



JASON E. MUMPOWER
Comptroller

July 8, 2021

Mr. Michael Davidson, Executive Vice President & Chief Executive Officer
and Board of Commissioners
Middle Tennessee Natural Gas Utility District
1030 West Broad Street
Smithville, TN 37166

Dear Mr. Davidson and Members of the Board:

Thank you for your recent correspondence. We acknowledge receipt on June 29, 2021, of a request from the Executive Vice President & Chief Executive Officer of the Middle Tennessee Natural Gas Utility District (the "District") for a report on a plan of finance (the "Plan") for the District's proposed issuance of a maximum of \$16,325,000 Gas System Revenue Bonds, Series 2021B.

Pursuant to the provisions of Tennessee Code Annotated Title 7 Chapter 82, enclosed is a report based upon our review of the Utility District's Plan. The Plan, this letter, and the enclosed report should be made available on the Utility District's website and must be presented to each member of the Commission for review prior to the adoption of the bond authorizing resolution.

If you should have questions or need assistance, please feel free to contact your financial analyst, Meghan Huffstutter, at 615.747.5379 or Meghan.Huffstutter@cot.tn.gov.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Betsy Knotts".

Betsy Knotts
Director of the Division of Local Government Finance

cc: Ms. Jean Suh, Contract Audit Review Manager, Division of Local Government Audit, COT
Mr. Scott Gibson, Cumberland Securities Company, Inc.
Mr. Jeff Oldham, Esq., Bass Berry & Sims
Mr. Mark Mamantov, Esq., Bass Berry & Sims

Enclosure: Report of the Director of the Division of Local Government Finance

BK:mh



Report on Gas System Revenue Bonds, Series 2021B Middle Tennessee Natural Gas Utility District

This report is being issued pursuant to T.C.A. § 7-82-501 and is based upon information as presented in a plan of finance (the “Plan”) received by our office on June 29, 2021, from the Middle Tennessee Natural Gas Utility District (the “Utility District”). Our report provides information to assist the governing body in its responsibility to understand the nature of the transaction, including the costs, prior to approving the issuance of the bonds and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan. This report and the Utility District’s Plan must be presented to the governing body prior to the adoption of a bond resolution.

COSTS:

Estimated costs of issuance are summarized below and based upon the par amount of \$16,325,000 of the Series 2021B Bonds:

| | Amount | Price per \$1,000 Bond |
|--|------------------|-----------------------------------|
| Financial Advisor | \$ 75,000.00 | \$ 4.59 |
| Underwriter's Discount | 170,005.00 | 10.41 |
| Bond Counsel (Bass Berry & Sims) | 35,000.00 | 2.14 |
| Rating Agency | 30,000.00 | 1.84 |
| Miscellaneous (Printing, Paying Agent, etc.) | <u>14,995.00</u> | <u>0.92</u> |
| Total Cost of Issuance | \$ 325,000.00 | \$ 19.91 |

PROJECT:

The Utility District’s objective for the proposed revenue bonds is to fund a major gas line expansion for the District and other capital improvements to the gas system.

FINANCIAL POSITION:

The Utility District is currently not under the oversight of the Utility Management Review Board. For fiscal year 2020, the District increased its total net position by \$7,188,000 and reported current assets sufficient to pay its current liabilities.

Changes to the Structure of the Repayment Schedule

If the structure is revised, the Utility District should determine if the new structure complies with the requirements of T.C.A. § 9-21-133 concerning balloon indebtedness. If it is determined that the bond structure constitutes balloon indebtedness, the Utility District must submit a Plan of Balloon Indebtedness to the Director of the Division of Local Government Finance for approval prior to the Utility District adopting the resolution authorizing the issuance of the debt.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of this report. If the transaction has not been priced during this ninety (90) day period, a new plan, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new

plan for the Utility District's governing body to review prior to adopting a new bond authorizing resolution.

After Issuance

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



Betsy Knotts
Director of the Division of Local Government
Finance Date: July 8, 2021

Middle Tennessee Natural Gas Utility District

Preliminary Funding Analysis

As of June 28, 2021

Prepared By:

Cumberland Securities Company, Inc.

