,000	\$ 151,915,000	\$ 149,763,000
Special Petroleum Tax	45,682,000	45,140,000	44,307,000
One-half of Motor Vehicle Registration Fees	122,865,000	116,113,000	117,090,000
Franchise Tax	450,923,000	551,412,000	524,685,000
Total	\$ 775,269,000	\$ 864,580,000	\$ 835,845,000

Source: TN Department of Revenue

The principal amount of general obligation bonds that the State may issue is limited by Section 9-9-104, Tennessee Code Annotated, which provides in part as follows:

"[N]o bonds or other obligations will be made a charge upon the special revenues consisting of the proceeds of the gasoline tax, franchise tax, the special tax on petroleum products provided for by Section 67-3-1303 [currently Section 67-3-203] and motor vehicle registration fees pledged under the provisions of this chapter, in addition to the obligations and charges authorized by this chapter, unless the revenues pledged by Section 9-9-103 or the aggregate of the pledged gasoline tax, the special tax on petroleum products provided for by Section 67-3-1303 [currently Section 67-3-203], motor vehicle registration fees and one-third (1/3) of the entire annual proceeds of franchise and excise taxes imposed by the franchise and excise tax laws compiled in Title 67, Chapter 4, parts 9 and 8 [currently parts 21 and 20], whichever sum is lower, for the last preceding fiscal year shall have aggregated not less than one hundred fifty percent (150%) of the amount necessary to pay the annual interest upon all outstanding obligations and charges, for the payment of which such revenues are pledged, and the annual interest upon the obligations then proposed to be issued, together with the annual amount necessary for the amortization of the outstanding obligations and charges and the obligations then proposed to be issued; provided, that, in determining the outstanding obligations and charges there shall be excluded any outstanding bonds with respect to which refunding bonds have been issued and sold and the proceeds of which are to be applied to retire the outstanding bonds."

The amount of Special Taxes collected, on a cash basis, for the fiscal year ended June 30, 2011 was \$775,269,000. The aggregate of the pledged gasoline tax, the special tax on petroleum products, motor vehicle registration fees and one-third of the entire annual proceeds of franchise and excise taxes collected, on a cash basis, for the fiscal year ended June 30, 2011 was \$830,338,000. Pursuant to Section 9-9-104, Tennessee Code Annotated, the debt service limit is obtained by dividing the lesser amount (\$775,269,000) by one-point-five (1.5). Therefore, the debt service limit for the fiscal year ending June 30, 2012 is \$516,846,000. The greatest amount of principal and interest payable in any fiscal year on outstanding bonds for the payment of which Special Taxes have been pledged, including the Bonds, but excluding the Refunded Bonds and commercial paper ("CP") issued by the State, is not more than \$242,235,280.

Other Outstanding Debt Information

Tennessee Local Development Authority (TLDA)

The TLDA debt management policy is located at <http://www.comptroller.tn.gov/sl/policy.asp>

- Principal amount of bonds matured in the amount \$1,225,000

Tennessee State School Bond Authority (TSSBA)

The TSSBA debt management policy is located at <http://www.comptroller.tn.gov/sl/policy.asp>

Higher Education Facilities Program

- Principal amount of bonds matured in the amount of \$50,655,000
- Commercial paper issuance increased by \$58 million to fund Higher Education projects
- As of August 1, 2012 the Authority issued new money bonds in the amount of \$260,596,844 and as of August 15, 2012, redeemed commercial paper in the amount of \$163,345,386. The Authority also refunded outstanding bonds in the amount of \$184,055,000. The 2012 refunding bonds totaled \$177,123,126.

Qualified Zone Academy Bond Program (QZAB)

- This program is a federal tax credit program created under Section 226 of the Taxpayer's Relief Act of 1997.
- Security for the QZABs is the general obligation pledge of the local borrowers. The program is enhanced by the intercept of the local governments' state-shared taxes. There is no cross default to the Higher Education Program Facilities Bonds.
- As of June 30, 2012, the fund balance amount, held in the pledged sinking fund accounts available to repay the bonds, is \$21,725,964.

Qualified School Construction Bond Program (QSCB)

- This program is a federal tax credit (2009)/federal subsidy (2010) program created under the American Recovery and Reinvestment Act (ARRA) of 2009.
- Security for the QSCBs is the general obligation pledge of the local borrowers. The program is enhanced by the intercept of the local governments' state-shared taxes, and there is no cross default to the Higher Education Program Facilities Bonds.
- As of June 30, 2012, the fund balance held in the pledged sinking fund accounts available to repay the QSCBs totaled \$33,044,903.

Tennessee Housing Development Agency (THDA)

The TLDA debt management policy is located at <http://www.comptroller.tn.gov/sl/policy.asp>

- A total of \$360,000,000 of the bonds issued under the 2009 Resolution was purchased by Fannie Mae and Freddie Mac pursuant to the Single Family New Issue Bond Program ("the NIBP") announced by the United States Department of the Treasury, Fannie Mae and Freddie Mac. Due to the special program requirements, a new general bond resolution (The Housing Finance Program) was drafted and approved.
- As of December 31, 2011, THDA had issued its full allotment of bonds under the NIBP program.
- Neither the full faith and credit nor the taxing power of the state, or of any political subdivision thereof is pledged for the payment of principal or interest on the Housing Finance Program bonds.
- The balance of \$2,006,295,000 excludes bonds and notes that were refunded at June 30, 2012.

