

INSTRUCTIONS FOR PREPARATION OF  
FORM CT-0253: REPORT ON DEBT OBLIGATION (“Report”)

Note: The Report must be prepared for all debt obligations issued or entered into by any public entity and filed with the Governing Body with a copy sent to the Division of Local Government Finance/ Comptroller of the Treasury for the State of Tennessee (“LGF”). The purpose for the Report is to provide clear and concise information to members of the governing or legislative body who authorized and are responsible for debt that has been issued. Conduit issuers must complete a Report even if costs and responsibilities are paid or assumed by a non-governmental borrower.

For a draw down borrowing program, including but not limited to commercial paper programs or the State Revolving Fund loan program (“Borrowing Program”), in which the maximum principal amount of the program or loan is established, but will not be drawn upon until a future date, the Governing Body may elect to file a Report at the time of establishment of the program (with disclosures as if the entire amount has been issued). In other words, the Report can be filed for a commercial paper program in the maximum amount authorized (“Initial Report”) and an additional Report is not needed each time the commercial paper is issued within the maximum amount authorized by the established program. As an alternative, the Governing Body could also submit a Report for each draw on the Borrowing Program.

The Governing Body must decide what ongoing disclosures it wishes to receive regarding the Borrowing Program, such as updated payment schedules when funds are drawn. These ongoing disclosures should occur on a frequency no less than annually and should follow the same process as with a Report. Copies of these updates to the Initial Report may (but are not required to) be filed with the Division of Local Government Finance.

This Report has been approved by the State Funding Board pursuant to TCA Section 9-21-134(c)(1) and must be used. Responses (including “Not Applicable” or NA) are required for all questions. Reports without responses to each question will be deemed non-compliant under TCA Section 9-21-134 and returned to the public entity. Definitions are included at the end of these Instructions.

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**1. Public Entity**

Include the full name and address of the public entity issuing the debt (this is NOT the bank or the lending institution). Provide the name of the debt issue (such as “Police Car Three-Year Capital Outlay Notes, Series 2013”). If this is an interfund loan, indicate the borrowing fund.

If the Governing Body has elected to receive an Initial Report for a Borrowing Program, then attach a copy of a draft form the Governing Body will use for its annual updates to the Initial Report. Such form should include a schedule similar to #10 of the Report.

## 2. Face Amount

Indicate the face or par amount of debt issued and the amount of any premium or discount. When debt is issued in multiple series of bonds (for example Revenue Bonds Series 2013-A and 2013-B), the Governing Body may file a separate Report for each series or file a consolidated Report. Separate Reports should be used if consolidated reporting does not provide transparent disclosure.

## 3. Interest Cost

Indicate the interest rate percentage and method used to determine the rate and whether the debt is federally tax-exempt or taxable. If the rate is variable, indicate the first assigned rate specifying the formula for calculating (such as the index plus spread) or that the rate is established by a remarketing agent. Add-on fees should be disclosed in Item 12- Recurring Costs.

## 4. Debt Obligation

Identify the type of debt obligations being issued:

- Notes: bond anticipation note (BAN), capital outlay note (CON), tax and revenue anticipation note (TRAN), revenue anticipation note (RAN), capital revenue anticipation note (CRAN), or grant anticipation note (GAN). **If any of the notes listed above are issued pursuant to the Local Government Public Obligations Act (TCA § 9-21-101 et seq.), enclose a copy of the executed note with the copy filed with the Division of Local Government Finance.**
- Bonds
- Financing Leases (including Certificates of Participation and Lease/purchase agreements)
- Loan agreements pursuant to a federal or state loan program or with a public building authority, such as the State Revolving Fund, the Energy Efficient Schools Initiative, or Rural Economic Development Loans and Grants (USDA REDLG).

## 5. Ratings

Specify the rating(s) the debt has been assigned, or indicate that the debt is unrated.

## 6. Purpose

Indicate the purpose(s) of the debt issue, the percentage of the amount of debt issued in each category, and a brief description of the project(s) or use. If final percentages have not been determined, use reasonable estimates.

## 7. Security

Indicate the security for the repayment of the debt obligation. Annual appropriations are applicable ONLY to financing lease obligations.