Independent Registered Municipal Advisors

P.O. Box 22715

Knoxville, Tennessee 37933

Telephone: (865) 988-2663

Facsimile: (865) 988-1863



CUMBERLAND SECURITIES

SINCE 1931

Disclaimer and Disclosures

Cumberland Securities Company, Inc. (the "Advisor") is registered as a Municipal Advisory firm with the U.S. Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"). A municipal advisory client brochure is posted on the website of the Municipal Securities Rulemaking Board (www.msrb.org) that describes the protections that may be provided by the Municipal Securities Rulemaking Board rules and how to file a complaint with an appropriate regulatory authority. The Advisor will maintain all required registrations with the SEC and the MSRB and the Advisor will disclose any legal or disciplinary events, including information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation, and other detailed information. The Issuer may electronically access the Advisor's most recent Form MA and each employee's most recent Form MA-I filed with the Commission at <https://www.sec.gov/edgar/searchedgar/companysearch.html>. As of the date hereof, Cumberland Securities Company, Inc. has never had legal or disciplinary event.

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This presentation/report may contain "forward-looking" information. Such information may include, but not be limited to, projections, forecasts or estimates of cash flows, interest rate coupons, yields or potential debt service savings, scenario analyses and proposed or expected debt portfolio composition. Any forward-looking information is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which are specified herein or can be ascertained at this time). It does not represent actual results that may be available to you. Actual events or conditions are unlikely to be consistent with, and may differ significantly from, those assumed.

IRS Circular 230 Disclosure: The Advisor and its employees are not in the business of providing, and do not provide, tax or legal advice. Any statements in this presentation regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Risk Disclosures:

| Fixed Rate Bonds | | |
|-----------------------------|---|---|
| Material Risk Consideration | Description of Risk | Potential Consequences |
| Issuer Default Risk | Possibility that the Issuer defaults under the authorizing documents | <ul style="list-style-type: none"> Range of available remedies may be brought against Issuer (e.g. forcing issuer to raise taxes or rates) Credit ratings negatively impacted Access to capital markets impaired Possibility of receivership or bankruptcy for certain issuers |
| Redemption Risk | The ability to redeem the bonds prior to maturity may be limited | <ul style="list-style-type: none"> Inability to refinance at lower interest rates |
| Refinancing Risk | Possibility that the bonds cannot be refinanced | <ul style="list-style-type: none"> Inability to refinance at lower interest rates |
| Reinvestment Risk | Possibility that the Issuer may be unable to invest unspent proceeds at or near the interest rate on the bonds | <ul style="list-style-type: none"> Negative arbitrage resulting in a higher cost of funds |
| Tax Compliance Risk | For tax-exempt bonds, possibility that failure to comply with tax-related covenants results in the bonds becoming taxable obligations | <ul style="list-style-type: none"> Increase in debt service costs retroactively to date of issuance Possible mandatory redemption of bonds affected Risk of IRS Audit Difficulty in refinancing the bonds Access to tax-exempt market impacted Difficulty in issuing future tax-exempt debt |