Bond Ratings on Outstanding Debt

BOND RATINGS

	<u>Fitch</u>	<u>Moody's</u>	<u>S & P</u>
State of Tennessee	AAA	Aaa	AA+
Tennessee Local Development Authority	AA	Aa3	AAA
Tennessee State School Bond Authority (TSSBA)	AA+	Aa1 *	AA
TSSBA, Qualified School Construction Bonds (QSCB) Series 2009 (Tax Credit Bonds)	n/a	Aa1 *	AA
TSSBA, Qualified School Construction Bonds (QSCB) Series 2010 (Federally Taxable – Direct Subsidy Payment)	AA	Aa1 *	AA
THDA 1974 Resolution	n/a	Aa2	AA
THDA 1985 Resolution	n/a	Aa2	AA
THDA 2009 Resolution (NIBP)	n/a	Aa2	n/a

* Explanation of Moody's Investor Services ratings:

The ratings for these bonds are analyzed under the pre-default enhanced credit program by Moody's Rating Services. Moody's assigns separate ratings for the program and for each series of bonds issued under the program.

Tennessee State School Bond Authority (TSSBA)

Programmatic rating - Aa1

Financing rating - Aa1

TSSBA, Qualified School Construction Bonds (QSCB), Series 2009 (Tax Credit Bonds)

Programmatic rating - Aa1

Financing rating - Aa2

TSSBA, Qualified School Construction Bonds (QSCB), Series 2010

Programmatic rating - Aa1

Financing rating - Aa2

Debt Refunding Report

Present Value Savings

The present value savings for the refunding of the 2011 and 2012 general obligation bonds and the 2012 higher education bonds totaled **\$61 million**. The municipal capital market metric used to measure savings on a refunding debt issue is called "net present value savings". The net present value savings is the savings benefit from refunding debt calculated in today's dollars. It takes into account that over time a dollar is more valuable today than in the future. The interest rate used to discount the cash flow savings into current dollars is the average interest rate on the bonds.

FY	General Obligation Bonds Series 2011 ¹	General Obligation Bonds Series 2012 ¹	Total	TSSBA Series 2012 ²	Total Savings
2012	\$ 1,070,467	\$ 7,617,906	\$ 8,688,374	\$ -	\$ 8,688,374
2013	324,786	3,638,698	3,963,484	2,559,322	6,522,806
2014	294,545	1,237,094	1,531,639	1,941,200	3,472,839
2015	551,377	1,215,020	1,766,396	1,699,518	3,465,914
2016	519,927	1,552,401	2,072,328	1,710,081	3,782,409
2017	483,690	1,841,514	2,325,204	1,592,157	3,917,360
2018	453,852	1,997,246	2,451,097	1,544,070	3,995,167
2019	430,355	1,905,418	2,335,773	1,498,029	3,833,801
2020	399,660	1,809,781	2,209,441	1,440,519	3,649,960
2021	374,975	1,709,606	2,084,580	1,353,859	3,438,439
2022	347,726	1,616,781	1,964,508	1,067,828	3,032,335
2023	264,655	1,533,065	1,797,720	1,036,858	2,834,578
2024	22,163	1,760,329	1,782,491	1,001,292	2,783,783
2025	11,144	1,660,280	1,671,423	724,040	2,395,463
2026	11,701	1,203,986	1,215,686	698,557	1,914,243
2027		1,515,545	1,515,545	249,400	1,764,945
2028		232,920	232,920	238,908	471,828
2029				207,330	207,330
2030				200,364	200,364
2031				193,965	193,965
2032				157,705	157,705
2033				152,177	152,177
2034				146,849	146,849
	<u>\$ 5,561,022</u>	<u>\$ 34,047,588</u>	<u>\$ 39,608,609</u>	<u>\$ 21,414,027</u>	<u>\$ 61,022,637</u>

¹ The refinancing of general obligation bonds in 2011 and 2012 created present value savings of \$39.6 million that will benefit the state over the life of the refunded bonds.

² The refinancing of higher education bonds in 2012 created present value savings of \$21.4 million that will benefit the higher education institutions over the life of the refunded bonds. Additional present value savings of \$4.7 million was achieved by eliminating the debt service reserve fund, and present value savings of \$1.8 million was achieved by maintaining a strong credit rating.

Debt Refunding Report

Gross Savings

The gross savings for the refunding of the 2011 and 2012 general obligation bonds and the 2012 higher education bonds totaled **\$76 million**.

