



ANNUAL REPORT 2021

Financial Statements & Supplementary Information
for Fiscal Year Ending June 30, 2021



ANNUAL
REPORT
2021



FROM THE PRESIDENT/CEO

As fiscal year 2021 began, we continued to see challenges from the Covid-19 pandemic. These challenges forced changes in how we do business and serve our customers. As the result of the pandemic, JEA has experienced some of the same issues facing other industries such as inventory shortages, material price increases, and delivery delays for materials and supplies.

The Electric System made the decision to move tree trimming in-house due to rising contractor costs and to improve reliability. Plans are to phase in equipment and crews over a three-year period. In addition, the TVA Board of Directors approved a pandemic relief credit of 2.5% reduction in the wholesale power costs in September of 2020. This credit is for a one-year period and JEA elected to pass on this credit to their customers through the retail rates.

The Gas System developed a long-term plan to extend approximately 7 miles of the high-pressure beltline into the eastern portion of Madison County. In addition to the beltline extension, gas mains are being extended for 6 miles into east Madison County to serve approximately 84 residential customer and 2 commercial farming operations.

The Water System began working on a rehab project for the Bemis community. The project will replace the original water system with new mains along with new water services and automated meters. This project will improve reliability, water quality and fire protection for the Bemis community. Additionally, the system completed the cleaning, repairing and repainting of the Middleton water tank. This is a 2 million gallon water tank located near Lane College and provides water storage for customer consumption and fire protection.

The Wastewater System began working on an upgrade of the Bells Hwy Lift Station and the South Forked Deer River Lift Station to increase pumping capacity and reliability of these stations. Work continued on upgrades to the Miller Avenue Treatment plant to replace older equipment and improve operations and reliability of the plant.

The Telecom System increased Internet capacity with the addition of two 100 Gigabit circuits. These circuits allow for increased capacity on the system and improved reliability through redundant routes to Jackson. JEA approved a new agreement with Schurz Communications to provide video signal and headend processing for customers on the Schurz networks.

JEA has begun to update each of the system long range plans to prepare for a higher rate of growth. As we begin the new fiscal year, I look forward to the new challenges we will face as we continue to provide excellent service to our community.

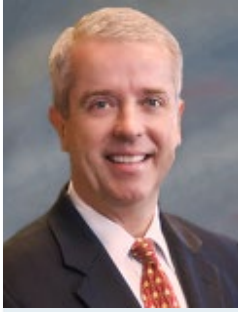
Jim F. Ferrell - President/CEO - Jackson Energy Authority



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BOARD OF DIRECTORS *(Pictured above, left to right)*

Monte Jones Chair

Pam Finney Vice Chair

Howard Bond

Dennis Henderson

Logan Hampton

MANAGEMENT TEAM

Jim Ferrell President & Chief Executive Officer

Mechele Williams Senior Vice President & Chief Financial Officer

Teresa Cobb General Counsel

Monte Cooper Senior Vice President, Electric Division

Braxton Williams Senior Vice President, Gas Division

Steve Raper Senior Vice President, Water Division

Rowland Fisher Senior Vice President, Wastewater Division

Ben Lovins Senior Vice President, Telecommunications Division

Aletza Boucher Corporate Secretary

Michael Baughn Vice President, Information Technology

Lara Coleman Vice President, Operations & Engineering

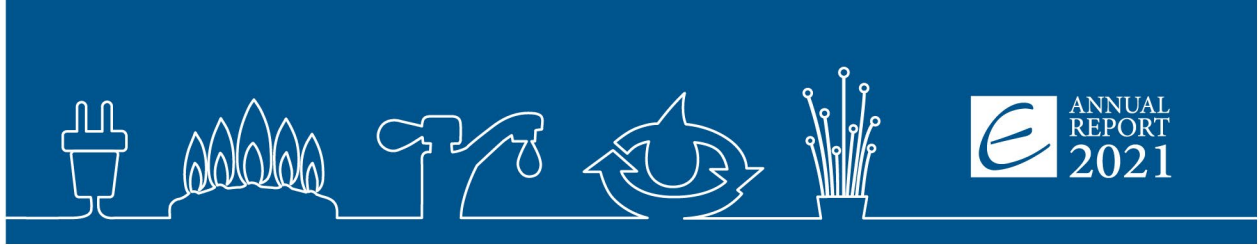
Barry Cross Vice President, Human Resources

Ted Austin Vice President, Customer Service &
Community Relations

John Nanney Vice President, Economic & Industrial Development

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Alexander Thompson Arnold PLLC - Jackson, Tennessee



SYSTEM HIGHLIGHTS

ELECTRIC

During fiscal year 2021, the new transformer for the Johnson Creek 46kV Substation was delivered, however the switchgear delivery was delayed and pushed into FY 2022. Work continued on the Johnson Creek Transmission line rehab that was needed to return Johnson Creek substation to service. Once completed, this substation will diversify the circuits in the area and provide a backup for the industrial circuits. An existing unit substation from Westwood was moved to Christmasville Road to serve the anticipated growth in and around Dr. F.E. Wright Drive and Interstate 40. Work was completed on South Jackson Substation to allow two new 12kV circuits to be constructed and tied into the distribution system. The addition of these substations to the system will help improve reliability.

The conversion of street, security, and flood lights to LED lighting continues as LED lights are now the only type purchased. As the existing high pressure sodium (yellow) lights and metal halide (white) lights fail, LED lights are installed (gradual deployment).

Fiscal year 2021 also saw rising costs in tree trimming contract work. Due to the increase costs, tree trimming work was brought in-house. Two tree-trimming bucket trucks, chipper trucks, and related equipment was purchased to begin the process of moving the previously 100% contracted work in-house.

GAS

During fiscal year 2021, approximately 13.3 miles of main and over 340 services were installed. Of this total, 11.3 miles were new main associated with system expansion projects and 2.0 miles included mains replaced as part of JEA's systematic infrastructure replacement program. Regarding service installations, 300 services were attributed to new customer growth and over 40 services were replaced as part of system renew projects. Two major system expansion projects were completed. The first expansion project consisted of installing approximately 1.4 miles of gas main along Lower Brownsville Rd. This project provided service to a rural portion of west Madison County and also eliminated two Texas Gas farm taps. The second expansion project consisted of approximately 6.3 miles of main installed in the eastern section of Madison County. This project provided access to service for approximately 84 potential new residential customers and two eight-barn poultry farms located on Saint Road.

The Gas Division entered into a new 30 year natural gas prepayment contract with the Tennergy Corporation, which enables the Division to purchase gas at a discount to market price. Through this project along with three others, the Division will receive discounted gas on approximately 65% of its sales volumes, which will equate to a savings of over \$600,000 a year to JEA's wholesale cost of gas. Participation in these types of projects is another way to better serve our customers with safe, reliable natural gas at reasonable rates.

WATER

During fiscal year 2021, the North Water Treatment Plant Raw Water Well #11 received rehab and replacement. In accordance with JEA's Water System Master Plan, phase 1 of the Bemis water main rehabilitation project encompassing S. Missouri Street to the west along Second, Third, Fourth, and Fifth Streets was completed. This also included AMI water meter conversions.

Fiscal year 2021 also saw the rehabilitation of the Middleton Water Tank located on the campus of Lane College. The outdated Lane College logo and dragon logo were replaced with a more modern, updated version of the logo.



SYSTEM HIGHLIGHTS (*CONTINUED*)

The Division also installed new water meters and Itron Encoder Transmitters (ERT's) which provide the technology to read meters remotely, minimizing meter reading expense.

Lastly, the Division completed 6-inch and 8-inch ductile iron pipe improvements to Old Pinson Road and Railroad Street in accordance with JEA's Water System Master Plan.

WASTEWATER

During fiscal year 2021, approximately 8,000 feet of gravity main was installed, 10,560 feet of force main, and 5,280 feet of service lines were installed. Work continued on three (3) Community Development Block Grant (CDBG) projects, including Improvements at Miller Avenue Wastewater Treatment Plant, Sewer System Rehabilitation Gravity Sewer Boring Improvements, and Bells Highway Lift Station. Completion of a State Revolving Fund (SRF) Loan project, IE Interceptor Replacement Project, was in September 2020. Design work began on the South Fork (SF) Sewer Interceptor Replacement project to be bid in the FY 2022 budget year. Also, the Division replaced two (2) pumps at the South Forked Deer River lift station and purchased a mass spectrometer lab equipment for metal analysis for use at the wastewater lab. Improved metering was completed for several large industrial customers.

TELECOMMUNICATIONS

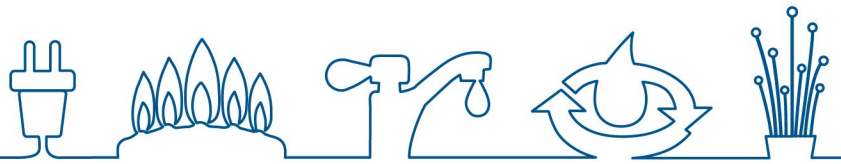
During fiscal year 2021, a new generator was installed at the Northstar facility to replace an unrepairable one. In the headend, XOS servers were installed for use in remote systems for legacy video and ABR video lineups. Also, four switches were added for growth to three existing headend video core Ethernet switches.

Strong demand for fiber-based Internet continues across the country. Locally, demand for Internet remains strong, as much of the community continues to work, learn and socialize virtually.

Development continued with the app-based video solution that allows customers to forgo set-top box rentals and ensures competitiveness in the market. The Division has contracts to provide video processing to five companies.

As part of its corporate responsibility, the Division partnered with local and state organizations to support the community. The free downtown Wi-Fi network, EPlus Jackson Connect, and TNECD grant were all launched for public use. Also, free Wi-Fi was expanded to public housing communities for residents to use for educational needs, job searches, and for accessing essential government services. With the ongoing COVID-19 pandemic, EPlusTV 6 continued to be utilized to stream virtual community events and inform the public on updates from local officials.

During this time, the Division was recognized locally and nationally. In the BroadbandNow annual awards program, the Division received the following honors in the mid-sized provider category: Top 3 Fastest Internet Providers in Tennessee, Top 10 Fastest Internet Providers Nationwide, and Top 10 Fastest Fiber Providers Nationwide. Also, the Division sponsored its 4th Annual Hub City Innovation Cup in Jackson with local universities competing to develop technology concepts that improve life in Jackson. Due to the COVID-19 pandemic, the event was held virtually and included its first People's Choice Award with a donation to a local non-profit. It was announced that last year's event resulted in a sizeable grant from the AARP to the city of Jackson to improve its bus transportation system.



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2021

Financials



Independent Auditor's Report

To the Board of Directors
Jackson Energy Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Jackson Energy Authority, (the Authority), a component unit of the City of Jackson, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Jackson Energy Authority, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the pension and OPEB related schedules and notes as listed in the table of contents, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section and financial information listed as supplementary and other information in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary and other information, including the schedule of expenditures of federal awards, which has not been marked "unaudited" are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary and other information, including the schedule of expenditures of federal awards, which has not been marked "unaudited" are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and the supplementary and other information which has been marked "unaudited" have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Alexander Thompson Arnold PLLC

Jackson, Tennessee
October 31, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Jackson Energy Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2021. All amounts, unless otherwise indicated, are expressed in actual dollars.

OVERVIEW OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority's strategic plan, budget, bond resolutions, and other management tools were used for this analysis. The Financial Statements and Supplementary Information are made up of four sections: 1) the introductory section, 2) the financial section 3) the supplementary and other information section, and 4) the internal control and compliance section. The introductory section includes the Authority's directory. The financial section includes the independent auditor's report, the MD&A, the financial statements with accompanying notes and the required supplementary information. The supplementary and other information section includes selected financial and operational information. The internal control and compliance section includes the report on internal control and compliance. These sections make up the financial report presented here.

REQUIRED FINANCIAL STATEMENTS

A Proprietary Fund is used to account for the operations of the Authority, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

A Fiduciary Fund is used to account for resources held for the benefit of parties outside of the Authority. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The financial statements report information about the Authority, using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities.

The *Statement of Net Position* presents the financial position of the Authority on a full-accrual historical-cost basis. The statement of financial position includes all of the Authority's assets, liabilities, and deferred inflows/outflows of resources with the difference noted as net position. It provides information about the nature and amounts of investments in resources (assets) and the obligations to the Authority's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority.

The *Statement of Revenues, Expenses and Changes in Net Position* presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement measures the success of the Authority's operations and can be used to determine whether the Authority has successfully recovered all of its costs. This statement also measures the Authority's profitability and credit worthiness.

The *Statement of Cash Flows* presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipt and cash disbursement information, without consideration of the earnings event, when an obligation arises.

The *Statement of Fiduciary Net Position* includes all assets and liabilities of the plan and provides a picture of the fiduciary net position of the plan as of the end of the current fiscal year. Assets less liabilities results in net position restricted for other plan benefits held in trust at year-end.

The *Statement of Changes in Fiduciary Net Position* reports all additions and deductions of the plan for the current fiscal year. Additions consist of employer contributions, participant contributions (if required or allowed), and investment earnings. Deductions include benefits paid on behalf of plan participants and administrative expenses. Total additions minus deductions



REQUIRED FINANCIAL STATEMENTS (Continued)

provide the net increase or decrease in net position for the current fiscal year. The change in net position plus the beginning net position results in the ending net position restricted for plan benefits for the current year.

The *Notes to the Financial Statements* provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

FINANCIAL HIGHLIGHTS – ELECTRIC FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants, and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at June 30, 2021 were \$225.5 million and exceeded liabilities and deferred inflows of resources in the amount of \$138.3 million (i.e. net position).
- Net position increased \$5.1 million during the current year. Restricted net position is \$785 thousand.
- Unrestricted net position increased by \$2 million.
- Operating revenues were \$140 million for 2021, a decrease from 2020 in the amount of \$784 thousand or 0.6%.
- Operating expenses were \$135 million for 2021, a decrease from 2020 in the amount of \$874 thousand or 0.6%.

FINANCIAL ANALYSIS – ELECTRIC FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2021:

Table 1

CONDENSED STATEMENT OF NET POSITION

	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 76,340,592	\$ 70,969,773	\$ 5,370,819	7.57%
Capital assets	137,537,614	138,218,178	(680,564)	-0.49%
Total assets	213,878,206	209,187,951	4,690,255	2.24%
Deferred outflows of resources	11,656,938	9,446,649	2,210,289	23.40%
Long-term liabilities	56,642,057	58,095,604	(1,453,547)	-2.50%
Other liabilities	25,626,356	23,930,655	1,695,701	7.09%
Total liabilities	82,268,413	82,026,259	242,154	0.30%
Deferred inflows of resources	4,955,576	3,358,925	1,596,651	47.53%
Net position:				
Net investment in capital assets	108,123,303	104,831,376	3,291,927	3.14%
Restricted for debt service	455,938	431,379	24,559	5.69%
Other restricted net position	329,144	548,573	(219,429)	-40.00%
Unrestricted	29,402,770	27,438,088	1,964,682	7.16%
Total net position	\$ 138,311,155	\$ 133,249,416	\$ 5,061,739	3.80%

Current and other assets increased by \$5.4 million primarily due to:

- 1) Cash and cash equivalents on deposit increased by \$3.8 million. See the Statement of Cash Flows on pages 27 and 28 for analysis of the changes
- 2) Accounts receivable increased by \$1.4 million as June, 2021 sales were \$1.4 million higher than June, 2020 sales.

Major capital additions during the fiscal year included the following:

- Purchase of Meters \$639 thousand
- Rebuild of 514 from Johnson creek to South Highland \$478 thousand
- Purchase of Overcenter Articulating Aerial Devices \$420 thousand



FINANCIAL ANALYSIS - ELECTRIC FUND (Continued)

Deferred outflows of resources increased by \$2.2 million mostly due to lowering the pension rate of return from 7.25% to 7.00%. This change resulted in an increase in assumption change deferred outflows that are being amortized over periods ranging from 4.89 to 6.71 years.

Long-term liabilities decreased by \$1.4 million due to:

- 1) OPEB liability decreased by \$2.3 million as assumption changes and contributions exceeded interest cost.
- 2) Net pension liability increased by \$4.4 million due to interest cost and assumption changes (lower discount rate) exceeding contributions and investment income.
- 3) Bond principal payments of \$2.9 million.

The increase in other liabilities reflects higher accounts payable due to higher power cost caused by higher May and June sales.

The increase in deferred inflows of resources is due mostly to the effects of assumption changes in the OPEB Plan. These changes are amortized over an average of 8.19 years and are described more fully in Note 4D in the Notes to Financial Statements.

Table 1 on page 10 shows that 78.2% of the Electric Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt. Net position restricted for debt service and other restricted net position are amounts limited to specific uses by the Fund's bond covenants or through resolutions passed by the Authority's Board of Directors.

Table 2 below summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2021 and 2020:

	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 139,586,872	\$ 140,370,460	\$ (783,588)	-0.56%
Non-operating revenues	640,382	1,105,725	(465,343)	-42.08%
Contributions	754,579	1,356,778	(602,199)	-44.38%
Total revenues	<u>140,981,833</u>	<u>142,832,963</u>	<u>(1,851,130)</u>	-1.30%
Operating expenses	135,012,050	135,885,934	(873,884)	-0.64%
Non-operating expenses	908,044	1,150,754	(242,710)	-21.09%
Total expenses	<u>135,920,094</u>	<u>137,036,688</u>	<u>(1,116,594)</u>	-0.81%
Change in net position	5,061,739	5,796,275	(734,536)	-12.67%
Beginning net position	133,249,416	127,389,595	5,859,821	4.60%
Prior period adjustments/restatements	-	63,546	(63,546)	-100.00%
Ending net position	<u>\$ 138,311,155</u>	<u>\$ 133,249,416</u>	<u>\$ 5,061,739</u>	3.80%

CAPITAL ASSETS AND DEBT ADMINISTRATION

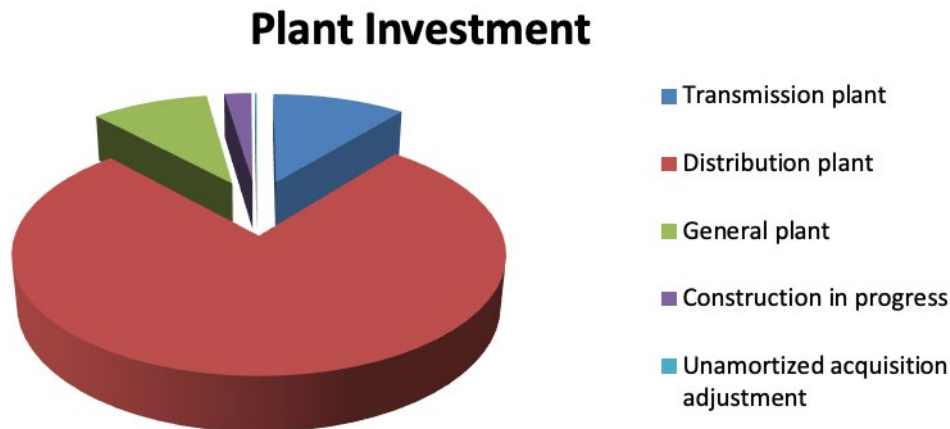
Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2021. Changes to capital assets are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the infrastructure necessary to distribute electric power to customers and to expand the fund with customer growth.



CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)



Debt Administration

The Fund has outstanding Revenue Bonds and Notes Payable of \$27,995,000 and \$208,558 respectively, as of June 30, 2021. Principal payments are due in the upcoming fiscal year in the amount of \$2,943,558, along with interest payments totaling \$998,065. As of June 30, 2021, the debt service restricted assets were \$622,282 for the 2014 and 2020 bond issues. Details relating to the outstanding debt can be found in Note 3E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - ELECTRIC FUND

Highlights from the Fund's FY 2022 budget include:

- Sales projections of \$135,756,000.
- Cost of purchased power projections of \$106,832,000.
- No projected rate increase.
- Customer projections of 36,303.
- O&M projected expenditures of \$14,591,000.
- Capital expenditure projections of \$9,943,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 5.04 will meet all bond compliance tests.

In planning for the next five years, capital projects for the Electric System include the addition of two banks at McKellar. Bank number four will be for a future industrial customer in the Airport Industrial Park. Bank number five will be a solar bank for interconnection of the 70MW solar project to be constructed in the airport area. Preliminary work will begin at the Madison West Substation in preparation for the addition of Madison West Substation #2. This will prepare the System for an increase of industrial load that will be added in the Madison West Industrial Park. Other system reliability projects will continue beyond the budget year to include underground cable replacement, pole replacement, and line upgrades.

Existing industrial customer expansions and new industrial load will continue to be sought and drive expenses of the Electric System. Potential crypto currency mining and manufacturing prospects for the SR 223 Industrial Park top industrial recruitment lists. Customer adoption of electric vehicles (EV) will create opportunities for increasing Electric System sales at residential as well as commercial locations. Threats to the Electric System will continue as increasing energy efficiencies result in lower sales per customer and as behind the meter DER (distributed energy resources) work to lower customer demand.



FINANCIAL HIGHLIGHTS – GAS FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants, and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end were \$148.8 million and exceeded liabilities and deferred inflows of resources in the amount of \$98.5 million (i.e. net position).
- Net position increased \$4.1 million during the current year.
- Unrestricted net position increased by \$4.4 million during the current year.
- Operating revenues were \$36.1 million, an increase from 2020 in the amount of \$3 million or 8.9%.
- Operating expenses were \$31.9 million, an increase from 2020 in the amount of \$2.6 million or 8.7%.

FINANCIAL ANALYSIS – GAS FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2021:

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 48,195,108	\$ 42,074,662	\$ 6,120,446	14.55%
Capital assets	93,077,251	94,353,751	(1,276,500)	-1.35%
Total assets	141,272,359	136,428,413	4,843,946	3.55%
Deferred outflows of resources	7,527,105	6,416,896	1,110,209	17.30%
Long-term liabilities	42,895,916	42,908,473	(12,557)	-0.03%
Other liabilities	3,963,105	3,135,422	827,683	26.40%
Total liabilities	46,859,021	46,043,895	815,126	1.77%
Deferred inflows of resources	3,401,222	2,395,763	1,005,459	41.97%
Net position:				
Net investment in capital assets	74,435,369	74,699,112	(263,743)	-0.35%
Restricted for debt service	75,012	69,762	5,250	7.53%
Unrestricted	24,028,840	19,636,777	4,392,063	22.37%
Total net position	\$ 98,539,221	\$ 94,405,651	\$ 4,133,570	4.38%

Current and other assets increased by \$6.1 million primarily due to an increase in cash and cash equivalents. See page 27 and 28 for details of changes in cash and cash equivalents. Offsetting the cash increase somewhat was a decrease in temporary investments of \$2 million, primarily Haslett Michigan school bonds and New York City bonds.

Major capital expenditures during the fiscal year included the following:

- Main installation on Lower Brownsville Road \$526 thousand
- Purchase of 2000 Gas Meters \$201 thousand
- Main installation on North Highland Avenue \$155 thousand

Deferred outflows of resources increased by \$1.1 million mostly due to lowering the pension rate of return from 7.25% to 7.00%. This change resulted in an increase in assumption change deferred outflows that are being amortized over periods ranging from 4.89 to 6.71 years.

The increase in deferred inflows of resources is due mostly to the effects of assumption changes in the OPEB Plan. These changes are amortized over an average of 8.19 years and are described more fully in Note 4D in the Notes to Financial Statements.



FINANCIAL ANALYSIS – GAS FUND (Continued)

Table 1 on page 13 indicates that 75.5% of the Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.

Table 2 below summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2021 and 2020:

Table 2
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

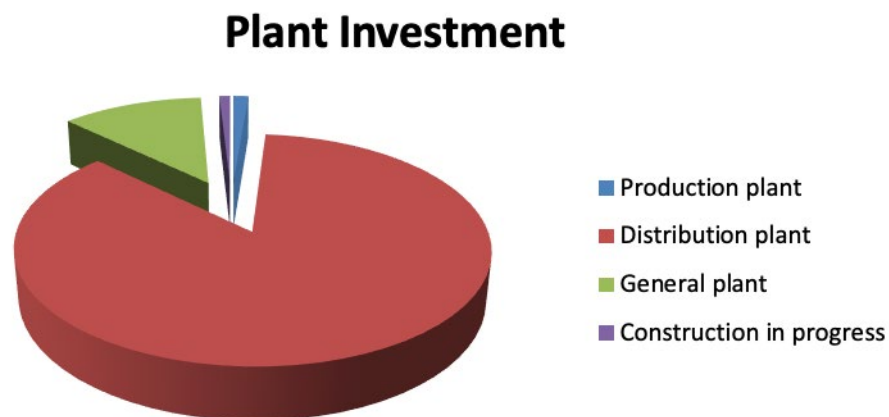
	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 36,143,199	\$ 33,190,425	\$ 2,952,774	8.90%
Non-operating revenues	350,414	579,014	(228,600)	-39.48%
Contributions in aid	109,882	132,640	(22,758)	-17.16%
Total revenues	<u>36,603,495</u>	<u>33,902,079</u>	<u>2,701,416</u>	7.97%
Operating expenses	31,855,479	29,300,974	2,554,505	8.72%
Non-operating expenses	614,446	646,815	(32,369)	-5.00%
Total expenses	<u>32,469,925</u>	<u>29,947,789</u>	<u>2,522,136</u>	8.42%
Change in net position	4,133,570	3,954,290	179,280	4.53%
Beginning net position	94,405,651	90,405,996	3,999,655	4.42%
Prior period adjustment/restatements	-	45,365	(45,365)	-100.00%
Ending net position	<u>\$ 98,539,221</u>	<u>\$ 94,405,651</u>	<u>\$ 4,133,570</u>	4.38%

Operating revenues increased by 8.90% due in large part to increased residential natural gas sales of \$1.4 million. Average usage per customer rose from 61.72 MCF in 2020 to 65.75 MCF in 2021, an increase of 6.5%. In addition, significant gains were seen in commercial and industrial sales.

CAPITAL ASSETS AND DEBT ADMINISTRATION – GAS FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2021. These changes to capital assets are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the infrastructure necessary to distribute natural gas and propane to customers and to expand the system with customer growth.





CAPITAL ASSETS AND DEBT ADMINISTRATION – GAS FUND (Continued)

Debt Administration

The Fund has outstanding Revenue Bonds of \$17,615,000 as of June 30, 2021. Principal payments are due in the upcoming fiscal year in the amount of \$900,000, along with interest payments totaling \$694,681. As of June 30, 2021, debt service restricted assets were \$132,902 for the 2015 bond issue. Details relating to the outstanding debt can be found in Note 3E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – GAS FUND

Highlights from the Fund's FY 2022 budget include:

- Sales revenue projections of \$32,045,000.
- Cost of purchased gas projections of \$14,631,000.
- No projected base rate increase.
- Customer projections of 33,812.
- O&M projected expenditures of \$10,139,000.
- Capital expenditure projections of \$7,678,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 5.87 will meet all bond compliance tests.

In planning for the next five years, the Gas System's recurring annual capital needs are expected to be around \$6.2 million each year. These annual expenses include routine installation of service lines at \$900 thousand, new gas mains at \$750 thousand and metering/AMI infrastructure at \$720 thousand each year. Annual system expansions to serve unserved areas of the county and projects focusing on system redundancy and integrity are also planned at a cost of \$500 - \$630 thousand. Additional system growth opportunities will result from the proposed construction of thirty-two poultry barns in the eastern portion of the Gas System's service area, as well as strong residential construction.

Gas System sales are budgeted conservatively based on weather-adjusted historic usage for beyond FY 2022. Additional savings in gas cost will be realized through participation in the recent Tennergy/Morgan Stanley natural gas prepayment project. This is the Gas System's fourth prepay project, which combined, will save approximately \$600,000/year in gas costs over a five year period. Warmer than normal winter weather will continue to be the greatest negative risk to system operating revenues.

The availability of industrial park parcels at Tigers Jones, Airport Industrial Park and SR 223 Industrial Park positions the Gas System well for future expansion. In particular, the SR 223 Industrial Park provides an excellent opportunity to attract a large utility-intensive industry. The park is one of the premier industrial sites in the State, but the challenge with this industrial site is the Texas Gas Transmission pipeline that transverses it. Through a matching grant from TVA, the System is supporting the initial engineering design to facilitate the relocation of the pipeline if required.

FINANCIAL HIGHLIGHTS – WATER FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end were \$135.8 million and exceeded liabilities and deferred inflows of resources in the amount of \$102.4 million (i.e. net position).
- Net position increased by \$5.4 million during the current year. Restricted net position increased by \$58 thousand.
- Operating revenues were \$18.6 million, an increase from 2020 in the amount of \$741 thousand or 4.2%.
- Operating expenses were \$14.2 million, an increase from 2020 in the amount of \$557 thousand or 4.1%.



FINANCIAL ANALYSIS – WATER FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2021.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 16,763,218	\$ 15,127,558	\$ 1,635,660	10.81%
Capital assets	112,029,323	109,826,670	2,202,653	2.01%
Total assets	128,792,541	124,954,228	3,838,313	3.07%
Deferred outflows of resources	6,977,113	5,656,416	1,320,697	23.35%
Long-term liabilities	27,178,204	28,561,333	(1,383,129)	-4.84%
Other liabilities	3,251,611	3,052,118	199,493	6.54%
Total liabilities	30,429,815	31,613,451	(1,183,636)	-3.74%
Deferred inflows of resources	2,909,174	1,955,292	953,882	48.78%
Net position:				
Net investment in capital assets	101,483,454	97,103,573	4,379,881	4.51%
Restricted for debt service	1,161,097	1,103,168	57,929	5.25%
Unrestricted	(213,886)	(1,164,840)	950,954	-81.64%
Total net position	\$ 102,430,665	\$ 97,041,901	\$ 5,388,764	5.55%

Current and other assets increased by \$1.6 million primarily due to an increase in cash and cash equivalents of 3.2 million. See page 27 and 28 for details of changes in cash and cash equivalents. Offsetting the cash increase somewhat was a decrease in temporary investments of \$1.6 million, primarily Elkhart Indiana School bonds and Milwaukee and New York City bonds.