| Variable Rate Demand Bonds ("VRDB") / Floating Rate Notes ("FRN") / Bank Index Loan ("Index") / "Put Loan" (e.g. Fixed Rate for Five (5) Years, then Rate Resets to New Rate) | | |
|---|---|---|
| Material Risk Consideration | Description of Risk (Type of Debt Risk Applicable to) | Potential Consequences |
| Interest Rate Risk | Possibility that the interest rate may increase on an interest reset date (VRDB, FRN, Index, Put Loans) | <ul style="list-style-type: none"> Increase in debt service cost (up to maximum rate) Lower debt service coverage Lower cash reserves |
| Index Risk | Possibility that the method of determining the index (LIBOR or SIFMA) could change Indices may be affected by factors unrelated to FRN's/Index Loan or the tax-exempt market (VRDB, FRN, Index, Put Loans) | <ul style="list-style-type: none"> Increase in debt service costs Lower debt service coverage Lower cash reserves Provision should be made for alternate mechanism to determine rate |
| Issuer Default Risk | Possibility that the Issuer defaults under the authorizing documents (VRDB, FRN, Index, Put Loans) | <ul style="list-style-type: none"> Range of available remedies may be brought against Issuer (e.g., forcing Issuer to raise taxes or revenues) Credit ratings negatively impacted Default could impact remarketing which could cause increase in debt service costs Access to capital markets impaired |
| Issuer Ratings Downgrade Risk | Possibility that a downgrade of the issuer's rating(s) may result in optional tenders or an increase in fees payable to the bank providing the liquidity facility (VRDB, FRN, Index, Put Loans) | <ul style="list-style-type: none"> Ratings change could impact remarketing which could cause an increase in debt service cost Higher liquidity facility fees resulting in higher cost of funds |
| Liquidity Risk | Possibility that VRDB's cannot be successfully remarketing, resulting in Bank Bonds (VRDB) | <ul style="list-style-type: none"> Increase in debt service costs due to higher bank bond rate and accelerated principle repayment May be required to refinance or term out the VRDO's Inability to refinance or possibly higher interest rates |
| Liquidity Provider Default Risk | Possibility that the bank providing the liquidity facility supporting the VRDO's defaults in its obligations under the liquidity facility (VRDB) | <ul style="list-style-type: none"> Issuer required to repay principal and accrued interest if Issuer is not able to refinance Increase in debt service costs |
| Liquidity Provider Ratings Downgrade | Possibility that a downgrade of the liquidity provider's rating(s) may result in optional tenders (VRDB) | <ul style="list-style-type: none"> Ratings change could impact remarketing which could cause an increase in debt service cost |
| Refinancing Risk | Possibility that the FRN, Index or Put Loan cannot be remarketed or refinanced (FRN, Index, Put Loans) | <ul style="list-style-type: none"> Hard Put: must repay principal and accrued interest or Event of Default Soft Put: higher interest rate on debt and higher debt service costs up to maximum rate Increase in debt service costs upon any refinancing Inability to refinance or possibly higher interest rates |
| Regulatory Risk | Possibility that prospective regulatory requirements increase cost of obtaining and maintaining the liquidity facility (VRDB, FRN, Index, Put Loans) | <ul style="list-style-type: none"> Increase in debt service costs Higher liquidity facility fees resulting in higher cost of funds |
| Reinvestment Risk | Possibility that the issuer may be unable to invest unspent proceeds at or near the interest rate on the bonds (VRDB, FRN, Index, Put Loans) | <ul style="list-style-type: none"> Negative arbitrage resulting in higher cost of funds |
| Remarketing Risk | Possibility that the remarketing agent does not perform its duties in a satisfactory manner or may resign or cease its remarketing efforts (VRDB) | <ul style="list-style-type: none"> Higher interest rates Difficulty remarketing the VRDO's May require appointment of a successor remarketing agent |
| Renewal Risk | Possibility that the facility or loan will not be extended for a successive commitment period or not be replaced at a reasonable cost (VRDB, FRN, Index, Put Loans) | <ul style="list-style-type: none"> Issuer required to repay principal and accrued interest on tender date if issuer is not able to refinance Increase in debt service costs |
| Tax Compliance Risk | For tax exempt bonds, possibility that failure to comply with tax related covenants result in the bonds becoming taxable obligations (VRDB, FRN, Index, Put Loans) | <ul style="list-style-type: none"> Increase in debt service costs retroactively to date of issuance Possible mandatory redemption of bonds affected Risk of IRS audit Difficulty in refinancing the bonds Access to tax exempt market impacted Difficulty in issuing future tax-exempt debt |