FY	General Obligation Bonds Series 2011 ¹	General Obligation Bonds Series 2012 ¹	Total	TSSBA Series 2012 ²	Total Savings
2012	\$ 1,078,976	\$ 7,632,563	\$ 8,711,538	\$ -	\$ 8,711,538
2013	350,295	3,735,016	4,085,311	2,641,773	6,727,084
2014	330,880	1,339,650	1,670,530	2,083,381	3,753,910
2015	612,231	1,339,650	1,951,881	1,907,093	3,858,974
2016	594,329	1,720,925	2,315,254	1,997,166	4,312,419
2017	569,322	2,085,600	2,654,922	1,914,893	4,569,815
2018	549,836	2,499,750	3,049,586	1,915,256	4,964,843
2019	536,874	2,593,925	3,130,799	1,916,813	5,047,612
2020	513,201	2,517,050	3,030,251	1,899,148	4,929,399
2021	495,480	2,431,575	2,927,055	1,826,779	4,753,833
2022	473,355	2,351,288	2,824,642	1,489,610	4,314,252
2023	355,945	2,278,688	2,634,632	1,491,817	4,126,450
2024	32,053	2,581,113	2,613,166	1,486,745	4,099,911
2025	15,763	2,486,300	2,502,063	1,110,200	3,612,262
2026	16,975	1,764,913	1,781,888	1,105,781	2,887,669
2027		2,189,188	2,189,188	416,717	2,605,904
2028		330,188	330,188	413,176	743,363
2029				356,927	356,927
2030				356,348	356,348
2031				356,386	356,386
2032				299,349	299,349
2033				298,735	298,735
2034				298,046	298,046
	<u>\$ 6,525,513</u>	<u>\$ 41,877,379</u>	<u>\$ 48,402,891</u>	<u>\$ 27,582,139</u>	<u>\$ 75,985,030</u>

¹ The refinancing of general obligation bonds in 2011 and 2012 created savings of \$48.4 million that will benefit the state over the life of the refunded bonds.

² The refinancing of higher education bonds in 2012 created savings of \$27.6 million that will benefit the higher education institutions over the life of the refunded bonds. Additional savings of \$9.3 million was achieved by eliminating the debt service reserve fund, and savings of \$8.3 million was achieved by maintaining a strong credit rating.

Loan Programs Administered by the Office of State and Local Finance

(Unaudited)

	<u>a/o December 31, 2011</u>		<u>a/o June 30, 2012</u>		<u>Variance Increase (Decrease)</u>	
	<u>Number of loans/projects</u>	<u>Debt Outstanding</u>	<u>Number of loans/projects</u>	<u>Debt Outstanding</u>	<u>Number of loans/projects</u>	<u>Debt Outstanding</u>
<u>State Revolving Fund Loan Program</u>						
Clean Water (Sewerage)						
Principal Outstanding	194	\$ 587,953,023	181	\$ 450,022,035	(13)	\$ (137,930,988)
Drinking Water						
Principal Outstanding	72	\$ 102,275,300	81	\$ 104,423,311	9	\$ 2,148,011
<u>Energy Efficient Schools Initiative (EESI)</u>	38	\$ 40,340,425	46	\$ 56,281,121	8	\$ 15,940,696
<u>State Infrastructure Fund (SIF)</u>	-	\$ -	1	\$ 26,858	1	\$ 26,858

Loan Programs Information

State Revolving Fund Loan Program

The State administers the State Revolving Loan Funds Programs for the Local Governments. The programs currently have no outstanding indebtedness in the capital marketplace. The programs are funded by federal and state capitalization grants. Therefore, the dollar amount of loans managed for the State Revolving Loan Programs is not included in the Total State Indebtedness.

Clean Water State Revolving Fund (CWSRF)

- Loans outstanding decreased and were comprised of loan payoffs, totaling \$138 million.

Drinking Water State Revolving Fund (DWSRF)

- Loan balance increased by \$2 million, comprised of new drinking water loans.

Energy Efficient Schools Initiative (EESI)

The Energy Efficient Schools Initiative (EESI) was established by the Tennessee General Assembly in 2008 with \$90 million. Over \$87 million has been approved for projects to improve the energy efficiency in Tennessee's public K-12 schools. Purposes of the Energy Efficient Schools Council, also created by this legislation, include providing grants and loans for capital outlay projects and establish and support energy management programs. The enabling legislation also created a twelve member council (Council – see below) to approve guidelines, award grants and loans, verify energy efficiencies, and establish and support energy management programs.

- From December 31, 2011 to June 30, 2012 the loan balance increased by approximately \$16 million.

State Infrastructure Fund (SIF)

The State Infrastructure Program provides assistance to Local Government Units in the construction of transportation infrastructure projects that provide public benefits by enhancing mobility or safety, promoting economic development, or increasing the quality of life and general welfare of the public.

- One new loan was approved in October 2011 in the amount of \$1,725,000. The first requisition was made and disbursed in FY2012 in the amount of \$26,858.

Board Membership

State Funding Board

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Comptroller Justin P. Wilson, Secretary
Secretary of State Tre Hargett
Treasurer David Lillard
Mark Emkes, Commissioner of Finance and Administration

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