



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

February 15, 2012
As Revised: May 8, 2012

Honorable Jeff Banyas, Mayor
City of Johnson City
601 East Main Street
Johnson City, TN 37605

Dear Mayor Banyas:

This letter acknowledges receipt of a request on February 3, 2012, to review a plan of refunding (the "Plan") for the maximum authorized amount of \$2,000,000 General Obligation Refunding Bonds, Series 2012 (the "2012 Bonds") to currently refund \$1,855,000 School Sales Tax Revenue and Unlimited Tax Refunding Bonds, Series 1997 (the "1997 Bonds"). The 1997 Bonds were issued to refund the School Sales Tax Revenue and Unlimited Tax Refunding Bonds, Series 1994.

Pursuant to the provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, a Plan must be submitted to our Office for review prior to the adoption of a resolution by the governing body of a local government authorizing the issuance of refunding bonds secured, in whole or in part, by the full faith and credit and unlimited taxing power of the City. The information presented in the plan of refunding includes the assertions of the City and may not reflect either current market conditions or market conditions at the time of sale.

City's Proposed Refunding Objective

The purpose of the proposed refunding is to restructure the 2012 maturity of the 1997 Bonds to permit the City's People's Education Program Fund (PEP Fund) to pay its debt service in fiscal years 2012 and 2013 and match future payments to the PEP Fund's income stream.

Fiscal Year 2012 Budget

The stated purpose for this refunding is to restructure debt service payable from the PEP Fund "to match our current stream of revenue without taking the fund into a negative balance." This statement indicates an unbalanced budget with insufficient revenues to meet the debt obligations of the PEP Fund.

State law and prudent financial stewardship require municipalities to adopt and to maintain a balanced cash basis budget that appropriates sufficient monies to meet its annual debt service obligations. The City submitted an annual operating and capital budget ordinance with supporting documents to the Office of the Comptroller which portrayed a balanced cash basis budget appropriating sufficient monies to pay the City's annual debt service. To balance the PEP Fund, the budget documents show that \$470,000 in "Other Revenues" would be available to the PEP Fund for payment of its annual debt service obligations. On the basis of the budget documents, the fiscal year 2012 budget was given official budget approval.

You have advised us that your budget team was fully aware that some action would be required during this fiscal year in order to avoid ending the year with a negative fund balance and to prevent defaulting on the bonds. The PowerPoint presentation that you submitted is evidence that you communicated this information to your governing body.

It appears that at the time the budget was submitted, the City had not identified the source of the revenues in the amount of \$470,000 necessary to balance the budget and the City did not show how it would meet all annual debt service obligations. Accordingly, Johnson City must submit, to this Office and the City Commission, a monthly statement of budget-to-actual revenue and expenditure reports for all funds for the prior month by the 15th of the following month. This reporting should begin with the reporting for January's operations. The first reports for January, February, March, and April may be submitted by May 15th. This office will consider a request from Johnson City to discontinue the submission of monthly reports at any time after the submission of the report for December 2012.

Compliance with the City's Debt Management Policy

Johnson City adopted a Debt Management Policy (the "Policy") on November 17, 2011. The City's stated purpose for the refunding is "to match our current stream of revenue without taking the fund into a negative balance." The refunding appears to be for restructuring debt for economic purposes. On inquiry, the sales tax based income stream of the PEP Fund is not adequate to pay fiscal years 2012 or 2013 debt service without transferring monies from another fund or restructuring debt service to match the actual income stream of the PEP Fund. The criteria for debt service structure permits structuring of debt to meet specific income streams. The proposed refunding appears to meet the criteria set by the City in its policy for restructuring for economic purposes and debt service structure.

Method of Sale

The approval of the Office of State and Local Finance is required when a municipality desires to sell refunding general obligation debt through a negotiated sale process. The City intends to sell the 2012 Bonds by competitive public sale.

Report of the Review of a Plan of Refunding

Enclosed is the report of the review of this plan of refunding required by *Tennessee Code Annotated* Section 9-21-903 for distribution to the Commissioners.

This report and the submitted plan of refunding are to be placed on the City's website. The same report is to be provided to each Commissioner and reviewed at the Public Meeting at which the proposed refunding bond resolution will be presented.

The enclosed report does not constitute approval or disapproval for the proposed plan or a determination that a refunding is advantageous or necessary nor that any of the outstanding obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity.

This letter and the enclosed report do not address the compliance with federal tax regulations and are not to be relied upon for that purpose. The City should discuss these issues with a bond counsel.

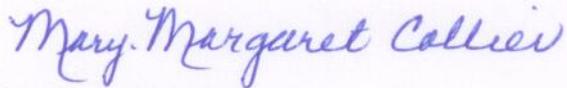
This report is effective for a period of one hundred and twenty (120) days. If the refunding has not been completed during this time, a supplemental plan of refunding must be submitted to this Office, at that time we will issue a report thereon pursuant to the statutes. In lieu of submitting a supplemental plan, a statement may be submitted to our Office after the 120-day period has elapsed stating that the information contained in the current plan of refunding remains valid. Such statement must be submitted by either the Chief Executive Officer or the Chief Financial Officer of the local government. We will acknowledge receipt of such statement and will issue our letter confirming that this refunding report remains valid for an additional 120-day period. However, with regard to the report currently being issued by this Office, during the initial 120-day period or any subsequent 120-day period no refunding reports will be issued relating to the debt obligations indicated herein as being refunded unless the Chief Executive Officer or the Chief Financial Officer notifies our Office that the plan of refunding which has been submitted is no longer valid.

We recognize that the information provided in the plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to insure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.

Public Debt Entity Report

Enclosed is a revised form CT-0253 - Report on Debt Obligation. The Form CT-0253 must be filed not later than forty-five (45) days following the issuance or execution of a debt obligation by or on behalf of any public entity, with the Director of the Office of State and Local Finance at StateandLocalFinance.PublicDebtForm@cot.tn.gov or the mailing address on this letter. No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation.

Sincerely,



Mary-Margaret Collier
Director of the Office of State & Local Finance

Cc: Mr. Jim Arnette, Director of County Audit, COT
Mr. Dennis Dycus, Director of Municipal Audit, COT
Ms. Janet Jennings, Finance Director, Johnson City
Mr. Joe Ayres, Morgan Keegan & Company, Inc.
Mr. Chris Bessler, Morgan Keegan & Company, Inc.
Mr. Mark Mamantov, Bass Berry & Sims PLC

Enclosures (2): Report of the Director of the Office of State & Local Finance
State Form CT-0253, Report on Debt Obligation.

**REPORT OF THE DIRECTOR OF STATE AND LOCAL FINANCE
CONCERNING THE PROPOSED ISSUANCE OF
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012
JOHNSON CITY, TENNESSEE**

The City of Johnson City (the "City") submitted a plan of refunding (the "Plan"), as required by *Tennessee Code Annotated* Section 9-21-903 regarding the proposed maximum issuance of \$2,000,000 General Obligation Refunding Bonds, Series 2012 (the "2012 Bonds"). The Series 2012 Bonds will currently refund the \$1,855,000 School Sales Tax Revenue and Unlimited Tax Refunding Bonds, Series 1997 (the "1997 Bonds"). The 1997 Bonds were issued to refund the School Sales Tax Revenue and Unlimited Tax Refunding Bonds, Series 1994 (the "1994 Bonds"). The Plan was prepared with the assistance of the City's financial advisors, Morgan Keegan. The City plans to issue the 2012 Bonds by competitive sale.