Deferred outflows of resources increased by \$1.3 million mostly due to lowering the pension rate of return from 7.25% to 7.00%. This change resulted in an increase in assumption change deferred outflows that are being amortized over periods ranging from 4.89 to 6.71 years.

Major capital expenditures during the fiscal year included the following:

- Elevated Water Tank installation at Airport \$5.1 million
- 16" Water Main Extension – Airport Industrial Park \$367 thousand
- Main installation at JTA Well South Royal \$297 thousand

Long-term liabilities decreased by \$1.4 million dollars primarily due to:

- 1) A \$1.4 million effect of Plan assumption change decreased the OPEB liability.
- 2) Bond principal paid in the amount of \$1.9 million.
- 3) Somewhat offsetting the above decreases was an increase in the pension liability primarily due to changing the discount rate.

Table 1 indicates that 99.08% of the Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.

FINANCIAL ANALYSIS – WATER FUND (Continued)

Table 2 below summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2021 and 2020:

Table 2

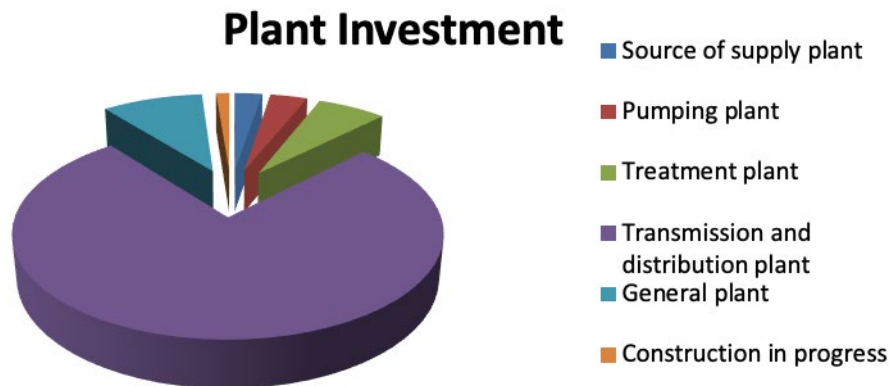
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 18,551,417	\$ 17,810,015	\$ 741,402	4.16%
Non-operating revenues	77,619	253,253	(175,634)	-69.35%
Contributions	1,397,524	2,073,086	(675,562)	-32.59%
Total revenues	20,026,560	20,136,354	(109,794)	-0.55%
Operating expenses	14,209,783	13,652,603	557,180	4.08%
Non-operating expenses	428,013	549,409	(121,396)	-22.10%
Total expenses	14,637,796	14,202,012	435,784	3.07%
Change in net position	5,388,764	5,934,342	(545,578)	-9.19%
Beginning net position	97,041,901	91,070,469	5,971,432	6.56%
Prior period adjustment	-	37,090	(37,090)	-100.00%
Ending net position	\$ 102,430,665	\$ 97,041,901	\$ 5,388,764	5.55%

CAPITAL ASSETS AND DEBT ADMINISTRATION – WATER FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2021. Changes to capital assets are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the necessary plant and infrastructure to deliver water service to customers and to expand the system with customer growth.



Debt Administration

The Fund has outstanding revenue bonds of \$9,890,000 as of June 30, 2021. Principal payments in the amount of \$1,990,000, are due in the upcoming fiscal year, along with interest payments totaling \$444,750. As of June 30, 2021, the debt service restricted assets were \$1,202,305 for the 2017 bond. Details relating to the outstanding debt can be found in Note 3E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – WATER FUND

Highlights from the Fund's FY 2022 budget include:

- Sales projections of \$17,065,000.
- No projected rate increase



ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – WATER FUND (Continued)

- Customer projections of 37,452.
- O&M projected expenditures of \$10,740,000.
- Capital expenditure projections of \$6,377,000.
- No additional bond issues are projected
- Bond Debt Service Coverage Ratio of 2.94 will meet all bond compliance tests

In planning for the next five years, there are significant capital projects that will continue beyond the new budget year. The most costly of these is the water meter AMI project at almost \$1.7 million. Relocation of the Madison West Tank to Medina that begins in FY 2022 will go until FY 2024 at a total cost of over \$1 million. Other projects scheduled for future years include a new production well for South Water Plant, cast iron pipe rehabilitation, and water tank recoating.

The Water System plans to continue seeking opportunities for state funding of water projects. A potential connection by Owens Corning will be pursued. On-going challenges for the Water System include the need for additional south well field sites, groundwater protection and attention to drinking water contaminants.

FINANCIAL HIGHLIGHTS - WASTEWATER FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants, and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end were \$170.1 million and exceeded liabilities and deferred inflows of resources in the amount of \$108.1 million (i.e. net position).
- Net position increased \$10.0 million during the fiscal year.
- Unrestricted net position increased by \$7.1 million.
- Operating revenues were \$20.6 million, an increase from 2020 in the amount of \$1.1 million or 5.4%.
- Operating expenses were \$15.3 million, an increase from 2020 in the amount of \$520 thousand or 3.5%.

FINANCIAL ANALYSIS - WASTEWATER FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2021.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 31,534,824	\$ 24,083,175	\$ 7,451,649	30.94%
Capital assets	131,579,546	129,364,896	2,214,650	1.71%
Total assets	163,114,370	153,448,071	9,666,299	6.30%
Deferred outflows of resources	7,019,215	5,104,903	1,914,312	37.50%
Long-term liabilities	54,505,007	54,539,028	(34,021)	-0.06%
Other liabilities	4,898,271	4,139,880	758,391	18.32%
Total liabilities	59,403,278	58,678,908	724,370	1.23%
Deferred inflows of resources	2,586,851	1,744,638	842,213	48.27%
Net position:				
Net investment in capital assets	93,113,251	90,319,683	2,793,568	3.09%
Restricted for debt service	2,248,925	2,173,023	75,902	3.49%
Unrestricted	12,781,280	5,636,722	7,144,558	126.75%
Total net position	\$ 108,143,456	\$ 98,129,428	\$ 10,014,028	10.20%



FINANCIAL ANALYSIS - WASTEWATER FUND (Continued)

The increase in Current and Other Assets is due to:

- 1) Increase in cash and cash equivalents of \$5.7 million. See page 27 and 28 for changes in cash and cash equivalents.
- 2) Decrease in temporary investments of \$1 million primarily from the divestiture of some city and county bonds.
- 3) Increase in Intellectual Property of \$1.5 million representing an outside engineering study that will guide capital and O&M expenditures over the next ten years.

Major capital expenditures during the fiscal year included the following:

- Rehab on West Forest Avenue \$166 thousand
- Rehab Main on Jackson Street \$136 thousand
- Installation of Metering at Kellogg's on F E Wright Drive \$129 thousand

The increase in deferred outflows of resources is primarily pension assumption changes resulting from lowering the discount rate. Table 1 indicates that 86.5% of the Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.

Table 2 below summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2021 and 2020:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION				
	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 20,563,173	\$ 19,505,470	\$ 1,057,703	5.42%
Non-operating revenues	144,512	325,942	(181,430)	-55.66%
Contributions	5,444,445	1,887,088	3,557,357	188.51%
Total revenues	26,152,130	21,718,500	4,433,630	20.41%
Operations expenses	15,337,820	14,817,706	520,114	3.51%
Non-operating expenses	800,282	1,017,421	(217,139)	-21.34%
Total expenses	16,138,102	15,835,127	302,975	1.91%
Change in net position	10,014,028	5,883,373	4,130,655	70.21%
Beginning net position	98,129,428	92,213,124	5,916,304	6.42%
Prior period adjustment/restatement	-	32,931	(32,931)	-100.00%
Ending net position	\$ 108,143,456	\$ 98,129,428	\$ 10,014,028	10.20%

Operating revenues increased largely because of sustained growth and expansion realized by top industrial customers.

The increase in contributions increase is related to the change in CDBG grants increasing from \$1.1 million in 2020 to \$3.1 million in 2021.

CAPITAL ASSETS AND DEBT ADMINISTRATION – WASTEWATER FUND

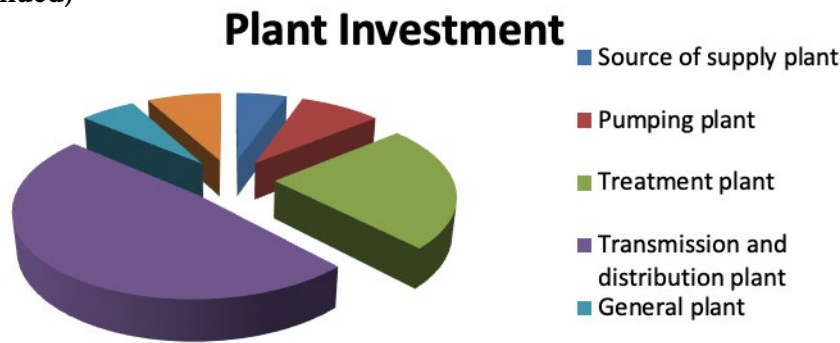
Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2021. Changes to capital assets are presented in greater detail in Note 3D to the financial statements. This investment in capital assets provides the plant and infrastructure to collect, treat and dispose of wastewater.



CAPITAL ASSETS AND DEBT ADMINISTRATION – WASTEWATER FUND (Continued)

Capital Assets (Continued)



Debt Administration

The Fund has outstanding Revenue Bonds and Notes Payable of \$19,365,000 and \$19,051,288, respectively, as of June 30, 2021. Principal payments in the amount of \$3,016,108 are due in the upcoming fiscal year with interest payments totaling \$472,173 on the Revenue Bonds and the Notes Payable. As of June 30, 2021, the debt service restricted assets total \$2,277,022 for the 2017 and 2020 bond issues and the State Revolving Fund notes payable. Details relating to the outstanding debt can be found in Note 3E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - WASTEWATER FUND

Highlights from the Fund's FY 2022 budget include:

- Sales projections of \$19,457,000.
- No projected rate increase
- Customer projections of 30,374.
- O&M projected expenditures of \$10,408,000.
- Capital expenditure projections of \$8,498,000.
- No additional bond issues are projected
- Bond Debt Service Coverage Ratio of 2.74 will meet all bond compliance tests

In planning for the next five years, the Bio-Solids Master Plan to manage and reduce disposal volume at the local landfill is budgeted to begin in FY 2022 and will continue beyond the new budget year. The project will be funded by the Wastewater System at \$6.525 million rather than seeking loan opportunities. However, if grant monies are made available, that will be pursued. Construction will occur in FY 2024 and FY 2025. Disposal of bio-solids from the Miller Avenue Wastewater Treatment Plant is a continuing concern and challenge.

The Wastewater System will continue to monitor potential growth areas and seek additional State funding opportunities when necessary. Future plans are to continue focusing on rehabilitation projects with annual projects beginning in FY 2023.

FINANCIAL HIGHLIGHTS - TELECOMMUNICATIONS FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end were \$61.9 million and exceeded liabilities by \$16.3 million (i.e. net position).
- Net position increased by \$1.2 million.
- Unrestricted net position decreased by \$247 thousand.
- Operating revenues were \$33.1 million, an increase from 2020 of \$383 thousand or 1.2%.
- Operating expenses were \$30.5 million, an increase from 2020 of \$879 thousand or 3.0%.

FINANCIAL ANALYSIS - TELECOMMUNICATIONS FUND (Continued)

Table 1 below focuses on the Fund's net position and the changes in net position during 2021.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 17,966,035	\$ 17,024,279	\$ 941,756	5.53%
Capital assets	36,785,814	39,932,983	(3,147,169)	-7.88%
Total assets	54,751,849	56,957,262	(2,205,413)	-3.87%
Deferred outflows of resources	7,165,022	6,713,981	451,041	6.72%
Long-term liabilities	36,253,714	40,167,678	(3,913,964)	-9.74%
Other liabilities	7,080,002	6,656,494	423,508	6.36%
Total liabilities	43,333,716	46,824,172	(3,490,456)	-7.45%
Deferred inflows of resources	2,322,008	1,802,780	519,228	28.80%
Net position:				
Net investment in capital assets	12,248,373	10,810,080	1,438,293	13.31%
Restricted for debt service	6,662,713	6,636,914	25,799	0.39%
Unrestricted	(2,649,939)	(2,402,703)	(247,236)	10.29%
Total net position	\$ 16,261,147	\$ 15,044,291	\$ 1,216,856	8.09%

Capital assets decreased in 2021 as depreciation expense exceeded asset additions by \$3.1 million.

Major capital expenditures during the fiscal year included the following:

- Purchase of Edge Switches \$622 thousand
- Installation Costs \$481 thousand
- Purchase of Toshiba G9000 \$99 thousand

Long-term liabilities decreased due to:

- 1) Bond principal payment made in 2021 was \$4.5 million.
- 2) The net pension liability increased by \$1.7 million due to lowering the discount rate.

Table 1 indicates that 75.3% of the Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.



FINANCIAL ANALYSIS - TELECOMMUNICATIONS FUND (Continued)

Table 2 below summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2021 and 2020:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 33,062,800	\$ 32,679,849	\$ 382,951	1.17%
Non-operating revenues	66,366	221,771	(155,405)	-70.07%
Contributions	45,029	55,915	(10,886)	-19.47%
Total revenues	33,174,195	32,957,535	216,660	0.66%
Operating expenses	30,522,427	29,643,453	878,974	2.97%
Non-operating expenses	1,460,850	1,544,439	(83,589)	-5.41%
Total expenses	31,983,277	31,187,892	795,385	2.55%
Change in net position	1,190,918	1,769,643	(578,725)	-32.70%
Beginning net position	15,044,291	13,239,187	1,805,104	13.63%
Prior period adjustment/restatement	25,938	35,461	(9,523)	-26.85%
Ending net position	\$ 16,261,147	\$ 15,044,291	\$ 1,216,856	8.09%

CAPITAL ASSETS AND DEBT ADMINISTRATION - TELECOMMUNICATIONS FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2021. The changes are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the infrastructure necessary to distribute telecommunication service to customers and to expand the system with customer growth.



Debt Administration

The Fund has outstanding Revenue Bonds of \$24,635,000 as of June 30, 2021. The Fund has a note payable to the Electric Fund in the amount of \$5,500,000. Bond principal payments are due in the upcoming fiscal year in the amount of \$4,635,000 along with interest payments totaling \$782,815. As of June 30, 2021, debt service restricted assets total \$6,866,643 for the 2013 bond issue and note payable. Details relating to the outstanding debt can be found in Note 3E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - TELECOMMUNICATIONS FUND

Highlights from the Fund's FY 2022 budget include:

- Sales projections of \$33,589,000.
- Cost of services projections of \$12,359,000.
- A projected rate increase of 6.2% for Cable only, due primarily to retransmission agreement increases from broadcasters

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - TELECOMMUNICATIONS FUND (Continued)

- Customer projections of 20,009 by the end of the fiscal year.
- O&M projected expenditures of \$9,765,000.
- Capital expenditures of \$4,314,000.
- No additional bond issues are projected
- Bond Debt Service Coverage Ratio of 1.99 will meet all bond compliance tests.

In planning for the next five years, the Telecommunications System's annual investments in new technology for customer growth drive capital requirements. Scheduled capital spending remains almost level over the four years beyond the budget, ranging from \$4.2 million to \$4.6 million annually. The largest cost is customer installation labor and materials each year. Regular annual replacements of fiber-to-the-home equipment, headend equipment, and digital set-top converters are planned to maintain quality and competitive services.

Marketing of wide-ranging bandwidth capacity to support ever-changing and new applications is critical to preserving and growing market share. Expansion of Telecom's service-area through commercial growth and agreements with other electric utilities to provide wholesale telecommunications services is on-going. The System will always face competitive challenges from incumbent providers. Pressure from escalating retransmission costs and the demand for new technology and additional services will continue to put pressure on the System to maintain competitive rates.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for those with an interest in the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning any information provided in this report or requests for any additional information should be directed to the Senior Vice President and Chief Financial Officer.



JACKSON ENERGY AUTHORITY

STATEMENT OF NET POSITION

AS OF JUNE 30, 2021

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	ELIMINATING ENTRIES	TOTAL
ASSETS							
Current assets:							
Cash and cash equivalents on deposit	\$ 44,189,680	\$ 34,148,141	\$ 12,694,699	\$ 19,106,035	\$ 6,776,966	\$ -	\$ 116,915,521
Temporary investments	6,282,392	4,852,837	252,506	784,480	-	-	12,172,215
Accounts receivable (net of allowance for uncollectibles)	12,270,551	1,276,686	1,487,776	1,601,959	2,428,194	-	19,065,166
Grants receivable	12,391	179,273	32,485	952,752	4,372	-	1,181,273
Accrued interest receivable	62,973	-	108	36,807	7,089	-	106,977
Materials and supplies	1,756,025	1,333,693	796,423	185,951	826,449	-	4,898,541
Prepayments and other current assets	5,398,349	273,113	217,669	221,450	508,672	-	6,619,253
Total current assets	69,972,361	42,063,743	15,481,666	22,889,434	10,551,742	-	160,958,946
Noncurrent assets:							
Restricted cash, cash equivalents, and investments:							
Debt service fund - investments	-	-	-	-	5,511,921	-	5,511,921
Debt service fund - cash and cash equivalents	622,282	132,902	1,202,305	2,277,022	1,354,722	-	5,589,233
Total restricted assets	622,282	132,902	1,202,305	2,277,022	6,866,643	-	11,101,154
Other assets:							
Investment - The Tennergy Corporation	-	5,564,942	-	-	-	-	5,564,942
Investment - Seven States Power Corporation	10,787						10,787
Investment - Central Services Association	12,794	11,243	8,529	6,203	-	-	38,769
Retainage account	89,843	-	-	228,224	-	-	318,067
Long-term notes receivable - interfund	5,500,000	-	-	-	-	(5,500,000)	-
Unrecovered purchased gas cost	-	297,450	-	-	-	-	297,450
Intellectual Property	-	-	-	6,002,545	-	-	6,002,545
Regulatory assets:							
Unamortized bond issuance costs	132,525	124,828	70,718	131,396	80,532	-	539,999
Unamortized expenditures (net of accumulated amortization of \$2,689,079 at June 30, 2021)	-	-	-	-	467,118	-	467,118
Total other assets	5,745,949	5,998,463	79,247	6,368,368	547,650	(5,500,000)	13,239,677
Capital assets:							
Plant in service and equipment - at cost	257,619,435	160,977,799	162,108,807	193,351,306	86,448,871	-	860,506,218
Add: Unamortized acquisition adjustment	354,787	-	-	-	-	-	354,787
Less: Accumulated depreciation	126,260,949	69,357,741	52,117,853	78,779,026	50,894,445	-	377,410,014
Net plant in service and equipment - at cost	131,713,273	91,620,058	109,990,954	114,572,280	35,554,426	-	483,450,991
Construction in progress at cost	5,824,341	1,457,193	2,038,369	17,007,266	1,231,388	-	27,558,557
Total capital assets (net of accumulated depreciation)	137,537,614	93,077,251	112,029,323	131,579,546	36,785,814	-	511,009,548
Total noncurrent assets	143,905,845	99,208,616	113,310,875	140,224,936	44,200,107	(5,500,000)	535,350,379
Total assets	\$ 213,878,206	\$ 141,272,359	\$ 128,792,541	\$ 163,114,370	\$ 54,751,849	\$ (5,500,000)	\$ 696,309,325
Deferred outflows of resources							
Deferred outflows related to pension and other post-employment benefits							
Contributions subsequent to measurement date	\$ 3,219,231	\$ 2,509,609	\$ 2,080,938	\$ 1,988,440	\$ 1,899,010	\$ -	\$ 11,697,228
Difference between expected and actual experience	884,806	303,204	450,277	422,104	568,970	-	2,629,361
Assumption changes	5,034,113	3,280,359	2,746,106	2,539,161	2,225,395	-	15,825,134
Net difference between expected and actual earnings in plan investments	2,089,668	1,307,378	972,543	923,542	965,180	-	6,258,311
Unamortized debt refunding differences	429,120	126,555	727,249	1,145,968	1,506,467	-	3,935,359
Total deferred outflows of resources	\$ 11,656,938	\$ 7,527,105	\$ 6,977,113	\$ 7,019,215	\$ 7,165,022	\$ -	\$ 40,345,393

The accompanying notes to the financial statements are an integral part of this statement.



JACKSON ENERGY AUTHORITY
STATEMENT OF NET POSITION (Continued)
AS OF JUNE 30, 2021

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTEWATER FUND	TELECOMM- UNICATIONS FUND	ELIMINATING ENTRIES	TOTAL
LIABILITIES							
Current liabilities:							
Current portion of long-term notes payable	\$ 120,446	\$ -	\$ -	\$ 1,071,108	\$ -	\$ -	\$ 1,191,554
Accounts payable	20,104,258	2,236,280	377,520	1,139,051	1,224,938	-	25,082,047
Other accounts payable and accrued expense	1,750,347	222,388	263,714	351,893	783,477	-	3,371,819
Compensated absences estimated to be used next year	521,163	426,266	345,634	296,657	253,195	-	1,842,915
Gas supply imbalances	-	(15,366)	-	-	-	-	(15,366)
Total current liabilities	<u>22,496,214</u>	<u>2,869,568</u>	<u>986,868</u>	<u>2,858,709</u>	<u>2,261,610</u>	<u>-</u>	<u>31,472,969</u>
Current liabilities payable from restricted assets:							
Accrued revenue bond interest	166,344	57,890	41,208	28,097	203,930	-	497,469
Current maturities of long-term debt (net of discount of \$61,701 plus premiums of \$705,607 for the year ended June 30, 2021)	<u>2,963,798</u>	<u>1,035,647</u>	<u>2,223,535</u>	<u>2,011,465</u>	<u>4,614,462</u>	<u>-</u>	<u>12,848,907</u>
Total current liabilities payable from restricted assets	<u>3,130,142</u>	<u>1,093,537</u>	<u>2,264,743</u>	<u>2,039,562</u>	<u>4,818,392</u>	<u>-</u>	<u>13,346,376</u>
Noncurrent liabilities:							
Notes payable (net of current portion)	88,112	-	-	17,980,180	-	-	18,068,292
OPEB liability	4,382,074	4,496,035	2,990,123	3,792,833	2,630,048	-	18,291,113
Net pension liability	24,968,910	13,746,776	15,310,685	14,868,206	7,521,070	-	76,415,647
Compensated absences	961,006	498,505	504,252	460,246	356,406	-	2,780,415
Notes payable- interfund	-	-	-	-	5,500,000	(5,500,000)	-
Bonds payable (less current maturities, net of discount of \$405,805 and net premiums of \$2,607,852 for the year ended June 30, 2021)	<u>26,241,955</u>	<u>17,606,235</u>	<u>8,322,334</u>	<u>17,403,542</u>	<u>19,922,979</u>	<u>-</u>	<u>89,497,045</u>
Customer deposits	-	6,548,365	50,810	-	323,211	-	6,922,386
Total noncurrent liabilities	<u>56,642,057</u>	<u>42,895,916</u>	<u>27,178,204</u>	<u>54,505,007</u>	<u>36,253,714</u>	<u>(5,500,000)</u>	<u>211,974,898</u>
Total liabilities	<u>\$ 82,268,413</u>	<u>\$46,859,021</u>	<u>\$ 30,429,815</u>	<u>\$59,403,278</u>	<u>\$ 43,333,716</u>	<u>\$ (5,500,000)</u>	<u>\$256,794,243</u>
Deferred inflows of resources							
Deferred inflows related to pension and other post-employment benefits							
Contributions subsequent to measurement date	\$ -						-
Difference between expected and actual experience	540,534	374,624	318,385	282,094	256,966		1,772,603
Assumption changes	4,037,472	2,771,456	2,370,396	2,108,127	1,890,546	-	13,177,997
Net difference between expected and actual earnings in plan investments	<u>377,570</u>	<u>255,142</u>	<u>220,393</u>	<u>196,630</u>	<u>174,496</u>	<u>-</u>	<u>1,224,231</u>
Total deferred inflows of resources	<u>\$ 4,955,576</u>	<u>\$ 3,401,222</u>	<u>\$ 2,909,174</u>	<u>\$ 2,586,851</u>	<u>\$ 2,322,008</u>	<u>\$ -</u>	<u>\$ 16,174,831</u>
NET POSITION							
Net investment in capital assets	\$ 108,123,303	\$74,435,369	\$101,483,454	\$93,113,251	\$ 12,248,373	\$ -	\$389,403,750
Restricted for debt service	455,938	75,012	1,161,097	2,248,925	6,662,713	-	10,603,685
Restricted for other	329,144	-	-	-	-	-	329,144
Unrestricted	<u>29,402,770</u>	<u>24,028,840</u>	<u>(213,886)</u>	<u>12,781,280</u>	<u>(2,649,939)</u>	<u>-</u>	<u>63,349,065</u>
Total net position	<u>\$ 138,311,155</u>	<u>\$98,539,221</u>	<u>\$102,430,665</u>	<u>\$108,143,456</u>	<u>\$ 16,261,147</u>	<u>\$ -</u>	<u>\$463,685,644</u>

The accompanying notes to the financial statements are an integral part of this statement.



JACKSON ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Operating revenues:						
Charges for sales and services	\$ 135,908,530	\$ 36,143,199	\$ 18,551,417	\$ 20,563,173	\$ 33,062,800	\$ 244,229,119
Other revenue	<u>3,678,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,678,342</u>
Total operating revenues	<u>139,586,872</u>	<u>36,143,199</u>	<u>18,551,417</u>	<u>20,563,173</u>	<u>33,062,800</u>	<u>247,907,461</u>
Operating expenses:						
Cost of sales and services	106,302,620	15,047,476	-	-	12,405,397	133,755,493
Operations expense	10,971,634	8,901,451	8,688,026	8,158,655	9,977,987	46,697,753
Maintenance expense	3,923,370	1,669,694	1,799,371	2,125,767	-	9,518,202
Provision for depreciation	8,844,594	4,440,845	3,250,905	3,825,904	7,019,457	27,381,705
Amortization	397,581	-	-	759,038	-	1,156,619
Payroll taxes	442,869	329,858	280,576	257,102	266,945	1,577,350
Other taxes	-	-	-	-	440,771	440,771
Payment in lieu of taxes	<u>4,129,382</u>	<u>1,466,155</u>	<u>190,905</u>	<u>211,354</u>	<u>411,870</u>	<u>6,409,666</u>
Total operating expenses	<u>135,012,050</u>	<u>31,855,479</u>	<u>14,209,783</u>	<u>15,337,820</u>	<u>30,522,427</u>	<u>226,937,559</u>
Operating income (loss)	<u>4,574,822</u>	<u>4,287,720</u>	<u>4,341,634</u>	<u>5,225,353</u>	<u>2,540,373</u>	<u>20,969,902</u>
Nonoperating revenues (expenses):						
Interest and other income	622,010	350,414	77,619	144,512	66,366	1,260,921
Interest, amortization, and other expense	(908,044)	(614,446)	(428,013)	(800,282)	(1,410,821)	(4,161,606)
Gain (loss) on disposition of capital assets	<u>18,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,029)</u>	<u>(31,657)</u>
Total nonoperating revenues (expenses)	<u>(267,662)</u>	<u>(264,032)</u>	<u>(350,394)</u>	<u>(655,770)</u>	<u>(1,394,484)</u>	<u>(2,932,342)</u>
Contributions						
Capital contributions	<u>754,579</u>	<u>109,882</u>	<u>1,397,524</u>	<u>5,444,445</u>	<u>45,029</u>	<u>7,751,459</u>
Change in net position	<u>5,061,739</u>	<u>4,133,570</u>	<u>5,388,764</u>	<u>10,014,028</u>	<u>1,190,918</u>	<u>25,789,019</u>
Total net position - beginning	<u>133,249,416</u>	<u>94,405,651</u>	<u>97,041,901</u>	<u>98,129,428</u>	<u>15,044,291</u>	<u>437,870,687</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,938</u>	<u>25,938</u>
Total net position - beginning (restated)	<u>133,249,416</u>	<u>94,405,651</u>	<u>97,041,901</u>	<u>98,129,428</u>	<u>15,070,229</u>	<u>437,896,625</u>
Total net position - ending	<u>\$ 138,311,155</u>	<u>\$ 98,539,221</u>	<u>\$102,430,665</u>	<u>\$108,143,456</u>	<u>\$ 16,261,147</u>	<u>\$ 463,685,644</u>

The accompanying notes to the financial statements are an integral part of this statement.



**JACKSON ENERGY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash flows from operating activities:						
Receipts from customers and users	\$ 138,261,022	\$ 36,194,567	\$ 18,399,800	\$ 20,301,732	\$ 33,106,598	\$ 246,263,719
Payments to suppliers	(109,310,027)	(18,814,481)	(4,447,460)	(6,066,439)	(16,916,162)	(155,554,569)
Payments to employees	(7,840,284)	(5,814,841)	(5,299,338)	(5,692,565)	(4,375,628)	(29,022,656)
Payment of taxes and in lieu of taxes	(4,572,252)	(1,796,013)	(471,481)	(468,456)	(1,167,907)	(8,476,109)
Net cash provided (used) by operating activities	<u>16,538,459</u>	<u>9,769,232</u>	<u>8,181,521</u>	<u>8,074,272</u>	<u>10,646,901</u>	<u>53,210,385</u>
Cash flows from capital and related financing activities						
Construction and acquisition of plant	(9,134,045)	(2,974,400)	(5,674,976)	(5,878,521)	(3,983,341)	(27,645,283)
Other plant activity including removal cost and salvage	(184,924)	(183,713)	40,654	(111,652)	(131,325)	(570,960)
Contributions in aid	777,971	109,882	1,398,476	4,519,443	44,794	6,850,566
Bond Proceeds	-	-	-	16,220,000	-	16,220,000
Principal paid on bonds	(2,635,000)	(870,000)	(1,890,000)	(16,890,000)	(4,515,000)	(26,800,000)
Loan proceeds	-	-	-	1,376,937	-	1,376,937
Principal paid on notes	(1,090,949)	-	-	(1,015,464)	-	(2,106,413)
Interest expense	(1,095,926)	(736,109)	(541,018)	(1,744,467)	(1,086,044)	(5,203,564)
Net cash provided (used) by capital and relating financing activities	<u>(13,362,873)</u>	<u>(4,654,340)</u>	<u>(6,666,864)</u>	<u>(3,523,724)</u>	<u>(9,670,916)</u>	<u>(37,878,717)</u>
Cash flows from investing activities:						
Net (purchase) reduction of investments	11,870	1,921,099	1,611,705	1,025,667	-	4,570,341
Interest earned	631,283	215,606	90,096	150,999	122,525	1,210,509
Net cash provided (used) by investing activities	<u>643,153</u>	<u>2,136,705</u>	<u>1,701,801</u>	<u>1,176,666</u>	<u>122,525</u>	<u>5,780,850</u>
Net increase (decrease) in cash and cash equivalents	<u>3,818,739</u>	<u>7,251,597</u>	<u>3,216,458</u>	<u>5,727,214</u>	<u>1,098,510</u>	<u>21,112,518</u>
Cash and cash equivalents - beginning of year	<u>40,993,223</u>	<u>27,029,446</u>	<u>10,680,546</u>	<u>15,655,843</u>	<u>12,545,099</u>	<u>106,904,157</u>
Cash and cash equivalents - end of year	<u>\$ 44,811,962</u>	<u>\$ 34,281,043</u>	<u>\$ 13,897,004</u>	<u>\$ 21,383,057</u>	<u>\$ 13,643,609</u>	<u>\$ 128,016,675</u>

The accompanying notes to the financial statements are an integral part of this statement.