## 8. Type of Sale

Indicate whether the debt was sold through a competitive sale, negotiated sale, informal bid, or as an agreement under a loan program. If the debt is a loan agreement, specify the name of the loan program. If the debt is an interfund loan, specify the lending fund.

**9. Date**

The “dated date” is the date that interest begins to accrue on the obligation or the date that value begins to increase or accrete. The “issue or closing date” is the date that proceeds of the debt obligation are received by the public entity.

**10. Maturity Dates, Amounts and Interest Rates\***

Indicate each year that principal is paid, the principal amount maturing in each year and the interest rate for that maturity. **If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years or (3) debt service payments are not level throughout the retirement period, then YOU MUST PREPARE AND ATTACH a cumulative repayment schedule (grouped in 5 year increments, out to 30) including this and all other entity debt then outstanding secured by the same source. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source. The format to use follows:**

THIS ISSUE			TOTAL DEBT OUTSTANDING		
Year	Cumulative Principal	% Total	Year	Cumulative Principal	% Total
1	\$	%	1	\$	%
5			5		
10			10		
15			15		
20			20		
25			25		
30			30		

\*This section is not applicable to an Initial Report for a Borrowing Program.

**11. Costs of Issuance**

Indicate all costs incurred in the initial issuance of the debt, rounded to the nearest dollar. Related costs that may recur on a periodic basis while the debt is outstanding are reported in #12. Include with professional fees any expenses billed by the professional, such as long distance calls or printing costs. If the financial advisor fee includes any other costs such as legal, printing, or rating fees, these costs should be itemized separately. If there are fees and costs that are not identified by categories shown on the form, indicate these in the “other costs” category; this may be aggregated only if this amount is less than \$5,000. Pro-rate the issuance costs on each Report if multiple series are reported on separate forms.

**12. Recurring Costs**

List the ongoing or recurring costs involved in connection with remarketing, liquidity, and credit enhancement, specifying any periodic fees and charges that may be incurred on a per transaction basis. Indicate any sponsorship, program, or administrative fees. If the periodic fees are not based on the outstanding principal balance of debt, please specify how the fees are calculated.

### **13. Disclosure Document/Official Statement**

If applicable, provide a link to the document filed with the Electronic Municipal Market Access system or “EMMA” or attach a copy of the final disclosure or official statement.

### **14. Continuing Disclosure Obligations**

Indicate if the public entity previously has agreed to make any continuing disclosures and if the entity agreed to any continuing disclosure obligations in connection with this debt. Indicate the date the annual disclosure is due. Identify the individual responsible for making the disclosures.

### **15. Written Debt Management Policy**

Indicate the Governing Body’s approval date of the current version of the written debt management policy and whether the debt complies with the policy and is clearly authorized by the policy.

### **16. Written Derivative Management Policy**

If a Derivative is related to the debt obligation, indicate the Governing Body’s approval date of the current version of the written Derivative Policy, the date of the Letter of Compliance, and whether the Derivative complies with the Policy and is clearly authorized by the Policy.

### **17. Submission of Report**

The Report must be filed with the Governing Body not later than forty-five (45) days after the issuance or execution of a debt obligation by or on behalf of any Public Entity and with a copy to the Director of the Division of Local Government Finance. The Report is to be delivered to each member of the Governing Body and presented at a public meeting of the body. If there is not a scheduled meeting within forty-five (45) days, deliver the Report to each member and list the date of the next scheduled meeting at which the Report will be presented.

### **18. Signatures**

The authorized representative is the chief executive officer of the Public Entity. If the Report is prepared by someone other than the authorized representative, indicate in the space provided. **However, the authorized representative must still sign the Report and is certifying the accuracy of the information included.**

## **DEFINITIONS**

“Borrowing Program” means a draw down borrowing program, in which the maximum principal amount of the program or loan is established, but will not be drawn upon until a future date. Examples are commercial paper programs and the State Revolving Fund loan program.

“Chief Executive Officer” means County Executive, County Mayor, Mayor, President, or Chairman.

“Debt obligation” means bonds, notes, financing leases, loan agreements, and any other evidence of indebtedness lawfully issued, executed or assumed by a Public Entity.

“Derivative” means an interest rate agreement, as defined in TCA Section 9-22-103 and other transactions identified by the State Funding Board.

