



Jackson Energy Authority
One thing you can count on.

03-00438



KEEPING THE FOCUS

FINANCIAL STATEMENTS & SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDING JUNE 30, 2024

FROM THE PRESIDENT & CEO

In fiscal year 2024, Jackson observed sustained and accelerated growth. A series of industry announcements, groundbreaking ceremonies, and expansions within the industrial sector have played a significant role in this progress. These developments have not only increased employment opportunities but also led to significant capital investment in infrastructure. As a result, the quality of life for our residents has been greatly enhanced. Jackson now serves as a prime example of how strategic industry expansion can transform a community into a dynamic and prosperous hub.

For instance, Georgia-Pacific officially began production at their Dixie Jackson plant in June of this year, creating approximately 220 new jobs. Georgia-Pacific, in partnership with Leaders Education Foundation, offers scholarships for students at Tennessee's technical colleges, benefiting the community and their employees. In April 2023, 6K Energy, a company that manufactures an advanced plasma cathode system, announced plans to open a facility in Madison County on James Lawrence Road, near the McKellar-Sipes Regional Airport. The groundbreaking ceremony occurred in June 2023. 6K Energy is expected to create 230 new jobs in Madison County to support operations at the new plant, which will be the world's first UniMelt® plasma cathode plant, offering cost-effective and ultra-sustainable production of battery materials for localized supply chains in the United States. Lastly, in late June 2024, CleanSpark, Inc., completed the acquisition of GRIID Infrastructure Inc. This bitcoin mining venture will be the first of its kind in Jackson, and is anticipated to increase electricity sales, bolster Jackson Energy Authority revenues, and generate additional tax receipts for the city without imposing costs on ratepayers, as CleanSpark has covered the expenses for its substation and other upgraded electric infrastructure.

In addition to the inflow of industrial growth in Jackson, the weather continued to keep our utility busy in fiscal year 2024. Winter Storm Heather triggered major havoc, causing TVA to reach an all-time generation peak on January 17th at 34,526MW, which exceeded the previous record set in August 2007 by more than 1,000MW. TVA recorded the second highest peak on January 21st at 34,284MW. JEA's Natural Gas system set an all-time delivery peak of 62,754 MMBTU on January 16th, and during this time JEA saw 3 of our 5 all-time peak flow days. JEA's Water System also saw the 2nd highest water system peak on January 19th at 21.598 MGD.

JEA's individual systems remained busy in fiscal year 2024 with upgrades, expansions, and new construction. The Electric Division replaced a failed unit for the Oakfield Substation, upgraded the aging underground electric distribution system in the Fair Oaks Subdivision, and concluded the design and procurement of the transformer and breakers for a transformer bank at JEA's McKellar Substation that will serve 6K Energy. Additionally, construction was completed on a transformer bank addition to the Madison West Substation to supply electric service to Dixie Jackson. A project to replace switchgear,

cabling, breakers, and other equipment for Owens Corning's furnace rebuild was executed from June to August 2024. The Electric Division continued converting street, security, and flood lights from high-pressure sodium and metal halide lights to LED lighting as failures occurred.

The Gas Division completed several significant projects in fiscal year 2024, including the installation of new main lines along Highway 45 South and Youth Town Road, the renewal of main lines and services for the Westover Road replacement project, and the completion of the Bemis Phase III-IV System Replacement. Additionally, the Gas Division installed numerous AMI meters to enable remote meter reading and reduce meter reading expenses. The Division also achieved substantial annual savings on wholesale gas costs by resetting three natural gas supply prepay contracts, bringing total annual savings from five prepay gas supply contracts to over \$1 million.

The Water Division undertook several key projects in fiscal year 2024, including the rehabilitation and foundation repairs on the Bedford White Water Tank to ensure domestic water and fire flow in the northeast portion of the water system and relocation of ductile iron pipe at Interstate 40 and Hollywood Drive. Replacement of the East Aerator at the South Water Treatment Plant with a stainless-steel structure was also completed. Throughout the year, the Division continued deploying and purchasing ERT modules, as well as maintaining and improving water mains and wells. The Water Division also implemented a 4.5% rate increase as outlined in the fiscal year 2024 budget.

In fiscal year 2024, the Wastewater Division began various significant initiatives. A construction contract was approved for a plant maintenance building at the Miller Wastewater Treatment Plant, and the design for the new Bio-solids Dryer Project continued, with the Division actively seeking funding opportunities through state and federal loans and grants. The Division purchased a new easement machine, acquired two clarifier covers for the Miller Wastewater Treatment Plant, and obtained bar screens for the Middle Fork Wastewater Treatment Plant. This fiscal year also included various wastewater collection system rehabilitation and replacement projects in several areas. Lastly, the Wastewater Division completed the replacement of wastewater lift station pumps and controls.

For the Telecommunications Division, a sizable extension of the West Fiber Optic Transport Route was completed in fiscal year 2024, enhancing connectivity and network reliability in the western region. The Division also enlarged its service coverage to multiple apartment complexes. The H8 Fiber Optic Transport Route was extended to serve the Ashport Rd. area, boosting connectivity for businesses and residents, and supporting economic growth and community development. The Division launched a Drone Inspection Program, enabling efficient and effective inspections of fiber optic routes and other critical infrastructure, safeguarding peak performance and early detection of potential issues. Additionally, the Telecommunications Division installed services in numerous homes within the new Summit Development.

Upon transitioning into the role of President & CEO in 2023, I focused on four key strategies to enhance the culture, productivity, and success of Jackson Energy Authority. Over the past two years, Senior Management concentrated on developing and implementing initiatives centered around Customer Service, Employee Culture, Diversity, and Innovation. Road maps for each strategy have been developed, committees established, employee engagement increased, and a comprehensive customer survey conducted to gather feedback from all JEA customers. Fiscal year 2024 has introduced many positive changes for the organization and the community, with continued efforts towards exceptional customer service anticipated to result in further successes in 2025.



Monte Cooper, President/CEO
Jackson Energy Authority



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BOARD OF DIRECTORS



**CHAIR
MONTE
JONES**



**VICE CHAIR
PAM
FINNEY**



**BILL
KIPP**



**ANDRE
GIST**



**LOGAN
HAMPTON**

MANAGEMENT TEAM

- Monte Cooper - President & Chief Executive Officer
- Ryan Porter - Senior Vice President & Chief Operating Officer
- Mechele Williams - Senior Vice President & Chief Financial Officer
- Mike Baughn - Senior Vice President & Chief Technology Officer
- Ted Austin - Senior Vice President & Chief Customer Officer
- Lara Coleman - 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
- Stacy Scoggins - Corporate Secretary
- Hameen Harris - Vice President, Engineering
- Robert Mullins - Vice President, Operations
- John Nanney - Vice President, Economic & Industrial Development

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ATA CPAs + Advisors PLLC



SYSTEM HIGHLIGHTS

ELECTRIC

During fiscal year 2024, consulting work continued on the electric division's 5-year long-range plan.

A replacement unit for the Oakfield Substation 161-kV transformer, which failed in 2022, was received and is currently undergoing testing prior to being placed in service this fall.

The design and construction project to upgrade the aging underground electric distribution system in the Fair Oaks Subdivision was completed. This project involved converting distribution-type transformers in underground vaults to above-ground padmount transformers and replacing all underground primary conductors. Replacement of electric services to the houses is expected to be finished in the fall of fiscal year 2025.

The Electric Division finalized the design and procurement of the transformer, breakers, and other miscellaneous materials for a 12.4 kV transformer bank at JEA's McKellar Substation. This will serve 6K Energy, a new battery material manufacturing facility set to begin construction later this year. Construction was also completed on a 12.4 kV transformer bank addition to the Madison West Substation, which will supply electric service to Dixie Jackson, a new paper products manufacturer.

A three-month project to replace switchgear, cabling, breakers, and other equipment for Owens Corning's furnace rebuild project began in June 2024 and is scheduled for completion by August 2024.

Lastly, the Electric Division continued the conversion of street, security, and flood lights from high-pressure sodium (yellow) lights and metal halide (white) lights to LED lighting as failures occurred.

GAS

During fiscal year 2024, the Gas Division installed approximately 10,440 feet of main along Highway 45 South and Youth Town Rd.

Gas Rate Schedule modifications, including new pro forma contracts for industrial customers, were approved by the Board.

The Gas Division saw an increase in annual savings on wholesale gas costs of over \$380,000 due to the resetting of three natural gas supply prepay contracts. Total annual savings from five prepay gas supply contracts now exceeds \$1 million.

The Westover Road Replacement project was completed, renewing approximately 13,600 feet of main and 43 services. The Gas Division also completed the Bemis Phase III-IV System Replacement, which amounted to approximately 9,800 feet of main and 112 services.

Lastly, in fiscal year 2024, the Gas Division installed over 2,700 AMI meters to help provide the technology to read meters remotely and minimize meter reading expense.

WATER

In fiscal year 2024, the Water Division replaced the East Aerator at the South Water Treatment Plant with a stainless-steel structure. Rehabilitation and foundation repairs were completed on the Bedford White Water Tank in order to provide domestic water and fire flow in the northeast portion of the water system. Additionally, as a result of bridge construction at Interstate 40 and Hollywood Drive, the Water Division relocated 24-inch ductile iron pipe.

The deployment and purchase of ERT modules continued during the fiscal year as well as regular maintenance and improvement of water mains and wells.

As planned in the fiscal year 2024 budget, the Water Division implemented a 4.5% rate increase.

WASTEWATER

In fiscal year 2024, the Wastewater Division purchased a new easement machine to clean and maintain sewer lines off-road and in backyards. The Division also acquired two clarifier covers for Miller Wastewater Treatment Plant and bar screens for Middle Fork Wastewater Treatment Plant.

The contract for grease trap pumping and hauling was renewed, and construction contracts were approved for a plant maintenance building at Miller Wastewater Treatment Plant. Design for the new Bio-solids Dryer Project continued as the Division continually sought funding opportunities through the State Revolving Fund (SRF) loan program and Economic Development Agency (EDA).