Middle Tennessee Natural Gas Utility District

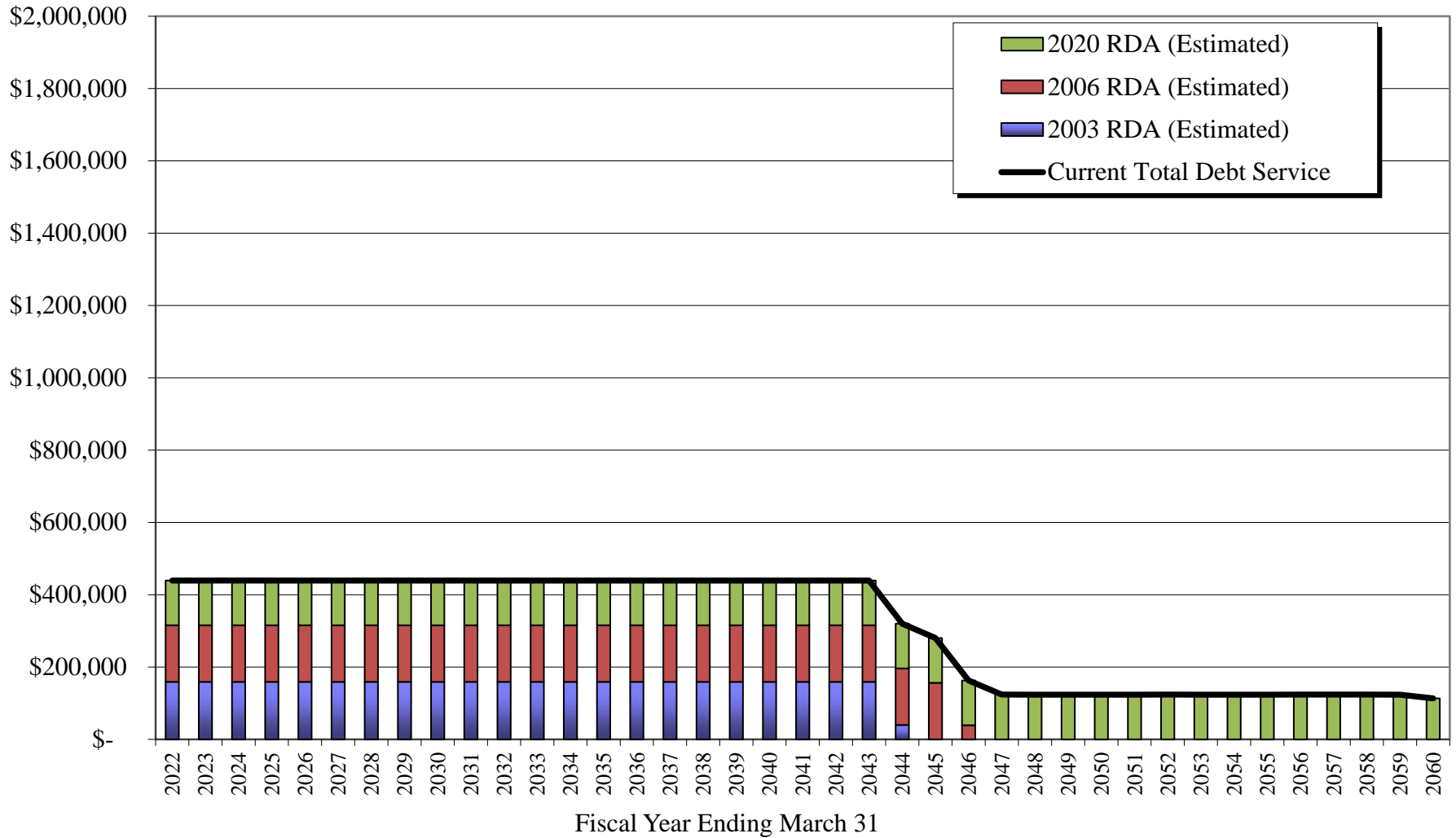
Preliminary Funding Analysis

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Middle Tennessee Natural Gas Utility District

Total Outstanding Debt Service



\$4,540,000

Middle Tennessee Natural Gas Utility District
Gas System Revenue Refunding Bonds, Series 2021A