“Finance transaction” means debt obligations, derivatives, or both.

“Governing body” means the legislative body of any public entity or any other authority charged with the governing of the affairs of any public entity.

“Initial Report” means a Report filed at the time of establishment of a Borrowing Program (with disclosures as if the entire amount has been issued).

“NIC” means net interest cost and “TIC” means true interest cost.

“Public entity” means the state, a state agency, a local government, a local government instrumentality, or any other authority, board, district, instrumentality, or entity created by the state, a state agency, local government, a local government instrumentality, or combination, thereof.

**INCORRECT OR INCOMPLETE FORMS WILL BE RETURNED**  
**AND THE PUBLIC ENTITY WILL BE DEEMED NOT IN COMPLIANCE WITH TCA SECTION 9-21-134.**

## REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-134)

**1. Public Entity:**  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 Debt Issue Name: \_\_\_\_\_  
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

**2. Face Amount:** \$ \_\_\_\_\_  
 Premium/Discount: \$ \_\_\_\_\_

**3. Interest Cost:** \_\_\_\_\_ %  Tax-exempt  Taxable

TIC  NIC

Variable: Index \_\_\_\_\_ plus \_\_\_\_\_ basis points; or

Variable: Remarketing Agent \_\_\_\_\_

Other: \_\_\_\_\_

**4. Debt Obligation:**

TRAN  RAN  CON  
 BAN  CRAN  GAN  
 Bond  Loan Agreement  Financing Lease

If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Division of Local Government Finance ("LGF").

**5. Ratings:**

Unrated

Moody's \_\_\_\_\_ Standard & Poor's \_\_\_\_\_ Fitch \_\_\_\_\_

**6. Purpose:**

	BRIEF DESCRIPTION
<input type="checkbox"/> General Government _____ %	_____
<input type="checkbox"/> Education _____ %	_____
<input type="checkbox"/> Utilities _____ %	_____
<input type="checkbox"/> Other _____ %	_____
<input type="checkbox"/> Refunding/Renewal _____ %	_____

**7. Security:**

General Obligation  General Obligation + Revenue/Tax  
 Revenue  Tax Increment Financing (TIF)  
 Annual Appropriation (Financing Lease Only)  Other (Describe): \_\_\_\_\_

**8. Type of Sale:**

Competitive Public Sale  Interfund Loan \_\_\_\_\_  
 Negotiated Sale  Loan Program \_\_\_\_\_  
 Informal Bid

**9. Date:**

Dated Date: \_\_\_\_\_ Issue/Closing Date: \_\_\_\_\_



**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-134)

**12. Recurring Costs:**

No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (If different from #11)
Remarketing Agent	_____	_____
Paying Agent / Registrar	_____	_____
Trustee	_____	_____
Liquidity / Credit Enhancement	_____	_____
Escrow Agent	_____	_____
Sponsorship / Program / Admin	_____	_____
Other _____	_____	_____

**13. Disclosure Document / Official Statement:**

None Prepared

EMMA link \_\_\_\_\_ or

Copy attached

**14. Continuing Disclosure Obligations:**

Is there an existing continuing disclosure obligation related to the security for this debt?  Yes  No

Is there a continuing disclosure obligation agreement related to this debt?  Yes  No

If yes to either question, date that disclosure is due \_\_\_\_\_

Name and title of person responsible for compliance \_\_\_\_\_

**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy \_\_\_\_\_

Is the debt obligation in compliance with and clearly authorized under the policy?  Yes  No

**16. Written Derivative Management Policy:**

No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?  Yes  No

**17. Submission of Report:**

To the Governing Body: on \_\_\_\_\_ and presented at public meeting held on \_\_\_\_\_

Copy to Director, Division of Local Govt Finance: on \_\_\_\_\_ either by:

Mail to: \_\_\_\_\_ OR  Email to: [LGF@cot.tn.gov](mailto:LGF@cot.tn.gov)

Cordell Hull Building  
425 Rep. John Lewis Parkway N., 4th Floor  
Nashville, TN 37243-3400

**18. Signatures:**

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	_____	_____
Title	_____	_____
Firm	_____	_____
Email	_____	_____
Date	_____	_____