Refunding Analysis

The 2012 Bonds, as described in the Plan, appear to meet the City's debt management policy criteria for a restructuring.

The City is proposing to refund the 2012 maturity of the 1997 Bonds by extending the debt for seven years and delaying principal repayment until 2015. The 2012 Bonds are being issued to restructure the 2012 maturity of the 1997 Bonds to allow the PEP (PEP) Debt Service Fund to pay its debt service. With the exception of the 2012 and 2013 maturities, all of the 1997 Bonds have been refunded. The City stated that it expects to meet its obligation to pay the 2013 maturity along with the other debt service attributed to the Fund. This refunding extends the life of the debt by amortizing a portion of the debt in the years 2015 through 2019 at a cost to the City of \$249,874 in increased interest expense plus the cost of issuance (see Schedule B (1)).

The costs of issuance are provided on Schedule D of the Plan. Total cost of issuance is \$50,000 or \$26.25 per \$1,000 of par amount for the 2012 Bonds. Included in the cost of issuance is an estimated Underwriter's Discount of \$15,825.

By issuing this debt, Johnson City is reducing debt service in 2012 and placing an increased debt burden on the PEP Debt Service Fund in the years 2015 through 2019. This action will increase interest expense and create future obligations that must be budgeted and repaid.

The budget submitted on September 11, 2011 and approved by this office on September 17, 2011 portrayed sufficient funds available to pay debt service. It appears that at the time the budget was submitted, the City had not identified the source of the revenues in the amount of \$470,000 necessary to balance the budget and the City did not show how it would meet all annual debt service obligations. Accordingly, Johnson City must submit, to this Office and the City Commission, a monthly statement of budget-to-actual revenue and expenditure reports for all funds for the prior month by the 15th of the following month. This reporting should begin with the reporting for January's operations. The first reports for January, February, March, and April may be submitted by May 15th. This office will consider a request from Johnson City to discontinue the submission of monthly reports at any time after the submission of the report for December 2012.

This report of the Office of State and Local Finance does not constitute approval or disapproval by the Office for the proposed Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This report is based on information as presented in the Plan by the City. The assumptions included in the City's Plan may not reflect either current market conditions or market conditions at the time of sale.



Mary-Margaret Collier
Director of the Office of State and Local Finance

Date: February 15, 2012

As Revised: May 8, 2012



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
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505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
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August 15, 2011

Honorable W. Jeff Banyas, Mayor
City of Johnson City
P.O. Box 2150
Johnson City, TN 37605

Dear Mayor Banyas:

This letter acknowledges receipt of a certified copy of the 2012 fiscal year budget.

We have reviewed the budget and have determined that projected revenues and other available funds are sufficient to meet anticipated expenditures. Our review of the budget is based solely on the information we have received and is for the purpose of determining that the budget, as presented to this office, appears to be balanced. With regard to programs included in the budget such as education, roads, and corrections, we have not made any attempt to determine that the local government has complied with specific program statutes or guidelines, or with any financing requirements prescribed by any state or federal agency. A property tax rate may be included in this budget, and we would recommend that local government officials be certain that all program requirements have been met before initiating the tax collection process.

This letter constitutes approval, by this office, for the City of Johnson City's 2012 fiscal year budget as adopted by the Governing Body.

Sincerely,

A handwritten signature in cursive script that reads "Mary-Margaret Collier".

Mary-Margaret Collier
Director of the Office of State and Local Finance

Cc: Mr. Dennis Dycus, Director of Municipal Audit

Management Response

In 1994 the citizens of Johnson City voted to increase the local option sales tax by 0.25% to pay for debt service payments for City school building construction, expansion, and major school facility improvements. The plan to promote the tax was called the Peoples Education Plan (PEP). To make sure the quarter-cent sales tax revenue was properly accounted for, the City set up a special fund (commonly referred to as the Peoples Education or PEP Fund) to track all revenues and expenditures.

When the revenue projections for the new tax were initially developed, the economic climate was more favorable than it was in the early 2000s and for the past few years. Also, when the original debt was issued, the debt repayment schedule was shortened and the dollar amount of school projects financed by the debt issue was increased.

Beginning in 2010, the City began working with our financial advisors and the State and Local Government staff in the Comptroller's Office to develop a plan to address concerns about making future debt service payments. To resolve this funding problem, the City requested State and Local Government approve a master refinancing plan to restructure several debt issues. The plan included up to four separate debt issues over a two-year period. In discussions with State and Local Government staff, it was our understanding that they were not opposed to the City's refinancing plan itself, but preferred to approve the issues on an individual basis closer to the actual time of each proposed re-issuance. Three of these issues occurred between April 2010 and February 2011.

Based on conservative local option sales tax projections, City staff estimated a shortfall in the PEP Fund of \$470,000 in FY 2012 and \$570,000 in FY 2013. At the time the FY 2012 budget was approved, the City had several options to resolve the shortfalls. One, we could use fund balance (savings) from the General Fund. Two, the City's General Fund could loan the PEP Fund the necessary funds. Three, we could borrow additional funds. Due to the uncertainty as to how we would fix this problem, we chose to identify the shortage as "Other" when the FY 2012 budget was prepared last year at this time. Our intention was to closely monitor revenues and market rates and make a decision by February 2012 as to whether or not we would issue debt or internally fund the shortage. In the end, we decided the best decision for the City was to issue debt, and in February 2012 the City advised State and Local Government of our desire to issue \$1.9 million to complete the restructuring of the PEP Fund.

Although State and Local Government had previously approved the City's FY 2012 budget, they later questioned the use of the word "Other." They felt the City had not adequately shown exactly how we would meet our debt service obligation. Each year the City Commission spends a considerable amount of time reviewing the City Manager's proposed annual budget, including scheduling several work sessions to review the budget in detail. All funds were discussed in these meetings, including the PEP Fund. The City Commission was well aware of the issues with this fund and what our options were. On March 16, the City sent a letter to the Comptroller signed by all members of the City Commission and the City Manager expressing our concerns to a previous letter regarding this matter. On April 12, the Mayor, Vice Mayor, City Manager, and an Assistant City Manager met with the Comptroller and his staff to further discuss these concerns. Given the particular circumstances as described above regarding the PEP Fund, the City of Johnson City respectfully disagrees with the comments of the State and Local Government and the Comptroller's Office.

CITY OF JOHNSON CITY, TENNESSEE
PEP Fund

**Final
Funding
Analysis**

April 30, 2012

Prepared By:

MORGAN KEEGAN & COMPANY, INC.