Savings Analysis

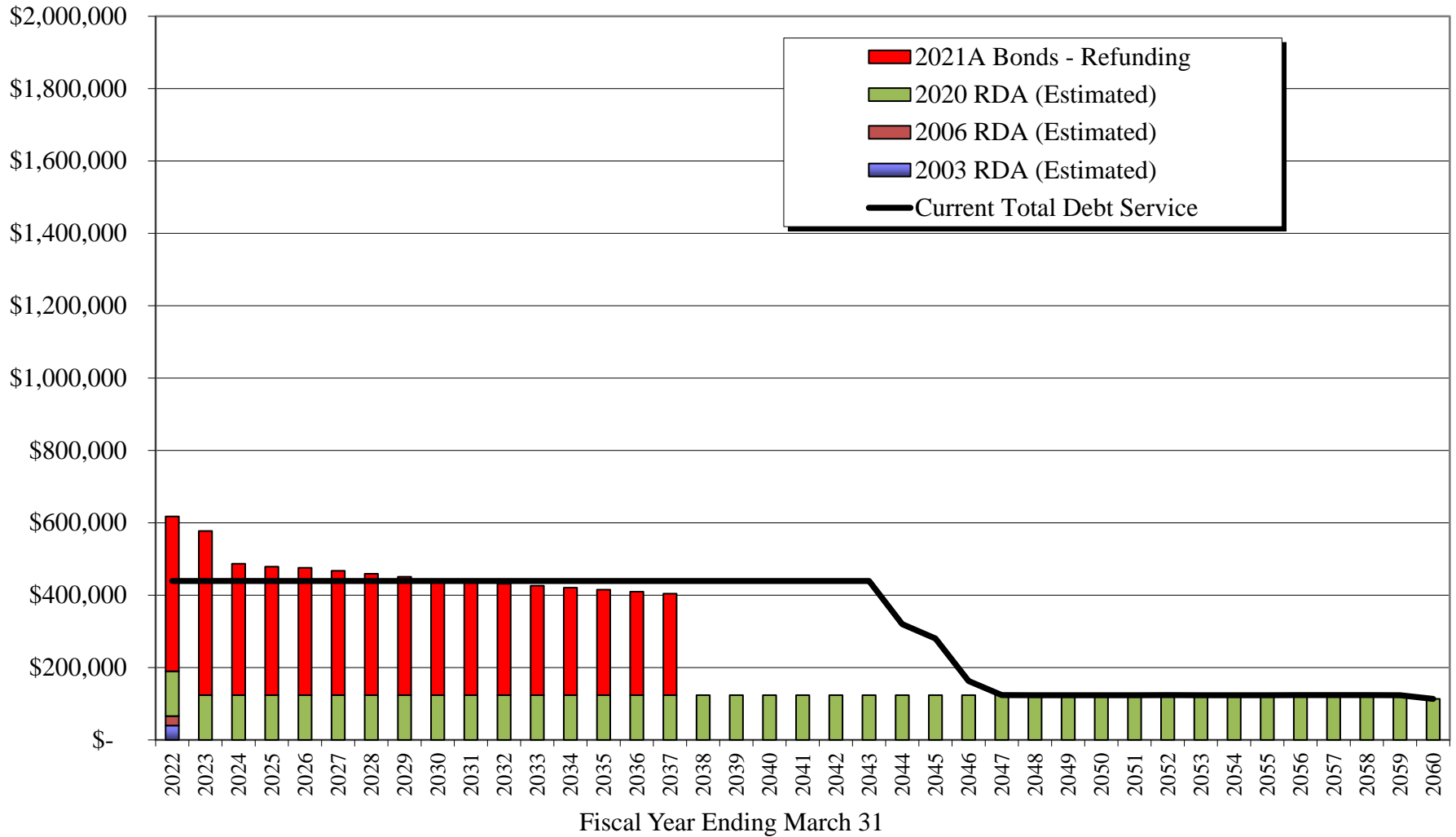
| Date | Principal | Coupon | Interest | Total P+I | Refunded D/S | Savings |
|--------------|-----------------------|----------|---------------------|-----------------------|-----------------------|-----------------------|
| 03/31/2022 | 350,000.00 | 3.000% | 78,036.67 | 428,036.67 | 249,739.33 | (178,297.34) |
| 03/31/2023 | 350,000.00 | 3.000% | 103,700.00 | 453,700.00 | 315,603.64 | (138,096.36) |
| 03/31/2024 | 270,000.00 | 3.000% | 93,200.00 | 363,200.00 | 315,603.25 | (47,596.75) |
| 03/31/2025 | 270,000.00 | 3.000% | 85,100.00 | 355,100.00 | 315,600.95 | (39,499.05) |
| 03/31/2026 | 275,000.00 | 3.000% | 77,000.00 | 352,000.00 | 315,600.26 | (36,399.74) |
| 03/31/2027 | 275,000.00 | 3.000% | 68,750.00 | 343,750.00 | 315,599.10 | (28,150.90) |
| 03/31/2028 | 275,000.00 | 3.000% | 60,500.00 | 335,500.00 | 315,599.02 | (19,900.98) |
| 03/31/2029 | 275,000.00 | 3.000% | 52,250.00 | 327,250.00 | 315,598.68 | (11,651.32) |
| 03/31/2030 | 275,000.00 | 2.000% | 44,000.00 | 319,000.00 | 315,596.60 | (3,403.40) |
| 03/31/2031 | 275,000.00 | 2.000% | 38,500.00 | 313,500.00 | 315,596.17 | 2,096.17 |
| 03/31/2032 | 275,000.00 | 2.000% | 33,000.00 | 308,000.00 | 315,594.89 | 7,594.89 |
| 03/31/2033 | 275,000.00 | 2.000% | 27,500.00 | 302,500.00 | 315,592.45 | 13,092.45 |
| 03/31/2034 | 275,000.00 | 2.000% | 22,000.00 | 297,000.00 | 315,592.83 | 18,592.83 |
| 03/31/2035 | 275,000.00 | 2.000% | 16,500.00 | 291,500.00 | 315,591.79 | 24,091.79 |
| 03/31/2036 | 275,000.00 | 2.000% | 11,000.00 | 286,000.00 | 315,592.93 | 29,592.93 |
| 03/31/2037 | 275,000.00 | 2.000% | 5,500.00 | 280,500.00 | 315,587.16 | 35,087.16 |
| 03/31/2038 | - | - | - | - | 315,588.96 | 315,588.96 |
| 03/31/2039 | - | - | - | - | 315,584.32 | 315,584.32 |
| 03/31/2040 | - | - | - | - | 315,585.51 | 315,585.51 |
| 03/31/2041 | - | - | - | - | 315,582.91 | 315,582.91 |
| 03/31/2042 | - | - | - | - | 315,580.92 | 315,580.92 |
| 03/31/2043 | - | - | - | - | 315,578.97 | 315,578.97 |
| 03/31/2044 | - | - | - | - | 188,433.33 | 188,433.33 |
| 03/31/2045 | - | - | - | - | 156,448.29 | 156,448.29 |
| 03/31/2046 | - | - | - | - | 36,740.30 | 36,740.30 |
| Total | \$4,540,000.00 | - | \$816,536.67 | \$5,356,536.67 | \$7,258,812.56 | \$1,902,275.89 |