Fiscal year 2024 also included various wastewater collection system rehab and replacement projects in the following areas: Vanden St., McCowat St., Otis St., Hicksville area along Sandy Creek basin, Arlington St., Burkett St., Morgan St., and Anderson Branch basin.

Lastly, the Wastewater Division completed the replacement of wastewater lift station pumps and controls for McClellan, Double Bridges, and Cotton Ridge Lift Stations.

TELECOMMUNICATIONS

In fiscal year 2024, the Telecommunications Division successfully completed a significant extension of the West Fiber Optic Transport Route. The project involved laying 24,000 feet of fiber optic cable, enhancing connectivity and network reliability in the western region.

The Telecommunications Division also expanded its service coverage by extending fiber optic services to four apartment complexes, encompassing a total of 888 units. This initiative has provided high-speed Internet access to numerous residents, improving their connectivity and quality of life.

In an effort to enhance infrastructure maintenance and monitoring, a Drone Inspection Program was launched. This innovative approach allows for efficient and thorough inspections of fiber optic routes and other critical infrastructure, ensuring optimal performance and early detection of potential issues.

The H8 Fiber Optic Transport Route was extended to serve the Ashport Rd. area, further expanding JEA Telecommunications' network reach. This extension has improved connectivity for businesses and residents in the Ashport Rd. area, supporting economic growth and community development.

In fiscal year 2024, the Division was awarded the Jackson-Madison County School District bid for Internet and connectivity for a three-year term with optional extensions.

Lastly, the Telecommunications Division installed services in over 85 homes of the new 500-home Summit Development as a result of excellent working relationships with developers.



FINANCIALS



FINANCIAL STATEMENTS & SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDING JUNE 30, 2024



Independent Auditor's Report

To the Board of Directors
Jackson Energy Authority

Report on the Audit of the Financial Statements

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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, 2024, 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.

Basis for Opinions

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, 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.

Supplementary 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 financial information listed as supplementary and other information in the Table of Contents except that which is marked unaudited, including the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, except that which is marked unaudited, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the supplementary and other information which has been marked "unaudited" as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, 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.

ATA, PLLC

Jackson, Tennessee
October 31, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of 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, 2024. 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 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.



REQUIRED FINANCIAL STATEMENTS (Continued)

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, 2024 were \$235.9 million and exceeded liabilities and deferred inflows of resources in the amount of \$170 million (i.e. net position).
- Net position increased \$9.5 million during the current year. Restricted net position is \$563 thousand.
- Unrestricted net position decreased by \$9.9 million.
- Operating revenues were \$156.6 million for 2024, a decrease from 2023 in the amount of \$8.7 million or 5.3%.
- Operating expenses were \$151.7 million for 2024, a decrease from 2023 in the amount of \$8.2 million or 5.2%.

FINANCIAL ANALYSIS – ELECTRIC FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2024:

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 68,289,308	\$ 81,100,304	\$ (12,810,996)	-15.80%
Capital assets	157,052,013	149,127,438	7,924,575	5.31%
Total assets	225,341,321	230,227,742	(4,886,421)	-2.12%
Deferred outflows of resources	10,582,327	14,594,736	(4,012,409)	-27.49%
Long-term liabilities	29,074,704	51,587,105	(22,512,401)	-43.64%
Other liabilities	31,821,274	28,366,267	3,455,007	12.18%
Total liabilities	60,895,978	79,953,372	(19,057,394)	-23.84%
Deferred inflows of resources	5,012,611	4,317,162	695,449	16.11%
Net position:				
Net investment in capital assets	154,371,344	125,776,379	28,594,965	22.73%
Restricted for capital projects	302	78,352	(78,050)	-99.61%
Restricted for debt service	562,678	9,746,703	(9,184,025)	-94.23%
Unrestricted	15,080,735	24,950,510	(9,869,775)	-39.56%
Total net position	\$ 170,015,059	\$ 160,551,944	\$ 9,463,115	5.89%

Current and other assets decreased by \$12.8 million primarily due to:

- 1) Debt service funds decreased by \$9.3 million due to paying off the Series 2014 bonds.
- 2) Cash decreased by \$5.9 million due to paying off the Series 2014 bonds.
- 3) Offsetting 1) and 2) above somewhat was an increase in unbilled revenue of \$1.1 million.

Deferred outflows decrease is due almost entirely to the net difference between expected and actual earnings from Plan investments.



FINANCIAL ANALYSIS – ELECTRIC FUND (Continued)

Long-term liabilities decreased by \$22.5 million due to:

- 1) Bonds payable decreased by \$18.6 million due to paying off the Series 2014 bonds.
- 2) Pension liability decreased by \$1.3 million due to income on plan assets.
- 3) OPEB liability decreased by \$2.5 million due to income on plan assets.

Other liabilities increase is due mostly to an increase in deferred revenues. The Authority received a payment of \$3.1 million from Silicon Ranch for future maintenance.

Major capital additions during the fiscal year included the following:

- Jones Creek Substation \$5.0 million
- Electric Meters \$1.0 million
- Madison West Substation \$645 thousand

Table 1 on page 11 shows that 90.1% 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 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2024 and 2023:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 156,558,020	\$ 165,274,420	\$ (8,716,400)	-5.27%
Non-operating revenues	2,817,301	1,796,397	1,020,904	56.83%
Contributions	1,923,990	7,485,269	(5,561,279)	-74.30%
Total revenues	161,299,311	174,556,086	(13,256,775)	-7.59%
Operating expenses	151,696,944	159,936,523	(8,239,579)	-5.15%
Non-operating expenses	139,252	782,978	(643,726)	-82.22%
Total expenses	151,836,196	160,719,501	(8,883,305)	-5.53%
Change in net position	9,463,115	13,836,585	(4,373,470)	-31.61%
Beginning net position	160,551,944	146,715,359	13,836,585	9.43%
Ending net position	\$ 170,015,059	\$ 160,551,944	\$ 9,463,115	5.89%

The decrease in operating revenues is due almost entirely to lower fuel cost adjustments from TVA as kWh sold was actually up by 0.2% from 2023.

Non-operating revenues increase is almost entirely due to higher interest income as interest rates increased over 2023.

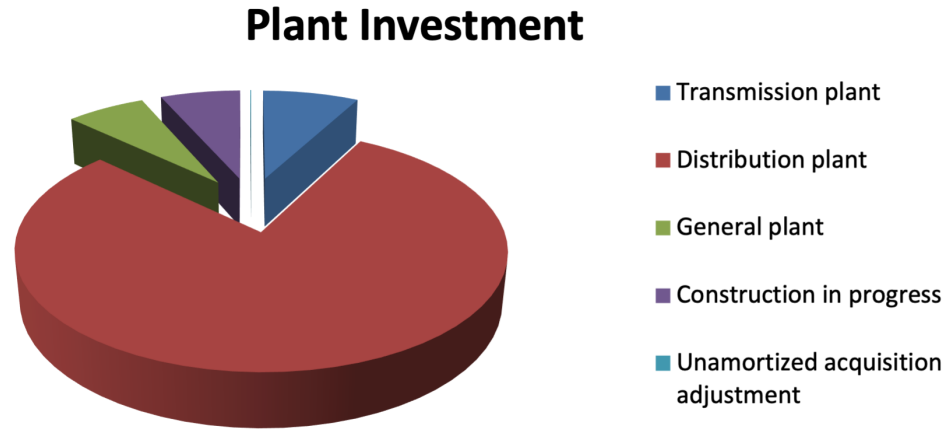
The decrease in operating expenses is due to the lower power cost from TVA.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2024. 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.



Debt Administration

The Fund has outstanding Revenue Bonds and Notes Payable of \$2,580,000 and \$100,669 respectively, as of June 30, 2024. The fund paid off the remaining balance of the 2014 bonds during the fiscal year. Principal payments are due in the upcoming fiscal year in the amount of \$1,389,612, along with interest payments totaling \$36,120. As of June 30, 2024, the debt service restricted assets were \$568,698 for the 2020 bond issue. 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 2025 budget include:

- Sales projections of \$160,348,000.
- Cost of purchased power projections of \$127,998,000.
- No projected rate increase; however, a TVA rate increase of 5.25% is projected in FY 2025.
- Customer projections of 38,761.
- O&M projected expenditures of \$17,089,000.
- Capital expenditure projections of \$19,051,000.
- No additional bond issues are projected.
- The FY 2025 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service coverage ratio of 18.67.

Capital projects for the Electric System in the years following the budget year include expansion of Passmore Lane and McKellar Substations. Passmore Lane Substation will be expanded to meet the commercial growth in the area near the Hwy 45/Hwy 45 By-Pass intersection. McKellar Substation will be expanded to serve the recently announced 6K industrial customer and to prepare the system for an increase of industrial load that will be added in the Hwy 223 Industrial Park. Other system reliability projects that will continue beyond the budget year include underground cable replacements, pole replacements, and distribution line upgrades.

Existing industrial customer expansions and new industrial load will continue to be sought and drive expenses of the Electric System. Older substation transformers and switchgear will be replaced as they near end of life. 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 \$156 million and exceeded liabilities and deferred inflows of resources in the amount of \$109.8 million (i.e. net position).
- Net position increased \$3.1 million during the current year.
- Unrestricted net position increased by \$1.6 million during the current year.
- Operating revenues were \$34.2 million, a decrease from 2023 in the amount of \$8.5 million or 19.9%.
- Operating expenses were \$32.7 million, a decrease from 2023 in the amount of \$7.7 million or 19.0%.