Investment Bankers

11400 Parkside Drive, STE 110

Knoxville, Tennessee 37934

Telephone: (865) 777-5840

Facsimile: (865) 777-5836

\$29,477,802.60

City of Johnson City, Tennessee

School Sales Tax Revenue & Unlimited Tax Refunding Bonds, Series 1997

Debt Service

Date	Principal	Coupon	Interest	Total P+I
05/01/2011	-	-	-	-
05/01/2012	-	-	-	-
05/01/2013	1,823,107.20	5.700%	216,892.80	2,040,000.00
Total	\$1,823,107.20	-	\$216,892.80	\$2,040,000.00

Date And Term Structure

Dated.....	5/01/2011
First Coupon Date.....	11/01/2011
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	5/01/2012

Yield Statistics

Average Coupon.....	5.9484379%
Average Life.....	2.000 Years
Weighted Average Maturity.....	2.000 Years
True Interest Cost (TIC).....	5.7000920%
Bond Yield for Arbitrage Purposes.....	5.7000920%
Bond Year Dollars.....	\$3,646.21

\$1,905,000
City of Johnson City, Tennessee
 General Obligation Bonds, Series 2012
 PEP Supported Debt (Refinances May 1, 2012 Maturity of 1997 Bonds)

Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/01/2012	-	-	-	-
06/01/2013	-	-	59,301.67	59,301.67
06/01/2014	-	-	54,600.00	54,600.00
06/01/2015	320,000.00	4.000%	54,600.00	374,600.00
06/01/2016	335,000.00	5.000%	41,800.00	376,800.00
06/01/2017	350,000.00	2.000%	25,050.00	375,050.00
06/01/2018	355,000.00	2.000%	18,050.00	373,050.00
06/01/2019	365,000.00	3.000%	10,950.00	375,950.00
Total	\$1,725,000.00	-	\$264,351.67	\$1,989,351.67

Date And Term Structure

Dated.....	4/30/2012
First Coupon Date.....	12/01/2012
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	6/01/2015

Yield Statistics

Average Coupon.....	2.9757464%
Average Life.....	5.150 Years
Weighted Average Maturity.....	5.127 Years
True Interest Cost (TIC).....	1.2899110%
Bond Yield for Arbitrage Purposes.....	1.6876949%
Bond Year Dollars.....	\$8,883.54

\$2,000,000
City of Johnson City, Tennessee
 General Obligation Bonds, Series 2012
 Provides \$2,005,000 New Money

Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/01/2012	-	-	-	-
06/01/2013	-	-	60,156.98	60,156.98
06/01/2014	35,000.00	4.000%	55,387.50	90,387.50
06/01/2015	40,000.00	4.000%	53,987.50	93,987.50
06/01/2016	40,000.00	5.000%	52,387.50	92,387.50
06/01/2017	40,000.00	2.000%	50,387.50	90,387.50
06/01/2018	50,000.00	2.000%	49,587.50	99,587.50
06/01/2019	50,000.00	3.000%	48,587.50	98,587.50
06/01/2020	400,000.00	3.000%	47,087.50	447,087.50
06/01/2021	410,000.00	2.375%	35,087.50	445,087.50
06/01/2022	420,000.00	3.000%	25,350.00	445,350.00
06/01/2023	425,000.00	3.000%	12,750.00	437,750.00
Total	\$1,910,000.00	-	\$490,756.98	\$2,400,756.98

Date And Term Structure

Dated.....	4/30/2012
First Coupon Date.....	12/01/2012
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	6/01/2014

Yield Statistics

Average Coupon.....	2.8649860%
Average Life.....	8.968 Years
Weighted Average Maturity.....	8.942 Years
True Interest Cost (TIC).....	2.1918536%
Bond Yield for Arbitrage Purposes.....	1.6876949%
Bond Year Dollars.....	\$17,129.47

City of Johnson City, Tennessee
Total Combined Outstanding Sales Tax Supported Debt
Variable Debt at Budget Rates

Aggregate Debt Service

Date	Principal	Interest	Total P+I
06/01/2012	500,000.00	1,674,709.96	2,174,709.96
06/01/2013	2,348,107.20	1,986,901.49	4,335,008.69
06/01/2014	795,000.00	1,735,024.96	2,530,024.96
06/01/2015	1,155,000.00	1,697,462.46	2,852,462.46
06/01/2016	1,210,000.00	1,645,212.46	2,855,212.46
06/01/2017	1,265,000.00	1,586,712.46	2,851,712.46
06/01/2018	1,325,000.00	1,538,112.46	2,863,112.46
06/01/2019	1,380,000.00	1,487,037.46	2,867,037.46
06/01/2020	1,415,000.00	1,429,412.50	2,844,412.50
06/01/2021	1,475,000.00	1,369,812.46	2,844,812.46
06/01/2022	1,535,000.00	1,310,150.04	2,845,150.04
06/01/2023	1,600,000.00	1,245,300.00	2,845,300.00
06/01/2024	1,790,000.00	1,175,250.00	2,965,250.00
06/01/2025	1,855,000.00	1,085,750.04	2,940,750.04
06/01/2026	1,920,000.00	993,000.00	2,913,000.00
06/01/2027	1,985,000.00	897,000.00	2,882,000.00
06/01/2028	2,055,000.00	797,750.04	2,852,750.04
06/01/2029	2,125,000.00	695,000.04	2,820,000.04
06/01/2030	2,200,000.00	588,750.00	2,788,750.00
06/01/2031	2,280,000.00	478,749.96	2,758,749.96
06/01/2032	2,355,000.00	364,749.96	2,719,749.96
06/01/2033	2,440,000.00	246,999.96	2,686,999.96
06/01/2034	2,500,000.00	125,000.04	2,625,000.04
Total	\$39,508,107.20	\$26,153,848.75	\$65,661,955.95