JACKSON ENERGY AUTHORITY
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash and cash equivalents:						
Unrestricted cash and cash equivalents on deposit	\$ 44,189,680	\$ 34,148,141	\$ 12,694,699	\$ 19,106,035	\$ 6,776,966	\$ 116,915,521
Debt service fund - cash and cash equivalents	622,282	132,902	1,202,305	2,277,022	1,354,722	5,589,233
Debt service fund investment - cash and cash equivalents	-	-	-	-	5,511,921	5,511,921
Total cash and cash equivalents	<u>\$ 44,811,962</u>	<u>\$ 34,281,043</u>	<u>\$ 13,897,004</u>	<u>\$ 21,383,057</u>	<u>\$ 13,643,609</u>	<u>\$ 128,016,675</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 4,574,822	\$ 4,287,720	\$ 4,341,634	\$ 5,225,353	\$ 2,540,373	\$ 20,969,902
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	8,844,594	4,440,845	3,250,905	3,825,904	7,019,457	27,381,705
Amortization	397,581	-	-	-	43	397,624
Depreciation charged to transportation clearing	815,808	(6,231)	346,785	282,031	192,349	1,630,742
(Increase) decrease in accounts receivable	(1,841,459)	(327,575)	(158,102)	(261,441)	43,798	(2,544,779)
(Increase) decrease in materials and supplies	(13,533)	46,971	1,800	29,713	(90,505)	(25,554)
(Increase) decrease in prepayments and other current assets	69,773	(8,190)	(13,283)	(10,410)	82,779	120,669
(Increase) decrease in other assets	(1,916,304)	(1,043,631)	(1,402,821)	(2,560,877)	(538,456)	(7,462,090)
Increase (decrease) unrecovered purchased gas cost	-	(306,909)	-	-	-	(306,909)
Increase (decrease) in accounts payable	1,619,478	378,457	(38,490)	(327,926)	10,089	1,641,608
Increase (decrease) in other accounts payable and accrued expenses	4,924	23,561	19,938	20,643	96,028	165,094
Increase (decrease) in other noncurrent liabilities	3,982,775	2,068,545	1,826,670	1,851,282	1,296,548	11,025,820
Increase (decrease) in customer deposits	-	215,669	6,485	-	(5,602)	216,552
Net cash provided (used) by operating activities	<u>\$ 16,538,459</u>	<u>\$ 9,769,232</u>	<u>\$ 8,181,521</u>	<u>\$ 8,074,272</u>	<u>\$ 10,646,901</u>	<u>\$ 53,210,384</u>
Non-cash disclosure:						
Contributed capital assets	\$ -	\$ -	\$ 650,394	\$ 708,450	\$ -	\$ 1,358,844

The accompanying notes to the financial statements are an integral part of this statement.



**JACKSON ENERGY AUTHORITY
OPEB PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2021**

ASSETS

Investments:

Equity mutual funds	\$ 32,717,184
Fixed income mutual funds	17,870,208
Money market funds	1,164,158
Accrued income	<u>29,067</u>
Total investments	<u>51,780,617</u>

Net assets available for benefits	51,780,617
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LIABILITIES AND NET POSITION

LIABILITIES - Due to Other Funds	<u>\$ 257,432</u>
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Net position restricted for OPEB benefits	<u><u>\$ 51,523,185</u></u>
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The accompanying notes are an integral part of the financial statements.



**JACKSON ENERGY AUTHORITY
OPEB PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Additions

Contributions	
Employer and retiree	\$ 3,008,963
Investment income	
Interest and dividends	878,521
Realized (losses)/gains	455,518
Unrealized (losses)/gains	<u>9,129,987</u>
Net investment income	<u>10,464,026</u>
 Total additions	 <u>13,472,989</u>

Deductions

Investment management fees	68,800
Trustee/Custody fees	27,348
Benefits	3,126,226
Actuarial Fees	<u>39,400</u>
Total deductions	<u>3,261,774</u>

Net increase in fiduciary net position 10,211,215

Net position restricted for OPEB benefits, beginning of year 41,311,970

Net position restricted for OPEB benefits, end of year \$ 51,523,185



**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2021**

ASSETS

Investments:

Equity mutual funds	\$ 105,198,871
Fixed income mutual funds	55,118,617
Contracts and annuities	6,173,942
Money market funds	<u>2,826,658</u>
Total investments	<u>169,318,088</u>

Accrued income	<u>65,321</u>
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Net assets available for benefits	169,383,409
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LIABILITIES AND NET POSITION

LIABILITIES	<u>\$ -</u>
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Net position restricted for pension benefits	<u><u>\$ 169,383,409</u></u>
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The accompanying notes are an integral part of the financial statements.



**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Additions

Contributions

Employer and employee	\$ 9,492,971
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Investment income

Interest income	3,233,942
Realized (losses)/gains	2,589,918
Unrealized (losses)/gains	<u>28,445,281</u>
Net investment income	<u>34,269,141</u>

Total additions	<u>43,762,112</u>
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Deductions

Benefits payments	9,951,749
Investment management fees	325,250
Trustee/Custody fees	85,837
Other fees and expenses	<u>61,005</u>
Total deductions	<u>10,423,841</u>

Net increase in fiduciary net position	33,338,271
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Net position restricted for pension benefits, beginning of year	<u>136,045,138</u>
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Net position restricted for pension benefits, end of year	<u><u>\$ 169,383,409</u></u>
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**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2021**

ASSETS

Cash and cash equivalents	\$ 9,387,812
Due from OPEB Trust	257,432
Accrued interest	<u>7,653</u>

Net assets available for benefits	9,652,897
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LIABILITIES AND NET POSITION

LIABILITIES	<u>\$ -</u>
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Net position restricted for health benefits	<u><u>\$ 9,652,897</u></u>
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The accompanying notes are an integral part of the financial statements.



**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Additions

Contributions

Employer and employee	\$ 3,631,323
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Investment income

Interest and dividends	238,930
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Net investment income	<u>238,930</u>
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Total additions	<u>3,870,253</u>
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Deductions

Benefit payments	3,933,312
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Other fees and expenses	<u>1,584</u>
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Total deductions	<u>3,934,896</u>
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Net increase in fiduciary net position	(64,643)
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Net position restricted for health benefits, beginning of year	<u>9,717,540</u>
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Net position restricted for health benefits, end of year	<u><u>\$ 9,652,897</u></u>
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JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Jackson Energy Authority (Authority) was formed July 1, 2001, pursuant to Chapter No. 55 of the Private Acts, 2001 cited as the Jackson Energy Authority Act and, as such, is a political subdivision of the State of Tennessee. The legislation creating the Authority amended the acts that established the Jackson Utility Division. The Authority was created as a separate legal entity for the purpose of planning, acquiring, constructing, improving, furnishing, equipping, financing, owning, operating, and maintaining electric, gas, water, wastewater, and telecommunications utility systems within or outside the corporate limits of the City of Jackson, Tennessee; and other such utility systems, such as a municipal water, wastewater, gas, telecommunications, or electric utility as authorized by the general laws of the State of Tennessee to own or operate. Upon creation of the Authority, the City of Jackson was authorized to transfer to the Authority all its rights, title and interest in and to all assets operated for the City by Jackson Utility Division. The accompanying financial statements present the financial position, results of operations and cash flows of Jackson Energy Authority as of and for the period ended June 30, 2021.

The Authority is reported as a discretely presented component unit in the financial statements of the City of Jackson, Tennessee. This presentation is required due to the City's guarantee of bonds issued by the Telecommunications Fund.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Authority's proprietary fund types and fiduciary funds are reported using the economic resources measurement focus and the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the Authority conform to applicable accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board (GASB).

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the enterprise fund's principal ongoing operations. The principal operating revenues of the Authority are charges for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority reports the electric, gas, water, wastewater, and telecommunication funds as major proprietary funds. Each fund provides distribution services for their respective operations as described below:

Electric System Fund – The Electric System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a system for the furnishing of electrical service and to provide electric service to any person, governmental entity, or other user or consumer of electrical services.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Gas System Fund – The Gas System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a system for the furnishing of gas and related products and to provide gas service to any person, governmental entity, or other user or consumer of gas services.

Water System Fund – The Water System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a system for the furnishing of water and related products and to provide water service to any person, governmental entity, or other user or consumer of water services.

Wastewater System Fund – The Wastewater System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a system for the furnishing of wastewater and related services and to provide wastewater service to any person, governmental entity, or other user or consumer of wastewater services.

Telecommunication System Fund – The Telecommunication System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a system for the furnishing of telecommunications and related services and to provide telecommunications service for any person, governmental entity, or other user or consumer of telecommunication services.

The Authority reports the Jackson Energy Authority OPEB Plan Fund, the Jackson Energy Authority Retirement Fund and the Health and Welfare Benefits Fund as major fiduciary funds. Each fund provides post-employment compensation as well as current health benefits as outlined below:

Jackson Energy Authority OPEB Plan Fund - The Jackson Energy Authority OPEB Plan Fund was established to allow Jackson Energy Authority to fund post-employment benefits associated with retiree health and life insurance.

Jackson Energy Authority Retirement Plan Fund – The Jackson Energy Authority Retirement Plan Fund was established to allow Jackson Energy Authority to fund post-employment retirement compensation for full-time employees hired prior to January 1, 2014.

Health and Welfare Benefits Fund - The Health and Welfare Benefits Fund was established to allow Jackson Energy Authority to fund benefits associated with employee and retiree health costs.

C. Assets, Liabilities, and Net Position

Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Authority restricts its investments to the types of investments authorized by the State of Tennessee.

The Public Act creating the Authority authorizes the following investments:

- (1) Direct obligations of the United States government or any of its agencies;
- (2) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, and Net Position (Continued)

Deposits and Investments (Continued)

- (3) Certificates of deposit and other evidences of deposit at state- and federally-chartered banks, savings and loan institutions or savings banks deposited and collateralized;
- (4) Repurchase agreements entered into with the United States or its agencies or with any bank, broker-dealer, or other such entity so long as the obligation of the obligated party is secured by perfected pledge of full faith and credit obligations of the United States or its agencies;
- (5) Guaranteed investment contracts or similar agreements providing for a specified rate of return over a specified period of time with entities rated in one of the two highest rating categories of a nationally recognized rating agency;
- (6) The local government investment pool;
- (7) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers and rated in either of the two highest rating categories by a nationally recognized rating agency of such obligations; or
- (8) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by, or on behalf of, the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of the principal and interest of such obligations, rated in either of the two highest rating categories by a nationally recognized rating agency of such obligations.

Investments in all fiduciary funds are recorded at cost and later adjusted to fair market value through the recognition of unrealized gains or losses. Interest, dividends and realized gains or losses are recorded when the transactions occur.

Accounts Receivable

Trade receivables result from unpaid billings for service to customers and from unpaid billings related to work performed for or materials sold to certain entities. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible customer accounts recorded by the Authority is based on past history of uncollectible accounts and management's analysis of current accounts.

Unbilled Revenues

The Electric Fund's customers are spread across twenty-two billing cycles. Each cycle can range from twenty-five to thirty-five days. The summation of these twenty-two cycles represents a revenue month. Billing cycles do not correspond to a calendar month and, thus, have days that fall into two or more calendar months. Revenue is reported on a calendar month basis. Unbilled revenue represents management's calculation of the revenue earned for days of service that have not been billed as of year-end.

Inventories and Prepaid Items

All inventories are valued at weighted average cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, and Net Position (Continued)

Restricted Assets

Certain resources set aside for the repayment of bond principal and interest are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants or by resolutions pass by the Authority's Board of Directors. The Authority elects to use restricted assets before unrestricted assets when the situation arises where either can be used.

Capital Assets

Capital assets, which include property, plant, equipment, and construction in progress, are defined by the Authority as assets with an initial, individual cost of more than \$2,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the Authority are depreciated using the straight-line method over the following useful lives:

General plant	3 - 40 years
Transmission plant	28 - 33 years
Distribution plant	16 - 66 years

Compensated Absences

The Authority grants annual leave and sick leave based on longevity of service. Employees may accumulate up to 280 hours of annual leave, which is fully vested. Up to 160 hours of unused annual leave is paid to the employee's 401(a) account at retirement. Employees are not vested in sick leave until retirement at which time 30 percent of accumulated sick leave is paid to the employee's 401(a) account. The remaining 70 percent of the employee's accumulated sick leave is credited to the employee's number of years of service. The amount of such additional credit shall be determined by dividing such sick leave hours by 2,080 hours. In no event may such additional credit exceed one additional year of service, with each such day deemed equal to eight (8) hours. A liability of \$4,623,330 has been accrued for the year ended June 30, 2021, for compensated absences earned to date and has been reported under long-term liabilities as it is not readily determinable how much leave will be taken in the next year.

Long-term Obligations

Because Jackson Energy Authority includes bond premiums, discounts and issuance costs in its rate setting, the Authority has adopted the practice of amortizing these costs. Bond premiums and discounts, as well as issuance costs, are amortized over the life of the bonds using the effective interest or straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as regulatory assets and amortized over the term of the related debt.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, and Net Position (Continued)

Net Position

Equity is classified as net position and displayed in the following three components:

- Net Investment in capital assets– consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- Restricted – consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates, less any related liabilities.
- Unrestricted – all other net position that does not meet the description of the above categories.

Deferred outflow/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority reports deferred outflows of resources for unamortized debt refunding differences, and deferred outflows related to pension and OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (expense reduction) until that time. The Authority has only two types of items that qualify for reporting in this category: deferred inflows related to pension and OPEB.

Pensions

For purposes of measuring the net position, liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Jackson Energy Authority's participation in the Jackson Energy Authority Retirement Plan, and additions to/ deductions from Jackson Energy Authority's fiduciary net position have been determined on the same basis as they are reported by Jackson Energy Authority's Retirement Plan. Benefits including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms of the Jackson Energy Authority Retirement Plan. Investments are reported at fair value.

Other Post – Employment Benefits (OPEB)

For purposes of measuring the net position, liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of Jackson Energy Authority's participation in the Jackson Energy Authority OPEB Plan, and additions to/deductions from Jackson Energy Authority's fiduciary net position have been determined on the same basis as they are reported by Jackson Energy Authority's OPEB Plan. Benefits are recognized when due and payable in accordance with the benefit terms of the Jackson Energy Authority OPEB Plan. Investments are reported at fair value.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, and Net Position (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Authority adopts annual operating and capital budgets. Budgets are adopted on a basis consistent with generally accepted accounting principles. The current operating budget details the Authority's plans to collect and expend funds for operation, maintenance, interest, certain general functions, and other charges for the fiscal year. The capital budget details plans to receive and expend cash basis capital contribution fees and funds from special assessments, grants, borrowings, and other revenues for capital projects.

All unexpended appropriations in the operating and capital budget remaining at the end of the fiscal year lapse. Management submits a proposed budget to the Board to be adopted prior to the beginning of next fiscal year.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

In February 2015, the GASB issued Statement No. 72 — Fair Value Measurement and Application which provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs—other than quoted prices—included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. The requirements of this Statement enhanced comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also enhanced fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

As of June 30, 2021, the Authority had the following investments. Fair market values are based on Level 1 inputs:

	<u>Cost</u>	<u>Fair Value</u>
Temporary Investments		
Electric Fund		
Colorado Brd of Gvnrs	\$ 252,631	\$ 261,537
Community Bank CD	512,183	512,183
Hidalgo Cnty TX	405,318	411,940
Kansas City MO	249,797	251,188
Kansas ST Dev Fin Auth	1,000,000	1,021,780
Memphis Shelby Cnty TN	514,630	520,700
Met Govt Nashville & Davidson Cnty	668,702	692,191
Tennessee ST Sch Bond Auth	1,009,027	1,029,640
Upper Oconee Basin GA Wtr Auth	816,773	830,048
Walker Cnty GA Dev Auth Econ Dev	750,671	751,185
	<u>\$ 6,179,732</u>	<u>\$ 6,282,392</u>
Gas Fund		
Hampton VA	517,545	528,830
Houston TX Util Sys	1,130,498	1,148,249
Memphis Shelby Cnty TN Indl Dev Brd Rev	509,998	520,700
New York ST Urban Dev Corp	1,023,042	1,059,850
Simmons Bank CD	1,000,000	1,000,000
Wright Cnty MN	579,734	595,208
	<u>\$ 4,760,817</u>	<u>\$ 4,852,837</u>
Water Fund		
Wells Fargo Bank NA CD	250,000	252,506
	<u>\$ 250,000</u>	<u>\$ 252,506</u>
Wastewater Fund		
College Park GA Indl Dev Auth Rev	525,219	531,872
Morgan Stanley Bank NA CD	250,000	252,608
	<u>\$ 775,219</u>	<u>\$ 784,480</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Telecommunications Fund

The Telecommunications Fund also has investments in the debt service funds, which are restricted. See page 77 for discussion of debt service funds and related investments.

	Cost	Fair Value
Jackson Energy Authority OPEB Plan Fund		
Fixed Income Mutual Funds	\$ 16,697,208	\$ 17,870,208
Equity Mutual Funds	20,929,966	32,717,184
Money Market Funds	1,164,158	1,164,158
	<u>\$ 38,791,332</u>	<u>\$ 51,751,550</u>
Jackson Energy Authority Retirement Plan Fund		
Equity Mutual Funds	\$ 66,117,360	\$ 105,198,871
Fixed Income Mutual Funds	52,741,846	55,118,617
Contracts and Annuities	8,071,176	6,173,942
Money Market Funds	2,826,658	2,826,658
	<u>\$ 129,757,040</u>	<u>\$ 169,318,088</u>

The following fair values are based on Level 2 inputs:

	Cost	Fair Value
Other Investments		
Electric Fund		
Seven States Power Corporation	10,787	10,787
Central Services Association	3,007	12,794
	<u>\$ 13,794</u>	<u>\$ 23,581</u>
Gas Fund		
Tennergy Corporation	257,000	5,564,942
Central Services Association	2,642	11,243
	<u>\$ 259,642</u>	<u>\$ 5,576,185</u>
Water Fund		
Central Services Association	<u>\$ 2,005</u>	<u>\$ 8,529</u>
Wastewater Fund		
Central Services Association	<u>\$ 1,458</u>	<u>\$ 6,203</u>

Custodial Credit Risk

The Authority's policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note 1C. State statute requires that all deposits with financial institutions be collateralized. Financial institutions may achieve the requisite collateralization through participation in the Tennessee Bank



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Custodial Credit Risk (Continued)

Collateral Pool. Deposits at non-participating financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. Collateral must be held by the Authority's agent in the Authority's name, or by Federal Reserve Banks acting as third party agents. State statutes authorize the Authority to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state-chartered banks and savings and loan associations and federally-chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2021, none of the Authority's deposits were exposed to custodial credit risk.

Pension and OPEB Money-Weighted Returns

For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.87 and 6.42 percent, respectively. The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense was 7.34 and 8.27 percent for the years ended June 30, 2021 and 2020 respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested. The Plans categorize their fair value measurement within the fair value hierarchy established by generally accepted accounting principles.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Authority receivables as of the fiscal year end were made up of the following:

Electric Fund

Billed services for utility customers	\$ 12,593,117
Allowance for doubtful accounts	<u>(322,566)</u>
	<u>\$ 12,270,551</u>

Gas Fund

Billed services for utility customers	1,484,336
Allowance for doubtful accounts	<u>(207,650)</u>
	<u>\$ 1,276,686</u>

Water Fund

Billed services for utility customers	1,607,852
Allowance for doubtful accounts	<u>(120,076)</u>
	<u>\$ 1,487,776</u>

Wastewater Fund

Billed services for utility customers	1,701,530
Allowance for doubtful accounts	<u>(99,571)</u>
	<u>\$ 1,601,959</u>

Telecommunications Fund

Billed services for utility customers	2,752,973
Allowance for doubtful accounts	<u>(324,779)</u>
	<u>\$ 2,428,194</u>

Total Receivables	<u><u>\$ 19,065,166</u></u>
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JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Restricted Assets

Authority restricted assets for the fiscal year end was made up of the following:

Electric Fund	
Cash and cash equivalents - debt service fund	\$ 622,282
	<u>\$ 622,282</u>
Gas Fund	
Cash and cash equivalents - debt service fund	132,902
	<u>\$ 132,902</u>
Water Fund	
Cash and cash equivalents - debt service fund	1,202,305
	<u>\$ 1,202,305</u>
Wastewater Fund	
Cash and cash equivalents - debt service fund	2,277,022
	<u>\$ 2,277,022</u>
Telecommunications Fund	
Cash and cash equivalents - debt service fund	1,354,722
Investments - debt service reserve account	5,511,921
	<u>\$ 6,866,643</u>
Total Restricted Assets	<u>\$ 11,101,154</u>

The total of these funds is represented by bank accounts and security purchases held by First Bank, LGIP, Robert W. Baird & Co. Inc. and Truist Securities.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Electric Fund

Electric Fund capital asset activity during the year ended June 30, 2021, was as follows:

Description	Balance at June 30, 2020	Additions	Disposals (Net of Salvage)	Balance at June 30, 2021
Capital assets, not being depreciated				
Transmission plant	\$ 371,679	\$ -	\$ -	\$ 371,679
Distribution plant	745,176	-	-	745,176
General plant	963,232	9,999	-	973,231
Construction in progress	<u>5,458,176</u>	<u>366,165</u>	<u>-</u>	<u>5,824,341</u>
Total capital assets not being depreciated	<u>7,538,263</u>	<u>376,164</u>	<u>-</u>	<u>7,914,427</u>
Capital assets, being depreciated				
Transmission plant	27,370,687	657,764	171,816	27,856,635
Distribution plant	200,305,693	4,616,882	1,414,044	203,508,531
General plant	<u>20,749,957</u>	<u>3,483,235</u>	<u>69,009</u>	<u>24,164,183</u>
Total capital assets being depreciated	<u>248,426,337</u>	<u>8,757,881</u>	<u>1,654,869</u>	<u>255,529,349</u>
Less accumulated depreciation for				
Transmission plant	14,186,717	901,681	253,539	14,834,859
Distribution plant	89,799,351	7,601,386	1,611,548	95,789,189
General plant	<u>14,512,722</u>	<u>1,157,335</u>	<u>33,156</u>	<u>15,636,901</u>
Total accumulated depreciation	<u>118,498,790</u>	<u>9,660,402</u>	<u>1,898,243</u>	<u>126,260,949</u>
Total capital assets being depreciated, net	<u>129,927,547</u>	<u>(902,521)</u>	<u>(243,374)</u>	<u>129,268,400</u>
Unamortized acquisition adjustment	<u>752,368</u>	<u>(397,581.00)</u>	<u>-</u>	<u>354,787</u>
Total capital assets, net	<u>\$ 138,218,178</u>	<u>\$ (923,938)</u>	<u>\$ (243,374)</u>	<u>\$ 137,537,614</u>

Depreciation expense charged to operations amounted to \$8,844,594 for the fiscal year ended June 30, 2021.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating, maintenance or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Gas Fund

Gas Fund capital asset activity during the year ended June 30, 2021, was as follows:

Description	Balance at June 30, 2020	Additions	Disposals (Net of Salvage)	Balance at June 30, 2021
Capital assets, not being depreciated				
Production plant	\$ 42,387	\$ -	\$ -	\$ 42,387
Distribution plant	74,918	-	-	74,918
General plant	745,860	8,497	-	754,357
Construction in progress	2,689,670	(1,232,477)	-	1,457,193
Total capital assets not being depreciated	3,552,835	(1,223,980)	-	2,328,855
Capital assets, being depreciated				
Production plant	2,018,428	-	-	2,018,428
Distribution plant	137,572,481	2,541,472	507,021	139,606,932
General plant	16,798,206	1,712,248	29,677	18,480,777
Total capital assets being depreciated	156,389,115	4,253,720	536,698	160,106,137
Less accumulated depreciation for				
Production plant	2,013,298	571	-	2,013,869
Distribution plant	52,378,576	3,818,418	642,552	55,554,442
General plant	11,196,325	615,624	22,519	11,789,430
Total accumulated depreciation	65,588,199	4,434,613	665,071	69,357,741
Total capital assets being depreciated, net	90,800,916	(180,893)	(128,373)	90,748,396
Total capital assets, net	\$ 94,353,751	\$ (1,404,873)	\$ (128,373)	\$ 93,077,251

Depreciation expense charged to operations amounted to \$4,440,845 for the fiscal year ended June 30, 2021.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating, maintenance or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Water Fund

Water Fund capital asset activity during the year ended June 30, 2021, was as follows:

Description	Balance at June 30, 2020	Additions	Disposals (Net of Salvage)	Balance at June 30, 2021
Capital assets, not being depreciated				
Source of supply plant	\$ 140,881	\$ -	\$ -	\$ 140,881
Pumping plant	24,369	-	-	24,369
Treatment plant	104,029	-	-	104,029
Transmission & distribution plant	65,076	-	-	65,076
General plant	566,081	-	-	566,081
Construction in progress	<u>6,492,681</u>	<u>(4,454,312)</u>	<u>-</u>	<u>2,038,369</u>
Total capital assets not being depreciated	<u>7,393,117</u>	<u>(4,454,312)</u>	<u>-</u>	<u>2,938,805</u>
Capital assets, being depreciated				
Source of supply plant	4,125,121	24,247	38,134	4,111,234
Pumping plant	5,547,751	127,950	-	5,675,701
Treatment plant	10,215,641	186,408	-	10,402,049
Transmission & distribution plant	118,132,656	8,518,255	474,160	126,176,751
General plant	<u>13,592,722</u>	<u>1,272,428</u>	<u>22,514</u>	<u>14,842,636</u>
Total capital assets being depreciated	<u>151,613,891</u>	<u>10,129,288</u>	<u>534,808</u>	<u>161,208,371</u>
Less accumulated depreciation for				
Source of supply plant	1,954,371	239,284	38,133	2,155,522
Pumping plant	2,649,337	149,615	-	2,798,952
Treatment plant	7,722,976	242,953	-	7,965,929
Transmission & distribution plant	27,565,017	2,234,815	616,034	29,183,798
General plant	<u>9,288,637</u>	<u>731,023</u>	<u>6,008</u>	<u>10,013,652</u>
Total accumulated depreciation	<u>49,180,338</u>	<u>3,597,690</u>	<u>660,175</u>	<u>52,117,853</u>
Total capital assets being depreciated, net	<u>102,433,553</u>	<u>6,531,598</u>	<u>(125,367)</u>	<u>109,090,518</u>
Total capital assets, net	<u>\$ 109,826,670</u>	<u>\$ 2,077,286</u>	<u>\$ (125,367)</u>	<u>\$112,029,323</u>

Depreciation expense charged to operations amounted to \$3,250,905 for the fiscal year ended June 30, 2021.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating, maintenance or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Wastewater Fund

Wastewater Fund capital asset activity during the year ended June 30, 2021, was as follows:

Description	Balance at June 30, 2020	Additions	Disposals (Net of Salvage)	Balance at June 30, 2021
Capital assets, not being depreciated				
Pumping plant	\$ 27,324	\$ -	\$ -	\$ 27,324
Treatment plant	1,300,904	-	-	1,300,904
Transmission and distribution plant	279,656	-	-	279,656
General plant	358,666	-	-	358,666
Construction in progress	14,105,009	2,902,257	-	17,007,266
Total capital assets not being depreciated	<u>16,071,559</u>	<u>2,902,257</u>	<u>-</u>	<u>18,973,816</u>
Capital assets, being depreciated:				
Source of supply plant	10,680,403	682,645		11,363,048
Pumping plant	18,211,275	129,484	63,274	18,277,485
Treatment plant	48,417,130	55,754		48,472,884
Transmission and distribution plant	99,618,315	1,661,890	108,981	101,171,224
General plant	11,264,315	852,174	16,374	12,100,115
Total capital assets being depreciated	<u>188,191,438</u>	<u>3,381,947</u>	<u>188,629</u>	<u>191,384,756</u>
Less accumulated depreciation for:				
Source of supply plant	1,855,035	164,499		2,019,534
Pumping plant	8,569,549	624,625	65,986	9,128,188
Treatment plant	29,275,040	1,210,588		30,485,628
Transmission and distribution plant	27,545,024	1,537,640	156,653	28,926,011
General plant	7,653,453	570,583	4,371	8,219,665
Total accumulated depreciation	<u>74,898,101</u>	<u>4,107,935</u>	<u>227,010</u>	<u>78,779,026</u>
Total capital assets, being depreciated, net	<u>113,293,337</u>	<u>(725,988)</u>	<u>(38,381)</u>	<u>112,605,730</u>
Total capital assets, net	<u>\$ 129,364,897</u>	<u>\$ 2,176,269</u>	<u>\$ (38,381)</u>	<u>\$131,579,546</u>