| | |
|--|----------------|
| Net Present Value Benefit | \$1,234,945.51 |
| Net PV Benefit / \$4,652,914.81 Refunded Principal | 26.541% |

| | |
|-----------------------------------|-------------|
| Dated | 6/25/2021 |
| First Coupon Date | 9/01/2021 |
| Weighted Average Maturity | 7.864 Years |
| Bond Yield for Arbitrage Purposes | 1.4701233% |
| Average Coupon | 2.2586002% |
| Bond Year Dollars | \$36,152.33 |
| True Interest Cost (TIC) | 1.6442224% |

Middle Tennessee Natural Gas Utility District

Total Outstanding Debt Service - Post Issuance



\$16,325,000

Middle Tennessee Natural Gas Utility District
Gas System Revenue Bonds, Series 2021B
New Funds

Estimated Debt Service - New Funds

| Date | Principal | Coupon | Interest | Total P+I | Existing Debt and Estimated Refunding | Estimated Total Debt Service |
|--------------|------------------------|----------|-----------------------|------------------------|---|---------------------------------|
| 03/01/2022 | - | - | 131,303.17 | 131,303.17 | 617,745.50 | 749,048.67 |
| 03/01/2023 | - | - | 256,897.50 | 256,897.50 | 577,540.00 | 834,437.50 |
| 03/01/2024 | 910,000.00 | 0.600% | 256,897.50 | 1,166,897.50 | 487,040.00 | 1,653,937.50 |
| 03/01/2025 | 910,000.00 | 0.700% | 251,437.50 | 1,161,437.50 | 478,940.00 | 1,640,377.50 |
| 03/01/2026 | 910,000.00 | 0.800% | 245,067.50 | 1,155,067.50 | 475,840.00 | 1,630,907.50 |
| 03/01/2027 | 910,000.00 | 1.000% | 237,787.50 | 1,147,787.50 | 467,590.00 | 1,615,377.50 |
| 03/01/2028 | 910,000.00 | 1.100% | 228,687.50 | 1,138,687.50 | 459,340.00 | 1,598,027.50 |
| 03/01/2029 | 910,000.00 | 1.150% | 218,677.50 | 1,128,677.50 | 451,090.00 | 1,579,767.50 |
| 03/01/2030 | 910,000.00 | 1.250% | 208,212.50 | 1,118,212.50 | 442,840.00 | 1,561,052.50 |
| 03/01/2031 | 905,000.00 | 1.400% | 196,837.50 | 1,101,837.50 | 437,340.00 | 1,539,177.50 |
| 03/01/2032 | 905,000.00 | 1.500% | 184,167.50 | 1,089,167.50 | 431,840.00 | 1,521,007.50 |
| 03/01/2033 | 905,000.00 | 1.700% | 170,592.50 | 1,075,592.50 | 426,340.00 | 1,501,932.50 |
| 03/01/2034 | 905,000.00 | 1.900% | 155,207.50 | 1,060,207.50 | 420,840.00 | 1,481,047.50 |
| 03/01/2035 | 905,000.00 | 1.900% | 138,012.50 | 1,043,012.50 | 415,340.00 | 1,458,352.50 |
| 03/01/2036 | 905,000.00 | 2.000% | 120,817.50 | 1,025,817.50 | 409,840.00 | 1,435,657.50 |
| 03/01/2037 | 905,000.00 | 2.150% | 102,717.50 | 1,007,717.50 | 404,340.00 | 1,412,057.50 |
| 03/01/2038 | 905,000.00 | 2.200% | 83,260.00 | 988,260.00 | 123,840.00 | 1,112,100.00 |
| 03/01/2039 | 905,000.00 | 2.250% | 63,350.00 | 968,350.00 | 123,840.00 | 1,092,190.00 |
| 03/01/2040 | 905,000.00 | 2.350% | 42,987.50 | 947,987.50 | 123,840.00 | 1,071,827.50 |
| 03/01/2041 | 905,000.00 | 2.400% | 21,720.00 | 926,720.00 | 123,840.00 | 1,050,560.00 |
| 03/01/2042 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2043 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2044 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2045 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2046 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2047 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2048 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2049 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2050 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2051 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2052 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2053 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2054 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2055 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2056 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2057 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2058 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2059 | - | - | - | - | 123,840.00 | 123,840.00 |
| 03/01/2060 | - | - | - | - | 113,429.30 | 113,429.30 |
| Total | \$16,325,000.00 | - | \$3,314,638.17 | \$19,639,638.17 | \$10,241,754.80 | \$29,881,392.97 |