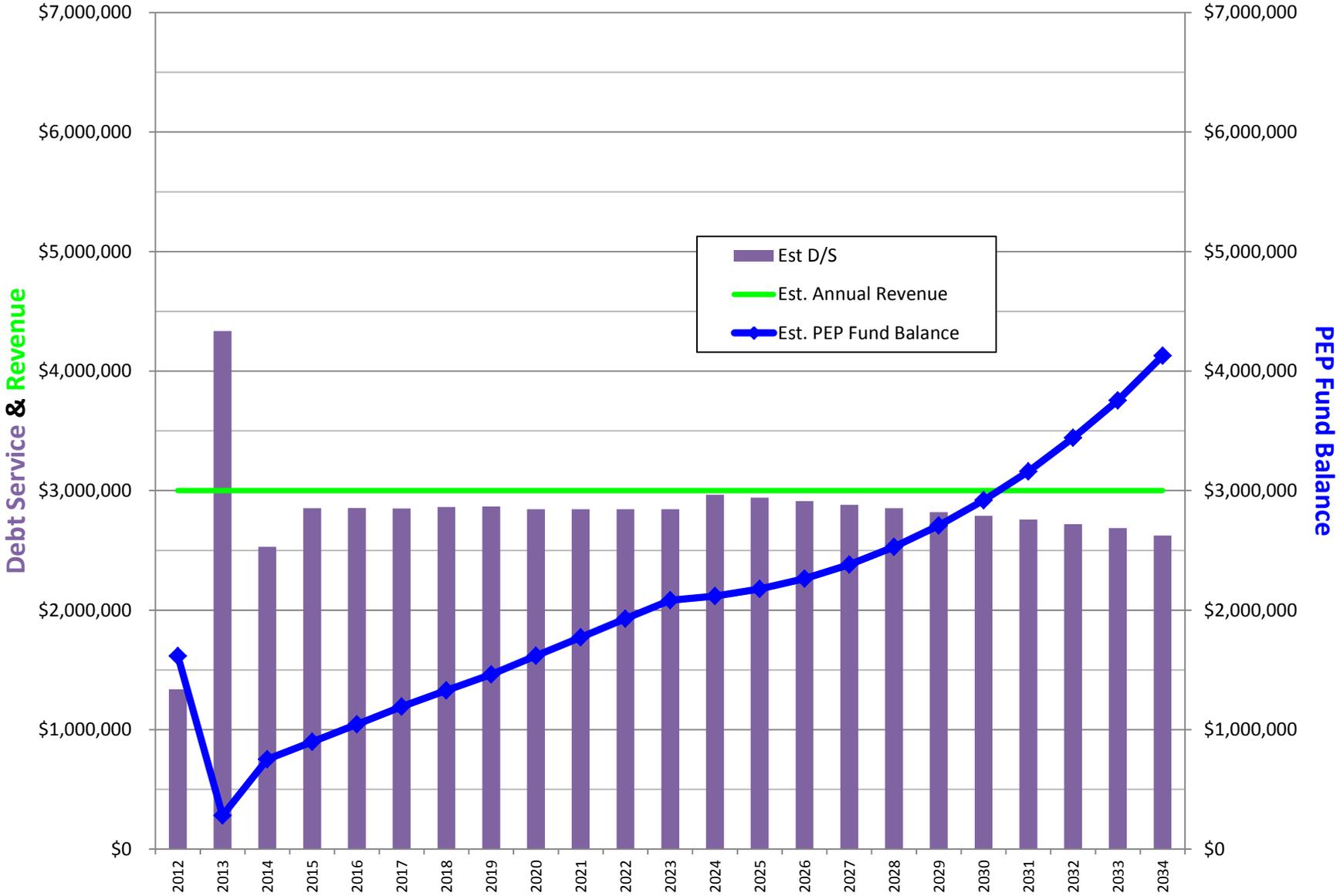
Par Amounts Of Selected Issues

Sales Tax 1998 REF - Non-Callable.....	1,530,000.00
Sales Tax - VII-I-1.....	27,755,000.00
Sales Tax - VII-J-1.....	4,765,000.00
Sales Tax 1997 REF - Non Callable (Post 2012 Ref).....	1,823,107.20
Sales Tax - 2012 Refi of CAB Maturity.....	1,725,000.00
Sales Tax - 2012 \$2MM New Money.....	1,910,000.00
TOTAL.....	39,508,107.20

Morgan Keegan & Company, Inc - 865-777-5840
Tennessee Public Finance (Knoxville Office) - CCB

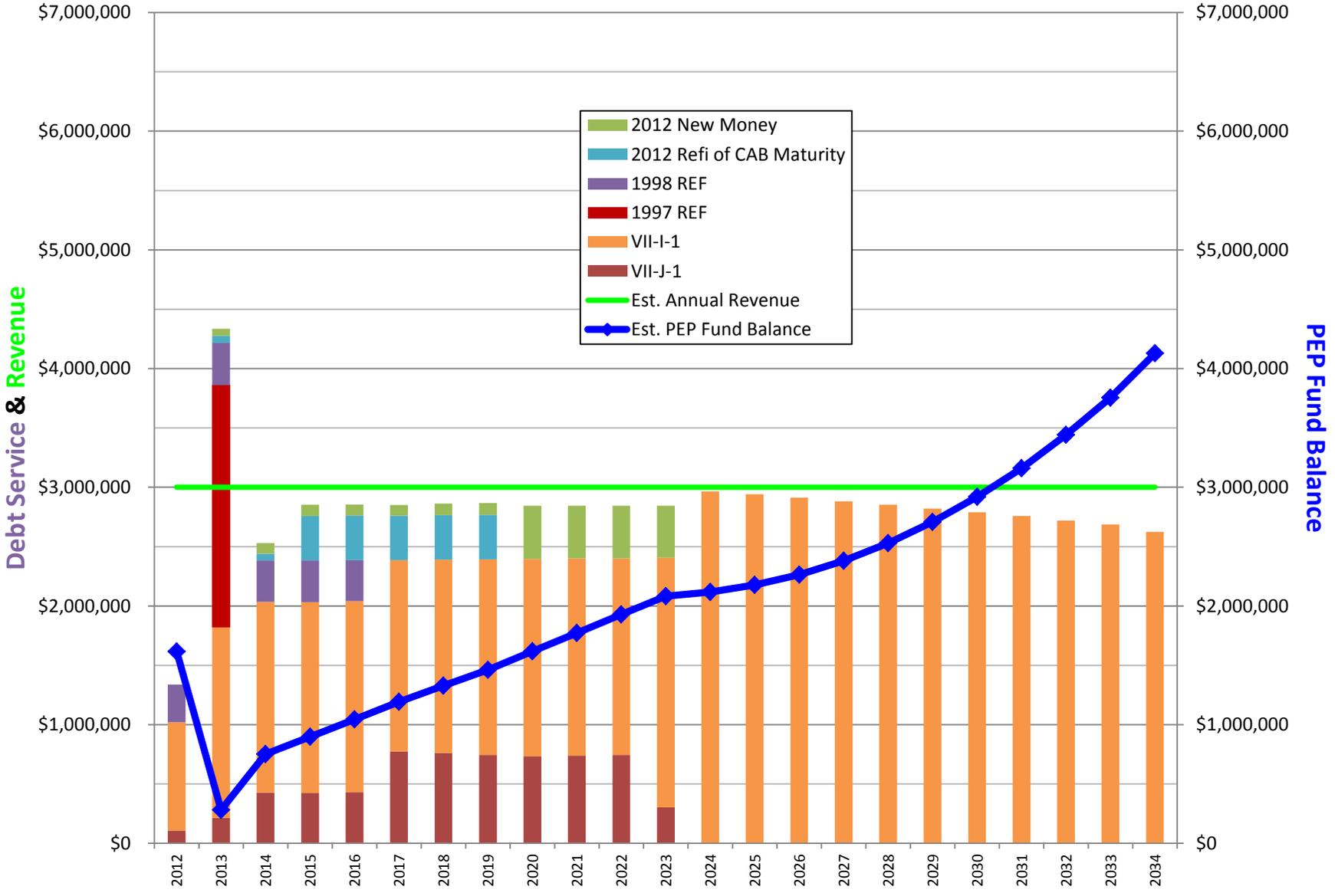
City of Johnson City, Tennessee

Total Sales Tax Debt Service & Fund Balance



City of Johnson City, Tennessee

Total Sales Tax Debt Service & Fund Balance



CITY OF JOHNSON CITY, TENNESSEE
General Obligation Bonds, Serie 2012

**Final
Funding
Analysis**

April 30, 2012

Prepared By:

MORGAN KEEGAN & COMPANY, INC.