Depreciation expense charged to operations amounted to \$3,825,904 for the fiscal year ended June 30, 2021.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating, maintenance or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Telecommunications Fund

Telecommunications Fund capital asset activity during the year ended June 30, 2021, was as follows:

Description	Balance at June 30, 2020	Additions	Disposals (Net of Salvage)	Balance at June 30, 2021
Capital assets not being depreciated				
Construction in progress - at cost	\$ 359,447	\$ 871,941	\$ -	\$ 1,231,388
Capital assets, being depreciated				
General support	5,596,553	11,840	48,568	5,559,825
General office	19,167,584	980,920	120,872	20,027,632
Information origination/termination	9,228,084	344,665	50,821	9,521,928
Cable & wire facilities	50,926,098	1,768,537	2,035,144	50,659,491
Video production	758,316	5,438	83,760	679,994
Total capital assets being depreciated	85,676,635	3,111,400	2,339,165	86,448,870
Less accumulated depreciation for:				
General support	3,620,938	458,808	48,567	4,031,179
General office	8,631,832	1,617,391	120,871	10,128,352
Information origination/termination	7,162,974	657,314	49,521	7,770,767
Cable & wire facilities	26,270,307	4,241,146	2,035,143	28,476,310
Video production	417,048	104,523	33,735	487,836
Total accumulated depreciation	46,103,099	7,079,182	2,287,837	50,894,444
Total capital assets, being depreciated, net	39,573,536	(3,967,782)	51,328	35,554,426
Total capital assets, net	\$ 39,932,983	\$ (3,095,841)	\$ 51,328	\$ 36,785,814

Depreciation expense charged to operations amounted to \$7,019,457 for the fiscal year ended June 30, 2021.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Electric Fund

Notes payable at June 30, 2021, consist of the following:

Southwest Tennessee Electric Membership Cooperative (SWTEMC)

Future maturities due SWTEMC are non-interest bearing notes related to annexation of customers and are payable in annual installments of various amounts. The notes are unsecured and there are no provisions in the agreements covering default, nor are there any provisions in the agreements covering subjective acceleration. Future maturities of notes payable – SWTEMC are as follows:

<u>Year ended June 30,</u>	<u>Direct Placement</u>
2022	\$ 62,666
2023	29,371
2024	29,371
2025	29,370
Total	<u>\$ 150,778</u>

Tennessee Valley Authority

The amount due Tennessee Valley Authority (TVA) is a non-interest bearing note related to a metering error affecting prior years and are payable in annual installments of various amounts. The note is unsecured and there are no provisions in the agreement covering default, nor are there any provisions in the agreements covering subjective acceleration. Future maturities of note payable – TVA are as follows:

<u>Year ended June 30,</u>	<u>Direct Placement</u>
2022	<u>57,780</u>
Total	<u>\$ 57,780</u>

Principal on the Series 2014 Bonds is due annually on May 1; interest is due semi-annually on November 1 and May 1. Principal payments on the Series 2020 Bonds are due annually on May 1; semi-annual interest payments are due November 1 and May 1. The scheduled annual requirements for bonds payable at June 30, 2021, including interest are as follows:

Years Ended	2014 Bonds Payable		2020 Bond Payable		Total	Total	Total Debt
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Service
2022	\$ 1,280,000	\$ 904,475	\$ 1,455,000	\$ 93,590	\$ 2,735,000	\$ 998,065	\$ 3,733,065
2023	1,450,000	840,475	1,365,000	73,220	2,815,000	913,695	3,728,695
2024	1,630,000	767,975	1,285,000	54,110	2,915,000	822,085	3,737,085
2025	1,660,000	686,475	1,355,000	36,120	3,015,000	722,595	3,737,595
2026	1,900,000	603,475	1,225,000	17,150	3,125,000	620,625	3,745,625
2027-2030	10,910,000	1,205,400	-	-	10,910,000	1,205,400	12,115,400
2031-2033	2,480,000	162,825	-	-	2,480,000	162,825	2,642,825
	<u>\$ 21,310,000</u>	<u>\$ 5,171,100</u>	<u>\$ 6,685,000</u>	<u>\$ 274,190</u>	<u>\$27,995,000</u>	<u>\$ 5,445,290</u>	<u>\$33,440,290</u>

Electric System Revenue Refunding and Improvement Bonds, Series 2014 – On December 5, 2014, the Electric Fund issued \$27,120,000 Series 2014 Revenue Refunding Bonds to refinance the outstanding Series 2005 and Series 2008 Bonds, to finance the costs of making certain capital improvements to the System, and to pay costs incident to the issuance and sale of the Series 2014 Bonds.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Electric Fund (Continued)

The bonds were sold at a net original issue premium of \$3,271,645 which is reported in the accompanying financial statements as an addition to long-term debt. The premium is being amortized over the life of the bonds using the effective interest method. \$4,941,456 and \$12,103,333 of bond proceeds were used to redeem the outstanding principal balances of the Series 2005 Bonds and the Series 2008 Bonds respectively.

The 2014 Bonds were issued as fixed-rate bonds. Bonds maturing on or before May 1, 2024, are not subject to early redemption. Serial bonds maturing on or after May 1, 2025, are subject to early redemption at the option of the Authority on May 1, 2024, and thereafter, in whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date. Term bonds maturing May 1, 2033, are subject to mandatory redemption, in part, on May 1, 2032, at a redemption price equal to 100% of the principal amount specified plus accrued interest to the redemption date. The outstanding principal balance on June 30, 2021, was \$21,310,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$138,329. In accordance with GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, the difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through fiscal year 2033 using the straight-line method. Unamortized deferred cost of the Series 2014 bond refunding totaled \$88,882 as of June 30, 2021.

Electric System Revenue Refunding Bond, Series 2020 – On March 13, 2020, the Electric Fund issued a \$7,995,000 Revenue Refunding Bond, Series 2020, to refinance the outstanding \$7,995,000 Electric System Refunding Revenue Bonds, Series 2010, maturing on and after May 1, 2021. Total issuance costs of \$68,000 were paid from operating funds and are being amortized through fiscal year 2026 on a straight-line basis. The proceeds of the bond, together with \$144,166 of debt service fund transfers, were deposited into an irrevocable trust with an escrow agent and invested in Treasury Securities – State and Local Government in an amount sufficient to pay principal and interest on the Series 2010 Bonds on the May 1, 2020 redemption date.

The Authority refunded the Series 2010 Bonds in order to reduce its total net debt service payments over the remaining six years. The Series 2020 Bond was issued as a private placement with an interest rate of 1.40%. The refunded Series 2010 Bonds were outstanding at a rate of 4.00%. The refunding resulted in an economic gain of \$639,247, representing the difference between the present values of the debt service payments on the old and new debt.

The Series 2020 Bond shall be subject to redemption, prior to maturity at the option of the Authority, on or after May 1, 2023 at a price of 100% of the par amount plus accrued interest to the redemption date. The Series 2020 Bond is to be redeemed in aggregate principal amounts equal to the respective dollar amounts set in the Bond Purchase Agreement. The outstanding principal balance on June 30, 2021 was \$6,685,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$422,365. This difference is reported in deferred outflows of resources in the accompanying Statement of Net Position, and is being charged to operations through fiscal year 2026 using the straight-line method. Unamortized deferred cost of the Series 2020 bond refunding totaled \$340,238 as of June 30, 2021.

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Electric Fund is in compliance with all significant limitations and restrictions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Electric Fund (Continued)

The following is a summary of long-term liability transactions for the year ended June 30, 2021:

Description	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Due Within One Year
Notes payable (direct placement):					
SWTEMC	\$ 548,359		\$ (397,581)	\$ 150,778	\$ 62,666
TVA	751,148	-	(693,368)	57,780	57,780
Total notes payable	1,299,507	-	(1,090,949)	208,558	120,446
Revenue bonds payable:					
Series 2014	22,635,000	-	(1,325,000)	21,310,000	1,280,000
(Interest Rates 3.00% - 5.00%)					
Series 2020	7,995,000	-	(1,310,000)	6,685,000	1,455,000
(Interest Rates 1.40%)					
Less deferred amounts:					
Issuance (premiums) discounts	1,457,295	-	(246,542)	1,210,753	228,798
Net total revenue bonds payable	32,087,295	-	(2,881,542)	29,205,753	2,963,798
Compensated absences	1,406,785	75,384	-	1,482,169	521,163
Total long-term liabilities	\$ 34,793,587	\$ 75,384	\$ (3,972,491)	\$ 30,896,480	\$ 3,605,407

The Electric Fund has no unused lines of credit.

E. Long-term Debt – Gas Fund

Principal payments on the Series 2015 Gas Revenue Refunding and Improvement Bonds are due annually on June 1. Semi-annual interest on the Bonds is due June 1 and December 1. Scheduled annual requirements for bonds payable at June 30, 2021, including interest are:

Years Ended June 30,	2015 Bonds		Total Debt Service
	Principal	Interest	
2022	\$ 900,000	\$ 694,681	\$ 1,594,681
2023	940,000	658,681	1,598,681
2024	970,000	630,481	1,600,481
2025	1,000,000	601,381	1,601,381
2026	1,050,000	551,381	1,601,381
2027-2030	5,495,000	1,600,525	7,095,525
2031-2033	4,220,000	560,294	4,780,294
2034-2035	3,040,000	147,144	3,187,144
	<u>\$ 17,615,000</u>	<u>\$ 5,444,568</u>	<u>\$ 23,059,568</u>

Gas System Revenue Refunding and Improvement Bonds, Series 2015 – On December 22, 2015, the Gas Fund issued \$21,240,000 Revenue Refunding and Improvement Bonds, Series 2015, to finance extensions and



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Gas Fund (Continued)

improvements to the System; to refund its outstanding Gas System Revenue Bonds, Series 2007, maturing on and after October 1, 2018, totaling \$3,270,000; to refund \$3,440,000 of its outstanding Gas System Refunding Revenue Bonds, Series 2009; and to pay costs of issuance of the Series 2015 Bonds. The bonds were sold at a net original issue premium of \$1,977,955 which is reported in the accompanying financial statements as an addition to long-term debt and is being amortized over the life of the bonds using the effective-interest method. Underwriter's discount and issuance costs totaled \$275,190.

The partial refunding resulted in a difference between the reacquisition price and the net carrying cost of the old debt of \$222,562. The difference is being charged to operations through fiscal year 2029 using the straight-line method. Unamortized deferred costs of the Series 2015 refunding totaled \$126,555 as of June 30, 2021.

The Series 2015 Bonds were issued as fixed-rate bonds. Bonds maturing on or before June 1, 2025, mature without option of prior redemption. Bonds maturing on June 1, 2026, and thereafter, are subject to optional redemption prior to maturity at the option of the Authority, in whole or in part, on and after June 1, 2025, and anytime thereafter at a price of par plus accrued interest to the redemption date. The Authority has the right to designate which maturities, or portions thereof, will be redeemed. The outstanding principal balance on June 30, 2021, was \$17,615,000.

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Gas Fund is in compliance with all significant limitations and restrictions.

The following is a summary of long-term liability transactions for the year ended June 30, 2021:

	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Due Within One Year
Revenue Bonds payable:					
Series 2015					
(Interest rates - 3.00% - 5.00%)	\$ 18,485,000	\$ -	\$ (870,000)	\$ 17,615,000	\$ 900,000
Less deferred amounts:					
Issuance premiums (discounts)	1,169,639	-	(142,757)	1,026,882	135,647
Total revenue bonds payable	19,654,639	-	(1,012,757)	18,641,882	1,035,647
Customer deposits	6,334,195	214,170	-	6,548,365	-
Compensated absences	917,455	7,316	-	924,771	426,266
	7,251,650	221,486	-	7,473,136	426,266
Total long-term liabilities	\$ 26,906,289	\$ 221,486	\$ (1,012,757)	\$ 26,115,018	\$1,461,913

The Gas Fund has no unused lines of credit.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Water Fund

Principal payments on the Series 2017 Bonds are due annually on December 1. Semi-annual interest payments are due December 1 and June 1. Scheduled annual requirements for bonds payable at June 30, 2021, including interest are:

Years Ended June 30,	Series 2017 Bonds		Total Debt Service
	Principal	Interest	
2022	\$ 1,990,000	\$ 444,750	\$ 2,434,750
2023	2,090,000	342,750	2,432,750
2024	2,195,000	235,625	2,430,625
2025	1,145,000	152,125	1,297,125
2026	1,205,000	93,375	1,298,375
2027	1,265,000	31,625	1,296,625
	<u>\$ 9,890,000</u>	<u>\$ 1,300,250</u>	<u>\$ 11,190,250</u>

Water System Refunding Revenue Bonds, Series 2017 - On December 7, 2017, the Water Fund issued \$15,285,000 Series 2017 Refunding Revenue Bonds to refinance the Water System Refunding Revenue Bonds, Series 2008, and the Water System Refunding Revenue Bonds, Series 2009, and to pay costs of issuance of the Series 2017 Bonds. The bonds were sold at an original issue premium of \$1,967,085 which is reported in the accompanying financial statements as an addition to long-term debt and is being amortized over the life of the bonds using the effective-interest method. Net bond proceeds were \$17,068,805 including the premium and after payment of \$183,280 in issuance costs. Net bond proceeds, escrow proceeds and debt service deposits totaling \$32,058,864 were used to redeem the outstanding Series 2008 and Series 2009 bonds.

The bonds were issued as bank-qualified, fixed-rate bonds. The bonds are not subject to optional redemption prior to maturity. The outstanding principal balance on June 30, 2021, was \$9,890,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,332,984. The difference is reported in deferred outflows of resources in the accompanying Statement of Net Position, and is being charged to operations through fiscal year 2027 using the straight-line method. Unamortized deferred cost of the Series 2017 Bonds totaled \$727,249 as of June 30, 2021.

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Water Fund is in compliance with all significant limitations and restrictions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Water Fund (Continued)

The following is a summary of the Water Fund's long-term liability transactions for the year ended June 30, 2021:

	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Due Within One Year
Revenue Bonds payable:					
Series 2017	\$ 11,780,000	\$ -	\$ (1,890,000)	\$ 9,890,000	\$ 1,990,000
(Interest rate - 5.00%)					
Less deferred amounts:					
Issuance premiums (discounts)	943,097	-	(287,228)	655,869	233,535
Net total revenue bonds	12,723,097	-	(2,177,228)	10,545,869	2,223,535
Customer deposits	44,325	6,485	-	50,810	-
Compensated absences	790,620	59,266	-	849,886	345,634
	834,945	65,751	-	900,696	345,634
Total long-term liabilities	\$ 13,558,042	\$ 65,751	\$ (2,177,228)	\$ 11,446,565	\$ 2,569,169

The Water Fund has no unused lines of credit.

E. Long-term Debt – Wastewater Fund

Principal payments on the Series 2017 Bonds are due annually on December 1; semi-annual interest payments are due December 1 and June 1. Principal payments on the Series 2020 Bonds are due annually on June 1; semi-annual interest payments are due December 1 and June 1. Scheduled annual requirements for bonds payable at June 30, 2021, including interest are:

Years Ended	Series 2017 Bonds		Series 2020 Bonds		Total		
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2022	\$ 1,610,000	\$ 125,000	\$ 335,000	\$ 171,913	\$ 1,945,000	\$ 296,913	\$ 2,241,913
2023	1,695,000	42,375	335,000	171,075	2,030,000	213,450	2,243,450
2024	-	-	1,650,000	169,903	1,650,000	169,903	1,819,903
2025	-	-	1,665,000	161,653	1,665,000	161,653	1,826,653
2026	-	-	1,670,000	150,830	1,670,000	150,830	1,820,830
2027-2029	-	-	5,100,000	357,605	5,100,000	357,605	5,457,605
2030-2032	-	-	5,305,000	163,710	5,305,000	163,710	5,468,710
	<u>\$ 3,305,000</u>	<u>\$ 167,375</u>	<u>\$16,060,000</u>	<u>\$1,346,689</u>	<u>\$ 19,365,000</u>	<u>\$ 1,514,064</u>	<u>\$ 20,879,064</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

Scheduled annual requirements for loans (notes payable) at June 30, 2021, including interest are as follows:

Years Ended	Notes Payable*		Total
June 30,	Principal*	Interest	Debt Service
2022	\$ 1,071,108	\$ 175,260	\$ 1,246,368
2023	1,079,892	165,624	1,245,516
2024	1,088,736	155,892	1,244,628
2025	1,097,724	146,052	1,243,776
2026	1,106,772	136,116	1,242,888
2027-2030	4,519,668	442,872	4,962,540
2031-2034	4,672,776	275,076	4,947,852
2035-2038	3,768,693	104,332	3,873,025
2039-2041	645,919	9,468	655,387
	<u>\$ 19,051,288</u>	<u>\$ 1,610,692</u>	<u>\$ 20,661,980</u>

*Principal repayments on SRF 13-314 reflect a final loan amount of \$1,026 less than the total loan approved.

*Principal repayments on CG2 16-363 reflect a final loan amount of \$7,620 less than the total loan approved.

*Principal repayments on SRF 17-383 reflect a final loan amount of \$103,742 less than the total loan approved.

*Principal repayments on SRF 16-368 reflect a final loan amount of \$712,262 less than the total loan approved.

Wastewater System Revenue Bonds, Series 2012 - On March 22, 2012, the Wastewater Fund issued \$16,000,000 Wastewater System Revenue Bonds, Series 2012, to refinance its Revenue Bond Anticipation Note, Series 2010, in the outstanding principal amount of \$7,000,000; to refund \$3,965,000 of its outstanding \$37,425,000 Wastewater System Refunding Revenue Bonds, Series 2009; to finance extensions and improvements to its Wastewater system; and to pay certain costs related to the issuance and sale of the Bonds.

In December 2020, the outstanding maturities of June 2021, and thereafter, were refunded and are held in escrow by U.S. Bank until maturity and redemption. (See Wastewater System Revenue Refunding Bonds, Series 2020.)

Wastewater System Refunding Revenue Bonds, Series 2017 - On December 7, 2017, the Wastewater Fund issued \$7,680,000 Series 2017 Refunding Revenue Bonds to refinance the Wastewater System Refunding Revenue Bonds, Series 2009, and to pay costs of issuance of the Series 2017 Bonds. The bonds were sold at an original issue premium of \$724,255 which is reported in the accompanying financial statements as an addition to long-term debt and is being amortized over the life of the bonds using the effective-interest method. Net bond proceeds were \$8,272,460 including the premium and after payment of \$131,795 in issuance costs. Net bond proceeds, escrow proceeds and debt service deposits totaling \$33,469,115 were used to redeem the outstanding Series 2009 bonds.

The bonds were issued as bank-qualified, fixed-rate bonds. The bonds are not subject to optional redemption prior to maturity. The outstanding principal balance on June 30, 2021, was \$3,305,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$758,957. The difference is reported in deferred outflows of resources in the accompanying Statement of Net Position, and is being charged to operations through fiscal year 2023 using the straight-line method. Unamortized deferred cost of the Series 2017 Bonds totaled \$215,038 as of June 30, 2021.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

Wastewater System Revenue Refunding Bonds, Series 2020 – On December 17, 2020, the Wastewater Fund issued \$16,220,000 Series 2020 Revenue Refunding Bonds to refinance the Wastewater System Revenue Bonds, Series 2012, to pay interest payments on two outstanding maturities before optional redemption, and to pay costs of issuance of the Series 2020 Bonds. The bonds were issued at face value. Net bond proceeds were \$15,992,123 after payment of \$227,877 in issuance costs. Net bond proceeds and escrow proceeds were used to redeem the outstanding Series 2012 bonds.

Bonds are subject to optional redemption on June 1, 2029, and thereafter at a price of par. The outstanding principal balance on June 30, 2021, was \$16,060,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$975,259. The difference is reported in deferred outflows of resources in the accompanying Statement of Net Position, and is being charged to operations through fiscal year 2032 using the straight-line method. Unamortized deferred cost of the Series 2020 Bonds totaled \$930,929 as of June 30, 2021.

CW0 2013-313 Revolving Fund Loan Agreement – On September 27, 2012, the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a \$2,150,000 loan to the Wastewater Fund to help finance wastewater collection system rehabilitation improvement projects. A portion of the loan totaling \$531,050 is considered principal forgiveness and does not have to be repaid. Interest on loan funds disbursed is calculated at a fixed rate of .34% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began in November 2013, following the first loan disbursement. All loan funds were received by October 2015.

Principal repayments began February 2015 and are due monthly. The term of the loan is twenty (20) years with final repayment due January 2035. The outstanding loan balance at June 30, 2021, was \$1,111,442.

The loan is secured by \$83,868 on deposit with the State of Tennessee Local Government Investment Pool (LGIP). In the event of default, the Authority is referred to the Water, Wastewater Financing Board or the Utility Management Board. The Authority must implement any and all technical, management, fiscal and /or rate changes recommended by the Board in order for the Authority to fulfill its obligations under the agreement. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2021.

SRF 2013-314 Revolving Fund Loan Agreement - On September 27, 2012, the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a loan to the Wastewater Fund in the amount of \$5,000,000 for financing continued wastewater collection system rehabilitation projects. Interest on loan funds disbursed is calculated at a fixed rate of .34% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began in November 2013, following the first loan disbursement.

In October 2013, TLDA and TDEC approved an increase of \$3,953,352 in the loan previously approved. The total loan approved was \$8,953,352. Principal repayments began April 2017, and are due monthly. The term of the loan is twenty (20) years with final repayment due March 2037. The outstanding balance as of June 30, 2021, was \$7,100,429. Final funds were received in July 2017 and were \$1,026 less than the total approved.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

The loan is secured by \$463,068 on deposit with the LGIP. In the event of default, the Authority is referred to the Water, Wastewater Financing Board or the Utility Management Board. The Authority must implement any and all technical, management, fiscal and /or rate changes recommended by the Board in order for the Authority to fulfill its obligations under the agreement. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2021.

CG2 2016-363 Revolving Fund Loan Agreement – In October 2015 the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a \$2,000,000 loan to the Wastewater Fund to finance wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.43% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began December 2016, following the first loan disbursement.

Principal repayments began June 2017, and are due monthly. The term of the loan is twenty (20) years with final repayment due May 2037. Final funds were received in April 2018 at which time the loan was reduced by \$7,620 and principal repayments were recalculated and reduced. The outstanding loan balance at June 30, 2021, was \$1,630,190.

The loan is secured by \$114,576 on deposit with the LGIP. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2021.

CG3 2016-361 Revolving Fund Loan Agreement – In April 2016 the TLDA and the Tennessee Department of Environment and Conservation (TDEC) approved a Revolving Fund Loan Agreement for the Wastewater Fund for a total project cost of \$4,000,000 which is \$3,800,000 base and \$200,000 principal forgiveness. Funds are to finance wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.17% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began November 2016, following the first loan disbursement.

Principal repayments began March 2018 with final maturity February 2038. Final funds were received in August 2018. The outstanding loan balance at June 30, 2021, was \$3,226,729.

The loan is secured by \$213,188 on deposit with the LGIP. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2021.

CG4 2016-362 Revolving Fund Loan Agreement – In April 2016 the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a Revolving Fund Loan Agreement for the Wastewater Fund for a total project cost of \$4,000,000 which is \$3,720,000 base and \$280,000 principal forgiveness. Funds are to finance wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.17% per annum and



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began February 2018, following the first loan disbursement.

Principal repayments began July 2021 with final maturity June 2040. The outstanding loan balance at June 30, 2021, was \$3,553,701.

The loan is secured by \$208,700 on deposit with the LGIP. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. As of June 30, 2021, there are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines.

SRF 2016-368 Revolving Fund Loan Agreement – In May 2016 the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a Revolving Fund Loan Agreement for the Wastewater Fund for a total project cost of \$2,000,000. Funds are to finance wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.17% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began October 2019, following the first loan disbursement.

Principal repayments began May 2021 with final maturity August 2040. Final funds were received in March 2021. The outstanding loan balance at June 30, 2021, was \$1,278,282.

The loan was originally secured by \$113,072 on deposit with the LGIP, but the deposit was reduced by \$40,268 in April 2021 for a new balance of \$72,804 as the amount of the loan was reduced by the unused portion. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. There are no lender's subjective acceleration clauses in the agreement. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2021.

SRF 2017-383 Revolving Fund Loan Agreement - In March 2017 the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a Revolving Fund Loan Agreement for the Wastewater Fund for a total project cost of \$1,400,000. Funds are to finance continuation of wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.55% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began September 2017, following the first loan disbursement.

The term of the loan is twenty (20) years with final payment due November 2038. Principal repayments began December 2018, and are due monthly. Final funds were received in November 2017. The loan was reduced by \$103,742 due to funds not being used. The outstanding loan balance at June 30, 2021, was \$1,150,515.

The loan is secured by \$75,420 on deposit with the LGIP. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing pro-



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

visions of the agreement after event of default, including but not limited to attorney's fees. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2021.

All or any portion of any State Revolving Fund loan may be repaid by the Fund at any time without penalty. Each loan is a limited revenue obligation of the Fund, payable solely from and secured by a pledge of the Net Revenues of the Wastewater System on parity with other senior lien revenue obligations of the Wastewater Fund.

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Wastewater Fund is in compliance with all significant limitations and restrictions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

The following is a summary of long-term liability transactions for the fiscal year ended June 30, 2021:

	Balance at June 30, 2020	Additions	Retirements*	Balance at June 30, 2021	Due Within One Year
Revenue Bonds payable:					
Series 2012 (Interest rate - 2.00% - 4.75%)	\$ 15,200,000	\$ -	\$(15,200,000)	\$ -	\$ -
Series 2017 (Interest rate - 5%)	4,835,000	-	(1,530,000)	3,305,000	1,610,000
Series 2020 (Interest rate - 0.25% - 1.60%)	-	16,220,000	(160,000)	16,060,000	335,000
Less deferred amounts:					
Issuance premiums (discounts)	<u>211,968</u>	<u>(34,670)</u>	<u>(127,291)</u>	<u>50,007</u>	<u>66,465</u>
Net total revenue bonds payable	<u>20,246,968</u>	<u>16,185,330</u>	<u>(17,017,291)</u>	<u>19,415,007</u>	<u>2,011,465</u>
State Revolving Fund Loans:					
Direct Borrowing:					
CW0 2013-313 (Interest rate - .34%)	1,191,266	-	(79,824)	1,111,442	80,088
SRF 2013-314 (Interest rate - .34%)	7,538,549	-	(438,120)	7,100,429	439,608
CG3 2016-361 (Interest rate - 1.17%)	3,401,065	-	(174,336)	3,226,729	176,388
CG2 2016-363 (Interest rate - 1.43%)	1,720,742	-	(90,552)	1,630,190	91,860
CG4 2016-362 (Interest rate - 1.17%)	3,611,570	108,199	(166,068)	3,553,701	168,024
SRF 2016-368 (Interest rate - 1.17%)	19,000	1,268,738	(9,456)	1,278,282	57,144
SRF 2017-383 (Interest rate - 1.55%)	<u>1,207,623</u>	<u>-</u>	<u>(57,108)</u>	<u>1,150,515</u>	<u>57,996</u>
Total state revolving loans	<u>18,689,815</u>	<u>1,376,937</u>	<u>(1,015,464)</u>	<u>19,051,288</u>	<u>1,071,108</u>
Compensated absences	<u>763,712</u>	<u>-</u>	<u>(6,809)</u>	<u>756,903</u>	<u>296,657</u>
Total long-term liabilities	<u>\$ 39,700,495</u>	<u>\$17,562,267</u>	<u>\$(18,039,564)</u>	<u>\$ 39,223,198</u>	<u>\$ 3,379,230</u>

*Retirements include payments and principal forgiveness.

Other than the unused portions of the revolving loans discussed previously, there are no other unused lines of credit.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Telecommunications Fund

Term and revolving debt payable at June 30, 2021, consist of the following:

See Note 4 F for discussion of the inter-fund loan from the Electric Fund.

Principal on the Fund's Series 2013 Bonds is due annually on April 1. Interest on the Series 2013 Bonds is due semi-annually on October 1 and April 1. Scheduled annual requirements for bonds payable at June 30, 2021, including interest are:

Years Ended June 30,	2013 Bonds Payable		Total Debt Service
	Principal	Interest	
2022	\$4,635,000	\$782,815	\$5,417,815
2023	4,770,000	648,400	5,418,400
2024	4,915,000	502,915	5,417,915
2025	5,075,000	345,635	5,420,635
2026	5,240,000	178,160	5,418,160
	<u>\$ 24,635,000</u>	<u>\$ 2,457,925</u>	<u>\$ 27,092,925</u>

Telecommunications System Refunding Revenue Bonds, Series 2013- On May 22, 2013, the Telecommunications Fund issued \$58,800,000 Telecommunications System Refunding Revenue Bonds (federally taxable), Series 2013, to refinance outstanding term indebtedness. Term debt had been used to refinance taxable Telecommunications System Revenue Bonds, Series 2003, issued to finance the construction of a fiber optic broadband network telecommunications system in the City of Jackson. The Series 2013 Bonds are a limited revenue obligation of the Fund, payable from and secured by a pledge of the Net Revenues of the System.

The City of Jackson unconditionally guaranteed to Jackson Energy Authority and the trustee for the beneficiaries that the amount on deposit in the debt service reserve account for the 2013 Bonds shall at all times equal or exceed the debt service reserve requirement. The guaranty is for an amount not to exceed \$60,000,000.

The Series 2013 Bonds were issued as fixed-rate bonds. Bonds maturing on or before April 1, 2023, mature without option of prior redemption. The Series 2013 Bonds maturing on and after April 1, 2024, are subject to redemption prior to maturity at the option of the Authority, in whole or in part, on or after April 1, 2023, at a price of par plus accrued interest to the redemption date. The Authority has the right to designate which maturities, or portions thereof, will be redeemed. The outstanding balance of Series 2013 bonds as of June 30, 2021, was \$24,635,000.

Bond discount and issuance costs totaled \$481,155. Bond proceeds were used to redeem and refund outstanding term debt in the amount of \$58,817,500.