FINANCIAL ANALYSIS – GAS FUND

Table 1 below focuses on the Fund’s net position and the changes in net position during 2024:

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 49,676,289	\$ 47,406,135	\$ 2,270,154	4.79%
Capital assets	99,649,045	99,276,474	372,571	0.38%
Total assets	149,325,334	146,682,609	2,642,725	1.80%
Deferred outflows of resources	6,625,872	9,483,718	(2,857,846)	-30.13%
Long-term liabilities	39,217,594	43,099,331	(3,881,737)	-9.01%
Other liabilities	3,356,658	3,275,267	81,391	2.49%
Total liabilities	42,574,252	46,374,598	(3,800,346)	-8.19%
Deferred inflows of resources	3,532,764	2,997,656	535,108	17.85%
Net position:				
Net investment in capital assets	84,203,946	82,738,687	1,465,259	1.77%
Restricted for debt service	83,467	81,006	2,461	3.04%
Unrestricted	25,556,777	23,974,380	1,582,397	6.60%
Total net position	\$ 109,844,190	\$ 106,794,073	\$ 3,050,117	2.86%

Major capital expenditures during the fiscal year included the following:

- | | |
|-------------------------------------|----------------|
| • Bemis Phase III and IV rehab | \$553 thousand |
| • Westover Road replacement | \$540 thousand |
| • Purchase gas ERT’s for gas meters | \$473 thousand |

Deferred outflows decrease is due almost entirely to the net difference between expected and actual earnings from Plan investments.

Long-term liabilities decreased by \$3.9 million primarily due to:

- 1) OPEB liability decreased by \$1.8 million due in large part to the increase in value of plan assets.
- 2) Pension liability decreased by \$1.4 million as plan assets also increased in value.

Table 1 indicates that 76.7% 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 HIGHLIGHTS – GAS FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2024 and 2023:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION				
	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 34,242,956	\$ 42,759,028	\$ (8,516,072)	-19.92%
Non-operating revenues	1,907,067	1,171,295	735,772	62.82%
Contributions in aid	115,491	135,837	(20,346)	-14.98%
Total revenues	<u>36,265,514</u>	<u>44,066,160</u>	<u>(7,800,646)</u>	-17.70%
Operating expenses	32,667,696	40,347,805	(7,680,109)	-19.03%
Non-operating expenses	547,701	557,959	(10,258)	-1.84%
Total expenses	<u>33,215,397</u>	<u>40,905,764</u>	<u>(7,690,367)</u>	-18.80%
Change in net position	3,050,117	3,160,396	(110,279)	-3.49%
Beginning net position	<u>106,794,073</u>	<u>103,633,677</u>	<u>3,160,396</u>	3.05%
Ending net position	<u>\$ 109,844,190</u>	<u>\$ 106,794,073</u>	<u>\$ 3,050,117</u>	2.86%

Operating revenues decreased by 19.9% due to a decrease in gas sales of \$8.5 million from 2023 to 2024. Average usage per residential customer decreased from 57.4 MCF in 2023 to 56.7 MCF in 2024.

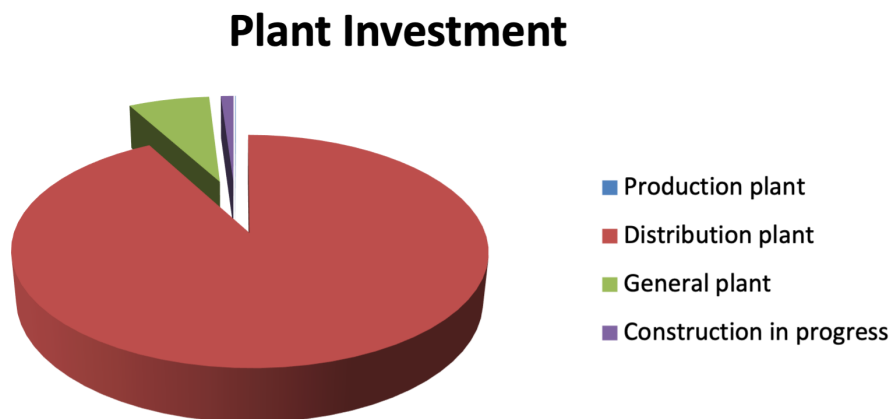
Non-operating revenues increase is almost entirely due to higher interest income as interest rates increased over 2023.

The decrease in operating expenses was driven by a decrease in cost per MCF from \$12.91 in 2023 to \$10.83 in 2024, a decrease of 6.4%. In addition, lower prices per MCF were also 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, 2024. 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 \$14,805,000 as of June 30, 2024. Principal payments are due in the upcoming fiscal year in the amount of \$1,000,000, along with interest payments totaling \$601,381. As of June 30, 2024, debt service restricted assets were \$133,582 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 2025 budget include:

- Sales revenue projections of \$33,841,000.
- Cost of purchased gas projections of \$15,822,000.
- No projected base rate increase.
- Customer projections of 34,354.
- O&M projected expenditures of \$12,034,000.
- Capital expenditure projections of \$6,905,000.
- No additional bond issues are projected.
- The FY 2025 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service ratio of 5.73.

Recurring annual Gas System needs contribute to year-over-year planned capital spending between \$6 and \$7 million. Annual expenses include metering/AMI infrastructure at \$875 thousand, routine installation of service lines at \$1 million, and new gas mains at \$850 thousand each year. Future expansion projects include a main extension along Highway 70W and Providence Road to Interstate 40 at \$800 thousand and 12" beltline expansion projects along Stone Road and Mandy Road in south Madison County totaling \$6.1 million over the 4-year period. Additional system expansions, as well as systematic replacement of aged infrastructure, will continue each year costing between \$920 thousand and \$1.2 million annually from FY 2026-FY 2029.

Gas Division's sales are budgeted conservatively based on weather adjusted historic usage beyond FY 2025. The five year plan does include incremental increased growth in terms of number of customers due to the anticipated secondary growth impact of the Ford Blue Oval investment in Haywood County. Warmer than normal winter weather will continue to be the greatest negative risk to system operating revenues. Current purchased gas costs are projected to remain below \$5.00 per MMBtu through FY 2029. Higher gas cost due to shifts in the supply and demand market fundamentals will be a continued risk. However, the construct of the Gas System's purchase gas adjustment mechanism will enable sales rates to reflect market price changes on a monthly basis.

In addition to planned capital expenditures that will be required, the Gas Division will continue to explore the best options to expand pipeline system supply to ensure that gas is available for future growth. Options include increasing capacity on the Texas Gas lateral into Jackson, contracting for additional capacity on ANR pipeline, and obtaining 3rd party off system storage to help meet peak day demand.

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 \$142.9 million and exceeded liabilities and deferred inflows of resources in the amount of \$117.5 million (i.e. net position).
- Net position increased by \$4.1 million during the current year. Unrestricted net position decreased by \$1.7 million.



FINANCIAL HIGHLIGHTS – WATER FUND (Continued)

- Operating revenues were \$20.2 million, an increase from 2023 in the amount of \$748 thousand or 3.9%.
- Operating expenses were \$16.9 million, an increase from 2023 in the amount of \$698 thousand or 4.3%.

FINANCIAL ANALYSIS – WATER FUND

Table 1 focuses on the Fund's net position and the changes in net position during 2024.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 14,310,783	\$ 16,190,277	\$ (1,879,494)	-11.61%
Capital assets	122,594,539	118,591,976	4,002,563	3.38%
Total assets	136,905,322	134,782,253	2,123,069	1.58%
Deferred outflows of resources	5,992,277	8,596,865	(2,604,588)	-30.30%
Long-term liabilities	19,991,625	23,715,997	(3,724,372)	-15.70%
Other liabilities	2,410,019	3,669,814	(1,259,795)	-34.33%
Total liabilities	22,401,644	27,385,811	(4,984,167)	-18.20%
Deferred inflows of resources	2,946,775	2,551,186	395,589	15.51%
Net position:				
Net investment in capital assets	118,852,088	112,536,726	6,315,362	5.61%
Restricted for capital projects	105,991	-	105,991	-
Restricted for debt service	669,890	1,283,939	(614,049)	-47.83%
Unrestricted	(2,078,789)	(378,544)	(1,700,245)	449.15%
Total net position	\$ 117,549,180	\$ 113,442,121	\$ 4,107,059	3.62%

Current and other assets decrease of \$1.9 million is primarily attributable to a decrease in cash. Cash and cash equivalents on deposit decreased \$1.6 million due to capital spending and debt service payments.

Major capital expenditures during the fiscal year included the following:

- Well rehabs \$1.4 million
- Purchase ERT modules \$503 thousand
- Bemis water main rehab \$500 thousand

Deferred outflows decrease is due almost entirely to the net difference between expected and actual earnings from Plan investments.

Long-term liabilities decreased by \$3.7 million primarily due to:

- 1) OPEB liability decreased by \$1.5 million due in large part to an increase in value of plan assets.
- 2) Pension liability decreased by \$1.1 million as the value of plan assets also increased.
- 3) Bond payments of \$2.2 million in 2024 reduced long-term debt by \$1.2 million.

Other liabilities decrease is due mostly to a reduction in current portion of long-term debt.

Table 1 indicates that 101.1% 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 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2024 and 2023:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 20,168,700	\$ 19,420,400	\$ 748,300	3.85%
Non-operating revenues	444,689	322,688	122,001	37.81%
Contributions	652,555	980,301	(327,746)	-33.43%
Total revenues	21,265,944	20,723,389	542,555	2.62%
Operating expenses	16,903,504	16,205,262	698,242	4.31%
Non-operating expenses	255,381	339,069	(83,688)	-24.68%
Total expenses	17,158,885	16,544,331	614,554	3.71%
Change in net position	4,107,059	4,179,058	(71,999)	-1.72%
Beginning net position	113,442,121	109,263,063	4,179,058	3.82%
Ending net position	\$ 117,549,180	\$ 113,442,121	\$ 4,107,059	3.62%

Non-operating revenues increase is almost entirely due to higher interest income as interest rates increased over 2023.