Investment Bankers

11400 Parkside Drive, STE 110

Knoxville, Tennessee 37934

Telephone: (865) 777-5840

Facsimile: (865) 777-5836

\$14,450,000
City of Johnson City, Tennessee
 General Obligation Bonds, Series 2012

Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/30/2012	-	-	-	-	-
12/01/2012	-	-	257,877.91	257,877.91	-
06/01/2013	455,000.00	2.000%	219,990.63	674,990.63	932,868.54
12/01/2013	-	-	215,440.63	215,440.63	-
06/01/2014	880,000.00	4.000%	215,440.63	1,095,440.63	1,310,881.26
12/01/2014	-	-	197,840.63	197,840.63	-
06/01/2015	1,240,000.00	4.000%	197,840.63	1,437,840.63	1,635,681.26
12/01/2015	-	-	173,040.63	173,040.63	-
06/01/2016	1,295,000.00	5.000%	173,040.63	1,468,040.63	1,641,081.26
12/01/2016	-	-	140,665.63	140,665.63	-
06/01/2017	1,360,000.00	2.000%	140,665.63	1,500,665.63	1,641,331.26
12/01/2017	-	-	127,065.63	127,065.63	-
06/01/2018	1,400,000.00	2.000%	127,065.63	1,527,065.63	1,654,131.26
12/01/2018	-	-	113,065.63	113,065.63	-
06/01/2019	1,425,000.00	3.000%	113,065.63	1,538,065.63	1,651,131.26
12/01/2019	-	-	91,690.63	91,690.63	-
06/01/2020	1,315,000.00	3.000%	91,690.63	1,406,690.63	1,498,381.26
12/01/2020	-	-	71,965.63	71,965.63	-
06/01/2021	1,355,000.00	2.375%	71,965.63	1,426,965.63	1,498,931.26
12/01/2021	-	-	55,875.00	55,875.00	-
06/01/2022	1,395,000.00	3.000%	55,875.00	1,450,875.00	1,506,750.00
12/01/2022	-	-	34,950.00	34,950.00	-
06/01/2023	1,430,000.00	3.000%	34,950.00	1,464,950.00	1,499,900.00
12/01/2023	-	-	13,500.00	13,500.00	-
06/01/2024	445,000.00	3.000%	13,500.00	458,500.00	472,000.00
12/01/2024	-	-	6,825.00	6,825.00	-
06/01/2025	455,000.00	3.000%	6,825.00	461,825.00	468,650.00
Total	\$14,450,000.00	-	\$2,961,718.62	\$17,411,718.62	-

Date And Term Structure

Dated.....	4/30/2012
First Coupon Date.....	12/01/2012
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	6/01/2013

Yield Statistics

Average Coupon.....	2.9270534%
Average Life.....	7.002 Years
Weighted Average Maturity.....	6.954 Years
True Interest Cost (TIC).....	1.9438189%
Bond Yield for Arbitrage Purposes.....	1.6876949%
Bond Year Dollars.....	\$101,184.31

\$14,450,000
City of Johnson City, Tennessee
 General Obligation Bonds, Series 2012

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price		Dollar Price
06/01/2013	Serial Coupon	2.000%	0.300%	455,000.00	101.841%		463,376.55
06/01/2014	Serial Coupon	4.000%	0.500%	880,000.00	107.254%		943,835.20
06/01/2015	Serial Coupon	4.000%	0.650%	1,240,000.00	110.218%		1,366,703.20
06/01/2016	Serial Coupon	5.000%	0.800%	1,295,000.00	116.850%		1,513,207.50
06/01/2017	Serial Coupon	2.000%	1.000%	1,360,000.00	104.946%		1,427,265.60
06/01/2018	Serial Coupon	2.000%	1.250%	1,400,000.00	104.381%		1,461,334.00
06/01/2019	Serial Coupon	3.000%	1.500%	1,425,000.00	110.047%		1,568,169.75
06/01/2020	Serial Coupon	3.000%	1.750%	1,315,000.00	109.385%		1,438,412.75
06/01/2021	Serial Coupon	2.375%	2.000%	1,355,000.00	102.786%	c	1,392,750.30
06/01/2022	Serial Coupon	3.000%	2.160%	1,395,000.00	106.200%	c	1,481,490.00
06/01/2023	Serial Coupon	3.000%	2.300%	1,430,000.00	105.137%	c	1,503,459.10
06/01/2024	Serial Coupon	3.000%	2.530%	445,000.00	103.416%	c	460,201.20
06/01/2025	Serial Coupon	3.000%	2.680%	455,000.00	102.311%	c	465,515.05
Total	-	-	-	\$14,450,000.00	-	-	\$15,485,720.20

Bid Information

Par Amount of Bonds.....	\$14,450,000.00
Reoffering Premium or (Discount).....	1,035,720.20
Gross Production.....	\$15,485,720.20
Total Underwriter's Discount (0.822%).....	\$(118,791.58)
Bid (106.346%).....	15,366,928.62
Total Purchase Price.....	\$15,366,928.62
Bond Year Dollars.....	\$101,184.31
Average Life.....	7.002 Years
Average Coupon.....	2.9270534%
Net Interest Cost (NIC).....	2.0208569%
True Interest Cost (TIC).....	1.9438189%

\$14,450,000
City of Johnson City, Tennessee
General Obligation Bonds, Series 2012

Proof of Premium Bond Selection of Call Dates/Prices

Maturity	Call Date	Call Price	PV at Bond Yield	Lowest?
06/01/2021	-	-	1,433,132.02	No
06/01/2021	06/01/2020	100.000%	1,425,104.15	Yes
06/01/2022	-	-	1,564,111.47	No
06/01/2022	06/01/2020	100.000%	1,532,813.54	Yes
06/01/2023	-	-	1,618,996.11	No
06/01/2023	06/01/2020	100.000%	1,571,271.23	Yes
06/01/2024	-	-	508,599.87	No
06/01/2024	06/01/2020	100.000%	488,962.02	Yes
06/01/2025	-	-	524,841.49	No
06/01/2025	06/01/2020	100.000%	499,949.94	Yes

\$14,450,000
City of Johnson City, Tennessee
General Obligation Bonds, Series 2012

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
04/30/2012	-	-	-
12/01/2012	-	257,877.90	257,877.90
06/01/2013	455,000.00	219,990.63	674,990.63
12/01/2013	-	215,440.63	215,440.63
06/01/2014	880,000.00	215,440.63	1,095,440.63
12/01/2014	-	197,840.63	197,840.63
06/01/2015	1,240,000.00	197,840.63	1,437,840.63
12/01/2015	-	173,040.63	173,040.63
06/01/2016	1,295,000.00	173,040.63	1,468,040.63
12/01/2016	-	140,665.63	140,665.63
06/01/2017	1,360,000.00	140,665.63	1,500,665.63
12/01/2017	-	127,065.63	127,065.63
06/01/2018	1,400,000.00	127,065.63	1,527,065.63
12/01/2018	-	113,065.63	113,065.63
06/01/2019	1,425,000.00	113,065.63	1,538,065.63
12/01/2019	-	91,690.63	91,690.63
06/01/2020	6,395,000.00	91,690.63	6,486,690.63
Total	\$14,450,000.00	\$2,595,487.35	\$17,045,487.35

\$14,450,000
City of Johnson City, Tennessee
 General Obligation Bonds, Series 2012