The refunding resulted in a difference between the reacquisition price and the net carrying cost of the old debt of \$4,070,104. The difference is being charged to operations through bond maturity using the straight-line method. With the implementation of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, the Telecommunications Fund reclassified unamortized deferred cost on bond refunding from bonds payable to deferred outflows of resources in the accompanying Statement of Net Position. Unamortized deferred cost of the Series 2013 refunding totaled \$1,506,467 as of June 30, 2021.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Telecommunications Fund (Continued)

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Telecommunications Fund is in compliance with all significant limitations and restrictions.

The following is a summary of the Telecommunication Fund's long-term liability transactions for the year ended June 30, 2021:

	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Due Within One Year
Revenue Bonds payable :					
Series 2013	\$ 29,150,000	\$ -	\$ (4,515,000)	\$ 24,635,000	\$ 4,635,000
(Interest rate - .60% - 3.40%)					
Less deferred amounts:					
Issuance premiums (discounts)	(118,097)	-	20,538	(97,559)	(20,538)
Net total revenue bonds	29,031,903	-	(4,494,462)	24,537,441	4,614,462
Notes payable (direct placement):					
Electric Fund loan	5,500,000	-	-	5,500,000	-
Total notes payable	5,500,000	-	-	5,500,000	-
Customer deposits	328,813	-	(5,602)	323,211	-
Compensated absences	594,132	15,469	-	609,601	253,195
	922,945	15,469	(5,602)	932,812	253,195
Total long-term liabilities	\$ 35,454,848	\$ 15,469	\$ (4,500,064)	\$ 30,970,253	\$ 4,867,657

F. Net Position– Electric Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 137,537,614
Less: Debt as disclosed in Note 3E	(29,414,311)
Total net investment in capital assets	108,123,303
Restricted:	
Restricted cash and cash equivalents	622,282
Restricted for use on Load Reduction Project	329,144
Less: Current liabilities payable from restricted assets	(166,344)
Total restricted net position	785,082
Unrestricted	29,402,770
Total net position	\$ 138,311,155



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Net Position– Gas Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 93,077,251
Less: Debt as disclosed in Note 3E	<u>(18,641,882)</u>
Total net investment in capital assets	<u>74,435,369</u>
Restricted:	
Restricted cash and cash equivalents	132,902
Less: Current liabilities payable from restricted assets	<u>(57,890)</u>
Total restricted net position	<u>75,012</u>
Unrestricted	<u>24,028,840</u>
Total net position	<u>\$ 98,539,221</u>

F. Net Position – Water Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 112,029,323
Less: Debt as disclosed in Note 3E	<u>(10,545,869)</u>
Total net investment in capital assets	<u>101,483,454</u>
Restricted:	
Restricted cash and cash equivalents	1,202,305
Less: Current liabilities payable from restricted assets	<u>(41,208)</u>
Total restricted net position	<u>1,161,097</u>
Unrestricted	<u>(213,886)</u>
Total net position	<u>\$ 102,430,665</u>

F. Net Position – Wastewater Fund

Net investment in capital assets	
Net property, plant and equipment in service	\$ 131,579,546
Less: Debt as described in Note 3E	<u>(38,466,295)</u>
Total net investment in capital assets	<u>93,113,251</u>
Restricted for debt service:	
Restricted cash and cash equivalents	2,277,022
Less: Accrued interest from restricted funds	<u>(28,097)</u>
Total restricted net position	<u>2,248,925</u>
Unrestricted	<u>12,781,280</u>
Total net position	<u>\$ 108,143,456</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Net Position – Telecommunications Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 36,785,814
Less: Debt as disclosed in Note 3E	<u>(24,537,441)</u>
Total net investment in capital assets	<u>12,248,373</u>
Restricted for debt service:	
Restricted cash and cash equivalents	6,866,643
Less: Accrued interest from restricted funds	<u>(203,930)</u>
Total restricted net position	<u>6,662,713</u>
Unrestricted	<u>(2,649,939)</u>
Total net position	<u>\$ 16,261,147</u>

NOTE 4 - OTHER INFORMATION

A. Pension Costs

Plan Description

Jackson Energy Authority Retirement Plan - All of the Authority's full-time employees hired prior to January 1, 2014, are participants in the Jackson Energy Authority Retirement Plan. The retirement plan is a single-employer defined benefit pension plan and is administered by the Jackson Energy Authority Retirement Plan Administrative Committee. Aetna Life Insurance Company is the disbursing agent for benefits and First Horizon Bank of Memphis serves as Plan Trustee. Each eligible employee entered the plan on the first month following the later of attainment of age twenty-one or the date he was credited with one year of service for vesting as an eligible employee.

Benefits Provided

The plan provides for normal retirement at age 65, early retirement after attainment of age 55 and completion of 5 years of vesting service, delayed retirement beyond normal retirement age and disability retirement upon total and permanent disability after completion of 5 years of vesting service. For participants hired on and after January 1, 2009, the early retirement age is age 60. Retirement Plan participation was frozen effective December 31, 2013.

Upon the death of the participant, survivor benefits may be provided depending on the retirement benefit chosen. The plan provides an annuity for the surviving spouse of active participants. The Plan document assigns the authority to establish and amend benefit provisions to the Jackson Energy Authority Board of Directors. The Plan issues a stand-alone financial report which can be obtained from Aetna by calling 1-860-273-6241 and First Horizon Bank at 1-901-681-2545.

Employees covered by the benefit terms

At the measurement date of June 30, 2020, the Authority had 535 total participants as follows:

Active Participants	231
Inactive Participants with Deferred Benefits	21
Inactive Participants Receiving Payment	283



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

Contributions

The contribution requirements of plan members and Jackson Energy Authority are established and may be amended by the Jackson Energy Authority Board of Directors pursuant to the plan document. For the year ended June 30, 2021, the actuarially determined recommended employer contribution was \$7,913,010, which includes 8.28% employee portion paid by employer. The Authority also elected to make additional contributions totaling \$1,579,961 which brought the total year contributions to \$9,492,971.

Net Pension Liability

The Authority's net pension liability was measured as of July 1, 2020, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability as of July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges averaging 4.50 percent
Investment rate of return	7.00 percent, net of pension plan investment expenses, including inflation

Mortality rates were based on the PubG-2010 employees and healthy annuitants mortality table projected generationally using Scale MP-2019.

Assumption Changes

- Changed the mortality improvements projection scale from Scale MP-2018 to Scale MP-2019.
- Changed the decrement timing from beginning of year decrements to middle of year decrements (except that retirement is assumed to occur at the beginning of the year for ages where the assumed retirement rate is 100%)
- Changed the retirement rates to better reflect anticipated future experience.
- Changed the interest rate from 7.25% as of the July 1, 2019 measurement date to 7.00% as of the July 1, 2020 measurement date for GASB 68 purposes.

Pension Liabilities

At June 30, 2021, the Authority reported a net pension liability of \$76,415,647. The net pension liability was measured as of July 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the Authority recognized pension costs of \$16,105,649. Of this amount, the Authority recognized as a fringe benefit \$1,256,753 as amounts paid by the Authority to satisfy a requirement for employee contributions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
(1) Difference between actual and expected experience		
(a) measurement date July 1, 2020	\$ 907,673	\$ 1,007,491
(2) Difference due to assumption changes		
(a) measurement date July 1, 2020	14,238,475	-
(3) Contributions subsequent to the measurement date		
(a) measurement date July 1, 2020	9,539,113	-
(4) Net difference between expected and actual and earnings on pension plan investment		
(a) measurement date July 1, 2020	6,007,435	-
Total	<u>\$ 30,692,696</u>	<u>\$ 1,007,491</u>

\$9,539,113 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension costs as follows:

Year Ended June 30:	
2022	\$ 6,893,612
2023	\$ 6,050,942
2024	\$ 4,270,678
2025	\$ 2,930,861
2026	-
Thereafter	-

Discount rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at 6/30/2020 (measurement date 6/30/2019)	\$ 196,572,075	\$ 133,858,630	\$ 62,713,445
Changes for the year:			
Service cost	2,440,656	-	2,440,656
Interest	14,108,673	-	14,108,673
Difference between expected and actual experience	(1,260,810)	-	(1,260,810)
Assumption change	11,167,768	-	11,167,768
Contributions - employer	-	7,560,751	(7,560,751)
Contributions - 8.28% member	-	1,256,753	(1,256,753)
Contributions - 2% member	-	45,844	(45,844)
Net investment income	-	4,034,412	(4,034,412)
Benefit payments	(8,977,754)	(8,977,754)	-
Administrative expense	-	(143,674)	143,674
Net changes	17,478,533	3,776,332	13,702,201
Balance at 6/30/2021 (measurement date 6/30/2020)	\$ 214,050,608	\$ 137,634,962	\$ 76,415,646

Pension plan investments - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Directors by a majority vote of its members. It is the policy of the Board of Directors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the asset allocation as of June 30, 2021:

	Market Value	Percentage of Total
Annuity	\$ 6,173,942	3.65
Equities	105,198,871	62.13
Fixed income	55,118,617	32.55
Money market funds	2,826,658	1.67
Total	\$ 169,318,088	100.00



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

The following investments as of June 30, 2021 represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U. S. Government:

	Market Value
Fidelity Emerging Markets Index Fund	\$ 8,872,816
Fidelity International Index Fund	\$ 20,790,617
Vanguard Div Apprec Index Fund	\$ 20,801,129
Vanguard Small-Cap Index Fund	\$ 9,970,067
Vanguard Total Stock Market Index	\$ 37,597,364
Dodge & Cox Income Fund	\$ 9,032,605
Vanguard Long-term Bond Index	\$ 13,477,637

Risk and Uncertainties - The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of net position available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than current rate:

	1% Decrease (6.00%)	Current rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 243,154,997	\$ 214,050,608	\$ 188,962,700
Plan fiduciary net pension	137,634,962	137,634,962	137,634,962
Net pension liability	<u>\$ 105,520,035</u>	<u>\$ 76,415,646</u>	<u>\$ 51,327,738</u>

Jackson Energy Authority Defined Contribution Plan – Effective December 23, 2004, the Authority adopted a money purchase pension plan to provide for the payment of accumulated leave benefit after termination of employment. On January 1, 2009, the Plan was amended and restated to also provide for the payment of accumulated severance benefit after termination of employment. All contributions under this Plan are paid to Voya Financial Inc. and deposited into an annuity contract. The Plan is intended to meet the requirements of a non-trusted retirement plan, qualified under IRS Section 401(a) so that income accruing on the group annuity contract will be exempt from taxation. Funds transferred to the Plan are not subject to FICA withholding and federal income tax is deferred until the participant withdraws funds. The Plan is a governmental plan as defined



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

in Section 414(d) of the IRS Code, the purpose of which is to provide retirement benefits for employees of the employer. The Authority reserves the right to amend the Plan by action of its Board of Directors, notwithstanding certain limitations.

Participation of an employee begins on the employee's hire date and ceases upon termination of employment. Participants are not required or permitted to make contributions to the Plan. Employer contributions equal to the amount of the participant's accumulated leave benefit and/or his accumulated severance benefit are made to the Plan each time a participant terminates employment.

Distribution of benefits generally occurs within 60 days following the close of the plan year (December 31) in which a participant retires. In the event a participant dies prior to receiving distribution, the distribution will be made to his beneficiary as soon as practicable after the participant's death.

Under this Plan there are no assets accumulated in a trust. There were no expenses incurred by the Authority and no liability existed as of June 30, 2021. Total amounts paid over to Voya Financial Inc. on behalf of retirees was \$185,720.

Jackson Energy Authority Matching Contribution Plan - The Jackson Energy Authority Matching Contribution Plan was established effective January 1, 2014, to provide certain benefits for individuals hired or rehired as full-time employees after December 31, 2013. The Matching Plan is a defined contribution plan under IRS Code Section 401(a) which provides for benefits based solely on the amount contributed to each participant's account and any income, expenses, gains or losses which may be allocated to such account. Each employee will enter the plan on the first day of the month following the employee's employment date. Each plan year matching and discretionary contributions may be made by Jackson Energy Authority at its sole discretion. Contribution levels are established and may be amended by the Jackson Energy Authority Board of Directors pursuant to the plan document. For the current plan year, the matching contribution will be equal to one hundred percent (100%) of an eligible participant's salary deferral, not to exceed four percent (4%) of compensation, made to the Jackson Energy Authority Deferred Compensation Plan. For the current plan year, the discretionary contribution will be a percentage of the eligible participant's compensation based on the participant's periods of credited service. For periods less than 5 years, the discretionary contribution will be two percent (2%) of compensation; for periods of 5-9 years the discretionary contribution will be three percent (3%); and for periods of 10 years or more the discretionary contribution will be four percent (4%). Normal retirement age is age sixty-five (65). Upon the death of the participant, survivor benefits may be provided depending on the retirement benefit chosen. Upon termination of employment for any reason other than retirement, disability or death a participant is entitled to a benefit equal to the vested portion. For credited service less than 5 years the vesting percentage is 0%. If the credited service is 5 years or more the vesting percentage is 100%. The Plan is administered by the Jackson Energy Authority Retirement Plan Administrative Committee. Voya National Trust serves as Plan Trustee. Jackson Energy Authority recognized \$423,890 in pension expense related to the matching provisions outlined in the defined contribution plan. There were no forfeitures under the Plan for the year ended June 30, 2021. There are no assets accumulated in trust for the benefit of Jackson Energy Authority and there was no liability under the Plan at June 30, 2021.

For the year ended June 30, 2021, the Authority's annual contributions to the Matching Plan were \$423,890 which included both the Authority's matching and discretionary contributions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

B. Major Suppliers

The Electric Fund purchases all of its electric capacity from the Tennessee Valley Authority (TVA). Purchased power from TVA cost \$106,302,620 for the year ending June 30, 2021.

The Gas Fund purchased 74 percent of its natural gas from Centerpoint. Purchased gas cost was \$15,047,476 for the year ended June 30, 2021.

C. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; pollution; crime; management; employment practices; fiduciary; media and cyber breach. During the fiscal year ended June 30, 2021, the Authority carried insurance through various commercial carriers to cover most risks of loss. The Authority has had no settled claims resulting from these risks that exceeded its insurance coverage in the past three fiscal years. There has also been no significant reduction in the amount of coverage.

As of June 30, 2021, the Authority is a defendant in three suits; one involving Auto Liability coverage, which has no deductible and will be fully covered by insurance up to the insured limit of \$1M, one involving General Liability coverage which has a \$250,000 deductible and combined insured limits up to \$6M, and one involving Management Liability coverage, which has a \$35,000 retention and insured limits up to \$5M.

D. Other Post-Employment Benefits (OPEB)

In addition to pension benefits, the Authority provides certain healthcare, dental and life insurance benefits for retired employees. Not all retired employees are eligible for dental benefits. Healthcare and dental benefits are provided by a self-insured trust plan with an insurance company acting as third-party claims administrator. The plan is protected from catastrophic claims by aggregate excess loss coverage. Life insurance is provided by a commercial carrier.

Full-time employees hired prior to January 1, 2009, become eligible for retiree healthcare and life insurance benefits at age fifty-five with five years of service. Full-time employees hired on or after January 1, 2009, and before January 1, 2017, become eligible for certain retiree healthcare and life insurance benefits at age sixty with ten years of service. Full-time employees hired on or after January 1, 2017, become eligible for reduced life insurance coverage but are not eligible for healthcare or dental benefits at retirement.

The cost of providing the healthcare and dental benefits for retirees for the year ended June 30, 2021, was \$2,889,237. At the measurement date of June 30, 2020, the Authority had 288 active participants covered under the plan. The plan also covers 253 inactive participants and 132 covered spouses.

The cost of providing retiree life insurance benefits for the year ended June 30, 2021, was \$182,429. At the measurement date of June 30, 2020, the Authority had 351 active participants covered under the plan. The plan also covers 243 inactive participants.

Subsequent to June 30, 2009, Jackson Energy Authority established the Voluntary Employees Beneficiary Association Trust (VEBAT). First Horizon Bank has been appointed as the Trustee. The trust was established to allow the Authority to fund post-employment benefits associated with retiree health and life insurance. With the establishment of the Trust, the Authority began funding the actuarially determined normal cost of retiree health and life insurance. With the implementation of GASB 75 in 2018, the Authority began funding the actuarially determined contribution.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (OPEB) (Continued)

Contributions

The contribution requirements of plan members and Jackson Energy Authority are established and may be amended by the Jackson Energy Authority Board of Directors pursuant to the plan document. For the year ended June 30, 2021, the actuarially determined recommended employer contribution was \$2,351,434.

Assumption Changes

- Changed the mortality projected scale from Scale MP-2018 to Scale MP-2019.
- Changed the retirement rates to better reflect anticipated future experience.
- Changed the decrement timing from beginning of year decrements to middle of the year decrements.
- The expected trend and claims were updated to better reflect current market expectations.
- The removal of the excise tax trend adjustment due to legislative repeal.

Net OPEB Liability

The Authority's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2021, the Authority reported a net OPEB liability of \$18,291,113.

Actuarial Assumptions

The total OPEB liability as of June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges averaging 4.50 percent
Investment rate of return	5.75 percent, net of OPEB plan investment expenses, including inflation

Healthy life mortality pre/post-retirement rates were based on the PUBG.H.-2010 employees and healthy annuitants mortality table. Mortality rates are projected generationally from 2010 using Scale MP-2019.

OPEB Costs (negative costs), Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the Authority recognized OPEB expense of \$691,687.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (OPEB) (Continued)

At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
(1) Difference between actual and expected experience		
(a) measurement date July 1, 2020	\$ 1,721,688	\$ 765,113
(2) Difference due to assumption changes		
(a) measurement date July 1, 2020	1,586,660	13,177,997
(3) Contributions subsequent to the measurement date		
(a) measurement date July 1, 2020	2,158,116	-
(4) Net difference between expected and actual and earnings on OPEB plan investment		
(a) measurement date July 1, 2020	250,876	1,224,230
Total	\$ 5,717,340	\$ 15,167,340

\$2,158,116 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2022	\$ (1,605,022)
2023	(1,855,892)
2024	(1,843,855)
2025	(1,649,681)
2026	(1,978,583)
Thereafter	(2,675,083)

Discount rate

The discount rate used to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (OPEB) Costs (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balance at 6/30/2020 (measurement date 6/30/2019)	\$ 62,636,986	\$ 37,079,829	\$ 25,557,157
Changes for the year:			
Service Cost	828,526	-	828,526
Interest	3,588,183	-	3,588,183
Difference between expected and actual experience	(552,973)	-	(552,973)
Assumption change	(4,373,184)	-	(4,373,184)
Net benefit payments	(2,800,411)	-	(2,800,411)
Contributions - employer	-	3,864,557	(3,864,557)
Contributions - retiree	645,638	645,638	-
Net investment income	-	2,950,929	(2,950,929)
Benefit payments	-	(2,800,411)	2,800,411
Administrative expense	-	(58,890)	58,890
Net changes	(2,664,221)	4,601,823	(7,266,044)
Balance at 6/30/2021 (measurement date 6/30/2020)	\$ 59,972,765	\$ 41,681,652	\$ 18,291,113

Sensitivity of the Corporation's net OPEB liability to changes in the discount rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 5.75 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than current rate:

	1% Decrease (4.75%)	Current Rate (5.75%)	1% Increase (6.75%)
Total OPEB liability	\$ 68,013,842	\$ 59,972,765	\$ 53,317,347
Plan fiduciary net pension	41,681,652	41,681,652	41,681,652
Net OPEB liability	\$ 26,332,190	\$ 18,291,113	\$ 11,635,695

Sensitivity of the Corporation's net OPEB liability to changes in the Healthcare cost trend

The following presents the Authority's net OPEB liability calculated using the current healthcare trend rate as well as what the Authority's net OPEB liability would be if it were calculated using a 1% decrease and 1% increase in the healthcare trend rate:

	1% Decrease	Trend Rate	1% Increase
Total OPEB liability	\$ 54,112,448	\$ 59,972,765	\$ 67,029,725
Plan fiduciary net pension	41,681,652	41,681,652	41,681,652
Net OPEB liability	\$ 12,430,796	\$ 18,291,113	\$ 25,348,073



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (OPEB) Costs (Continued)

OPEB plan investments - The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Directors by a majority vote of its members. It is the policy of the Board of Directors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the asset allocation as of June 30, 2021:

	<u>Market Value</u>	<u>Percentage of Total</u>
Equities	\$ 32,717,184	63.22
Fixed income	17,870,208	34.53
Money market funds	1,164,1583	2.25
Total	<u>\$ 51,751,550</u>	<u>100.00</u>

The following investments as of June 30, 2021, represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U. S. Government:

	<u>Market Value</u>
Fidelity International Index Fund	\$ 4,214,191
Vanguard Large-Cap Index Fund	\$ 21,747,678
Vanguard Small-Cap Index Fund	\$ 5,590,482
Dodge & Cox Income Fund	\$ 3,785,240
Vanguard Long-term Bond Index	\$ 10,763,628
Vanguard Total Bond Market Index	\$ 3,321,340

Risk and Uncertainties - The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements

E. Related Party Transactions

Included in investments is an equity interest in The Tennergy Corporation. The Tennergy Corporation is an energy acquisition company as provided by the laws of the State of Tennessee whose purpose is the purchase and resale of energy, including natural gas to local utilities.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

F. Inter-Fund Loan

Concurrently with the issuance of the Series 2003 Telecommunications Fund revenue bonds, the Authority was required to deposit \$5,500,000 (the Series 2003 debt service reserve requirement) into the debt service reserve sub-account of the bonds. The deposit was derived from a loan made September 26, 2003, by the Authority's Electric Fund pursuant to a supplemental Electric resolution adopted on August 28, 2003. Interest on the initial loan and any subsequent loans is paid monthly at an annual percentage rate equal to the higher of (1) the highest interest rate earned by the Electric Fund on invested funds on the date the loan was made or (2) the highest rate on the senior debt of the Electric Fund on the date the loan was made. The rate on the initial loan was 3.03%. Principal repayments on the initial loan are not due until final maturity of the Series 2003 Telecommunications Fund Revenue Bonds. Consequently, the entire loan balance is presented as a long-term note payable in the financial statements of the Telecommunications Fund as of June 30, 2021.

Under the Telecom loan resolution, the Electric Fund is obligated to make additional loans on a revolving credit basis from time to time by means of deposits to the Telecom debt service reserve sub-account. In the event that the amounts on deposit in the Telecom Debt Service Reserve Sub-account are at any time less than the Telecom Debt Service Reserve requirement of \$5,500,000, the Electric Fund is required to loan to the Telecommunications Fund an amount equal to such deficiency for the purpose of replenishing the Telecom Debt Service Reserve Sub-account. The Electric Fund has no obligation to make additional loans if such loans would cause the outstanding aggregate principal amount of all loans to the Telecommunications Fund to exceed \$34,000,000.

Loans subsequent to the initial amount borrowed of \$5,500,000 are to be repaid monthly in sixty equal monthly installments.

The Telecommunications Fund has no outstanding subsequent loans from the Electric Fund as of June 30, 2021.

As of June 30, 2021, the Authority had the following investments in the debt service reserve. Fair market values are based on Level 1 inputs:

	Cost	Fair Value
Debt Service Fund Investments		
Bank of Jackson CD	\$ 500,000	\$ 500,000
FirstBank	3,152,907	3,152,907
Goldman Sachs Bank CD	250,000	255,073
Local Govt Investment Pool	521,745	521,745
Morgan Stanley PVT Bank CD	250,000	255,066
Sallie Mae Bank CD	250,000	255,073
Westchester Cnty NY Taxable Ser B	566,839	572,057
	<u>\$ 5,491,491</u>	<u>\$ 5,511,921</u>

G. Inter-fund Payments

For the fiscal year ended June 30, 2021, the Telecommunications Fund paid rent to the Electric, Gas, Water, and Wastewater Funds in the amount of \$219,472 for the use of facilities. The Telecommunications Fund paid rent to the Electric Fund for the year ended June 30, 2021, in the amount of \$411,551 for use of electric poles. The Electric Fund paid Automated Metering Infrastructure fees to the Telecommunications Fund for the year ended June 30, 2021, in the amount of \$304,166.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

H. Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The Plan, available to all full-time employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and liabilities are held in trust for the exclusive benefit of participants and their beneficiaries as required by IRC Section 457(b).

On November 21, 2002, the 457(b) Plan was revised to include the following provisions:

1. Participant may secure a loan from his account up to the smaller of \$50,000 or 50% of the participant's account balance.
2. Participants may obtain immediate access to account funds to make domestic relations order distributions. These distributions must be authorized by a judgment, decree, or order pursuant to local domestic relations marital property law.

I. The Tennergy Corporation

The Tennergy Corporation began operations on April 1, 1998 as a joint venture among the Board of Utility Commissioners of the City of Jackson, Tennessee, the Board of Public Utilities of Humboldt, Tennessee, and the City of Brownsville, Tennessee Utilities Board. The Tennergy Corporation is an energy acquisition company as provided by the laws of the State of Tennessee. The Corporation's purpose is to purchase and resell energy, including natural gas and electricity. As of June 30, 2021, the Gas Fund's investment in The Tennergy Corporation amounted to \$5,564,942.

The investment gain from The Tennergy Corporation amounted to \$134,808 for the year ended June 30, 2021.

The Gas Fund's investment in The Tennergy Corporation represented a 73 percent interest as of June 30, 2021.

On June 30, 2021, The Tennergy Corporation had total assets of \$1,477,134,778, liabilities and deferred inflows of resources of \$1,469,531,410, and net position of \$7,603,368. These assets, liabilities, and this net position reflect investment interests that include, but are not limited to, both the Gas and Electric Funds of Jackson Energy Authority. Separate financial statements of The Tennergy Corporation can be obtained for the Corporation in Jackson, Tennessee.

J. Geographic Operations

The Authority's operations are within the City of Jackson and Madison County, Tennessee, with some Water, Wastewater and Telecommunications operations in Gibson County, Tennessee. In addition, the Telecommunications has some operations in Obion County, Tennessee. The Authority derives its revenue primarily from user charges to customers within these locations.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2021

NOTE 4 - OTHER INFORMATION (Continued)

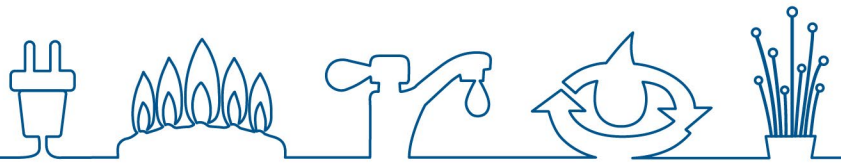
K. Net Position - Prior Period Adjustments

The prior period adjustment in 2021 stems from a prior year entry in 2020 that was not reflected in the prior year report as follows:

Fund	Prior Period Adjustment
Telecommunications	\$ 25,938
	<u>\$ 25,938</u>

L. Contingency - COVID-19

The impact of the COVID-19 pandemic continues to evolve as of October 31, 2021. Due to the unpredictable nature of the virus, it continues to be cumbersome to evaluate the effects of the pandemic on the Authority's financial condition and future results of operations. Management continues to actively monitor these effects on financial condition, liquidity, operations, suppliers and workforce. Continuous updates from the national and global response in addressing the spread of, as well as recommendations for employer policies in relation to COVID-19, results in the Authority not being able to reasonably estimate the effects of the COVID-19 outbreak on operations, financial condition, or liquidity for fiscal year 2022. Management has evaluated other subsequent events through October 31, 2021, the date in which the financial statements were available to be issued.



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REPORT

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Required Supplementary Information



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net Pension Liability and Related Ratios**
JUNE 30, 2021

	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018*	Fiscal Year Ending 2017*	Fiscal Year Ending 2016*	Fiscal Year Ending 2015
Total Pension Liability							
Service Cost	\$ 2,440,656	\$ 2,495,165	\$ 2,661,358	\$ 2,425,007	\$ 2,349,489	\$ 2,213,443	\$ 2,337,036
Interest Cost	14,108,673	13,292,606	12,589,204	11,341,447	11,117,492	10,203,036	10,008,290
Changes of Benefit Terms	-	-	-	-	-	-	-
Transfer Between Plans (4 participants)	-	-	-	902,635			
Transfer of All Remaining Tennergy Liability	-	-	-	6,565,456			
Differences Between Expected and Actual Experiences	(1,260,810)	62,477	490,277	1,451,527	(639)	1,610,666	2,850,872
Changes of Assumptions	11,167,768	4,222,221	4,196,883	1,530,055	-	4,939,654	-
Benefit Payments, Including Refunds of							
Member Contributions	(8,977,754)	(8,553,361)	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)	(6,524,644)
Net Change in Total Pension Liability	17,478,533	11,519,108	11,900,437	17,274,880	6,521,521	12,091,403	8,671,554
Total Pension Liability (Beginning)	196,572,075	185,052,968	173,152,531	155,877,651	149,356,130	137,264,728	134,369,158
Total Pension Liability (Ending)	\$214,050,608	\$196,572,076	\$185,052,968	\$173,152,531	\$155,877,651	\$149,356,131	\$143,040,712
Plan Fiduciary Net Position							
Contributions - Employer	\$ 7,560,751	\$ 7,726,375	\$ 14,642,435	\$ 7,389,084	\$ 7,022,982	\$ 5,901,463	\$ 5,607,583
Contributions - 8.28% Member	1,256,753	1,291,435	1,586,282	1,548,157			
Contributions - 2% Member	45,844	44,865	43,565	42,070	41,939	36,655	20,311
Net Investment Income	4,034,412	8,410,282	5,931,821	6,979,057	895,518	2,878,326	12,617,521
Benefit Payments, Including Refunds of							
Member Contributions	(8,977,754)	(8,553,361)	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)	(6,524,644)
Administrative Expense	(143,674)	(101,926)	(101,657)	(85,435)	(106,134)	(124,779)	(209,969)
Transfer Between Plans (4 participants)	-	-	-	902,635			
Transfer of All Remaining Tennergy Assets	-	-	-	4,060,067	-	-	-
Net Change in Plan Fiduciary Net Position	3,776,332	8,817,670	14,065,161	13,894,388	909,484	1,816,269	11,510,802
Plan Fiduciary Net Position (Beginning)	133,858,630	125,040,960	110,975,799	97,081,411	96,171,927	94,355,659	83,318,142
Plan Fiduciary Net Position (Ending)	\$137,634,962	\$133,858,630	\$125,040,960	\$110,975,799	\$ 97,081,411	\$ 96,171,928	\$ 94,828,944
The Authority's Net Pension Liability	\$ 76,415,646	\$ 62,713,446	\$ 60,012,008	\$ 62,176,732	\$ 58,796,240	\$ 53,184,203	\$ 48,211,768
Net Position as a % of Pension Liability	64.30%	68.10%	67.57%	64.09%	62.28%	64.39%	66.30%
Covered Employee Payroll	\$ 17,130,140	\$ 17,857,525	\$21,336,221	\$20,801,069	\$18,765,114	\$18,659,785	\$18,943,055
The Authority's Pension Liability as a % of Covered-Employee Payroll	446.09%	351.19%	281.27%	298.91%	313.33%	285.02%	254.51%

*Fiscal year ended June 30, 2015 figures show JEA and Tennergy combined. Fiscal years ended June 30, 2016 and 2017 are JEA only.
During fiscal year ended June 30, 2018, JEA absorbed the employees and net pension liability of Tennergy.