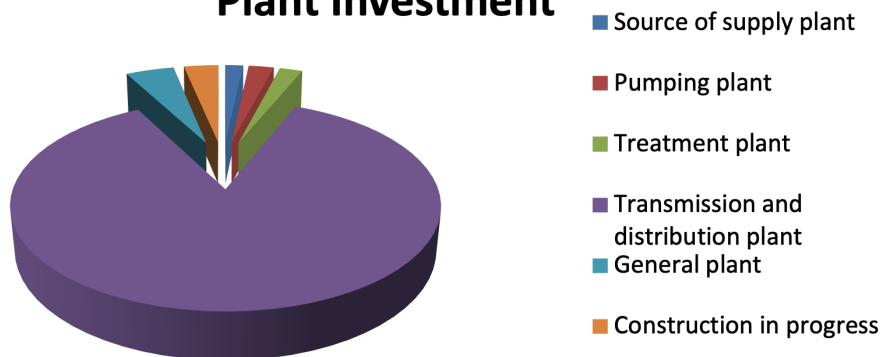
The decrease in non-operating expenses was driven by a decrease in interest expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION – WATER FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2024. 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.

Plant Investment



Debt Administration

The Fund has outstanding revenue bonds of \$3,615,000 as of June 30, 2024. Principal payments in the amount of \$1,145,000, are due in the upcoming fiscal year, along with interest payments totaling \$152,125. As of June 30, 2024, the debt service restricted assets were \$684,952 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 2025 budget include:

- Sales projections of \$20,109,000.
- A rate increase of 4.5% is planned in FY 2025.
- Customer projections of 38,784.
- O&M projected expenditures of \$13,103,000.
- Capital expenditure projections of \$5,175,000.
- No additional bond issues are projected.
- The Fund anticipates State Revolving Loan Fund approval of \$6 million in FY 2025 for a new loan to begin in FY 2026.
- The FY 2025 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service coverage ratio of 6.37.

The Water System has capital projects that will continue beyond the new budget year. New production wells planned at the South Water Plant have been completed to increase capacity to the airport area. A new water tank is planned for Medina in FY 2027. The water meter AMI deployment project will continue over the next four years. Distribution system improvements are ongoing to include cast iron pipe rehabilitation, service line replacements, fire hydrants, and valves. Industrial, commercial, and residential growth will require extending water mains and new service connections. The Water System plans to fund these projects with State Revolving Funds.

Expectations are for a manufacturing facility to begin production and a new hotel water park to begin construction, adding to usage demands. Ongoing challenges for the Water System include replacing any existing lead or galvanized water service lines, additional 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 \$180.2 million and exceeded liabilities and deferred inflows of resources in the amount of \$128.4 million (i.e. net position).
- Net position increased \$5.2 million during the fiscal year.
- Unrestricted net position decreased by \$944 thousand.
- Operating revenues were \$21.2 million, a decrease from 2023 in the amount of \$26 thousand or 0.12%.
- Operating expenses were \$17.6 million, an increase from 2023 in the amount of \$12 thousand or 0.07%.



FINANCIAL ANALYSIS - WASTEWATER FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2024.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 34,423,769	\$ 34,239,948	\$ 183,821	0.54%
Capital assets	139,549,933	136,381,469	3,168,464	2.32%
Total assets	173,973,702	170,621,417	3,352,285	1.96%
Deferred outflows of resources	6,194,113	8,366,374	(2,172,261)	-25.96%
Long-term liabilities	44,674,170	49,503,149	(4,828,979)	-9.75%
Other liabilities	4,566,708	3,967,098	599,610	15.11%
Total liabilities	49,240,878	53,470,247	(4,229,369)	-7.91%
Deferred inflows of resources	2,531,116	2,279,983	251,133	11.01%
Net position:				
Net investment in capital assets	110,033,627	104,126,997	5,906,630	5.67%
Restricted for capital projects	194,574	-	194,574	-
Restricted for debt service	1,420,703	1,419,468	1,235	0.09%
Unrestricted	16,746,917	17,691,096	(944,179)	-5.34%
Total net position	\$ 128,395,821	\$ 123,237,561	\$ 5,158,260	4.19%

Major capital expenditures during the fiscal year included the following:

- Interceptor Rehab \$2.4 million
- Rehab Phase 2 \$376 thousand

Deferred outflows decrease is due almost entirely to the net difference between expected and actual earnings from Plan investments.

Long-term liabilities decreased by \$4.8 million dollars primarily due to:

- 1) OPEB liability decreased by \$1.2 million due to the increase in value of plan assets.
- 2) Pension liability decreased by \$1.0 million as the value of plan assets also increased.
- 3) The remainder of the decrease is attributable to payments on long-term debt.



FINANCIAL ANALYSIS - WASTEWATER FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2024 and 2023:

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

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 21,221,683	\$ 21,247,353	\$ (25,670)	-0.12%
Non-operating revenues	1,311,795	756,488	555,307	73.41%
Contributions	675,235	1,759,065	(1,083,830)	-61.61%
Total revenues	23,208,713	23,762,906	(554,193)	-2.33%
Operating expenses	17,626,243	17,614,565	11,678	0.07%
Non-operating expenses	424,210	522,115	(97,905)	-18.75%
Total expenses	18,050,453	18,136,680	(86,227)	-0.48%
Change in net position	5,158,260	5,626,226	(467,966)	-8.32%
Beginning net position	123,237,561	117,611,335	5,626,226	4.78%
Ending net position	\$ 128,395,821	\$ 123,237,561	\$ 5,158,260	4.19%

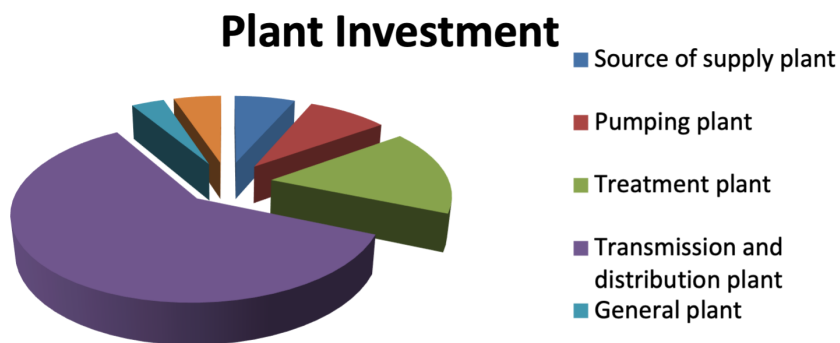
Non-operating revenues increase is almost entirely due to higher interest income as interest rates increased over 2023.

The contributions decrease is related to CDBG grants decreasing \$800 thousand from 2023 to 2024.

CAPITAL ASSETS AND DEBT ADMINISTRATION – WASTEWATER FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2024. 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.



Debt Administration

The Fund has outstanding Revenue Bonds and Notes Payable of \$13,740,000 and \$15,811,552, respectively, as of June 30, 2024. Principal payments in the amount of \$2,763,535 are due in the upcoming fiscal year with interest payments totaling \$307,704 on the Revenue Bonds and the Notes Payable. As of June 30, 2024, the debt service restricted assets total \$1,434,174 for the 2020 bond issue 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 2025 budget include:

- Sales projections of \$20,380,000.
- No projected rate increase.
- Customer projections of 31,360.
- O&M projected expenditures of \$12,308,000.
- Capital expenditure projections of \$7,579,000.
- No additional bond issues are projected.
- The Wastewater Division anticipates State Revolving Loan Fund approval of \$11 million in FY 2025 for a new loan to begin in FY 2026.
- The FY 2025 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service coverage ratio of 3.11.

The Wastewater System's bio-solids dryer equipment purchase of \$7.5 million will be spread over three budget years FY 2025 to FY 2027. Bids for the installation of the equipment will be received during the FY 2025 budget year with construction scheduled to take place in FY 2026 and FY 2027. The total \$16 million project is planned to be financed by the combination of grants and SRF loans.

Included in the total project cost and occurring in FY 2027, a central heating plant (CHP) generator will also be installed at a cost of \$2 million to increase resiliency and reduce dependency on the electric grid at the Miller Wastewater Treatment Plant.

Replacement of the Anderson Branch (AN) interceptor will take place in FY 2026 for a total of \$1.8 million along with a portion of the Industrial East (IE) interceptor at a cost of \$600,000. Rehabilitation projects will continue focusing on annual prioritized projects beginning in FY 2026.

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 \$53.0 million and exceeded liabilities by \$22.1 million (i.e. net position).
- Net position increased by \$1.6 million.
- Unrestricted net position decreased by \$452 thousand.
- Operating revenues were \$35.5 million, an increase from 2023 of \$321 thousand or 0.9%.
- Operating expenses were \$33.7 million, an increase from 2023 of \$215 thousand or 0.64%.



FINANCIAL ANALYSIS - TELECOMMUNICATIONS FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2024.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease) Amount	%
Current and other assets	\$ 19,855,855	\$ 19,870,732	\$ (14,877)	-0.07%
Capital assets	27,535,775	30,384,707	(2,848,932)	-9.38%
Total assets	<u>47,391,630</u>	<u>50,255,439</u>	<u>(2,863,809)</u>	-5.70%
Deferred outflows of resources	<u>5,636,323</u>	<u>8,025,470</u>	<u>(2,389,147)</u>	-29.77%
Long-term liabilities	20,381,359	27,592,386	(7,211,027)	-26.13%
Other liabilities	<u>8,027,219</u>	<u>8,145,773</u>	<u>(118,554)</u>	-1.46%
Total liabilities	<u>28,408,578</u>	<u>35,738,159</u>	<u>(7,329,581)</u>	-20.51%
Deferred inflows of resources	<u>2,560,430</u>	<u>2,065,951</u>	<u>494,479</u>	23.93%
Net position:				
Net investment in capital assets	11,756,718	9,711,189	2,045,529	21.06%
Restricted for debt service	6,764,057	6,774,966	(10,909)	-0.16%
Unrestricted	<u>3,538,171</u>	<u>3,990,644</u>	<u>(452,473)</u>	-11.34%
Total net position	<u>\$ 22,058,946</u>	<u>\$ 20,476,799</u>	<u>\$ 1,582,147</u>	7.73%

Capital assets decreased in 2024 as disposals (net of salvage) exceeded asset additions by \$2.6 million.