Proof Of Bond Yield @ 1.6876949%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
04/30/2012	-	1.0000000x	-	-
12/01/2012	257,877.90	0.9901981x	255,350.20	255,350.20
06/01/2013	674,990.63	0.9819122x	662,781.57	918,131.77
12/01/2013	215,440.63	0.9736957x	209,773.62	1,127,905.39
06/01/2014	1,095,440.63	0.9655480x	1,057,700.50	2,185,605.89
12/01/2014	197,840.63	0.9574684x	189,426.15	2,375,032.05
06/01/2015	1,437,840.63	0.9494565x	1,365,167.06	3,740,199.11
12/01/2015	173,040.63	0.9415115x	162,919.75	3,903,118.86
06/01/2016	1,468,040.63	0.9336331x	1,370,611.31	5,273,730.17
12/01/2016	140,665.63	0.9258206x	130,231.13	5,403,961.31
06/01/2017	1,500,665.63	0.9180734x	1,377,721.26	6,781,682.56
12/01/2017	127,065.63	0.9103911x	115,679.42	6,897,361.98
06/01/2018	1,527,065.63	0.9027731x	1,378,593.77	8,275,955.75
12/01/2018	113,065.63	0.8952188x	101,218.48	8,377,174.23
06/01/2019	1,538,065.63	0.8877277x	1,365,383.54	9,742,557.77
12/01/2019	91,690.63	0.8802994x	80,715.20	9,823,272.97
06/01/2020	6,486,690.63	0.8729331x	5,662,447.22	15,485,720.20
Total	\$17,045,487.35	-	\$15,485,720.20	-

Derivation Of Target Amount

Par Amount of Bonds.....	\$14,450,000.00
Reoffering Premium or (Discount).....	1,035,720.20
Original Issue Proceeds.....	\$15,485,720.20

\$14,450,000
City of Johnson City, Tennessee
 General Obligation Bonds, Series 2012

Total Issue Sources And Uses

Dated 04/30/2012 | Delivered 04/30/2012

	Adv. Refunding of 2004 Bonds	PEP - Refunding	PEP - New Money	General Fund - New Money	Issue Summary
Sources Of Funds					
Par Amount of Bonds.....	\$10,015,000.00	\$1,725,000.00	\$1,910,000.00	\$800,000.00	\$14,450,000.00
Reoffering Premium.....	693,601.45	158,680.20	119,393.35	64,045.20	1,035,720.20
Total Sources.....	\$10,708,601.45	\$1,883,680.20	\$2,029,393.35	\$864,045.20	\$15,485,720.20
Uses Of Funds					
Total Underwriter's Discount (0.822%).....	82,332.02	14,181.00	15,701.86	6,576.70	118,791.58
Costs of Issuance.....	81,287.37	14,499.20	8,691.49	2,468.50	106,946.56
Deposit to Project Construction Fund.....	-	-	2,005,000.00	855,000.00	2,860,000.00
Deposit to PEP Refunding Fund.....	-	1,855,000.00	-	-	1,855,000.00
Deposit to Net Cash Escrow Fund.....	10,544,982.06	-	-	-	10,544,982.06
Total Uses.....	\$10,708,601.45	\$1,883,680.20	\$2,029,393.35	\$864,045.20	\$15,485,720.20

\$11,500,000
City of Johnson City, Tennessee
 General Obligation Refunding Bonds, Series 2004 A

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
04/01/2013	5,010,000.00	16,180.19	5,026,180.19	365,000.00	3.500%	200,857.50	565,857.50
04/01/2014	-	-	-	380,000.00	3.500%	188,082.50	568,082.50
04/01/2015	-	-	-	395,000.00	3.700%	174,782.50	569,782.50
04/01/2016	-	-	-	410,000.00	3.800%	160,167.50	570,167.50
04/01/2017	-	-	-	430,000.00	3.900%	144,587.50	574,587.50
04/01/2018	-	-	-	450,000.00	4.000%	127,817.50	577,817.50
04/01/2019	-	-	-	470,000.00	4.100%	109,817.50	579,817.50
04/01/2020	-	-	-	490,000.00	4.200%	90,547.50	580,547.50
04/01/2021	-	-	-	515,000.00	4.250%	69,967.50	584,967.50
04/01/2022	-	-	-	540,000.00	4.300%	48,080.00	588,080.00
04/01/2023	-	-	-	565,000.00	4.400%	24,860.00	589,860.00
Total	\$5,010,000.00	\$16,180.19	\$5,026,180.19	\$5,010,000.00	-	\$1,339,567.50	\$6,349,567.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	4/30/2012
Average Life.....	6.359 Years
Average Coupon.....	4.1542253%
Weighted Average Maturity (Par Basis).....	6.359 Years

Refunding Bond Information

Refunding Dated Date.....	4/30/2012
Refunding Delivery Date.....	4/30/2012

\$7,625,000
City of Johnson City, Tennessee
 General Obligation Bonds, Series 2004 B

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/01/2012	-	106,236.88	106,236.88	-	3.500%	106,236.88	106,236.88
06/01/2013	5,210,000.00	212,473.76	5,422,473.76	-	3.500%	212,473.76	212,473.76
06/01/2014	-	-	-	350,000.00	3.500%	212,473.76	562,473.76
06/01/2015	-	-	-	360,000.00	3.700%	200,223.76	560,223.76
06/01/2016	-	-	-	375,000.00	3.750%	186,903.76	561,903.76
06/01/2017	-	-	-	390,000.00	4.000%	172,841.26	562,841.26
06/01/2018	-	-	-	405,000.00	4.000%	157,241.26	562,241.26
06/01/2019	-	-	-	420,000.00	4.000%	141,041.26	561,041.26
06/01/2020	-	-	-	435,000.00	4.100%	124,241.26	559,241.26
06/01/2021	-	-	-	455,000.00	4.200%	106,406.26	561,406.26
06/01/2022	-	-	-	475,000.00	4.250%	87,296.26	562,296.26
06/01/2023	-	-	-	495,000.00	4.250%	67,108.76	562,108.76
06/01/2024	-	-	-	515,000.00	4.375%	46,071.26	561,071.26
06/01/2025	-	-	-	535,000.00	4.400%	23,540.00	558,540.00
Total	\$5,210,000.00	\$318,710.64	\$5,528,710.64	\$5,210,000.00	-	\$1,844,099.50	\$7,054,099.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	4/30/2012
Average Life.....	8.053 Years
Average Coupon.....	4.3955651%
Weighted Average Maturity (Par Basis).....	8.053 Years

Refunding Bond Information

Refunding Dated Date.....	4/30/2012
Refunding Delivery Date.....	4/30/2012

City of Johnson City, Tennessee
 General Obligation Refunding Bonds, Series 2004 A
 General Obligation Bonds, Series 2004 B

Combined Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Interest	Refunded D/S
06/01/2012	5,010,000.00	122,417.07	5,132,417.07	-	106,236.88	106,236.88
06/01/2013	5,210,000.00	212,473.76	5,422,473.76	365,000.00	413,331.26	778,331.26
06/01/2014	-	-	-	730,000.00	400,556.26	1,130,556.26
06/01/2015	-	-	-	755,000.00	375,006.26	1,130,006.26
06/01/2016	-	-	-	785,000.00	347,071.26	1,132,071.26
06/01/2017	-	-	-	820,000.00	317,428.76	1,137,428.76
06/01/2018	-	-	-	855,000.00	285,058.76	1,140,058.76
06/01/2019	-	-	-	890,000.00	250,858.76	1,140,858.76
06/01/2020	-	-	-	925,000.00	214,788.76	1,139,788.76
06/01/2021	-	-	-	970,000.00	176,373.76	1,146,373.76
06/01/2022	-	-	-	1,015,000.00	135,376.26	1,150,376.26
06/01/2023	-	-	-	1,060,000.00	91,968.76	1,151,968.76
06/01/2024	-	-	-	515,000.00	46,071.26	561,071.26
06/01/2025	-	-	-	535,000.00	23,540.00	558,540.00
Total	\$10,220,000.00	\$334,890.83	\$10,554,890.83	\$10,220,000.00	\$3,183,667.00	\$13,403,667.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	4/30/2012
Average Life.....	7.222 Years
Average Coupon.....	4.3133242%
Weighted Average Maturity (Par Basis).....	7.222 Years