**This is a 10-year schedule beginning at the implementation of GASB 68. Retroactive information is not required.

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's Pension Contributions and Notes
JUNE 30, 2021

	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018*	Fiscal Year Ending 2017	Fiscal Year Ending 2016	Fiscal Year Ending 2015	Fiscal Year Ending 2014
Actuarially Determined Contribution	\$ 6,572,525	\$6,003,774	\$ 6,181,859	\$5,672,116	\$6,813,731	\$ 6,079,045	\$ 6,202,484	\$ 6,009,815
Contributions made in Relation to the								
Actuarially Determined Contribution	8,209,843	7,560,751	7,726,375	14,642,435	7,389,084	7,022,982	6,190,322	5,607,583
Contribution Deficiency (excess)	(1,637,318)	(1,556,977)	(1,544,516)	(8,970,319)	(575,353)	(943,937)	12,162	402,232
Covered-Employee Payroll	17,019,374	18,206,828	17,857,525	21,336,221	20,152,643	18,765,114	19,662,603	18,943,035
Contributions as a % of Payroll	48.2%	41.5%	43.3%	68.6%	36.7%	37.4%	31.5%	29.6%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates for fiscal year 2020:

Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	5 year smoothing.
General Inflation:	2.50%
Salary Increases:	4.50%
Investment Rate of Return:	7.25%, net of pension plan investment expense, including inflation.
Retirement Age:	Varies by age and service, same as GASB 67.
Mortality:	PubG-2010 employees and healthy annuitants mortality table projected using Scale MP-2019.

*Beginning with 2018, the 8.28% employee contributions are no longer included in the Actuarially Determined Contribution, in accordance with GASB 82.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's Pension Plan Investment Returns
 JUNE 30, 2021

	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018	Fiscal Year Ending 2017	Fiscal Year Ending 2016	Fiscal Year Ending 2015
Annual money-weighted rate of return, net of investment expense	2.87%	6.42%	4.94%	6.63%	0.82%	2.89%	13.93%

* Only seven years are available from actuarial valuation.



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net OPEB Liability and Related Ratios
JUNE 30, 2021

	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Total OPEB Liability				
Service Cost	\$ 828,526	\$ 969,719	\$ 1,833,801	\$ 1,995,248
Interest Cost	3,588,183	3,965,906	5,076,740	4,933,073
Changes of Benefit Terms	-	-	(19,977,707)	(7,628,998)
Contributions from the members	-	-	-	336,958
Differences Between Expected and Actual Experiences	(552,973)	755,147	(440,726)	2,236,392
Changes of Assumptions	(4,373,184)	(9,942,279)	(2,899,542)	3,079,988
Benefit Payments, Including Refunds of Member Contributions	(2,154,773)	(2,197,408)	(1,901,423)	(2,373,522)
Net Change in Total OPEB Liability	<u>(2,664,221)</u>	<u>(6,448,915)</u>	<u>(18,308,857)</u>	<u>2,579,139</u>
Total OPEB Liability (Beginning)	<u>62,636,986</u>	<u>69,085,901</u>	<u>87,394,758</u>	<u>84,815,619</u>
 Total OPEB Liability (Ending)	 <u><u>\$ 59,972,765</u></u>	 <u><u>\$ 62,636,986</u></u>	 <u><u>\$ 69,085,901</u></u>	 <u><u>\$ 87,394,758</u></u>
 Plan Fiduciary Net Position				
Contributions - Employer	\$ 3,864,557	\$ 6,471,290	\$ 8,738,289	\$ 3,442,183
Contributions - Member	645,638	570,155	428,075	336,958
Net Investment Income	2,950,929	2,819,284	1,505,210	(41,440)
Benefit Payments, Including Refunds of Member Contributions	(2,800,411)	(2,767,563)	(2,329,498)	(2,373,522)
Administrative Expense	(58,890)	(45,355)	(44,698)	(42,415)
Net Change in Plan Fiduciary Net Position	<u>4,601,823</u>	<u>7,047,811</u>	<u>8,297,378</u>	<u>1,321,764</u>
Plan Fiduciary Net Position (Beginning)	<u>37,079,829</u>	<u>30,032,018</u>	<u>21,734,640</u>	<u>20,412,876</u>
Plan Fiduciary Net Position (Ending)	<u><u>\$ 41,681,652</u></u>	<u><u>\$ 37,079,829</u></u>	<u><u>\$ 30,032,018</u></u>	<u><u>\$ 21,734,640</u></u>
 The Authority's Net OPEB Liability	 <u><u>\$ 18,291,113</u></u>	 <u><u>\$ 25,557,157</u></u>	 <u><u>\$ 39,053,883</u></u>	 <u><u>\$ 65,660,118</u></u>
 Net Position as a % of Total OPEB Liability	 69.50%	 59.20%	 43.47%	 24.87%
 Covered - Employee Payroll	 \$ 19,811,754	 \$ 20,056,659	 \$ 25,095,008	 \$ 24,274,764
 Total OPEB Liability as a % of Covered-Employee Payroll	 92.32%	 127.42%	 155.62%	 270.49%

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Contribution and Notes
JUNE 30, 2021

	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Actuarially Determined Contribution	\$ 2,351,434	\$ 3,661,202	\$ 6,846,016	\$ 6,836,384
Contributions made in Relation to the				
Actuarially Determined Contribution	2,218,464	3,864,557	6,471,290	8,738,289
Contribution Deficiency (excess)	132,970	(203,355)	374,726	(1,901,905)
Covered-Employee Payroll	17,019,374	19,811,754	20,056,659	25,095,008
Contributions as a % of Payroll	13.0%	19.5%	32.3%	34.8%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates for fiscal year 2021:

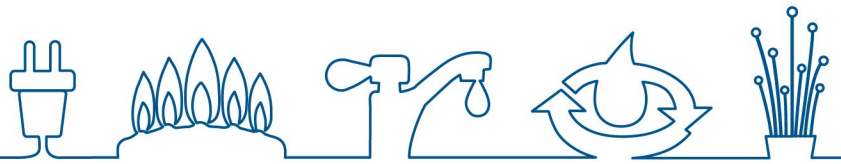
Actuarial Cost Method:	Entry Age Normal with 30-year closed amortization period for initial unfunded and 20-year closed amortization period for subsequent actuarial gains/losses and assumption/plan changes.
Asset Valuation Method:	Fair Market Value
Salary Increases:	4.50%
Investment Rate of Return:	5.75%, net of OPEB plan investment expense, including inflation.
Mortality:	PUBGH-2010 Fully Generational mortality tables, projected from 2010 with scale MP 2019.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Investment Returns
JUNE 30, 2021

	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Annual money-weighted rate of return, net of investment expense	7.34%	8.27%	5.64%	-0.40%

* Only four years are available from actuarial valuation.



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Supplementary & Other Information



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Charges for sales and services:			
Residential sales	\$ 43,108,891	\$ 43,711,352	\$ (602,461)
Small lighting and power sales	12,022,114	12,375,877	(353,763)
Large lighting and power sales	76,524,094	75,331,108	1,192,986
Street and athletic lighting sales	2,258,246	2,246,416	11,830
Outdoor lighting	1,968,979	1,963,483	5,496
Unbilled revenue	(128,989)	90,085	(219,074)
Uncollectible accounts	<u>155,195</u>	<u>(497,697)</u>	<u>652,892</u>
Total charges for sales and services (net)	<u>135,908,530</u>	<u>135,220,624</u>	<u>687,906</u>
Other revenues			
Forfeited discounts	907,062	783,533	123,529
Miscellaneous service revenue	324,414	323,760	654
Rent from electric property	2,439,990	4,001,289	(1,561,299)
Other electric revenue	<u>6,876</u>	<u>41,254</u>	<u>(34,378)</u>
Total other revenues	<u>3,678,342</u>	<u>5,149,836</u>	<u>(1,471,494)</u>
Total operating revenues (net)	<u>139,586,872</u>	<u>140,370,460</u>	<u>(783,588)</u>
Operating expenses:			
Cost of sales and services:			
Purchased power	<u>106,302,620</u>	<u>108,836,146</u>	<u>(2,533,526)</u>
Operations expenses:			
Transmission expenses:			
Load Dispatching	5,665	722	4,943
Overhead line expense	<u>17,321</u>	<u>27,859</u>	<u>(10,538)</u>
Total transmission expense	<u>22,986</u>	<u>28,581</u>	<u>(5,595)</u>
Distribution expenses:			
Load dispatching	337,075	344,195	(7,120)
Station expense	12,247	2,116	10,131
Overhead line expense	214,346	164,153	50,193
Underground line expense	656	12,808	(12,152)
Street lighting and signal system	8,518	11,847	(3,329)
Meter expense	(33,863)	39,605	(73,468)
Customer installations expense	699,947	863,476	(163,529)
Supervision and engineering	105,136	80,552	24,584
Miscellaneous	635,676	544,020	91,656
Rents	<u>159,833</u>	<u>141,468</u>	<u>18,365</u>
Total distribution expenses	<u>2,139,571</u>	<u>2,204,240</u>	<u>(64,669)</u>
Customer accounts expenses:			
Meter reading expense	11,015	10,672	343
Customer contracts and orders	485,585	488,385	(2,800)
Customer collections	214,382	257,775	(43,393)
Customer utility billing coordinator	95,532	77,718	17,814
Data processing	<u>413,975</u>	<u>450,770</u>	<u>(36,795)</u>
Total customer accounts	<u>1,220,489</u>	<u>1,285,320</u>	<u>(64,831)</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	Increase (Decrease)
Operating expenses (continued):			
Customer information and sales expense:			
Assistance	242,820	258,846	(16,026)
Demonstrations and advertising	29,565	31,490	(1,925)
Service guarantees	228	313	(85)
Miscellaneous	37,257	36,242	1,015
Total customer information and sales expense	<u>309,870</u>	<u>326,891</u>	<u>(17,021)</u>
Administrative expenses:			
Office salaries	1,416,099	1,388,942	27,157
Employee training	-	-	
Office supplies and expense	386,744	461,037	(74,293)
Professional services	136,032	190,626	(54,594)
Insurance	354,968	322,178	32,790
Employee pension and benefits	4,710,254	3,590,644	1,119,610
Miscellaneous and penalties	274,621	111,818	162,803
Total administrative expenses	<u>7,278,718</u>	<u>6,065,245</u>	<u>1,213,473</u>
Total operations expense	<u>10,971,634</u>	<u>9,910,277</u>	<u>1,061,357</u>
Maintenance expenses:			
Transmission expenses:			
Supervision and engineering	880	1,124	(244)
Station equipment	123	18,070	(17,947)
Overhead lines	51,204	22,595	28,609
Total transmission expenses	<u>52,207</u>	<u>41,789</u>	<u>10,418</u>
Distribution expenses:			
Supervision and engineering	124,223	116,382	7,841
Station equipment	522,187	387,764	134,423
Poles	739	4,809	(4,070)
Lines	2,117,977	1,510,182	607,795
Transformers	107,387	118,139	(10,752)
Street lighting and signals	143,155	209,894	(66,739)
Meters	249,884	222,694	27,190
Total distribution expenses	<u>3,265,552</u>	<u>2,569,864</u>	<u>695,688</u>
Administrative and general expenses:			
Structures and improvements	241,394	247,980	(6,586)
Office furniture and fixtures	126,517	80,636	45,881
Communications equipment	237,700	312,321	(74,621)
Total administrative and general expenses	<u>605,611</u>	<u>640,937</u>	<u>(35,326)</u>
Total maintenance expenses	<u>3,923,370</u>	<u>3,252,590</u>	<u>670,780</u>
Depreciation and amortization	9,242,175	9,084,197	157,978
Taxes	442,869	385,300	57,569
In lieu of taxes	4,129,382	4,417,424	(288,042)
	<u>13,814,426</u>	<u>13,886,921</u>	<u>(72,495)</u>
Total operating expenses	<u>\$ 135,012,050</u>	<u>\$ 135,885,934</u>	<u>\$ (873,884)</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 36,122,715	\$ 33,303,100	\$ 2,819,615
Uncollectible accounts	20,484	(112,675)	133,159
Total operating revenues (net)	<u>36,143,199</u>	<u>33,190,425</u>	<u>2,952,774</u>
Operating expenses:			
Cost of sales and services:			
Gas purchased	15,047,476	13,240,485	1,806,991
Total cost of sales and services expense	<u>15,047,476</u>	<u>13,240,485</u>	<u>1,806,991</u>
Operations expense:			
Distribution expenses:			
Production	2,371	2,363	8
Mains and services	374,127	283,701	90,426
Gas leak surveying	16,072	8,988	7,084
Measuring and regulating	294,245	298,754	(4,509)
Meter house and regulation	249,231	262,587	(13,356)
Customer installations expense	351,440	345,825	5,615
Gas light and grills	26,552	31,666	(5,114)
Supervision and engineering	367,774	267,228	100,546
Maps and records	3,213	3,522	(309)
Office expense	227,948	300,133	(72,185)
Rents	1,650	-	1,650
Propane delivery	180,818	192,850	(12,032)
Total distribution expenses	<u>2,095,441</u>	<u>1,995,254</u>	<u>97,816</u>
Customer accounts expenses:			
Meter reading expense	243,938	273,800	(29,862)
Customer contracts and orders	197,389	194,958	2,431
Customer collections	151,555	148,834	2,721
Customer utility billing coordinator	41,039	28,901	12,138
Data processing	291,988	297,708	(5,720)
Total customer accounts expenses	<u>925,909</u>	<u>944,201</u>	<u>(18,292)</u>
Customer information and sales expense:			
Assistance	92,672	101,794	(9,122)
Demonstrations and advertising	28,965	35,020	(6,055)
Miscellaneous	31,114	30,673	441
Total customer information and sales expense	<u>152,751</u>	<u>167,487</u>	<u>(14,736)</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	Increase (Decrease)
Operations expenses (continued):			
Administrative expenses:			
Office salaries	1,285,081	1,321,336	(36,255)
Office supplies and expense	246,938	319,643	(72,705)
Special services	142,539	130,354	12,185
Insurance	189,769	182,505	7,264
Employee pension and benefits	3,748,560	3,376,671	371,889
Miscellaneous and penalties	114,463	92,361	22,102
Total administrative expenses	<u>5,727,350</u>	<u>5,422,870</u>	<u>304,480</u>
Total operations expense	<u>8,901,451</u>	<u>8,529,812</u>	<u>369,268</u>
Total operations and cost of sales and service	<u>23,948,927</u>	<u>21,770,297</u>	<u>2,176,259</u>
Maintenance expenses:			
Production	<u>15,463</u>	<u>8,542</u>	<u>6,921</u>
Total production expenses	<u>15,463</u>	<u>8,542</u>	<u>6,921</u>
Distribution expenses:			
Supervision and engineering	328,447	119,640	208,807
Structures and improvements	-	317	(317)
Mains	432,680	378,212	54,468
Measuring and regulating	3,530	6,999	(3,469)
Services	315,459	219,715	95,744
Meters and regulators	79,612	81,350	(1,738)
Other equipment	<u>76,662</u>	<u>100,653</u>	<u>(23,991)</u>
Total distribution expenses	<u>1,236,390</u>	<u>906,886</u>	<u>329,504</u>
Administrative and general expenses:			
Administrative and general expenses:	<u>417,841</u>	<u>416,050</u>	<u>1,791</u>
Total administrative and general expenses	<u>417,841</u>	<u>416,050</u>	<u>1,791</u>
Total maintenance expenses	<u>1,669,694</u>	<u>1,331,478</u>	<u>338,216</u>
Depreciation and amortization	4,440,845	4,446,327	(5,482)
Taxes	329,858	300,362	29,496
In lieu of taxes	<u>1,466,155</u>	<u>1,450,147</u>	<u>16,008</u>
	<u>6,236,858</u>	<u>6,196,836</u>	<u>40,022</u>
Total operating expenses	<u>\$ 31,855,479</u>	<u>\$ 29,298,611</u>	<u>\$ 2,554,497</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 18,556,531	\$ 17,911,966	\$ 644,565
Uncollectible accounts	(5,114)	(101,952)	96,838
Total operating revenues (net)	<u>18,551,417</u>	<u>17,810,014</u>	<u>741,403</u>
Operating expenses:			
Operations expense			
Source of supply:			
Labor	4,087	4,918	(831)
Miscellaneous	468,690	557,550	(88,860)
Total source of supply expense	<u>472,777</u>	<u>562,468</u>	<u>(89,691)</u>
Pumping			
Supervision and engineering	-	120	(120)
Purchased power	466,824	455,562	11,262
Miscellaneous	240	172	68
Total pumping expense	<u>467,064</u>	<u>455,854</u>	<u>11,210</u>
Treatment and disposal			
Supervision and engineering	6,323	-	6,323
Labor	490,194	498,525	(8,331)
Chemicals	205,599	222,791	(17,192)
Miscellaneous	172,850	175,462	(2,612)
Total treatment and disposal expense	<u>874,966</u>	<u>896,778</u>	<u>(21,812)</u>
Transmission and distribution			
Supervision and engineering	402,147	404,211	(2,064)
Storage facilities expense	5,878	6,645	(767)
Line expense	351,422	256,650	94,772
Meter expense	102,296	112,537	(10,241)
Miscellaneous	293,115	300,217	(7,102)
Customer installation	299,172	216,711	82,461
Total transmission and distribution expense	<u>1,454,030</u>	<u>1,296,971</u>	<u>157,059</u>
Customer accounts expenses:			
Meter reading expense	161,740	186,927	(25,187)
Customer billing and collecting	331,145	317,275	13,870
Data processing	228,896	235,008	(6,112)
Assistance expense	113,431	100,923	12,508
Demonstrations and advertising	14,976	16,412	(1,436)
Miscellaneous	28,130	25,725	2,405
Total customer accounts expense	<u>878,318</u>	<u>882,270</u>	<u>(3,952)</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Operating expenses (continued):			
Administrative and general expense:			
Salaries	936,325	830,867	105,458
Office supplies and expense	194,592	246,926	(52,334)
Professional service	111,490	121,778	(10,288)
Insurance	181,413	169,910	11,503
Employee pension and benefits	3,080,624	2,531,959	548,665
Miscellaneous	36,427	33,148	3,279
Total administrative and general expense	<u>4,540,871</u>	<u>3,934,588</u>	<u>606,283</u>
Total operations expense	<u>8,688,026</u>	<u>8,028,929</u>	<u>659,097</u>
Maintenance expenses:			
Source of supply			
Wells and springs	60,302	66,872	(6,570)
Total source of supply	<u>60,302</u>	<u>66,872</u>	<u>(6,570)</u>
Pumping			
Supervision and engineering	2,205	440	1,765
Pumping equipment	45,191	78,639	(33,448)
Total pumping expenses	<u>47,396</u>	<u>79,079</u>	<u>(31,683)</u>
Treatment and disposal			
Structures and improvements	-	492	(492)
Treatment and disposal equipment	271,691	407,478	(135,787)
Total treatment and disposal	<u>271,691</u>	<u>407,970</u>	<u>(136,279)</u>
Transmission and distribution			
Supervision and engineering	88,391	4,224	84,167
Structures and improvements	-	122	(122)
Distribution reservoirs and standpipes	64,832	48,540	16,292
Mains and services	709,047	686,337	22,710
Service meters and hydrants	194,640	226,375	(31,735)
Total transmission and distribution	<u>1,056,910</u>	<u>965,598</u>	<u>91,312</u>
Administrative and general expenses:			
Administrative and general expenses	363,072	340,557	22,515
Total administrative and general expenses	<u>363,072</u>	<u>340,557</u>	<u>22,515</u>
Total maintenance expenses	<u>1,799,371</u>	<u>1,860,076</u>	<u>(60,705)</u>
Depreciation and amortization	3,250,905	3,304,359	(53,454)
Taxes	280,576	272,034	8,542
In lieu of taxes	190,905	187,205	3,700
	<u>3,722,386</u>	<u>3,763,598</u>	<u>(41,212)</u>
Total operating expenses	<u>\$ 14,209,783</u>	<u>\$ 13,652,603</u>	<u>\$ 557,180</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 20,540,382	\$ 19,598,741	\$ 941,641
Uncollectible accounts	22,791	(93,271)	116,062
Total operating revenues (net)	<u>20,563,173</u>	<u>19,505,470</u>	<u>1,057,703</u>
Operating expenses:			
Operations expense:			
Pumping			
Purchased power	122,985	133,072	(10,087)
Miscellaneous	9,374	11,302	(1,928)
Total pumping expense	<u>132,359</u>	<u>144,374</u>	<u>(12,015)</u>
Treatment and disposal			
Supervision and engineering	144	42	102
Labor	1,222,545	1,223,094	(549)
Chemicals	146,557	140,096	6,461
Miscellaneous	879,311	975,489	(96,178)
Total treatment and disposal expense	<u>2,248,557</u>	<u>2,338,721</u>	<u>(90,164)</u>
Transmission and distribution			
Supervision and engineering	155,689	118,318	37,371
Line expense	284,119	237,065	47,054
Meter expense	30,620	57,528	(26,908)
Miscellaneous	218,665	220,463	(1,798)
Customer installation	52,485	52,853	(368)
Total transmission and distribution expense	<u>741,578</u>	<u>686,227</u>	<u>55,351</u>
Customer accounts expenses			
Supervision	17,013	16,674	339
Meter reading expense	118,205	127,414	(9,209)
Customer billing and collecting	273,367	267,393	5,974
Data processing	189,740	212,313	(22,573)
Assistance expense	234,447	179,802	54,645
Demonstrations and advertising	14,483	15,745	(1,262)
Miscellaneous	29,626	28,425	1,201
Total customer accounts expense	<u>876,881</u>	<u>847,766</u>	<u>29,115</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Operating expenses (continued):			
Administrative and general expense			
Salaries	844,877	794,797	50,080
Office supplies and expense	156,768	194,212	(37,444)
Professional service	103,023	108,543	(5,520)
Insurance	253,213	237,627	15,586
Employee pension and benefits	2,765,983	2,599,324	166,659
Miscellaneous	35,416	26,038	9,378
Total administrative and general expense	<u>4,159,280</u>	<u>3,960,541</u>	<u>198,739</u>
Total operations expense	<u>8,158,655</u>	<u>7,977,629</u>	<u>181,026</u>
Maintenance expenses:			
Pumping			
Structures and improvements	115	152	(37)
Pumping equipment	297,806	249,887	47,919
Total pumping	<u>297,921</u>	<u>250,039</u>	<u>47,882</u>
Treatment and disposal			
Structures and improvements	18	103	(85)
Treatment and disposal equipment	541,316	615,627	(74,311)
Total treatment and disposal	<u>541,334</u>	<u>615,730</u>	<u>(74,396)</u>
Transmission and distribution			
Supervision and engineering	60,827	3,137	57,690
Mains and services	945,118	978,346	(33,228)
Service meters and hydrants	2,084	711	1,373
Total transmission and distribution	<u>1,008,029</u>	<u>982,194</u>	<u>25,835</u>
Administrative and general			
Administrative and general expenses	278,483	268,009	10,474
Total administrative and general expenses	<u>278,483</u>	<u>268,009</u>	<u>10,474</u>
Total maintenance expenses	<u>2,125,767</u>	<u>2,115,972</u>	<u>9,795</u>
Depreciation and amortization	4,584,942	4,268,198	316,744
Taxes	257,102	249,742	7,360
In lieu of taxes	211,354	206,165	5,189
	<u>5,053,398</u>	<u>4,724,105</u>	<u>329,293</u>
Total operating expenses	<u>\$ 15,337,820</u>	<u>\$ 14,817,706</u>	<u>\$ 520,114</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 33,167,298	\$ 32,905,671	\$ 261,627
Uncollectible accounts	(104,498)	(225,822)	121,324
Total operating revenues (net)	<u>33,062,800</u>	<u>32,679,849</u>	<u>382,951</u>
Operating expenses:			
Programming and services costs	<u>12,405,397</u>	<u>12,264,822</u>	<u>140,575</u>
Operations expenses			
Plant specific			
Network support	51,993	40,990	11,003
General support	298,993	287,276	11,717
Headend	11,979	11,835	144
Headend transmission	12,185	11,078	1,107
Cable and wire facilities	444,051	400,847	43,204
Total plant specific	<u>819,201</u>	<u>752,026</u>	<u>67,175</u>
Plant non-specific			
Other property and equipment	15,986	21,916	(5,930)
Network operations	630,227	591,013	39,214
Total plant non-specific	<u>646,213</u>	<u>612,929</u>	<u>33,284</u>
Customer operations			
Marketing	462,435	394,383	68,052
Services	3,285,579	3,170,720	114,859
Stand-by Time	101,981	148,378	(46,397)
Total customer operations	<u>3,849,995</u>	<u>3,713,481</u>	<u>136,514</u>
Corporate operations			
Executive and planning	753,064	747,879	5,185
General and administrative	3,909,514	3,812,501	97,013
Total corporate operations	<u>4,662,578</u>	<u>4,560,380</u>	<u>102,198</u>
Total operations expenses	<u>9,977,987</u>	<u>9,638,816</u>	<u>339,171</u>
Depreciation and amortization	7,019,457	6,565,297	454,160
Taxes	266,945	259,203	7,742
In lieu of taxes	852,641	915,315	(62,674)
	<u>8,139,043</u>	<u>7,739,815</u>	<u>399,228</u>
Total operating expenses	<u>\$ 30,522,427</u>	<u>\$ 29,643,453</u>	<u>\$ 878,974</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2021

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2021
Notes payable:									
Southwest Electric	Various	0%	Various	Various	\$ 548,359	\$ -	\$ 397,581	\$ -	\$ 150,778
TVA	\$4,160,207	0%	6/30/2015	6/30/2021	751,148	-	693,368	-	57,780
Total notes payable					<u>\$ 1,299,507</u>	<u>\$ -</u>	<u>\$ 1,090,949</u>	<u>\$ -</u>	<u>\$ 208,558</u>
Bonds Payable:									
Revenue Bonds - Series 2014	27,120,000	3.00 to 5.00%	12/5/2014	5/1/2033	22,635,000	-	1,325,000	-	21,310,000
Revenue Bonds - Series 2020	7,995,000	1.40%	5/1/2020	5/1/2026	7,995,000	-	1,310,000	-	6,685,000
Total Bonds Payable					<u>\$ 30,630,000</u>	<u>\$ -</u>	<u>\$ 2,635,000</u>	<u>\$ -</u>	<u>\$ 27,995,000</u>

Notes to Schedule:

The note payable to Southwest Electric contains several annexations with various dates and amounts.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2021

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2021
Bonds Payable:									
Revenue Bonds - Series 2015	21,240,000	3.00 to 5.00%	12/22/2015	6/1/2035	\$ 18,485,000	\$ -	\$ 870,000	\$ -	\$ 17,615,000
Total bonds payable					<u>\$ 18,485,000</u>	<u>\$ -</u>	<u>\$ 870,000</u>	<u>\$ -</u>	<u>\$ 17,615,000</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2021

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2021
Bonds Payable:									
Revenue Bonds - Series 2017	15,285,000	5.00%	12/7/2017	12/1/2026	\$ 11,780,000	\$ -	\$ 1,890,000	\$ -	\$ 9,890,000
Total bonds payable					<u>\$ 11,780,000</u>	<u>\$ -</u>	<u>\$ 1,890,000</u>	<u>\$ -</u>	<u>\$ 9,890,000</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

JUNE 30, 2021

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2021
Notes Payable:									
State Revolving Loans - CW0 2013-313	2,150,000	0.34%	9/27/2012	1/20/2035	\$1,191,266	\$-	\$79,824	\$ -	\$1,111,442
State Revolving Loans - SRF 2013-314 ¹	8,953,352	0.34%	9/27/2012	3/20/2037	7,538,549	-	438,120	-	7,100,429
State Revolving Loans - CG3 2016-361	4,000,000	1.17%	4/7/2016	2/20/2038	3,401,064	-	174,336	-	3,226,728
State Revolving Loans - CG2 2016-363 ²	2,000,000	1.43%	10/29/2015	5/20/2037	1,720,742	-	90,552	-	1,630,190
State Revolving Loans - CG4 2016-362	4,000,000	1.17%	4/7/2016	6/20/2040	3,611,571	108,199	166,068	-	3,553,702
State Revolving Loans - SRF 2016-368 ³	2,000,000	1.17%	4/7/2016	9/20/2040	19,000	1,268,738	9,456	-	1,278,282
State Revolving Loans - SRF 2017-383 ⁴	1,400,000	1.55%	3/21/2017	11/20/2038	1,207,623	-	57,108	-	1,150,515
Total Notes Payable ⁵					\$ 18,689,815	\$ 1,376,937	\$ 1,015,464	\$ -	\$ 19,051,288
Bonds Payable:									
Revenue Bonds - Series 2017	7,680,000	5.00%	12/7/2017	12/1/2022	\$ 4,835,000	\$ -	\$ 1,530,000	\$ -	\$ 3,305,000
Revenue Bonds - Series 2020	7,680,000	5.00%	12/7/17	12/1/22	-	16,220,000	160,000	-	16,060,000
Total Bonds Payable					\$ 4,835,000	\$ 16,220,000	\$ 1,690,000	\$ -	\$ 19,365,000

Notes to Schedule:

¹ Includes two issue amounts of \$5,000,000 in September 2012 and \$3,953,352 in October 2013 for a new total issue amount of \$8,953,352, of which \$1,026 was not used.