Long-term liabilities decreased by \$7.2 million due to:

- 1) OPEB liability decreased by \$1.4 million due to an increase in value of plan assets.
- 2) Pension liability decreased by \$627 thousand as plan assets also increased in value.
- 3) Bond payments of \$4.9 million were made in 2024.

Table 1 indicates that 53.3% 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 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2024 and 2023:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 35,484,751	\$ 35,164,212	\$ 320,539	0.91%
Non-operating revenues	558,262	363,813	194,449	53.45%
Contributions	195,342	19,010	176,332	927.57%
Total revenues	36,238,355	35,547,035	691,320	1.94%
Operating expenses	33,650,552	33,435,860	214,692	0.64%
Non-operating expenses	1,005,656	1,152,006	(146,350)	-12.70%
Total expenses	34,656,208	34,587,866	68,342	0.20%
Change in net position	1,582,147	959,169	622,978	64.95%
Beginning net position	20,476,799	19,517,630	959,169	4.91%
Ending net position	\$ 22,058,946	\$ 20,476,799	\$ 1,582,147	7.73%

Non-operating revenues increase is almost entirely due to higher interest income as interest rates increased over 2023.

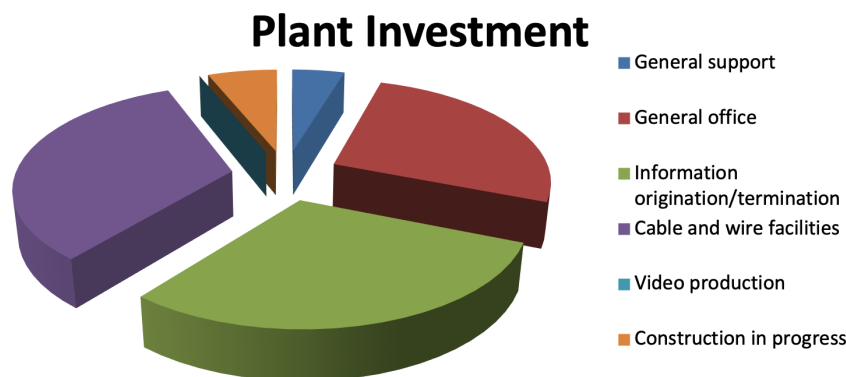
The increase in contributions is due to a large project for Jackson Housing Authority.

The decrease in non-operating expenses is due to a decrease in interest expense.

CAPITAL ASSETS AND DEBT ADMINISTRATION - TELECOMMUNICATIONS FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2024. 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 \$10,315,000 as of June 30, 2024. 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 \$5,075,000 along with interest payments totaling \$345,635. As of June 30, 2024, debt service restricted assets total \$6,858,647 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 2025 budget include:

- Sales projections of \$36,172,000.
- Cost of services projections of \$13,943,000.
- Retransmission costs from broadcasters are expected to increase 12.8% in FY 2025, resulting in a pass-through rate increase for Cable customers.
- Customer projections of 20,656 by the end of the fiscal year.
- O&M projected expenditures of \$11,437,000.
- Capital expenditures of \$5,451,000.
- No additional bond issues are projected.
- The FY 2025 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service coverage ratio of 1.94.

The Telecommunications System's annual investments in new technology for customer growth drive capital requirements beyond the new budget year. Scheduled capital spending remains almost level over the four years beyond the budget, ranging from \$5 million to \$5.4 million annually with the exception of \$6.4 million in FY 2028 for underground transport routes. The largest cost on average is customer installation labor and materials each year. Regular annual replacements of fiber-to-the-home and headend equipment, additional redundancy to critical fiber routes, and employee development and retention are crucial 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 ongoing. The System will always face competitive challenges from incumbent providers. Pressure from escalating retransmission costs, the demand for new technology and additional services, historically high inflation and compensation 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, 2024

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	ELIMINATING ENTRIES	TOTAL
ASSETS							
Current assets:							
Cash and cash equivalents on deposit	\$ 36,498,770	\$ 37,813,576	\$ 9,336,176	\$25,418,474	\$ 7,594,433	\$ -	\$116,661,429
Temporary investments	2,212,504	2,547,939	496,504	1,095,977	-	-	6,352,924
Accounts receivable (net of allowance for uncollectibles)	14,063,217	1,198,830	1,744,542	1,776,742	2,912,269	-	21,695,600
Accrued interest receivable	24,010	33,666	2,089	79,794	239	-	139,798
Materials and supplies	2,771,333	1,983,950	1,453,396	549,426	1,419,490	-	8,177,595
Prepayments and other current assets	11,558,781	233,876	414,926	676,284	753,475	-	13,637,342
Reserve for contract loss	(5,000,000)	-	-	-	-	-	(5,000,000)
Total current assets	62,128,615	43,811,837	13,447,633	29,596,697	12,679,906	-	161,664,688
Noncurrent assets:							
Restricted cash, cash equivalents, and investments:							
Debt service fund - investments	-	-	-	-	5,500,000	-	5,500,000
Debt service fund - cash and cash equivalents	568,698	133,582	684,952	1,434,174	1,358,647	-	4,180,053
Total restricted assets	568,698	133,582	684,952	1,434,174	6,858,647	-	9,680,053
Other assets:							
Investment - The Tennergy Corporation	-	5,146,082	-	-	-	-	5,146,082
Investment - Seven States Power Corporation	11,819	-	-	-	-	-	11,819
Investment - Central Services Association	60,985	53,593	40,656	29,568	-	-	184,802
Retainage account	302	-	105,991	194,574	-	-	300,867
Long-term notes receivable - interfund	5,500,000	-	-	-	-	(5,500,000)	-
Unrecovered purchased gas cost	-	434,279	-	-	-	-	434,279
Intellectual Property	-	-	-	3,094,684	-	-	3,094,684
Subscription-Based IT Arrangements	-	-	-	-	200,009	-	200,009
Regulatory assets:							
Unamortized bond issuance costs	18,889	96,916	31,551	74,072	29,669	-	251,097
Unamortized expenditures (net of accumulated amortization of \$2,942,325 at June 30, 2024)	-	-	-	-	87,625	-	87,625
Total other assets	5,591,995	5,730,870	178,198	3,392,898	317,303	(5,500,000)	9,711,264
Capital assets:							
Plant in service and equipment - at cost	287,680,889	179,188,977	177,730,471	219,661,529	85,041,267	-	949,303,133
Add: Unamortized acquisition adjustment	100,142	-	-	-	-	-	100,142
Less: Accumulated depreciation	140,966,414	80,601,822	59,096,429	87,224,485	59,186,107	-	427,075,257
Net plant in service and equipment - at cost	146,814,617	98,587,155	118,634,042	132,437,044	25,855,160	-	522,328,018
Construction in progress at cost	10,237,396	1,061,890	3,960,497	7,112,889	1,680,615	-	24,053,287
Total capital assets (net of accumulated depreciation)	157,052,013	99,649,045	122,594,539	139,549,933	27,535,775	-	546,381,305
Total noncurrent assets	163,212,706	105,513,497	123,457,689	144,377,005	34,711,725	(5,500,000)	565,772,622
Total assets	\$ 225,341,321	\$149,325,334	\$136,905,322	\$173,973,702	\$ 47,391,631	\$ (5,500,000)	\$727,437,310
Deferred outflows of resources							
Deferred outflows related to pension and other post-employment benefits							
Contributions subsequent to measurement date	\$ 3,624,915	\$ 2,484,348	\$ 2,122,483	\$ 2,161,509	\$ 1,685,747	\$ -	\$ 12,079,002
Difference between expected and actual experience	841,638	47,902	406,890	351,314	594,264	-	2,242,008
Assumption changes	2,509,613	1,433,556	1,232,277	1,186,970	1,071,960	-	7,434,376
Net difference between expected and actual earnings in plan investments	3,477,105	2,585,879	1,974,929	1,829,371	1,729,337	-	11,596,621
Unamortized debt refunding losses	129,056	74,187	255,698	664,949	555,015	-	1,678,905
Total deferred outflows of resources	\$ 10,582,327	\$ 6,625,872	\$ 5,992,277	\$ 6,194,113	\$ 5,636,323	\$ -	\$ 35,030,912

