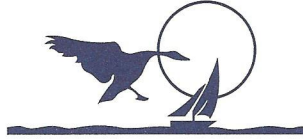


City of Hendersonville



101 Maple Drive North

Hendersonville, TN 37075

Telephone (615) 822-1000

www.hvilletn.org • Fax (615) 264-5327

March 7, 2014

Hendersonville Chamber of Commerce Members:

The City of Hendersonville's Comprehensive Annual Financial Report for Fiscal Year 2013 was audited and found to be clean with no material defects. During our discussions with the auditor at the Board of Mayor and Aldermen meeting of February 25, 2014, there were several questions concerning the letter submitted by Finance Director Ron Minnicks, specifically, pages i-v of the Comprehensive Annual Financial Report for Fiscal Year ending June 30, 2013. I stated that this letter provides a general profile of Hendersonville along with snapshots of the local economic conditions, our long-term financial planning with a mention of recent awards and acknowledgements. I also stated that the City was working with Standard & Poor's Rating Services to improve our credit rating and/or creditworthiness.

Managerial decisions, policies and practices apply directly to the government's financial position and operations, debt burden and other key credit factors. The City's ability to implement timely, sound financial and operational decisions in response to economic and fiscal demands is a primary determinant of near-term changes in credit quality.

Hendersonville's financial outlook is strong and continues to improve, according to Standard & Poor's credit rating agency. Based on S & P's analysis, the City of Hendersonville has been upgraded from a rating of "AA" to a rating of "AA+" and that is spectacular news. Our strong credit rating will help keep the cost of borrowing money relatively low. The significance of the "+" is substantial in that it indicates Hendersonville is approaching the highest rating of "AAA".

Bond ratings are not something only looked at by accountants. A strong credit/bond rating sends a message to existing and prospective businesses and residents that Hendersonville does not simply increase taxes to make up for poor fiscal management. Hendersonville is a great place to invest, live, work, worship and play.

This news from our ratings agency is proof that you, as business owners, along with the management team here at City Hall, are doing the right things; paying down debt, addressing our work force pay and benefits, funding operations, controlling government spending and maintaining adequate reserves—all while continuing to provide service to the deserving citizens of Hendersonville. We have been extremely fortunate that steady economic growth of Hendersonville has allowed us to fund our growth in operations with the natural revenue growth of sales tax and taxes gained from increasing property values.

Please read and feel the excitement in our consultant's email which is attached.

Great things are happening in Hendersonville!

Respectfully,

A handwritten signature in black ink that reads "Scott Foster".

Scott Foster, P.E.

Mayor

| | | | | | | |
|------------------------------------|--|---|---|---|---|---|
| Mayor Scott Foster, P.E. | Ward One Mark A. Skidmore Rosa Long | Ward Two Scott Sprouse Lisa West | Ward Three Arlene Cunningham Paul R. Goode | Ward Four Don Ames Fred Qualls | Ward Five Darrell Woodcock Hamilton Frost, Jr. | Ward Six Jim Waters Matt Stamper |
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