² Total amount approved was \$2,000,000, of which \$7,620 was not used.

³ Total amount approved was \$2,000,000, of which \$712,262 was not used.

⁴ Total amount approved was \$1,400,000, of which \$103,742 was not used.

⁵ Original amount of issue includes \$1,011,050 of total principal forgiveness.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2021

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2021
Bonds Payable:									
Revenue Bonds - Series 2013	\$ 58,800,000	0.60 to 3.40%	5/22/2013	4/1/2026	\$ 29,150,000	\$ -	\$ 4,515,000	\$ -	\$ 24,635,000
Total bonds payable					<u>\$ 29,150,000</u>	<u>\$ -</u>	<u>\$ 4,515,000</u>	<u>\$ -</u>	<u>\$ 24,635,000</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF LONG-TERM DEBT
JUNE 30, 2021

Year Ended June 30,	Electric Revenue Bonds				Notes Payable		Total		
	Series 2014		Series 2020		Principal	Interest	Principal	Interest	Debt Service
	Principal	Interest	Principal	Interest					
2022	\$ 1,280,000	\$ 904,475	\$ 1,455,000	\$ 93,590	\$ 208,558	\$ -	\$ 2,943,558	\$ 998,065	\$ 3,941,623
2023	1,450,000	840,475	1,365,000	73,220	-	-	2,815,000	913,695	3,728,695
2024	1,630,000	767,975	1,285,000	54,110	-	-	2,915,000	822,085	3,737,085
2025	1,660,000	686,475	1,355,000	36,120	-	-	3,015,000	722,595	3,737,595
2026	1,900,000	603,475	1,225,000	17,150	-	-	3,125,000	620,625	3,745,625
2027	3,230,000	508,475	-	-	-	-	3,230,000	508,475	3,738,475
2028	3,400,000	346,975	-	-	-	-	3,400,000	346,975	3,746,975
2029	3,500,000	244,975	-	-	-	-	3,500,000	244,975	3,744,975
2030	780,000	104,975	-	-	-	-	780,000	104,975	884,975
2031	800,000	80,600	-	-	-	-	800,000	80,600	880,600
2032	830,000	54,600	-	-	-	-	830,000	54,600	884,600
2033	850,000	27,625	-	-	-	-	850,000	27,625	877,625
	<u>\$21,310,000</u>	<u>\$5,171,100</u>	<u>\$ 6,685,000</u>	<u>\$ 274,190</u>	<u>\$ 208,558</u>	<u>\$ -</u>	<u>\$ 28,203,558</u>	<u>\$ 5,445,290</u>	<u>\$ 33,648,848</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2021

Years Ended June 30,	Series 2015 Bonds		Debt Service
	Principal	Interest	
2022	\$ 900,000	\$ 694,681	\$ 1,594,681
2023	940,000	658,681	1,598,681
2024	970,000	630,481	1,600,481
2025	1,000,000	601,381	1,601,381
2026	1,050,000	551,381	1,601,381
2027	1,100,000	498,881	1,598,881
2028	1,505,000	443,881	1,948,881
2029	1,590,000	368,631	1,958,631
2030	1,300,000	289,131	1,589,131
2031	1,360,000	237,131	1,597,131
2032	1,410,000	182,731	1,592,731
2033	1,450,000	140,431	1,590,431
2034	1,495,000	96,931	1,591,931
2035	1,545,000	50,213	1,595,213
	<u>\$ 17,615,000</u>	<u>\$ 5,444,566</u>	<u>\$ 23,059,566</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2021

Years Ended June 30,	Series 2017 Bonds		Total
	Principal	Interest	Debt Service
2022	\$ 1,990,000	\$ 444,750	\$ 2,434,750
2023	2,090,000	342,750	2,432,750
2024	2,195,000	235,625	2,430,625
2025	1,145,000	152,125	1,297,125
2026	1,205,000	93,375	1,298,375
2027	<u>1,265,000</u>	<u>31,625</u>	<u>1,296,625</u>
	<u>\$ 9,890,000</u>	<u>\$ 1,300,250</u>	<u>\$ 11,190,250</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2021

Years Ended June 30,	Series 2017 Bonds		Series 2020 Bonds		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2022	\$ 1,610,000	\$ 125,000	\$ 335,000	\$ 171,913	\$ 1,945,000	\$ 296,913	\$ 2,241,913
2023	1,695,000	42,375	335,000	171,075	2,030,000	213,450	2,243,450
2024	-	-	1,650,000	169,903	1,650,000	169,903	1,819,903
2025	-	-	1,665,000	161,652	1,665,000	161,652	1,826,652
2026	-	-	1,670,000	150,830	1,670,000	150,830	1,820,830
2027	-	-	1,680,000	136,635	1,680,000	136,635	1,816,635
2028	-	-	1,700,000	119,835	1,700,000	119,835	1,819,835
2029	-	-	1,720,000	101,135	1,720,000	101,135	1,821,135
2030	-	-	1,740,000	79,635	1,740,000	79,635	1,819,635
2031	-	-	1,765,000	55,275	1,765,000	55,275	1,820,275
2032	-	-	1,800,000	28,800	1,800,000	28,800	1,828,800
	<u>\$ 3,305,000</u>	<u>\$ 167,375</u>	<u>\$ 16,060,000</u>	<u>\$1,346,688</u>	<u>\$ 19,365,000</u>	<u>\$ 1,514,063</u>	<u>\$ 20,879,063</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND

SCHEDULE OF LONG-TERM DEBT - NOTES PAYABLE

JUNE 30, 2021

Years Ended	CW0 2013-313		SRF 2013-314		CG2 16-363		CG3 16-361		CG4 16-362		SRF 2016-368		SRF 17-383		Total		
June 30,	Principal	Interest	Principal ¹	Interest	Principal ²	Interest	Principal	Interest	Principal ³	Interest	Principal ⁴	Interest	Principal ⁵	Interest	Principal	Interest	Debt Service
2022	\$ 80,088	\$ 4,524	\$ 439,608	\$ 28,980	\$ 91,860	\$ 23,988	\$ 176,388	\$ 39,324	\$ 168,024	\$ 43,464	\$ 57,144	\$ 16,656	\$ 57,996	\$ 18,324	\$ 1,071,108	\$ 175,260	\$ 1,246,368
2023	80,364	4,176	441,108	27,132	93,192	22,584	178,452	37,116	170,004	41,352	57,864	15,900	58,908	17,364	1,079,892	165,624	1,245,516
2024	80,640	3,840	442,608	25,272	94,524	21,168	180,552	34,872	171,996	39,216	58,596	15,120	59,820	16,404	1,088,736	155,892	1,244,628
2025	80,916	3,504	444,120	23,412	95,892	19,728	182,676	32,604	174,024	37,056	59,340	14,328	60,756	15,420	1,097,724	146,052	1,243,776
2026	81,192	3,156	445,632	21,540	97,272	18,276	184,824	30,312	176,064	34,872	60,084	13,536	61,704	14,424	1,106,772	136,116	1,242,888
2027	81,468	2,820	447,144	19,668	98,664	16,800	187,008	27,972	178,140	32,652	60,840	12,732	62,664	13,416	1,115,928	126,060	1,241,988
2028	81,744	2,472	448,668	17,784	100,092	15,300	189,204	25,632	180,240	30,408	61,596	11,928	63,648	12,384	1,125,192	115,908	1,241,100
2029	82,020	2,136	450,192	15,900	101,532	13,776	191,424	23,256	182,352	28,152	62,376	11,100	64,644	11,328	1,134,540	105,648	1,240,188
2030	82,296	1,788	451,728	14,004	102,996	12,228	193,680	20,844	184,500	25,860	63,156	10,260	65,652	10,272	1,144,008	95,256	1,239,264
2031	82,584	1,440	453,264	12,108	104,472	10,668	195,960	18,408	186,672	23,544	63,948	9,420	66,672	9,204	1,153,572	84,792	1,238,364
2032	82,860	1,092	454,812	10,200	105,972	9,084	198,264	15,948	188,868	21,192	64,752	8,568	67,716	8,100	1,163,244	74,184	1,237,428
2033	83,148	744	456,360	8,280	107,508	7,464	200,592	13,464	191,088	18,816	65,568	7,704	68,772	6,996	1,173,036	63,468	1,236,504
2034	83,424	396	457,920	6,360	109,056	5,832	202,956	10,932	193,332	16,428	66,396	6,816	69,840	5,868	1,182,924	52,632	1,235,556
2035	48,698	56	459,480	4,428	110,616	4,176	205,344	8,388	195,612	13,992	67,236	5,928	70,932	4,716	1,157,918	41,684	1,199,602
2036	-	-	461,040	2,508	112,212	2,496	207,756	5,808	197,904	11,544	68,076	5,028	72,048	3,552	1,119,036	30,936	1,149,972
2037	-	-	346,745	606	104,330	792	210,204	3,192	200,232	9,048	68,928	4,128	73,164	2,376	1,003,603	20,142	1,023,745
2038	-	-	-	-	-	-	141,444	662	202,596	6,528	69,792	3,204	74,304	1,176	488,136	11,570	499,706
2039	-	-	-	-	-	-	-	-	204,972	3,984	70,680	2,256	31,275	124	306,927	6,364	313,291
2040	-	-	-	-	-	-	-	-	207,082	1,404	71,568	1,320	-	-	278,650	2,724	281,374
2041	-	-	-	-	-	-	-	-	-	-	60,342	380	-	-	60,342	380	60,722
	<u>\$ 1,111,442</u>	<u>\$ 32,144</u>	<u>\$ 7,100,429</u>	<u>\$ 238,182</u>	<u>\$ 1,630,190</u>	<u>\$ 204,360</u>	<u>\$ 3,226,728</u>	<u>\$ 348,734</u>	<u>\$ 3,553,702</u>	<u>\$ 439,512</u>	<u>\$ 1,278,282</u>	<u>\$ 176,312</u>	<u>\$ 1,150,515</u>	<u>\$ 171,448</u>	<u>\$ 19,051,288</u>	<u>\$ 1,610,692</u>	<u>\$ 20,661,980</u>

¹ The schedule reflects a final loan amount of \$1,026 less than the total approved.

² The schedule reflects a final loan amount of \$7,620 less than the total approved.

³ The schedule reflects a final loan amount of \$712,262 less than the total approved.

⁴ The schedule reflects a final loan amount of \$103,742 less than the total approved.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2021

Year Ended	Series 2013 Bonds		Total
June 30,	Principal	Interest	Debt Service
2022	\$ 4,635,000	\$ 782,815	\$ 5,417,815
2023	4,770,000	648,400	5,418,400
2024	4,915,000	502,915	5,417,915
2025	5,075,000	345,635	5,420,635
2026	5,240,000	178,160	5,418,160
	<u>\$ 24,635,000</u>	<u>\$ 2,457,925</u>	<u>\$ 27,092,925</u>

The Electric Fund Debt Service Reserve loan in the amount of \$5,500,000 is not listed above.

The Telecommunications Fund pays interest only and no repayment schedule was agreed upon at June 30, 2021.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE
 JUNE 30, 2021

Residential rate schedule RS

Customer charge - per delivery point per month	\$	20.02
Energy charge - cents per kWh		9.017¢

General power schedule

GSA1

Customer charge - per delivery point per month	\$	30.83
Energy charge - cents per kWh		10.463¢

GSA2

Customer charge per delivery point per month	\$	92.49
Demand charges - per kW per month over 51 kW	\$	13.96
Energy charge - cents per kWh		
First 15,000 kWh per month		10.456¢
Additional kWh per month		5.938¢

GSA3

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month		
First 1,000 kW	\$	12.81
Excess over 1,000 kW	\$	12.70
Energy charge - cents per kWh		6.284¢

GSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.87
Excess demand - ON PEAK	\$	10.87
Demand charges - per kW per month - Max		4.60¢
Energy charge - cents per kWh Onpeak		8.347¢
Energy charge - cents per kWh Offpeak 1		5.856¢
Energy charge - cents per kWh Offpeak 2		2.398¢
Energy charge - cents per kWh Offpeak 3		2.057¢
Facilities charge-cents below 161 KV to 46 KV		48.00¢
below 46 KV to first 10,000 kW	\$	1.23
cents for all additional kW per month		97.00¢

Outdoor lighting rate schedule

LS

Base charge - athletic field and traffic signal divisions per month	\$	3.75
Energy charge - cents per kWh		6.778¢
Facilities charge - percent of installed plant		12.00%

Security Lighting

175 W MV - 70 kWh	\$	7.85
400 W MV - 155 kWh	\$	15.85
1000 W MV - kWh	\$	31.48
100 W HPS - 42 kWh	\$	8.18
250 W HPS - 105 kWh	\$	14.38
400 W HPS - 165 kWh	\$	18.60
150 W MH - 68 kWh	\$	11.85
LED 100 W EQ - 73kWh	\$	8.32
LED 250 W EQ - 161kWh	\$	13.04
Additional monthly pole charge		
30 foot	\$	2.25
40 foot	\$	3.75



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE (Continued)
 JUNE 30, 2021

Manufacturing rate schedule

MSA

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month	\$	11.76
Additional Kw per month	\$	11.63
Energy charge - cents per kWh		6.284¢

MSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.24
Excess demand - ON PEAK	\$	10.24
Demand charges - per kW per month - Max	\$	1.65
Energy charge - cents per kWh Onpeak		7.403¢
Energy charge - cents per kWh Offpeak 1		4.903¢
Energy charge - cents per kWh Offpeak 2		1.934¢
Energy charge - cents per kWh Offpeak 3		1.679¢
Facilities charge-cents below 161 KV to 46 KV		48.00¢
below 46 KV to first 10,000 kW	\$	1.23
cents for all additional kW per month		97.00¢

MSD

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.24
Excess demand - ON PEAK	\$	10.24
Demand charges - per kW per month - Max	\$	1.64
Energy charge - cents per kWh Onpeak		7.064¢
Energy charge - cents per kWh Offpeak 1		4.563¢
Energy charge - cents per kWh Offpeak 2		1.906¢
Energy charge - cents per kWh Offpeak 3		1.847¢
Facilities charge - cents below 161 to 46 KV		48.00¢
below 46 KV to first 10,000 KW	\$	1.23
cents for all additional KW per month		97.00¢

TGSA - Time-of-Use

Customer charge per delivery point per month	\$	477.88
Demand Charges - per Kw -ON PEAK	\$	8.40
Demand charges - per kW per month - Max	\$	5.75
Energy charge - cents per kWh Onpeak		8.373¢
Energy charge - cents per kWh Offpeak 1		6.065¢

The Electric Fund served 36,003 and 36,091 customers as of June 30, 2020, and June 30, 2021 respectively. There are no customers without meters.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE
 JUNE 30, 2021

RATE SCHEDULE R-1

Monthly Rates	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 5 Ccf	108.37¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	100.70¢ per therm
Next 5 Ccf	97.68¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	90.01¢ per therm
Next 20 Ccf	86.97¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	79.30¢ per therm
Excess over 30 Ccf	76.25¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	68.58¢ per therm

Customer Charge - \$14.75 per meter (October - April) / \$7.50 (May - September)

RATE SCHEDULE G-1

Monthly Rates	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 10 Ccf	104.41¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	96.74¢ per therm
Next 40 Ccf	94.70¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	87.03¢ per therm
Next 50 Ccf	84.97¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	77.30¢ per therm
Excess over 100 Ccf	75.28¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	67.61¢ per therm

Customer Charge - \$28.00 per meter (October - April) / \$12.00 (May - September)

RATE SCHEDULE G-2

Maximum Daily Demand 75 ¢ per therm

Monthly Rates	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 1,000 therms	72.38 ¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	64.71¢ per therm
Next 4,000 therms	62.92 ¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	55.25¢ per therm
Next 10,000 therms	56.9 ¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	49.23¢ per therm
Over 15,000 therms	55.04 ¢ per therm	(0.52)¢ per therm	(1.56)¢ per therm	47.37¢ per therm

Minimum monthly charge: \$180.00 per meter

OFF-PEAK GAS RATE SCHEDULE OP-1

MONTHLY RATE

Demand Charge	Base Rate	Current Rate
First 250 Ccf	\$150.00 minimum	\$150.00 minimum
Excess over 250 Ccf	40.00¢ per therm	40.00¢ per therm

Commodity Charge	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 1,000 Ccf	73.16¢ per therm	(3.64)¢ per therm	(0.60)¢ per therm	62.34¢ per therm
Next 4,000 Ccf	63.70¢ per therm	(3.64)¢ per therm	(0.60)¢ per therm	52.88¢ per therm
Next 10,000 Ccf	57.68¢ per therm	(3.64)¢ per therm	(0.60)¢ per therm	46.86¢ per therm
Excess over 15,000 Ccf	55.82¢ per therm	(3.64)¢ per therm	(0.60)¢ per therm	45.00¢ per therm



JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE (Continued)
 JUNE 30, 2021

Interruptible Gas Transportation Rate Schedule T-1
 Monthly Rate

<u>Commodity Charge</u>	<u>Base Rate</u>	<u>Purchased Gas Adjustment</u>	<u>Surcharge Adjustment</u>	<u>Current Rate</u>
First 120,000 Ccf	9.9600¢ per therm			9.9600¢ per therm
Next 170,000 Ccf	6.3100¢ per therm			6.3100¢ per therm
Next 200,000 Ccf	3.1100¢ per therm			3.1100¢ per therm
Over 490,000 Ccf	1.0100¢ per therm			1.0100¢ per therm

Customer charge: \$200.00 per meter

Firm Gas Transportation Rate Schedule T-2
 Monthly Rate

<u>Demand Charge</u>	<u>Base Rate</u>	<u>Purchased Gas Adjustment</u>	<u>Surcharge Adjustment</u>	<u>Current Rate</u>
First 1,000 Ccf	\$400.00 minimum			\$400.00 minimum
Excess over 1,000 Ccf	40.00¢ per therm			40.00¢ per therm

<u>Commodity Charge</u>	<u>Base Rate</u>	<u>Purchased Gas Adjustment</u>	<u>Surcharge Adjustment</u>	<u>Current Rate</u>
First 120,000 Ccf	11.400¢ per therm			11.400¢ per therm
Next 170,000 Ccf	7.710¢ per therm			7.710¢ per therm
Next 200,000 Ccf	4.630¢ per therm			4.630¢ per therm
Over 490,000 Ccf	1.910¢ per therm			1.910¢ per therm

Index Gas Rate Schedule I-1

Customer Charge - \$200.00 per meter

Commodity Charge: Index price plus \$0.51 per MMBtu
 Commodity Discount Rider: minus \$0.10 per MMBtu

<u>Commodity Charge</u>	<u>Current Rate</u>
First 120,000 Ccf	9.96¢ per therm
Next 170,000 Ccf	6.31¢ per therm
Next 200,000 Ccf	3.11¢ per therm
Over 490,000 Ccf	1.01¢ per therm

The Gas Fund served 30,793 and 31,691 natural gas customers as of June 30, 2020 and 2021, respectively.
 There are no customers without meters.

The Gas Fund served 2,735 and 2,737 propane customers as of June 30, 2020 and 2021, respectively.

Firm Propane Rate Schedule

Monthly Rate

Metered Service - \$2.09 per gallon

Customer charge of \$4.00 per month

Bulk Service - \$2.07 per gallon - propane tank, with an annual tank rental fee of \$42.00

Rate fluctuates with market



JACKSON ENERGY AUTHORITY - WATER FUND
WATER RATES IN FORCE
 JUNE 30, 2021

Monthly Residential rates Thousands of Gallons					
	<u>Minimum Charge</u>		<u>First 7</u>	<u>Next 43</u>	<u>Over 50</u>
Water rates per 100 gallons:	See Below	Included in min	\$ 0.3470	\$ 0.2810	\$ 0.1670

Minimum Monthly Bill				
	<u>Meter Size 5/8"</u>	<u>1"</u>	<u>1 1/2"</u>	<u>2"</u>
Urban	\$ 11.72	\$ 15.83	\$ 19.73	\$ 23.30
Rural	12.50	18.42	29.06	43.33

Monthly General Service Rates Thousands of Gallons							
	<u>Minimum Charge</u>		<u>First 15</u>	<u>Next 185</u>	<u>Next 300</u>	<u>Next 500</u>	<u>Next 1000</u>
Water rates per 100 gallons:	See Below	Included in min	\$ 0.4120	\$ 0.3160	\$0.1990	\$0.1710	\$0.1210

Minimum Monthly Bill								
	<u>Meter Size 5/8"</u>	<u>1"</u>	<u>1 1/2"</u>	<u>2"</u>	<u>3"</u>	<u>4"</u>	<u>6"</u>	<u>8"</u>
	\$ 18.48	\$ 23.22	\$ 29.44	\$ 43.60	\$ 78.19	\$ 121.98	\$ 162.35	\$ 414.82

The Water Fund served 37,374 and 37,791 water customers as of June 30, 2020 and 2021, respectively. There are no customers without meters; however the Fund furnishes the City of Jackson, Tennessee, sufficient water for fire protection.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
WASTEWATER RATES IN FORCE
 JUNE 30, 2021

Monthly Residential Rates

Thousands of Gallons

	Customer Charge	0-9999999
Wastewater rates per 100 gallons:		
Urban RI	\$ 7.76	\$ 0.5360
Rural RO	8.24	\$ 0.5360

Monthly General Service Rates

Thousands of Gallons

	Customer Charge	0-500	Next 500	Over 1,000
Wastewater rates per 100 gallons:				
Urban GI	\$ 26.78	\$ 0.5800	\$ 0.5260	\$ 0.3620
Rural GO	29.90	\$ 0.5800	\$ 0.5260	\$ 0.3620

The Wastewater Fund served 30,066 and 30,529 customers as of June 30, 2020 and 2021, respectively.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE
 JUNE 30, 2021

RESIDENTIAL CABLE RATE - SCHEDULE R-1

Programming Service Categories

Analog Basic Service (Lifetime Service)	\$ 44.00	per month
Analog Expanded Service	\$ 61.50	per month
Analog Standard Service (Basic & Expanded)	\$ 105.50	per month
Digital Basic Service - Included with analog lifetime service, requires digital converter or digital television		
Digital Plus Service Tier	\$ 18.00	per month
Digital Hispanic Service		per month
Digital High Definition Service Tier	\$ 8.50	per month
Home Box Office - Digital Premium Service	\$ 21.75	per month
EPIX - Digital Premium Service	\$ 15.00	per month
Cinemax - Digital Premium Service	\$ 16.25	per month
Showtime Unlimited - Digital Premium Service	\$ 20.50	per month
Starz Super Pack - Digital Premium Service	\$ 16.00	per month
TV Japan - Digital Premium Service	\$ 25.00	per month

Customer Premise Equipment

Standard Digital Converter, first converter	\$ 6.50	per month each
High Definition/DVR Digital Converter	\$ 22.00	per month each
Cable Card	\$ 6.00	per month each
High Definition Digital Converter	\$ 10.00	per month each
Multi-Room DVR Service	\$ 10.00	per month each
TiVo	\$ 22.00	per month each
TiVo Mini	\$ 10.00	per month each

GENERAL CABLE RATE - SCHEDULE G-1

Programming Service Categories

Analog Basic Service (Lifetime Service)	\$ 53.00	per month
Analog Expanded Service (Basic and Expanded)	\$ 105.50	per month
Fox Sports Net (requires Expanded Service)	\$ 60.00	per month
SportsSouth (requires Expanded Service)	\$ 60.00	per month
Digital High Definition Service Tier	\$ 28.00	per month
Digital Surcharge for Galaxie Music and Interactive Program Guide	\$ 27.00	per month
TV Japan - Digital Premium Service	\$ 50.00	per month
Digital Pay-Per-View Events	Event units charged times fire code occupancy rating or other terms of the program supplier.	

Customer Premise Equipment

Standard Digital Converter	\$ 6.50	per month each
High Definition/DVR Digital Converter	\$ 22.00	per month each
High Definition Digital Converter	\$ 10.00	per month each
Cable Card	\$ 6.00	per month each
TiVo	\$ 22.00	per month each
TiVo Mini	\$ 10.00	per month each

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
 JUNE 30, 2021

GENERAL CABLE RATE SCHEDULE G-2

Programming Service Categories

Analog Basic Service	\$ 53.00	per month
Analog Standard Service (Basic & Expanded)	\$ 105.50	per month
Digital Basic Service - Included with analog lifetime service, requires digital converter or digital television		
Digital Service Tier	\$ 17.75	per month
Digital High Definition Service Tier	\$ 8.50	per month

Customer Premise Equipment

Standard Digital Converter	\$ 6.50	per month each
High Definition/DVR Converter	\$ 22.00	per month each
Cable Card	\$ 6.00	per month each
High Definition Digital Converter	\$ 10.00	per month each
TiVo	\$ 22.00	per month each
TiVo Mini	\$ 10.00	per month each

GENERAL BULK CABLE RATE - SCHEDULE B-1

Residential Bulk Analog Cable Television service, single unit

Analog Standard Service	\$ 44.45	unit per month
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GENERAL BULK CABLE RATE - SCHEDULE B-2

Commercial and Non-Residential Analog Cable Television service, single unit

Analog Standard Service	\$ 44.45	unit per month
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RESIDENTIAL TELEPHONE RATE - SCHEDULE R-1

Telephone Service Levels

Basic Service	\$ 15.95	per month
Basic Feature Pack (optional)	\$ 10.00	per month
Basic Plus Service	\$ 24.00	per month
Basic Plus Feature Pack (optional)	\$ 7.00	per month
Preferred Service	\$ 24.95	per month
Preferred Service Feature Pack (optional)	\$ 5.00	per month
Eplus Phone - All-Inclusive	\$ 30.00	per month

Optional Features and Per Use Charges

Voicemail	\$ 4.95	per month
Directory Assistance - Call Completion	\$ 0.45	per call
Directory Assistance - Local	\$ 1.25	per call
Directory Assistance - National	\$ 1.25	per call
Private Listing	\$ 3.33	per listing
Semi-Private Listing	\$ 1.73	per listing
Additional Listing	\$ 1.14	per listing

RESIDENTIAL OUTSIDE CITY TELEPHONE RATE

Telephone Service Levels

EPlus Phone - All-Inclusive	\$ 30.00	per month
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JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
 JUNE 30, 2021

RESIDENTIAL TELEPHONE RATE - SCHEDULE R-1

Optional Features and Per Use Charges

Residential Intra and Inter Long Distance	\$ 0.069	per minute
Residential Toll Free Long Distance	\$ 0.099	per minute
Unlimited Plan	\$ 14.95	per month
International Long Distance	Varies	

COMMERCIAL TELEPHONE RATE - SCHEDULE G-1

POTS Telephone Service Levels

Business Local Link (12 month contract)	\$ 56.95	per month
Business Local Link (36 month contract)	\$ 54.95	per month
Business One Link (12 month contract)	\$ 26.95	per month
Business One Link (36 month contract)	\$ 24.95	per month

A la carte Features

Anonymous Call Rejection	\$ 4.30	per month
Call Forwarding Busy Line	\$ 4.30	per month
Call Forwarding No Answer	\$ 4.30	per month
Call Forwarding Variable	\$ 6.10	per month
Call Return	\$ 6.20	per month
Call Waiting/Cancel Call Waiting	\$ 6.65	per month
Call Waiting w/ Caller ID	\$ 6.65	per month
Caller ID Deluxe	\$ 8.50	per month
Per Call Block w/ Caller ID	\$ 5.25	per month
Remote Access Call Forwarding	\$ 6.65	per month
Speed Calling 30	\$ 4.75	per month
Three-Way Calling	\$ 6.20	per month
Hunting	No Charge	
Voicemail	\$ 6.95	per month
Transfer Mailbox	No Charge	

Directory Listings

Additional Listing	\$ 2.10	per month
Foreign Listing	\$ 2.10	per month
Alternate Call listing	\$ 2.10	per month
Alphabetical Service Listing	\$ 2.10	per month
Cross Reference Listing	\$ 2.10	per month
Non-Published Service	\$ 4.50	per month
Non-Listed Service	\$ 2.20	per month

COMMERCIAL OUTSIDE CITY TELEPHONE RATE

Telephone Service Levels

Union City Basic (3 year contract)	\$ 15.00	per month
Union City Basic (5 year contract)	\$ 12.95	per month
Union City One Link	\$ 24.00	per month
Union City Local Link	\$ 46.00	per month
Union City Premium (3 year contract)	\$ 31.95	per month
Union City Premium (5 year contract)	\$ 29.95	per month
Milan Basic (3 year contract)	\$ 14.95	per month
Milan Basic (5 year contract)	\$ 12.95	per month
Milan One Link	\$ 24.00	per month
Milan Local Link	\$ 46.00	per month
Milan Premium (3 year contract)	\$ 31.95	per month
Milan Premium (5 year contract)	\$ 29.95	per month

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
 JUNE 30, 2021

COMMERCIAL TELEPHONE RATE - SCHEDULE G-1

Directory and Operator Assistance

Directory Assistance - Local	\$ 0.98	per call
Directory Assistance - National	\$ 0.98	per call
Directory Assistance - Call Completion	\$ 0.45	per call
Operator Assisted Services Surcharge	\$ 2.25	per call

Long Distance Per Minute and Packages

Business Intralata/Interstate per minute	\$ 0.05	per minute
Business Toll-Free per minute	\$ 0.05	per minute + \$2.00 monthly
Toll-Free Vanity Number Search	\$ 5.00	per month
Verified Project Account Codes	\$ 5.00	per month
	\$ 20.00	Non-Recurring Charge
Non-Verified Project Account Codes	No MRC	
	\$ 10.00	Non-Recurring Charge
Unlimited Long Distance	\$ 20.00	First Line
	\$ 15.00	Each Add'l Line