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, 2024

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	ELIMINATING ENTRIES	TOTAL
LIABILITIES							
Current liabilities:							
Current portion of long-term notes payable	\$ 34,612	\$ -	\$ -	\$ 1,098,535	\$ -	\$ -	\$ 1,133,147
Accounts payable	23,885,461	1,585,660	269,644	804,499	1,265,831	-	27,811,095
Other accounts payable and accrued expense	5,839,013	94,612	480,620	621,041	1,114,799	-	8,150,085
Compensated absences estimated to be used next year	701,168	509,866	425,506	365,273	368,119	-	2,369,932
Subscription-Based IT arrangements	-	-	-	-	129,418	-	129,418
Total current liabilities	<u>30,460,254</u>	<u>2,190,138</u>	<u>1,175,770</u>	<u>2,889,348</u>	<u>2,878,167</u>	<u>-</u>	<u>39,593,677</u>
Current liabilities payable from restricted assets:							
Accrued revenue bond interest	6,020	50,115	15,062	13,471	94,590	-	179,258
Current maturities of long-term debt (net of discount of \$21,649 plus premiums of \$190,592 for the year ended June 30, 2024)	<u>1,355,000</u>	<u>1,116,405</u>	<u>1,219,187</u>	<u>1,663,889</u>	<u>5,054,462</u>	<u>-</u>	<u>10,408,943</u>
Total current liabilities payable from restricted assets	<u>1,361,020</u>	<u>1,166,520</u>	<u>1,234,249</u>	<u>1,677,360</u>	<u>5,149,052</u>	<u>-</u>	<u>10,588,201</u>
Noncurrent liabilities:							
Notes payable (net of current portion)	66,057	-	-	14,713,828	-	-	14,779,885
OPEB liability	3,797,461	4,109,915	2,645,102	3,573,969	2,308,114	-	16,434,561
Net pension liability	22,979,493	12,388,527	14,098,369	13,783,086	6,693,184	-	69,942,659
Compensated absences	1,006,693	606,683	637,116	563,233	365,091	-	3,178,816
Notes payable- interfund	-	-	-	-	5,500,000	(5,500,000)	-
Bonds payable (less current maturities, net of discount of \$50,351 and net premiums of \$576,958 for the year ended June 30, 2024)	1,225,000	14,328,694	2,523,264	12,040,054	5,224,595	-	35,341,607
Customer deposits	-	7,783,775	87,774	-	290,375	-	8,161,924
Total noncurrent liabilities	<u>29,074,704</u>	<u>39,217,594</u>	<u>19,991,625</u>	<u>44,674,170</u>	<u>20,381,359</u>	<u>(5,500,000)</u>	<u>147,839,452</u>
Total liabilities	<u>\$ 60,895,978</u>	<u>\$ 42,574,252</u>	<u>\$ 22,401,644</u>	<u>\$ 49,240,878</u>	<u>\$28,408,578</u>	<u>\$ (5,500,000)</u>	<u>\$198,021,330</u>
Deferred inflows of resources							
Deferred inflows related to pension and other post-employment benefits							
Difference between expected and actual experience	\$ 1,322,939	\$ 919,795	\$ 775,626	\$ 670,449	\$ 680,648	\$ -	\$ 4,369,457
Assumption changes	<u>3,689,672</u>	<u>2,612,969</u>	<u>2,171,149</u>	<u>1,860,667</u>	<u>1,879,782</u>	<u>-</u>	<u>12,214,239</u>
Total deferred inflows of resources	<u>\$ 5,012,611</u>	<u>\$ 3,532,764</u>	<u>\$ 2,946,775</u>	<u>\$ 2,531,116</u>	<u>\$ 2,560,430</u>	<u>\$ -</u>	<u>\$ 16,583,696</u>
NET POSITION							
Net investment in capital assets	\$ 154,371,344	\$ 84,203,946	\$118,852,088	\$110,033,627	\$11,756,718	\$ -	\$479,217,723
Restricted for capital projects	302	-	105,991	194,574	-	-	300,867
Restricted for debt service	562,678	83,467	669,890	1,420,703	6,764,057	-	9,500,795
Unrestricted	<u>15,080,735</u>	<u>25,556,777</u>	<u>(2,078,789)</u>	<u>16,746,917</u>	<u>3,538,171</u>	<u>-</u>	<u>58,843,811</u>
Total net position	<u>\$ 170,015,059</u>	<u>\$109,844,190</u>	<u>\$117,549,180</u>	<u>\$128,395,821</u>	<u>\$22,058,946</u>	<u>\$ -</u>	<u>\$547,863,196</u>
Total liabilities and net assets	<u>\$ 235,923,648</u>	<u>\$155,951,206</u>	<u>\$142,897,599</u>	<u>\$180,167,815</u>	<u>\$53,027,954</u>	<u>\$ (5,500,000)</u>	<u>\$762,468,222</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, 2024

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Operating revenues:						
Charges for sales and services	\$ 152,472,577	\$ 34,242,956	\$ 20,168,700	\$ 21,221,683	\$ 35,484,751	\$ 263,590,667
Other revenue	4,085,443	-	-	-	-	4,085,443
Total operating revenues	<u>156,558,020</u>	<u>34,242,956</u>	<u>20,168,700</u>	<u>21,221,683</u>	<u>35,484,751</u>	<u>267,676,110</u>
Operating expenses:						
Cost of sales and services	120,218,385	14,325,841	-	-	14,007,880	148,552,106
Operations expense	12,034,538	9,600,019	10,095,199	8,839,737	11,347,402	51,916,895
Maintenance expense	4,841,710	1,788,988	2,473,008	2,840,967	-	11,944,673
Provision for depreciation	9,867,291	4,945,801	3,774,015	4,434,411	6,911,779	29,933,297
Amortization	34,612	-	-	969,287	259,587	1,263,486
Payroll taxes	499,386	379,140	358,291	314,788	302,651	1,854,256
Other taxes	-	-	-	-	444,789	444,789
Payment in lieu of taxes	4,201,022	1,627,907	202,991	227,053	376,464	6,635,437
Total operating expenses	<u>151,696,944</u>	<u>32,667,696</u>	<u>16,903,504</u>	<u>17,626,243</u>	<u>33,650,552</u>	<u>252,544,939</u>
Operating income	<u>4,861,076</u>	<u>1,575,260</u>	<u>3,265,196</u>	<u>3,595,440</u>	<u>1,834,199</u>	<u>15,131,171</u>
Nonoperating revenues (expenses):						
Interest and other income	2,745,963	1,899,486	404,528	1,302,320	527,428	6,879,725
Interest, amortization, and other expense	(139,252)	(547,701)	(255,381)	(424,210)	(1,005,656)	(2,372,200)
Gain (loss) on disposition of capital assets	71,338	7,581	40,161	9,475	30,834	159,389
Total non-operating revenues (expenses)	<u>2,678,049</u>	<u>1,359,366</u>	<u>189,308</u>	<u>887,585</u>	<u>(447,394)</u>	<u>4,666,914</u>
Contributions						
Capital contributions	<u>1,923,990</u>	<u>115,491</u>	<u>652,555</u>	<u>675,235</u>	<u>195,342</u>	<u>3,562,613</u>
Change in net position	<u>9,463,115</u>	<u>3,050,117</u>	<u>4,107,059</u>	<u>5,158,260</u>	<u>1,582,147</u>	<u>23,360,698</u>
Total net position - beginning	<u>160,551,944</u>	<u>106,794,073</u>	<u>113,442,121</u>	<u>123,237,561</u>	<u>20,476,799</u>	<u>524,502,498</u>
Total net position - ending	<u>\$ 170,015,059</u>	<u>\$ 109,844,190</u>	<u>\$ 117,549,180</u>	<u>\$ 128,395,821</u>	<u>\$ 22,058,946</u>	<u>\$ 547,863,196</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, 2024**

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash flows from operating activities:						
Receipts from customers and users	\$157,931,600	\$ 34,151,962	\$ 19,747,250	\$ 20,628,162	\$ 34,881,424	\$267,340,398
Payments to suppliers	(123,677,541)	(17,705,481)	(5,322,445)	(3,369,985)	(19,068,891)	(169,144,343)
Payments to employees	(9,957,872)	(7,247,119)	(6,595,073)	(7,007,861)	(5,283,929)	(36,091,854)
Payment of taxes and in lieu of taxes	(4,700,408)	(2,007,046)	(561,282)	(541,841)	(1,123,903)	(8,934,480)
Net cash provided (used) by operating activities	<u>19,595,779</u>	<u>7,192,316</u>	<u>7,268,450</u>	<u>9,708,475</u>	<u>9,404,701</u>	<u>53,169,721</u>
Cash flows from capital and related financing activities						
Construction and acquisition of plant	(22,531,620)	(5,620,931)	(7,909,708)	(7,922,701)	(11,899,662)	(55,884,622)
Other plant activity including removal cost and salvage	4,243,542	(8,898)	(209,017)	(175,128)	7,248,810	11,099,309
Contributions in aid	1,923,990	115,491	652,555	675,235	195,342	3,562,613
Principal paid on bonds	(19,865,000)	(970,000)	(2,195,000)	(1,650,000)	(5,060,181)	(29,740,181)
Loan proceeds (including SBITA arrangement)	-	-	-	-	149,180	149,180
Principal paid on notes	(34,612)	-	-	(1,087,925)	-	(1,122,537)
SBITA payments	-	-	-	-	(137,300)	(137,300)
Interest expense	(820,752)	(646,054)	(235,804)	(326,607)	(690,506)	(2,719,723)
Net cash provided (used) by capital and relating financing activities	<u>(37,084,452)</u>	<u>(7,130,392)</u>	<u>(9,896,974)</u>	<u>(10,487,126)</u>	<u>(10,194,317)</u>	<u>(74,793,261)</u>
Cash flows from investing activities:						
Net (purchase) reduction of investments	578,499	2,538,070	(31,692)	734,567	-	3,819,444
Interest earned	<u>2,760,549</u>	<u>1,405,958</u>	<u>404,528</u>	<u>1,279,973</u>	<u>570,877</u>	<u>6,421,885</u>
Net cash provided (used) by investing activities	<u>3,339,048</u>	<u>3,944,028</u>	<u>372,836</u>	<u>2,014,540</u>	<u>570,877</u>	<u>10,241,329</u>
Net increase (decrease) in cash and cash equivalents	(14,149,625)	4,005,952	(2,255,688)	1,235,889	(218,739)	(11,382,211)
Cash and cash equivalents - beginning of year	<u>51,217,093</u>	<u>33,941,206</u>	<u>12,276,816</u>	<u>25,616,759</u>	<u>14,671,819</u>	<u>137,723,693</u>
Cash and cash equivalents - end of year	<u>\$ 37,067,468</u>	<u>\$ 37,947,158</u>	<u>\$ 10,021,128</u>	<u>\$ 26,852,648</u>	<u>\$ 14,453,080</u>	<u>\$126,341,482</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, 2024