Date And Term Structure

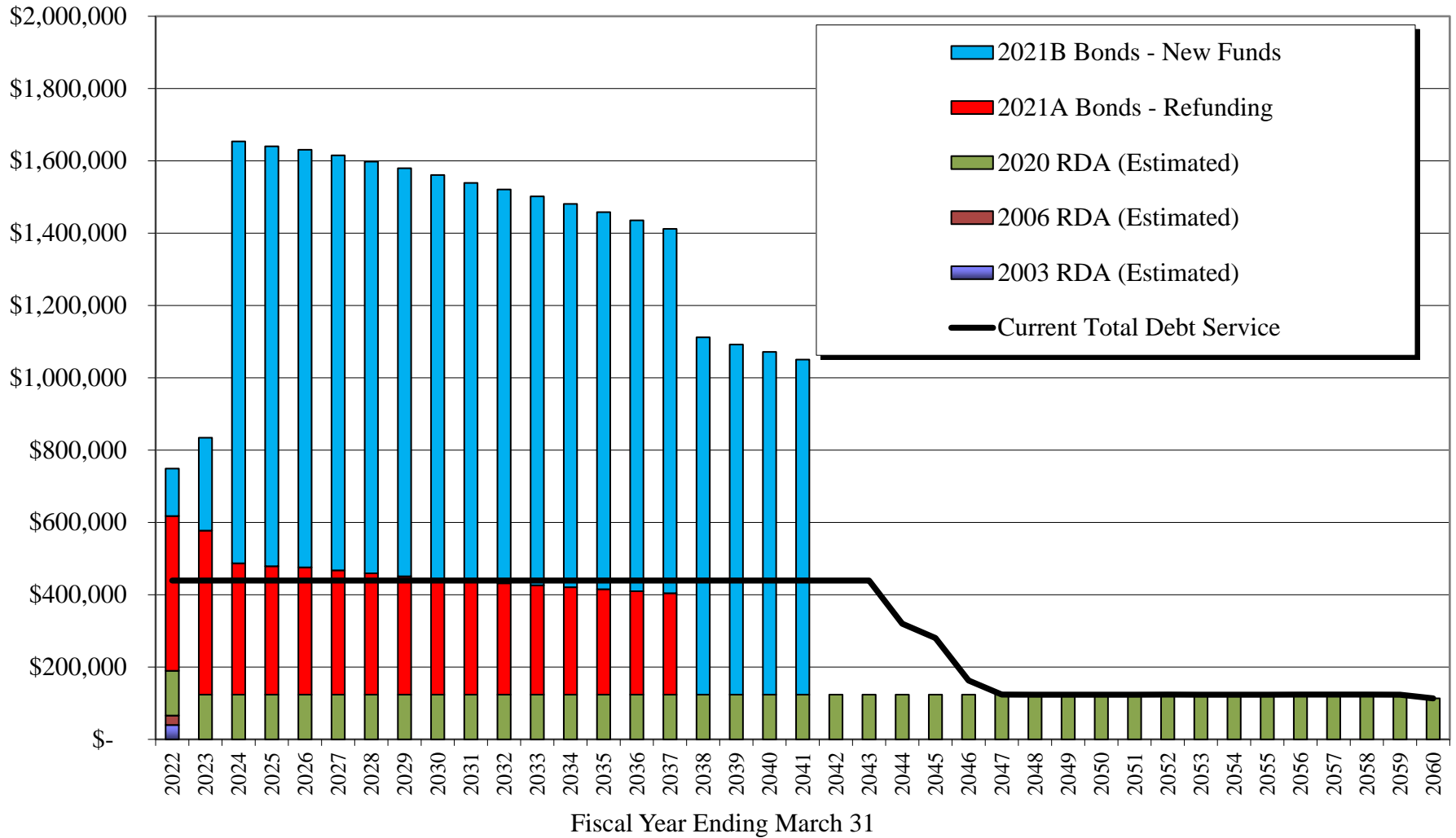
| | |
|-------------------------------------|------------|
| Dated..... | 8/27/2021 |
| First Coupon Date..... | 3/01/2022 |
| Frequency of Interest Payments..... | 2 Per Year |
| First Serial Maturity Date..... | 3/01/2024 |