RESIDENTIAL INTERNET RATE - SCHEDULE R-1

512 kilobits down/256 kilobits up	*	\$ 24.95	per month
4 Megabits down/512 kilobits up	*	\$ 29.95	per month
5 Megabits down/1 Megabit up	*	\$ 38.80	per month
6 Megabits down/768 kilobits up	*	\$ 39.95	per month
10 Megabits down/1.5 Megabit up	*	\$ 54.95	per month
15 Megabits down/5 Megabits up	*	\$ 70.00	per month
15 Megabits down/15 Megabits up	*	\$ 100.00	per month
25 Megabits down/5 Megabit up	*	\$ 100.00	per month
25 Megabits down/25 Megabit up	*	\$ 180.00	per month
50 Megabits down/10 Megabit up	*	\$ 180.00	per month
90 Megabits down/50 Megabits up	*	\$ 125.00	per month
10 Megabits down/100 Megabits up	*	\$ 350.00	per month
60 Megabits down/10 Megabit up	*	\$ 60.00	per month
75 Megabits down/25 Megabits up	*	\$ 75.00	per month
100 Megabits down/100 Megabits up	*	\$ 75.00	per month
300 Megabits down/300 Megabits up	*	\$ 51.99	per month
1000 Megabits down/1000 Megabits up	*	\$ 75.00	per month
Double Upload Speed Adder		\$ 40.00	per month
Static IP Address		\$ 10.00	per month
Basic Home Area Network		\$ 15.00	per month
Enhanced Home Area Network		\$ 30.00	per month

* Existing customers in these rate plans will be allowed to keep these rate plans and existing pricing although these rate plans will no longer be available for new customers.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
 JUNE 30, 2021

GENERAL INTERNET RATE - SCHEDULE G-1

Asymmetrical Service Levels

2 Megabits down/384 kilobits up	*	\$ 50.00	per month
4 Megabits down/512 kilobits up	*	\$ 69.95	per month
5 Megabits down/2 megabits up	*	\$ 85.00	per month
6 Megabits down/2 Megabits up	*	\$ 99.95	per month
10 Megabits down/3 Megabits up	*	\$ 149.95	per month
20 Megabits down/4 Megabits up	*	\$ 249.95	per month
20 Megabits down/20 Megabits up	*	\$ 165.00	per month
25 Megabits down/5 Megabits up	*	\$ 165.00	per month
25 Megabits down/25 Megabits up	*	\$ 295.00	per month
50 Megabits down/25 Megabits up	*	\$ 400.00	per month
75 Megabits down/25 Megabits up	*	\$ 500.00	per month
100 Megabits down/50 Megabits up	*	\$ 850.00	per month
Double Upload Speed Adder	*	\$ 100.00	per month
65 Megabits down x 25 Megabits up		\$ 70.00	per month
80 Megabits down x 50 Megabits up		\$ 150.00	per month
100 Megabits down x 75 Megabits up		\$ 250.00	per month
100 Megabits down x 100 Megabits up		\$ 150.00	per month
500 Megabits down x 500 Megabits up		\$ 250.00	per month
1000 Megabits down x 1000 Megabits up		\$ 499.00	per month

* Existing customers in these rate plans will be allowed to keep these rate plans and existing pricing although these rate plans will no longer be available for new customers.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
 JUNE 30, 2021

GENERAL INTERNET RATE - SCHEDULE G-1

Guaranteed Internet Service

768 kilobits down/768 kilobits up	\$ 250.00	per month
1.5 Megabits down/1.5 Megabits up	\$ 500.00	per month
3 Megabits down/3 Megabits up	\$ 750.00	per month
6 Megabits down/6 Megabits up	\$1,495.00	per month
10 Megabits down/10 Megabits up	\$1,995.00	per month
15 Megabits down/15 Megabits up	\$2,195.00	per month
100 Megabits down/100 Megabits up	\$2,205.00	per month
250 Megabits down/250 Megabits up	\$2,520.00	per month
500 Megabits down/500 Megabits up	\$3,360.00	per month
1000 Megabits down/1000 Megabits up	\$4,725.00	per month

Commercial Metro Ethernet Service Levels (Guaranteed Bandwidth)

2 Megabits down/2 Megabits up	\$ 140.00	per month
4 Megabits down/4 Megabits up	\$ 240.00	per month
6 Megabits down/6 Megabits up	\$ 375.00	per month
8 Megabits down/8 Megabits up	\$ 495.00	per month
10 Megabits down/10 Megabits up	\$ 625.00	per month
20 Megabits down/20 Megabits up	\$1,050.00	per month
40 Megabits down/40 Megabits up	\$1,140.00	per month
100 Megabits down/100 Megabits up	\$2,100.00	per month
250 Megabits down/250 Megabits up	\$2,300.00	per month
500 Megabits down/500 Megabits up	\$2,700.00	per month
1000 Megabits down/1000 Megabits up	\$3,700.00	per month

<u>IP Address Assignment</u>	<u>IP Addresses</u>	<u>Usable Addresses</u>	<u>NRC</u>	<u>Monthly Charges</u>
/32	1	1	\$ 25.00	\$ 10.00
/29	8	5	\$ 25.00	\$ 15.00
/28	16	13	\$ 50.00	\$ 20.00
/27	32	29	\$ 50.00	\$ 30.00
/26	64	61	\$ 50.00	\$ 40.00
/25	128	125	\$ 50.00	\$ 80.00
/24	256	253	\$ 50.00	\$120.00

The Telecommunications Fund served 20,205 and 21,188 customers as of June 30, 2020 and 2021, respectively.



JACKSON ENERGY AUTHORITY - WATER FUND

SCHEDULE OF UNACCOUNTED FOR WATER - UNAUDITED

JUNE 30, 2021

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
American Water Works Association.
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? Click to access definition

+ Click to add a comment

Water Audit Report for: Jackson TN - Jackson Energy Authority (0000299)
Reporting Year: 2021 7/2020 - 6/2021

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

WATER SUPPLIED

----- Enter grading in column 'E' and 'J' ----->

Volume from own sources:	+	?	9	4,852.783	MG/Yr
Water imported:	+	?	n/a	0.000	MG/Yr
Water exported:	+	?	10	16.460	MG/Yr

WATER SUPPLIED:

4,816.994 MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	+	?	0	0	MG/Yr
Value:	+	?	0	0	MG/Yr
Pcnt:	+	?	0	0	MG/Yr
Value:	+	?	0	0	MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	+	?	8	3,885.504	MG/Yr
Billed unmetered:	+	?	n/a	MG/Yr	
Unbilled metered:	+	?	10	35.391	MG/Yr
Unbilled unmetered:	+	?	8	125.297	MG/Yr

Unbilled Unmetered volume entered is greater than the recommended default value

AUTHORIZED CONSUMPTION:

4,046.192 MG/Yr

Click here: ? for help using option buttons below

Pcnt: 1.25% Value: 125.297 MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt: 0.25% Value: MG/Yr

1.30% 142.288 MG/Yr

0.25% MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

770.802

 MG/Yr

Apparent Losses

Unauthorized consumption: 12.042 MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies: 51.643 MG/Yr

Systematic data handling errors: 9.714 MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 73.399 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 697.403 MG/Yr

WATER LOSSES:

770.802 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 931.490 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: 931.2 miles

Number of active AND inactive service connections: 47,390

Service connection density: 51 conn./mile main

Are customer meters typically located at the curbside or property line? Yes

Average length of customer service line: ft

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: 80.4 psi

(length of service line, beyond the property boundary, that is the responsibility of the utility)

COST DATA

Total annual cost of operating water system: \$16,802,755 \$/Year

Customer retail unit cost (applied to Apparent Losses): \$9.64 \$/1000 gallons (US)

Variable production cost (applied to Real Losses): \$603.00 \$/Million gallons ☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 88 out of 100 ***

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources

2: Unauthorized consumption

3: Systematic data handling errors

See independent auditor's report.

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JACKSON ENERGY AUTHORITY - WATER FUND

SCHEDULE OF UNACCOUNTED FOR WATER - UNAUDITED

JUNE 30, 2021

AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0
American Water Works Association.
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Water Audit Report for: **Jackson TN - Jackson Energy Authority (0000299)**

Reporting Year: **2021** **7/2020 - 6/2021**

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 88 out of 100 ***

System Attributes:

	Apparent Losses:	73.399	MG/Yr
	+ Real Losses:	697.403	MG/Yr
	= Water Losses:	770.802	MG/Yr
<div style="display: flex; align-items: center;"> ? Unavoidable Annual Real Losses (UARL): </div> <div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; width: 150px;">356.45</div> <div style="text-align: right;">MG/Yr</div> </div>			
		Annual cost of Apparent Losses:	\$707,569
		Annual cost of Real Losses:	\$420,534
			Valued at Variable Production Cost <small>Return to Reporting Worksheet to change this assumption</small>

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	19.3%	
		Non-revenue water as percent by cost of operating system:	7.3%	
Operational Efficiency:	{	Apparent Losses per service connection per day:	4.24	gallons/connection/day
		Real Losses per service connection per day:	40.32	gallons/connection/day
		Real Losses per length of main per day*:	N/A	
		Real Losses per service connection per day per meter (head) pressure:	0.50	gallons/connection/day/psi
		From Above, Real Losses = Current Annual Real Losses (CARL):	697.40	million gallons/year
		<div style="display: flex; align-items: center;"> ? Infrastructure Leakage Index (ILI) [CARL/UARL]: </div>	1.96	

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline



JACKSON ENERGY AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor	CFDA No.	Contract Number	Expenditures
Federal Awards:			
U S Environmental Protection Agency / Tennessee Department of Environment and Conservation -			
Wastewater - CG4 2016-362**	66.458	CG4-2016-362	25,135
Wastewater - SRF 2016-368**	66.458	SRF 2016-368	<u>241,155</u>
Total EPA			<u>266,290</u>
U.S. Department of Housing and Urban Development / Tennessee Department of Economic and Community Development -			
Wastewater - CDBG-NDR	14.228*	33004-24017	<u>4,002,213</u>
U.S. Department of Homeland Security -			
FEMA / TN Department of the Military -			
TEMA - Disaster Assistance -			
Electric	97.036	113-07C7F-00	115,263
Telecom	97.036	113-07C7F-00	<u>13,327</u>
Total Homeland Security			<u>128,590</u>
Total federal awards			<u>4,397,093</u>
State Financial Assistance:			
Tennessee Dept of Economic and Community Development			
Downtown WIFI Grant Program	N/A	33007-35219	<u>-</u>
Total state financial assistance			<u>-</u>
Total federal awards and state financial assistance			<u>\$ 4,397,093</u>
* - Denotes major program			
** - Loan program			

See Notes on page 123 related to the schedule above.

See independent auditor's report.



JACKSON ENERGY AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) includes the Federal and State award activity of Jackson Energy Authority under programs of the Federal and State government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jackson Energy Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jackson Energy Authority.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Jackson Energy Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2021

Number	Company	Revenue	Consumption (kWh)	Peak Demand (kW)
1	Owens Corning	\$ 8,262,073	169,172,537	21,694
2	Kellogg Company	6,145,880	131,599,167	21,254
3	West TN Healthcare	5,187,997	72,260,031	10,190
4	Pinnacle Foods	2,180,546	38,875,513	6,330
5	Bodine Aluminum	1,881,756	36,667,560	6,446
6	Equistar (Lyondell Basell)	1,827,251	31,387,393	4,990
7	Berry Plastics	1,722,444	35,963,543	5,850
8	Carlstar (Carlisle Transportation)	1,597,998	25,127,679	5,022
9	US Farathane	1,185,475	16,666,126	3,211
10	UGN	<u>1,129,052</u>	<u>16,116,385</u>	<u>3,268</u>
Total		<u>\$ 31,120,472</u>	<u>573,835,934</u>	<u>88,255</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2021

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (ccf)</u>
1	West TN Healthcare	\$ 1,421,818	3,760,964
2	Carlstar (Carlisle Transportation)	613,117	1,649,290
3	Kellogg Company	410,452	12,382,404
4	Gerdau Ameristeel	403,231	11,738,780
5	Metal Technologies (Jackson Die Casting)	306,048	783,914
6	Dement Construction	287,679	656,525
7	Tennalum	280,148	699,008
8	Stanley Black & Decker	258,525	537,583
9	Most	215,315	5,312,561
10	Foam Fabricators	<u>182,847</u>	<u>486,568</u>
Total		<u>\$ 4,379,180</u>	<u>38,007,597</u>



JACKSON ENERGY AUTHORITY - WATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2021

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellogg Company	\$ 417,119	327,589,800
2	West TN Healthcare	395,034	253,449,000
3	JHA	112,539	21,978,000
4	Cherry Grove	111,296	16,968,000
5	Pinnacle Foods	78,589	53,904,800
6	Delta Faucet Company	62,713	41,084,600
7	Equistar (Lyondell Basell)	51,461	33,027,900
8	Bodine Aluminum	38,809	18,805,800
9	Stanley Black & Decker	30,857	11,871,500
10	Carlstar (Carlisle Transportation)	<u>27,874</u>	<u>12,267,200</u>
Total		<u>\$ 1,326,291</u>	<u>790,946,600</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2021

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellogg Company	\$ 1,135,520	286,469,000
2	West TN Healthcare	759,416	180,205,000
3	Owens Corning	269,488	61,444,200
4	Pinnacle Foods	228,849	42,680,200
5	Union University	178,150	28,424,100
6	Delta Faucet Company	171,956	41,084,600
7	Gerdau Ameristeel	144,504	30,951,800
8	Cherry Grove	124,412	16,731,100
9	Vorteq Coil Finishers (Wismarq)	118,897	25,656,500
10	Equistar (Lyondell Basell)	<u>118,081</u>	<u>28,808,000</u>
Total		<u>\$ 3,249,273</u>	<u>742,454,500</u>



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2021

<u>Number</u>	<u>Company</u>	<u>Revenue</u>
1	Jackson Madison County Schools	\$ 503,130
2	Jackson Madison County General Hospital	370,383
3	Jackson Energy Authority	242,783
4	Union University	140,228
5	Iris Networks	107,048
6	Lane College	100,100
7	Windstream	96,828
8	City of Jackson	62,760
9	Kirklands Distribution Center	39,457
10	SM Stonewater LLC	<u>27,974</u>
Total		<u>\$ 1,690,691</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
HISTORICAL BOND COVERAGE - UNAUDITED
 Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements	Bond Debt Service Coverage
2021	\$ 140,839,844	\$ 121,640,493	\$ 19,199,351	\$ 3,832,579	5.01
2020	142,818,999	122,384,312	20,434,687	3,834,829	5.33
2019	149,192,922	124,588,579	24,604,343	3,843,381	6.40
2018	147,981,222	126,951,637	21,029,585	3,845,858	5.47
2017	150,733,256	131,153,107	19,580,149	3,852,981	5.08
2016	143,976,091	127,302,979	16,673,112	3,849,806	4.33
2015	144,955,442	130,644,761	14,310,681	2,704,996	5.29
2014	148,380,900	132,246,070	16,134,830	2,723,563	5.92
2013	152,144,653	132,359,558	19,785,095	2,718,273	7.28
2012	148,912,142	132,330,615	16,581,527	2,684,009	6.18
2011	146,213,955	130,836,349	15,377,606	2,600,810	5.91

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
HISTORICAL BOND COVERAGE - UNAUDITED
 Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2021	\$ 36,445,785	\$ 25,995,973	\$ 10,449,812	\$ 1,599,481	6.53
2020	33,819,750	23,429,362	10,390,388	1,592,681	6.52
2019	37,620,832	23,400,241	14,220,591	1,596,982	8.90
2018	39,130,511	26,833,175	12,297,336	2,662,298	4.62
2017	33,398,799	23,753,565	9,645,234	2,973,780	3.24
2016	30,579,094	21,694,038	8,885,056	2,073,664	4.28
2015	40,196,022	29,564,497	10,631,525	1,772,590	6.00
2014	42,753,752	31,871,234	10,882,518	1,815,053	6.00
2013	36,296,080	28,274,573	8,021,507	1,834,490	4.37
2012	32,567,669	26,019,675	6,547,994	1,743,735	3.76
2011	40,925,100	31,758,664	9,166,436	2,002,452	4.58

*Debt service requirements include scheduled FDA purchases on restructured 2002 bonds through FY 2018.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
HISTORICAL BOND COVERAGE - UNAUDITED
 Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2021	\$ 19,344,413	\$10,767,973	\$ 8,576,440	\$ 2,431,750	3.53
2020	18,238,792	10,161,039	8,077,753	2,428,875	3.33
2019	18,191,841	7,510,855	10,680,986	2,431,500	4.39
2018	18,205,716	8,773,410	9,432,306	2,159,380	4.37
2017	17,374,105	8,969,063	8,405,042	2,399,885	3.50
2016	16,282,097	8,668,838	7,613,259	2,423,434	3.14
2015	15,668,748	8,227,527	7,441,221	2,406,026	3.09
2014	15,572,377	8,187,044	7,385,333	2,366,727	3.12
2013	15,688,563	8,346,977	7,341,586	2,362,853	3.11
2012	15,658,913	8,442,736	7,216,177	2,238,915	3.22
2011	14,940,671	8,199,293	6,741,378	2,618,281	2.57

*Debt service requirements include scheduled FDA purchases on restructured 2002 bonds through FY 2018.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
HISTORICAL BOND COVERAGE - UNAUDITED
 Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2021	\$ 21,390,299	\$ 10,541,525	\$ 10,848,774	\$ 3,178,315	3.41
2020	19,849,304	10,343,343	9,505,961	3,383,433	2.81
2019	20,013,671	7,943,542	12,070,129	3,348,995	3.60
2018	19,477,909	9,765,719	9,712,190	3,114,060	3.12
2017	18,609,493	10,255,522	8,353,971	3,091,008	2.70
2016	17,580,348	10,409,127	7,171,221	2,917,572	2.46
2015	16,522,508	9,626,966	6,895,542	2,822,641	2.44
2014	16,465,791	9,203,891	7,261,900	2,764,853	2.63
2013	16,361,448	9,271,032	7,090,416	2,750,209	2.58
2012	16,262,052	8,970,037	7,292,015	2,421,352	3.01
2011	15,053,751	8,422,232	6,631,519	3,617,876	1.83

*Debt service requirements include scheduled FDA purchases on restructured 2002 bonds through FY 2018.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
HISTORICAL BOND COVERAGE - UNAUDITED
 Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2021	\$ 33,204,247	\$ 23,139,422	\$ 10,064,825	\$ 5,600,699	1.80
2020	32,968,189	22,706,830	10,261,359	5,604,407	1.83
2019	32,999,028	20,488,259	12,510,769	5,602,242	2.23
2018	32,618,209	21,181,532	11,436,677	5,599,407	2.04
2017	31,886,223	20,091,045	11,795,178	5,602,227	2.11
2016	30,693,812	18,811,117	11,882,695	5,599,825	2.12
2015	29,308,109	17,292,347	12,015,762	5,592,500	2.15
2014	28,330,344	15,840,806	12,489,538	6,531,415	1.91
2013	27,030,689	14,499,956	12,530,733	5,762,603	2.17
2012	24,842,924	13,649,716	11,193,208	5,609,141	2.00
2011	22,950,556	13,637,819	9,312,737	6,172,053	1.51

*Prior to the 2013 refunding, debt service requirements include level principal payments on the 2009 term loan.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SALES AND DEMAND IN HOURS - UNAUDITED
 JUNE 30, 2021

Sales in Megawatt Hours and Maximum Demand in Kilowatts

Fiscal Year	Residential	Commercial	Industrial	Other	Total MWH Sales	Maximum Hourly Demand
2002	351,551	97,851	1,186,408	21,342	1,657,152	338,454
2003	368,478	102,544	1,147,926	21,136	1,640,084	340,719
2004	372,854	102,946	1,171,336	16,489	1,663,625	340,812
2005	363,280	103,821	1,192,898	22,359	1,682,358	348,978
2006	398,650	104,461	1,247,173	23,099	1,773,383	360,538
2007	395,826	104,709	1,253,314	23,664	1,777,513	374,650
2008	408,688	106,085	1,218,351	24,168	1,757,292	380,812
2009	381,427	102,742	1,149,411	24,294	1,657,874	363,467
2010	390,525	104,623	1,137,967	24,463	1,657,578	340,194
2011	410,826	105,788	1,185,504	24,946	1,727,064	374,389
2012	391,945	102,799	1,201,438	24,472	1,720,654	372,145
2013	401,507	100,898	1,187,245	24,855	1,714,505	358,354
2014	401,424	103,009	1,195,160	25,175	1,724,768	331,896
2015	386,645	103,674	1,173,617	24,934	1,688,870	347,370
2016	385,076	101,606	1,163,774	25,919	1,676,375	361,665
2017	396,576	103,472	1,206,174	25,467	1,731,689	356,298
2018	405,880	100,755	1,169,926	24,999	1,701,560	354,506
2019	402,230	104,766	1,163,821	23,836	1,694,653	352,735
2020	393,335	102,794	1,108,230	22,325	1,626,684	354,569
2021	395,035	100,892	1,132,181	21,301	1,649,409	340,875

The total distribution substation capacity of the Electric Fund is 569,500 KVA.

The maximum peak hour load was 380,812 kilowatts during August 2007.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SALES AND TRANSPORT IN MCF - UNAUDITED
 JUNE 30, 2021

Sales and Transport in MCF

Fiscal Year	Residential	Commercial Firm	Commercial Interruptible	Industrial Firm	Industrial Interruptible	Index	Transport	Total MCF Sales and Transport
2002	1,675,493	1,050,501	137,308	283,876	381,120	-	3,756,229	7,284,527
2003	1,926,878	1,201,600	140,340	290,630	179,318	-	3,664,677	7,403,443
2004	1,719,125	1,074,381	137,927	265,763	161,008	-	3,699,949	7,058,153
2005	1,651,537	1,063,757	142,473	285,888	190,814	-	3,661,028	6,995,497
2006	1,558,479	1,048,176	139,853	270,090	190,154	-	3,951,434	7,158,186
2007	1,661,117	1,124,038	153,477	261,625	160,521	-	3,825,488	7,186,266
2008	1,679,112	1,129,076	160,192	240,722	139,983	-	3,553,418	6,902,503
2009	1,738,402	1,154,754	208,886	198,379	151,854	-	2,951,205	6,403,480
2010	1,892,070	1,207,028	226,589	165,386	183,420	-	3,330,644	7,005,137
2011	1,769,444	1,171,214	125,184	164,145	143,740	270,988	3,370,940	7,015,655
2012	1,341,224	926,399	19,054	122,863	95,284	562,412	3,354,823	6,422,059
2013	1,735,103	1,111,525	22,877	134,770	81,227	553,290	3,219,769	6,858,561
2014	2,033,253	1,295,125	24,967	142,531	49,077	637,888	3,426,031	7,608,872
2015	1,919,559	1,175,216	23,307	223,631	34,189	608,263	3,361,238	7,345,403
2016	1,406,863	917,704	26,104	145,953	5,108	744,246	3,232,839	6,478,817
2017	1,312,456	868,965	26,705	150,114	5,847	761,364	3,316,291	6,441,742
2018	1,791,595	1,132,611	27,183	188,236	6,305	806,118	3,372,748	7,324,796
2019	1,760,153	1,143,645	26,918	141,219	5,744	812,156	3,645,531	7,535,366
2020	1,681,539	1,145,397	23,171	78,591	7,831	798,643	3,605,457	7,340,629
2021	1,807,895	1,212,166	24,568	69,668	5,602	804,795	3,995,402	7,920,096

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
SALES IN MGAL - UNAUDITED
 JUNE 30, 2021

Sales in MGallons Sold				
<u>Fiscal Year</u>	<u>Residential</u>	<u>General</u>	<u>Wholesale</u>	<u>Total MGal Sales</u>
2002	2,174,569	2,066,502	63,781	4,304,852
2003	2,088,804	1,899,942	39,233	4,027,979
2004	2,094,432	1,895,104	30,658	4,020,194
2005	2,122,081	1,838,164	29,006	3,989,251
2006	2,151,896	1,830,454	88,228	4,070,578
2007	2,199,369	1,824,042	62,838	4,086,249
2008	2,296,623	1,919,336	87,122	4,303,081
2009	2,134,984	1,728,370	57,317	3,920,671
2010	2,085,807	1,673,666	45,163	3,804,636
2011	2,137,664	1,685,208	22,404	3,845,276
2012	2,122,564	1,861,137	20,533	4,004,234
2013	2,066,030	1,804,529	14,996	3,885,555
2014	1,978,628	1,803,269	14,469	3,796,366
2015	1,941,743	1,769,753	13,490	3,724,986
2016	1,984,253	1,785,974	12,945	3,783,172
2017	1,984,669	1,841,121	13,087	3,838,877
2018	2,054,161	1,860,941	12,538	3,927,640
2019	1,989,414	1,786,315	12,862	3,788,591
2020	2,055,315	1,746,955	26,100	3,828,370
2021	2,128,227	1,757,277	16,460	3,901,964

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SALES IN MGAL - UNAUDITED
 JUNE 30, 2021

Sales in MGallons Sold			
<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total MGal Sales</u>
2002	1,481,843	1,701,359	3,183,202
2003	1,514,570	1,540,459	3,055,029
2004	1,522,707	1,583,672	3,106,379
2005	1,542,271	1,551,917	3,094,188
2006	1,551,418	1,517,170	3,068,588
2007	1,579,025	1,511,976	3,091,001
2008	1,600,485	1,543,193	3,143,678
2009	1,548,879	1,425,165	2,974,044
2010	1,549,066	1,358,828	2,907,894
2011	1,558,260	1,403,100	2,961,360
2012	1,537,265	1,473,973	3,011,238
2013	1,520,525	1,439,529	2,960,054
2014	1,467,342	1,393,828	2,861,170
2015	1,450,459	1,364,855	2,815,314
2016	1,479,741	1,391,578	2,871,319
2017	1,482,059	1,383,279	2,865,338
2018	1,515,983	1,385,289	2,901,272
2019	1,470,908	1,373,265	2,844,173
2020	1,507,084	1,332,524	2,839,608
2021	1,541,476	1,494,867	3,036,343



JACKSON ENERGY AUTHORITY
NUMBER OF CUSTOMERS - UNAUDITED
 JUNE 30, 2021

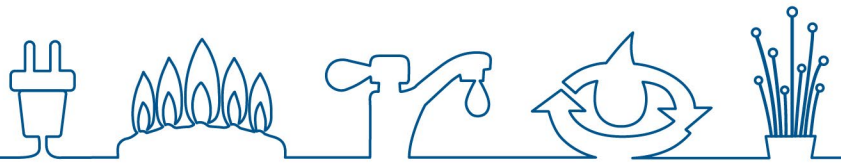
Fiscal Year	Electric	Gas		Water	Wastewater	Telecommunications		
		Natural Gas	Propane			Cable	Data	Telephone
2010	33,804	29,253	3,020	35,643	27,707	16,371	8,543	6,008
2011	33,806	29,251	3,017	35,796	27,813	15,675	10,392	6,328
2012	34,541	29,482	2,927	36,094	28,072	15,799	11,172	6,592
2013	34,865	29,815	2,982	35,746	28,653	15,965	11,743	6,608
2014	34,865	29,876	2,871	36,625	28,510	15,163	12,032	6,525
2015	35,068	29,959	2,890	35,841	28,321	14,728	12,976	6,429
2016	35,544	30,179	2,862	36,154	28,557	14,768	13,745	6,247
2017	36,016	31,178	2,809	36,433	29,237	13,795	14,445	6,135
2018	35,699	30,383	2,995	35,931	29,214	12,992	15,029	5,817
2019	35,475	31,135	2,734	36,943	29,733	12,389	15,459	5,527
2020	36,003	30,793	2,735	37,374	30,066	11,789	16,261	5,414
2021	36,091	31,691	2,737	37,791	30,529	10,723	17,087	5,246

See independent auditor's report.



JACKSON ENERGY AUTHORITY
SCHEDULE OF TRANSFERS
For the Year Ended June 30, 2021

From Fund	To Fund	Purpose	Amount
Electric Fund	Telecommunications Fund	Automated Metering Infrastructure Fees	\$ 304,166
Electric Fund	City of Jackson	In Lieu of Tax Payments	4,129,382
Gas Fund	City of Jackson	In Lieu of Tax Payments	1,466,155
Water Fund	City of Jackson	In Lieu of Tax Payments	190,905
Wastewater Fund	City of Jackson	In Lieu of Tax Payments	211,354
Telecommunications Fund	City of Jackson	In Lieu of Tax Payments	411,870
Telecommunications Fund	Electric Fund	Credit Enhancement Fees	16,587
Telecommunications Fund	Electric Fund	Interest on Debt Service Reserve Note	166,650
Telecommunications Fund	Electric Fund	Pole Attachments	411,551
Telecommunications Fund	Electric Fund	Rent	72,449
Telecommunications Fund	Gas Fund	Rent	63,667
Telecommunications Fund	Water Fund	Rent	48,229
Telecommunications Fund	Wastewater Fund	Rent	35,127
Total Transfers			<u>\$ 7,528,092</u>



ANNUAL
REPORT

2021

Internal Control & Compliance



Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

To the Board of Directors
Jackson Energy Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Jackson Energy Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 31, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Jackson Energy Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alexander Thompson Arnold PLLC

Jackson, Tennessee

October 31, 2021



Independent Auditor's Report On Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Jackson Energy Authority

Report on Compliance for Each Major Federal Program

We have audited Jackson Energy Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jackson Energy Authority's major federal programs for the year ended June 30, 2021. Jackson Energy Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jackson Energy Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jackson Energy Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jackson Energy Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Jackson Energy Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Jackson Energy Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jackson Energy Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jackson Energy Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Jackson, Tennessee
October 31, 2021



JACKSON ENERGY AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Type of auditor’s report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a). ☐ yes ☒ no

Identification of major programs:

<u>Program Name</u>	<u>CFDA No.</u>
Environmental Protection Agency	14.228

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no



JACKSON ENERGY AUTHORITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2021

FINANCIAL STATEMENT FINDINGS

None reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



JACKSON ENERGY AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

FINANCIAL STATEMENT FINDINGS

There were no prior year findings reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings reported.