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash and cash equivalents:						
Unrestricted cash and cash equivalents on deposit	\$ 36,498,770	\$ 37,813,576	\$ 9,336,176	\$25,418,474	\$ 7,594,433	\$116,661,429
Debt service fund - cash and cash equivalents	568,698	133,582	684,952	1,434,174	1,358,647	4,180,053
Debt service fund investment - cash and cash equivalents	-	-	-	-	5,500,000	5,500,000
Total cash and cash equivalents	<u>\$ 37,067,468</u>	<u>\$ 37,947,158</u>	<u>\$ 10,021,128</u>	<u>\$26,852,648</u>	<u>\$ 14,453,080</u>	<u>\$126,341,482</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 4,861,076	\$ 1,575,260	\$ 3,265,196	\$ 3,595,440	\$ 1,834,199	\$ 15,131,171
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	9,867,291	4,945,801	3,774,015	4,434,411	6,911,779	29,933,297
Amortization	34,612	-	-	969,287	259,587	1,263,486
Depreciation charged to transportation clearing	610,989	319,037	276,318	382,555	146,017	1,734,916
(Increase) decrease in accounts receivable	(1,655,512)	(144,673)	(423,513)	(593,521)	(456,231)	(3,273,450)
(Increase) decrease in materials and supplies	606,901	261,083	159,614	43,243	278,420	1,349,261
(Increase) decrease in prepayments and other current assets	(1,126,566)	37,361	987	5,346	(396,696)	(1,479,568)
(Increase) decrease in other assets	198,943	295,010	288,300	159,316	534,925	1,476,494
Increase (decrease) unrecovered purchased gas cost	-	(506,797)	-	-	-	(506,797)
Increase (decrease) in accounts payable	1,338,904	244,292	(340,000)	264,861	(4,135)	1,503,922
Increase (decrease) in other accounts payable and accrued expenses	1,036,486	(192,756)	(144,336)	232,479	(77,173)	854,700
Increase (decrease) in other noncurrent liabilities	3,822,655	(34,384)	409,805	215,058	383,961	4,797,095
Increase (decrease) in customer deposits	-	393,082	2,064	-	(9,952)	385,194
Net cash provided (used) by operating activities	<u>\$ 19,595,779</u>	<u>\$ 7,192,316</u>	<u>\$ 7,268,450</u>	<u>\$ 9,708,475</u>	<u>\$ 9,404,701</u>	<u>\$ 53,169,721</u>
Non-cash disclosure:						
Contributed capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384,083</u>	<u>\$ 413,810</u>	<u>\$ -</u>	<u>\$ 797,893</u>

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, 2024**

ASSETS

Investments:

Equity mutual funds	\$ 32,029,324
Fixed income mutual funds	18,752,613
Money market funds	<u>435,683</u>
Total investments	<u>51,217,620</u>

Accrued income	<u>146,313</u>
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Net assets available for benefits	51,363,933
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LIABILITIES AND NET POSITION

LIABILITIES - Due to Other Funds	<u>35,952</u>
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Net position restricted for OPEB benefits	<u><u>\$ 51,327,981</u></u>
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JACKSON ENERGY AUTHORITY
OPEB PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Additions

Contributions	
Employer and retiree	\$ 2,960,289
Investment income	
Interest and dividends	1,299,509
Realized (losses)/gains	8,821
Unrealized (losses)/gains	4,369,678
Net investment income	5,678,008
 Total additions	 8,638,297

Deductions

Trustee/Custody fees	28,336
Benefits	3,056,441
Total deductions	3,084,777

Net increase in fiduciary net position 5,553,520

Net position restricted for OPEB benefits, beginning of year 45,774,461

Net position restricted for OPEB benefits, end of year \$ 51,327,981



**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2024**

ASSETS

Investments:

Equity mutual funds	\$ 108,451,606
Fixed income mutual funds	61,264,140
Contracts and annuities	5,127,613
Money market funds	<u>710,255</u>
Total investments	<u>175,553,614</u>

Accrued income	<u>550,497</u>
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Net assets available for benefits	176,104,111
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LIABILITIES AND NET POSITION

LIABILITIES	<u>-</u>
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Net position restricted for pension benefits	<u><u>\$ 176,104,111</u></u>
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**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

Additions

Contributions	
Employer and employee	\$ 10,497,795
Investment income	
Interest income	5,168,111
Realized (losses)/gains	22,833
Unrealized (losses)/gains	<u>11,755,277</u>
Net investment income	<u>16,964,221</u>
 Total additions	 <u>27,462,016</u>

Deductions

Benefits payments	11,755,879
Trustee/Custody fees	<u>95,592</u>
Total deductions	<u>11,851,471</u>

Net increase in fiduciary net position	15,610,545
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Net position restricted for pension benefits, beginning of year	<u>160,493,566</u>
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Net position restricted for pension benefits, end of year	<u><u>\$ 176,104,111</u></u>
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**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2024**

ASSETS

Cash and cash equivalents	\$ 6,206,874
Due from OPEB Trust	35,952
Accrued interest	<u>46,923</u>

Net assets available for benefits	6,289,749
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LIABILITIES AND NET POSITION

LIABILITIES

-

Net position restricted for health benefits	<u><u>\$ 6,289,749</u></u>
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**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

Additions

Contributions	
Employer and employee	\$ 3,611,766
Investment income	
Interest and dividends	56,248
Other income	84,576
Net investment income	140,824
 Total additions	 3,752,590

Deductions

Benefit payments	4,071,056
Other fees and expenses	1,524
Total deductions	4,072,580

Net decrease in fiduciary net position (319,990)

Net position restricted for health benefits, beginning of year 6,609,739

Net position restricted for health benefits, end of year \$ 6,289,749



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024.

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, 2024

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;



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deposits and Investments (Continued)

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 passed 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 \$5,000 (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 expensed.

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 \$5,548,748 has been accrued for the year ended June 30, 2024, for compensated absences earned to date and has been reported in the Statement of Net Position.

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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Subscription-Based Information Technology Arrangements (SBITAs)

For SBITA contracts, SBITA expense is recognized as amortization on the Statement of Revenues, Expenses and Changes in Net Position on a straight-line basis over the SBITA term, and SBITA assets and liabilities are reported at present value using the Authority's incremental borrowing rate. SBITA assets are reported in Other Assets, and SBITA liabilities are reported in the Current Liabilities section of the Statement of Net Position. The amortization for the discount for SBITA contracts is reported as Interest Expense on the Statement Revenues, Expenses and Changes in Net Position.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

As of June 30, 2024, 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		
Nashua NH	\$ 248,114	\$ 248,248
New York State	972,906	970,919
Richmond VA	493,141	492,489
Tennessee State	500,009	500,848
	<u>\$ 2,214,169</u>	<u>\$ 2,212,504</u>
Gas Fund		
Bank of Jackson	\$ 500,000	\$ 500,000
Community Bank	536,238	536,238
Florida St. Board of Admin	458,923	450,156
Simmons Bank	1,061,545	1,061,545
	<u>\$ 2,556,706</u>	<u>\$ 2,547,939</u>
Water Fund		
U.S. Treasury Notes	\$ 499,652	\$ 496,504
	<u>\$ 499,652</u>	<u>\$ 496,504</u>
Wastewater Fund		
Bank of Jackson	\$ 1,000,000	\$ 1,000,000
Florida St. Board of Admin	97,568	95,977
	<u>\$ 1,097,568</u>	<u>\$ 1,095,977</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

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 Note 4F for discussion of debt service funds and related investments.

	Cost	Fair Value
Jackson Energy Authority OPEB Plan Fund		
Fixed Income Mutual Funds	\$ 22,725,245	\$ 18,752,613
Equity Mutual Funds	18,592,262	32,029,324
Money Market Funds	435,683	435,683
	<u>\$ 41,753,190</u>	<u>\$ 51,217,620</u>
 Jackson Energy Authority Retirement Plan Fund		
Equity Mutual Funds	\$ 67,924,813	\$ 108,451,606
Fixed Income Mutual Funds	71,326,907	61,264,140
Contracts and Annuities	8,030,594	5,127,613
Money Market Funds	710,255	710,255
	<u>\$ 147,992,569</u>	<u>\$ 175,553,614</u>

The following fair values are based on Level 2 inputs:

	Cost	Fair Value
Other Investments		
Electric Fund		
Seven States Power Corporation	\$ 10,787	\$ 11,819
Central Services Association	3,007	60,985
	<u>\$ 13,794</u>	<u>\$ 72,804</u>
 Gas Fund		
Tennergy Corporation	\$ 257,000	\$ 5,146,082
Central Services Association	2,642	53,593
	<u>\$ 259,642</u>	<u>\$ 5,199,675</u>
 Water Fund		
Central Services Association	\$ 2,005	\$ 40,656
 Wastewater Fund		
Central Services Association	\$ 1,458	\$ 29,568



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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 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, 2024, none of the Authority's deposits were exposed to custodial credit risk.

Pension and OPEB Money-Weighted Returns

For the years ended June 30, 2024 and 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.44 and -14.71 percent, respectively. The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense was 9.31 and -16.94 percent for the years ended June 30, 2024 and 2023 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, 2024

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	\$ 14,605,696
Allowance for doubtful accounts	<u>(542,479)</u>
	<u>\$ 14,063,217</u>

Gas Fund

Billed services for utility customers	1,343,353
Allowance for doubtful accounts	<u>(144,523)</u>
	<u>\$ 1,198,830</u>

Water Fund

Billed services for utility customers	1,895,597
Allowance for doubtful accounts	<u>(151,055)</u>
	<u>\$ 1,744,542</u>

Wastewater Fund

Billed services for utility customers	1,857,484
Allowance for doubtful accounts	<u>(80,742)</u>
	<u>\$ 1,776,742</u>

Telecommunications Fund

Billed services for utility customers	3,147,019
Allowance for doubtful accounts	<u>(234,749)</u>
	<u>\$ 2,912,269</u>

Total Receivables	<u><u>\$ 21,695,600</u></u>
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JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

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	\$ 568,698
	<u>\$ 568,698</u>

Gas Fund

Cash and cash equivalents - debt service fund	133,582
	<u>\$ 133,582</u>

Water Fund

Cash and cash equivalents - debt service fund	684,952
	<u>\$ 684,952</u>

Wastewater Fund

Cash and cash equivalents - debt service fund	1,434,174
	<u>\$ 1,434,174</u>

Telecommunications Fund

Cash and cash equivalents - debt service fund	1,358,647
Investments - debt service reserve account	5,500,000
	<u>\$ 6,858,647</u>

Total Restricted Assets	<u>\$ 9,680,053</u>
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The total of these funds is represented by bank accounts and security purchases held by First Bank, LGIP, Robert W. Baird & Co. Inc., and Bank of Jackson.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Electric Fund

Electric Fund capital asset activity during the year ended June 30, 2024, was as follows:

Description	Balance at June 30, 2023	Additions	Disposals (Net of Salvage)	Balance at June 30, 2024
Capital assets, not being depreciated				
Transmission plant	\$ 371,679	\$ -	\$ -	\$ 371,679
Distribution plant	745,176	-	-	745,176
General plant	943,571	-	-	943,571
Construction in progress	10,380,064	(142,668)	-	10,237,396
Total capital assets not being depreciated	12,440,490	(142,668)	-	12,297,822
Capital assets, being depreciated				
Transmission plant	28,416,365	629,277	182,828	28,862,814
Distribution plant	219,138,680	15,312,411	3,773,487	230,677,604
General plant	25,666,547	1,456,443	1,042,945	26,080,045
Total capital assets being depreciated	273,221,592	17,398,131	4,999,260	285,620,463
Less accumulated depreciation for				
Transmission plant	16,283,184	943,948	272,612	16,954,520
Distribution plant	103,742,270	8,207,971	4,891,948	107,058,293
General plant	16,643,943	1,326,361	1,016,703	16,953,601
Total accumulated depreciation	136,669,397	10,478,280	6,181,263	140,966,414
Total capital assets being depreciated, net	136,552,195	6,919,851	(1,182,003)	144,654,049
Unamortized acquisition adjustment	134,753	-	34,611	100,142
Total capital assets, net	\$ 149,127,438	\$ 6,777,183	\$ (1,147,392)	\$ 157,052,013

Depreciation expense charged to operations amounted to \$9,867,291 for the fiscal year ended June 30, 2024.