Refunding Bond Information

Refunding Dated Date.....	4/30/2012
Refunding Delivery Date.....	4/30/2012

City of Johnson City, Tennessee
 General Obligation Refunding Bonds, Series 2004 A
 General Obligation Bonds, Series 2004 B

Current Refunding Escrow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance	Fiscal Total
04/30/2012	-	-	-	5,026,181.06	5,026,180.19	0.87	-
06/01/2012	105,441.00	0.060%	795.04	106,236.04	106,236.88	0.03	5,132,417.07
12/01/2012	101,639.00	0.140%	4,598.77	106,237.77	106,236.88	0.92	-
06/01/2013	5,311,721.00	0.170%	4,514.96	5,316,235.96	5,316,236.88	-	5,422,473.76
Total	\$5,518,801.00	-	\$9,908.77	\$10,554,890.83	\$10,554,890.83	-	-

Investment Parameters

Investment Model [PV, GIC, or Securities].....	Securities
Default investment yield target.....	Bond Yield
Cash Deposit.....	5,026,181.06
Cost of Investments Purchased with Bond Proceeds.....	5,518,801.00
Total Cost of Investments.....	\$10,544,982.06
Target Cost of Investments at bond yield.....	\$10,457,537.10
Actual positive or (negative) arbitrage.....	(87,444.96)
Yield to Receipt.....	0.1697401%
Yield for Arbitrage Purposes.....	1.6876949%
State and Local Government Series (SLGS) rates for.....	4/17/2012

\$10,015,000
City of Johnson City, Tennessee
 General Obligation Bonds, Series 2012
 Refunding (Series 2004 Bonds)

Savings Analysis

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Savings
06/01/2012	-	-	-	-	106,236.88	106,236.88
06/01/2013	355,000.00	2.000%	331,257.11	686,257.11	778,331.26	92,074.15
06/01/2014	740,000.00	4.000%	297,893.76	1,037,893.76	1,130,556.26	92,662.50
06/01/2015	770,000.00	4.000%	268,293.76	1,038,293.76	1,130,006.26	91,712.50
06/01/2016	805,000.00	5.000%	237,493.76	1,042,493.76	1,132,071.26	89,577.50
06/01/2017	850,000.00	2.000%	197,243.76	1,047,243.76	1,137,428.76	90,185.00
06/01/2018	870,000.00	2.000%	180,243.76	1,050,243.76	1,140,058.76	89,815.00
06/01/2019	885,000.00	3.000%	162,843.76	1,047,843.76	1,140,858.76	93,015.00
06/01/2020	915,000.00	3.000%	136,293.76	1,051,293.76	1,139,788.76	88,495.00
06/01/2021	945,000.00	2.375%	108,843.76	1,053,843.76	1,146,373.76	92,530.00
06/01/2022	975,000.00	3.000%	86,400.00	1,061,400.00	1,150,376.26	88,976.26
06/01/2023	1,005,000.00	3.000%	57,150.00	1,062,150.00	1,151,968.76	89,818.76
06/01/2024	445,000.00	3.000%	27,000.00	472,000.00	561,071.26	89,071.26
06/01/2025	455,000.00	3.000%	13,650.00	468,650.00	558,540.00	89,890.00
Total	\$10,015,000.00	-	\$2,104,607.19	\$12,119,607.19	\$13,403,667.00	\$1,284,059.81

Present Value Assumptions

Net Present Value Benefit.....	\$1,174,031.44
Net PV Benefit / \$10,220,000 Refunded Principal.....	11.488%

Date And Term Structure

Dated.....	4/30/2012
First Coupon Date.....	12/01/2012
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	6/01/2013

Yield Statistics

Bond Yield for Arbitrage Purposes.....	1.6876949%
Average Coupon.....	2.9321306%
Average Life.....	7.167 Years
Bond Year Dollars.....	\$71,777.40

\$10,015,000
City of Johnson City, Tennessee
 General Obligation Refunding Bonds, Series 2012
 Refunded 2004 A&B Bonds

Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/30/2012	-	-	-	-	-
12/01/2012	-	-	178,760.23	178,760.23	-
06/01/2013	355,000.00	2.000%	152,496.88	507,496.88	686,257.11
12/01/2013	-	-	148,946.88	148,946.88	-
06/01/2014	740,000.00	4.000%	148,946.88	888,946.88	1,037,893.76
12/01/2014	-	-	134,146.88	134,146.88	-
06/01/2015	770,000.00	4.000%	134,146.88	904,146.88	1,038,293.76
12/01/2015	-	-	118,746.88	118,746.88	-
06/01/2016	805,000.00	5.000%	118,746.88	923,746.88	1,042,493.76
12/01/2016	-	-	98,621.88	98,621.88	-
06/01/2017	850,000.00	2.000%	98,621.88	948,621.88	1,047,243.76
12/01/2017	-	-	90,121.88	90,121.88	-
06/01/2018	870,000.00	2.000%	90,121.88	960,121.88	1,050,243.76
12/01/2018	-	-	81,421.88	81,421.88	-
06/01/2019	885,000.00	3.000%	81,421.88	966,421.88	1,047,843.76
12/01/2019	-	-	68,146.88	68,146.88	-
06/01/2020	915,000.00	3.000%	68,146.88	983,146.88	1,051,293.76
12/01/2020	-	-	54,421.88	54,421.88	-
06/01/2021	945,000.00	2.375%	54,421.88	999,421.88	1,053,843.76
12/01/2021	-	-	43,200.00	43,200.00	-
06/01/2022	975,000.00	3.000%	43,200.00	1,018,200.00	1,061,400.00
12/01/2022	-	-	28,575.00	28,575.00	-
06/01/2023	1,005,000.00	3.000%	28,575.00	1,033,575.00	1,062,150.00
12/01/2023	-	-	13,500.00	13,500.00	-
06/01/2024	445,000.00	3.000%	13,500.00	458,500.00	472,000.00
12/01/2024	-	-	6,825.00	6,825.00	-
06/01/2025	455,000.00	3.000%	6,825.00	461,825.00	468,650.00
Total	\$10,015,000.00	-	\$2,104,607.19	\$12,119,607.19	-

Date And Term Structure

Dated.....	4/30/2012
First Coupon Date.....	12/01/2012
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	6/01/2013

Yield Statistics

Average Coupon.....	2.9321306%
Average Life.....	7.167 Years
Weighted Average Maturity.....	7.116 Years
True Interest Cost (TIC).....	2.0032574%
Bond Yield for Arbitrage Purposes.....	1.6876949%
Bond Year Dollars.....	\$71,777.40

\$800,000
City of Johnson City, TN
 General Obligation Bonds, Series 2012
 New Money (General Fund)

Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/30/2012	-	-	-	-	-
12/01/2012	-	-	14,652.78	14,652.78	-
06/01/2013	100,000.00	2.000%	12,500.00	112,500.00	127,152.78
12/01/2013	-	-	11,500.00	11,500.00	-
06/01/2014	105,000.00	4.000%	11,500.00	116,500.00	128,000.00
12/01/2014	-	-	9,400.00	9,400.00	-
06/01/2015	110,000.00	4.000%	9,400.00	119,400.00	128,800.00
12/01/2015	-	-	7,200.00	7,200.00	-
06/01/2016	115,000.00	5.000%	7,200.00	122,200.00	129,400.00
12/01/2016	-	-	4,325.00	4,325.00	-
06/01/2017	120,000.00	2.000%	4,325.00	124,325.00	128,650.00
12/01/2017	-	-	3,125.00	3,125.00	-
06/01/2018	125,000.00	2.000%	3,125.00	128,125.00	131,250.00
12/01/2018	-	-	1,875.00	1,875.00	-
06/01/2019	125,000.00	3.000%	1,875.00	126,875.00	128,750.00
Total	\$800,000.00	-	\$102,002.78	\$902,002.78	-

Date And Term Structure

Dated.....	4/30/2012
First Coupon Date.....	12/01/2012
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	6/01/2013

Yield Statistics

Average Coupon.....	3.0054838%
Average Life.....	4.242 Years
Weighted Average Maturity.....	4.257 Years
True Interest Cost (TIC).....	1.2559465%
Bond Yield for Arbitrage Purposes.....	1.6876949%
Bond Year Dollars.....	\$3,393.89

\$1,725,000**City of Johnson City, Tennessee**

General Obligation Bonds, Series 2012

Refunding (PEP - Series 1997 May 1, 2012 Maturity)

Savings Analysis

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Savings	Fiscal Total
04/30/2012	-	-	-	-	-	-	-
05/01/2012	-	-	-	-	1,855,000.00	1,855,000.00	-
06/30/2012	-	-	-	-	-	-	1,855,000.00
12/01/2012	-	-	32,001.67	32,001.67	-	(32,001.67)	-
06/01/2013	-	-	27,300.00	27,300.00	-	(27,300.00)	-
06/30/2013	-	-	-	-	-	-	(59,301.67)
12/01/2013	-	-	27,300.00	27,300.00	-	(27,300.00)	-
06/01/2014	-	-	27,300.00	27,300.00	-	(27,300.00)	-
06/30/2014	-	-	-	-	-	-	(54,600.00)
12/01/2014	-	-	27,300.00	27,300.00	-	(27,300.00)	-
06/01/2015	320,000.00	4.000%	27,300.00	347,300.00	-	(347,300.00)	-
06/30/2015	-	-	-	-	-	-	(374,600.00)
12/01/2015	-	-	20,900.00	20,900.00	-	(20,900.00)	-
06/01/2016	335,000.00	5.000%	20,900.00	355,900.00	-	(355,900.00)	-
06/30/2016	-	-	-	-	-	-	(376,800.00)
12/01/2016	-	-	12,525.00	12,525.00	-	(12,525.00)	-
06/01/2017	350,000.00	2.000%	12,525.00	362,525.00	-	(362,525.00)	-
06/30/2017	-	-	-	-	-	-	(375,050.00)
12/01/2017	-	-	9,025.00	9,025.00	-	(9,025.00)	-
06/01/2018	355,000.00	2.000%	9,025.00	364,025.00	-	(364,025.00)	-
06/30/2018	-	-	-	-	-	-	(373,050.00)
12/01/2018	-	-	5,475.00	5,475.00	-	(5,475.00)	-
06/01/2019	365,000.00	3.000%	5,475.00	370,475.00	-	(370,475.00)	-
06/30/2019	-	-	-	-	-	-	(375,950.00)
Total	\$1,725,000.00	-	\$264,351.67	\$1,989,351.67	\$1,855,000.00	(134,351.67)	-

Present Value Assumptions

Net Present Value Benefit.....	\$20,584.14
Net PV Benefit / - Refunded Principal.....	1.110%

Date And Term Structure

Dated.....	4/30/2012
First Coupon Date.....	12/01/2012
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	6/01/2015

Yield Statistics

Bond Yield for Arbitrage Purposes.....	1.6876949%
Average Coupon.....	2.9757464%
Average Life.....	5.150 Years
Bond Year Dollars.....	\$8,883.54

Morgan Keegan & Company, Inc - 865-777-5840

Tennessee Public Finance (Knoxville Office) - CCB

\$1,910,000
City of Johnson City, Tennessee
 General Obligation Bonds, Series 2012
 New Money (PEP Fund)

Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/30/2012	-	-	-	-	-
12/01/2012	-	-	32,463.23	32,463.23	-
06/01/2013	-	-	27,693.75	27,693.75	-
06/30/2013	-	-	-	-	60,156.98
12/01/2013	-	-	27,693.75	27,693.75	-
06/01/2014	35,000.00	4.000%	27,693.75	62,693.75	-
06/30/2014	-	-	-	-	90,387.50
12/01/2014	-	-	26,993.75	26,993.75	-
06/01/2015	40,000.00	4.000%	26,993.75	66,993.75	-
06/30/2015	-	-	-	-	93,987.50
12/01/2015	-	-	26,193.75	26,193.75	-
06/01/2016	40,000.00	5.000%	26,193.75	66,193.75	-
06/30/2016	-	-	-	-	92,387.50
12/01/2016	-	-	25,193.75	25,193.75	-
06/01/2017	40,000.00	2.000%	25,193.75	65,193.75	-
06/30/2017	-	-	-	-	90,387.50
12/01/2017	-	-	24,793.75	24,793.75	-
06/01/2018	50,000.00	2.000%	24,793.75	74,793.75	-
06/30/2018	-	-	-	-	99,587.50
12/01/2018	-	-	24,293.75	24,293.75	-
06/01/2019	50,000.00	3.000%	24,293.75	74,293.75	-
06/30/2019	-	-	-	-	98,587.50
12/01/2019	-	-	23,543.75	23,543.75	-
06/01/2020	400,000.00	3.000%	23,543.75	423,543.75	-
06/30/2020	-	-	-	-	447,087.50
12/01/2020	-	-	17,543.75	17,543.75	-
06/01/2021	410,000.00	2.375%	17,543.75	427,543.75	-
06/30/2021	-	-	-	-	445,087.50
12/01/2021	-	-	12,675.00	12,675.00	-
06/01/2022	420,000.00	3.000%	12,675.00	432,675.00	-
06/30/2022	-	-	-	-	445,350.00
12/01/2022	-	-	6,375.00	6,375.00	-
06/01/2023	425,000.00	3.000%	6,375.00	431,375.00	-
06/30/2023	-	-	-	-	437,750.00
Total	\$1,910,000.00	-	\$490,756.98	\$2,400,756.98	-

Date And Term Structure

Dated.....	4/30/2012
First Coupon Date.....	12/01/2012
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	6/01/2014

Yield Statistics

Average Coupon.....	2.8649860%
Average Life.....	8.968 Years
Weighted Average Maturity.....	8.942 Years
True Interest Cost (TIC).....	2.1918536%
Bond Yield for Arbitrage Purposes.....	1.6876949%
Bond Year Dollars.....	\$17,129.47