Yield Statistics

| | |
|--|-------------------|
| Average Coupon..... | 1.8459381% |
| Weighted Average Maturity..... | 10.999 Years |
| Bond Year Dollars..... | \$179,563.89 |
| Bond Yield for Arbitrage Purposes..... | 1.8259942% |
| True Interest Cost (TIC)..... | 1.9284320% |
| All-In-Cost (AIC)..... | 2.0269741% |

Middle Tennessee Natural Gas Utility District

Total Outstanding Debt Service - Post Issuance



\$16,325,000

Middle Tennessee Natural Gas Utility District
 Gas System Revenue Bonds, Series 2021B
 New Funds

Estimated Sources & Uses - Series 2021B Bonds - New Funds

Dated 08/27/2021 | Delivered 08/27/2021

Estimated Sources Of Funds

| | |
|-------------------------------------|------------------------|
| Par Amount of Bonds..... | \$16,325,000.00 |
| Estimated Total Sources..... | \$16,325,000.00 |

Estimated Uses Of Funds

| | |
|---|------------------------|
| Estimated Total Underwriter's Discount (Final Discount determined when bids are calculated*)..... | 170,005.00 |
| Estimated Cost of Issuance..... | 154,995.00 |
| Estimated Deposit to Project Construction Fund..... | 16,000,000.00 |
| Estimated Total Uses..... | \$16,325,000.00 |

* Bids are award based on the lowest True Interest Cost (TIC).

True Interest Cost is a method of computing the interest expense to the issuer of bonds, true interest cost is defined as the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds. Purchase price is affected by the amount of underwriter's discount the buyer utilizes.

Competitive Public Sale provides for open bid process. Every underwriter (Wiley Brothers, Southwest Securities, Duncan-Williams, FHN Financial Capital Markets, Raymond James & Associates, Robert W. Baird, Hutchinson, Shockey, Erley & Co., Sterne, Agee & Leach, Bank of America Merrill Lynch, Vining-Sparks, PNC Capital Markets, SunTrust Banks, Wells Fargo Bank, Goldman Sachs, Stifel Nicolaus, UBS Financial Services, KeyBanc Capital Markets, Citigroup Global Markets, Piper Jaffray, William Blair & Company, Mesirow Financial, J.P. Morgan, Morgan Stanley, Barclays Capital, BOSCO Inc., RBC Capital Markets, Guggenheim Securities, Janney Montgomery Scott, etc.) **will have an opportunity to submit a bid. The bonds will be awarded to the firm that has the lowest True Interest Cost (the lowest financing cost to the Issuer)**

Cumberland Securities Company, Inc.
 Tennessee Public Finance

\$16,325,000

Middle Tennessee Natural Gas Utility District
Gas System Revenue Bonds, Series 2021B
New Funds

Estimated Detail Costs Of Issuance

Dated 08/27/2021 | Delivered 08/27/2021

COSTS OF ISSUANCE DETAIL

| | |
|-----------------------------|---------------------|
| Financial Advisor..... | \$75,000.00 |
| Bond Counsel..... | \$35,000.00 |
| Trustee & Counsel Fees..... | \$700.00 |
| Rating Agency Fee..... | \$30,000.00 |
| POS/Official Statement..... | \$8,300.00 |
| Advertising..... | \$1,000.00 |
| Miscellaneous..... | \$4,995.00 |
| TOTAL..... | \$154,995.00 |

MIDDLE TENNESSEE NATURAL GAS UTILITY DISTRICT
HISTORICAL DEBT SERVICE COVERAGE ON PROPOSED BONDS (In Thousands)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|-----------------|-----------------|------------------|------------------|-----------------|
| Income Before Contributions | \$ 5,819 | \$ 4,655 | \$ 7,423 | \$ 7,619 | \$ 5,498 |
| Add: Depreciation | \$ 3,854 | \$ 3,921 | \$ 3,792 | \$ 4,116 | \$ 4,253 |
| Add: Interest Expense | \$ 189 | \$ 241 | \$ 225 | \$ - | \$ 119 |
| Income Available for Debt Service | <u>\$ 9,862</u> | <u>\$ 8,817</u> | <u>\$ 11,440</u> | <u>\$ 11,735</u> | <u>\$ 9,870</u> |
| Maximum Debt Service (1) Requirements (Fiscal Year 2024) | \$ 1,653.84 | \$ 1,653.84 | \$ 1,653.84 | \$ 1,653.84 | \$ 1,653.84 |
| Bond Coverage | 5.96 X | 5.33 X | 6.92 X | 7.10 X | 5.97 X |

Source : Annual Audited Financial Reports for the District

(1) Includes the Series 2020 Bond and the Series 2021A Bonds and the Series 2021B Bonds.