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, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Gas Fund

Gas Fund capital asset activity during the year ended June 30, 2024, was as follows:

Description	Balance at June 30, 2023	Additions	Disposals (Net of Salvage)	Balance at June 30, 2024
Capital assets, not being depreciated				
Production plant	\$ 42,387	\$ -	\$ -	\$ 42,387
Distribution plant	74,918	-	-	74,918
General plant	728,292	-	-	728,292
Construction in progress	2,535,730	(1,473,840)	-	1,061,890
Total capital assets not being depreciated	<u>3,381,327</u>	<u>(1,473,840)</u>	<u>-</u>	<u>1,907,487</u>
Capital assets, being depreciated				
Production plant	2,018,428	-	-	2,018,428
Distribution plant	151,376,609	6,340,726	403,903	157,313,432
General plant	18,905,957	754,045	648,482	19,011,520
Total capital assets being depreciated	<u>172,300,994</u>	<u>7,094,771</u>	<u>1,052,385</u>	<u>178,343,380</u>
Less accumulated depreciation for				
Production plant	2,015,115	363	3,545	2,011,933
Distribution plant	61,822,644	4,266,548	432,500	65,656,692
General plant	12,568,088	997,927	632,818	12,933,197
Total accumulated depreciation	<u>76,405,847</u>	<u>5,264,838</u>	<u>1,068,863</u>	<u>80,601,822</u>
Total capital assets being depreciated, net	<u>95,895,147</u>	<u>1,829,933</u>	<u>(16,478)</u>	<u>97,741,558</u>
Total capital assets, net	<u>\$ 99,276,474</u>	<u>\$ 356,093</u>	<u>\$ (16,478)</u>	<u>\$ 99,649,045</u>

Depreciation expense charged to operations amounted to \$4,945,801 for the fiscal year ended June 30, 2024.

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, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Water Fund

Water Fund capital asset activity during the year ended June 30, 2024, was as follows:

Description	Balance at June 30, 2023	Additions	Disposals (Net of Salvage)	Balance at June 30, 2024
Capital assets, not being depreciated				
Source of supply plant	\$ 134,200	\$ -	\$ -	\$ 134,200
Pumping plant	24,369	-	-	24,369
Treatment plant	104,029	-	-	104,029
Transmission & distribution plant	65,076	-	-	65,076
General plant	552,606	-	-	552,606
Construction in progress	3,273,338	687,159	-	3,960,497
Total capital assets not being depreciated	4,153,618	687,159	-	4,840,777
Capital assets, being depreciated				
Source of supply plant	4,592,348	-	-	4,592,348
Pumping plant	5,827,539	280,545	36,301	6,071,783
Treatment plant	10,406,903	793,776	82,220	11,118,459
Transmission & distribution plant	134,768,527	5,300,893	928,337	139,141,083
General plant	15,767,696	847,335	688,513	15,926,518
Total capital assets being depreciated	171,363,013	7,222,549	1,735,371	176,850,191
Less accumulated depreciation for				
Source of supply plant	2,414,386	248,151	-	2,662,537
Pumping plant	3,080,951	161,377	36,872	3,205,456
Treatment plant	8,431,152	252,452	82,220	8,601,384
Transmission & distribution plant	32,148,096	2,616,583	1,097,332	33,667,347
General plant	10,850,070	771,770	662,135	10,959,705
Total accumulated depreciation	56,924,655	4,050,333	1,878,559	59,096,429
Total capital assets being depreciated, net	114,438,358	3,172,216	(143,188)	117,753,762
Total capital assets, net	\$ 118,591,976	\$ 3,859,375	\$ (143,188)	\$ 122,594,539

Depreciation expense charged to operations amounted to \$3,774,015 for the fiscal year ended June 30, 2024.

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, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Wastewater Fund

Wastewater Fund capital asset activity during the year ended June 30, 2024, was as follows:

Description	Balance at June 30, 2023	Additions	Disposals (Net of Salvage)	Balance at June 30, 2024
Capital assets, not being depreciated				
Pumping plant	\$ 27,324	\$ -	\$ -	\$ 27,324
Treatment plant	1,300,904	-	-	1,300,904
Transmission & distribution plant	279,656	-	-	279,656
General plant	348,616	-	-	348,616
Construction in progress	9,239,108	(2,126,219)	-	7,112,889
Total capital assets not being depreciated	11,195,608	(2,126,219)	-	9,069,389
Capital assets, being depreciated				
Source of supply plant	11,576,801	36,289	-	11,613,090
Pumping plant	21,569,698	1,330,859	118,074	22,782,483
Treatment plant	50,929,562	3,721,984	-	54,651,546
Transmission & distribution plant	111,460,718	4,011,356	184,337	115,287,737
General plant	12,853,039	948,432	431,298	13,370,173
Total capital assets being depreciated	208,389,818	10,048,920	733,709	217,705,029
Less accumulated depreciation for				
Source of supply plant	2,362,742	173,831	-	2,536,573
Pumping plant	10,146,804	806,634	118,074	10,835,364
Treatment plant	31,951,534	1,356,568	-	33,308,102
Transmission & distribution plant	30,300,668	1,722,503	246,996	31,776,175
General plant	8,442,209	757,430	431,368	8,768,271
Total accumulated depreciation	83,203,957	4,816,966	796,438	87,224,485
Total capital assets being depreciated, net	125,185,861	5,231,954	(62,729)	130,480,544
Total capital assets, net	\$ 136,381,469	\$ 3,105,735	\$ (62,729)	\$ 139,549,933

Depreciation expense charged to operations amounted to \$4,434,411 for the fiscal year ended June 30, 2024.

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, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Telecommunications Fund

Telecommunications Fund capital asset activity during the year ended June 30, 2024, was as follows:

Description	Balance at June 30, 2023	Additions	Disposals (Net of Salvage)	Balance at June 30, 2024
Capital assets not being depreciated				
Construction in progress - at cost	\$ 1,498,600	\$ 182,015	\$ -	\$ 1,680,615
Capital assets, being depreciated				
General support	5,552,911	314,475	409,836	5,457,550
General office	19,945,329	1,240,751	3,469,828	17,716,252
Information origination/termination	7,513,097	7,787,870	2,783,679	12,517,288
Cable & wire facilities	54,023,589	2,374,550	7,698,321	48,699,818
Video production	650,359	-	-	650,359
Total capital assets being depreciated	87,685,285	11,717,646	14,361,664	85,041,267
Less accumulated depreciation for:				
General support	4,321,553	278,205	411,334	4,188,424
General office	12,061,048	1,851,331	3,469,321	10,443,058
Information origination/termination	6,506,425	597,821	2,782,942	4,321,304
Cable & wire facilities	35,277,795	4,305,167	-	39,582,962
Video production	632,357	25,272	7,270	650,359
Total accumulated depreciation	58,799,178	7,057,796	6,670,867	59,186,107
Total capital assets, being depreciated, net	28,886,107	4,659,850	7,690,797	25,855,160
Total capital assets, net	\$ 30,384,707	\$ 4,841,865	\$ 7,690,797	\$ 27,535,775

Depreciation expense charged to operations amounted to \$6,911,779 for the fiscal year ended June 30, 2024.

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, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Electric Fund

Notes payable at June 30, 2024, 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>
2025	\$ 34,612
2026	34,612
2027	5,241
2028	5,241
2029	5,241
2030-2032	15,722
Total	<u>\$ 100,669</u>

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, 2024, including interest are as follows:

<u>Years Ended</u>	<u>2020 Bonds Payable</u>		<u>Total Debt</u>
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
2025	\$ 1,355,000	\$ 36,120	\$ 1,391,120
2026	1,225,000	17,150	1,242,150
	<u>\$ 2,580,000</u>	<u>\$ 53,270</u>	<u>\$ 2,633,270</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.

During fiscal year 2024, the Electric Fund successfully executed the payoff of the outstanding Series 2014 Bonds maturing on or after May 1, 2025, that were subject to early redemption at the redemption price of par plus accrued interest to the redemption date. This strategic financial move was aimed at optimizing the Electric Fund’s cash and debt structure while reducing overall interest expenses. The principal balance of \$18,580,000 was paid on May 1, 2024.

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 Series 2020 Bond was issued as a private placement with an interest rate of 1.40%. 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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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, 2024 was \$2,580,000.

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 \$129,056 as of June 30, 2024.

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.

The following is a summary of long-term liability transactions for the year ended June 30, 2024:

Description	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
Notes payable (direct placement):					
SWTEMC	\$ 135,281	\$ -	\$ (34,612)	\$ 100,669	\$ 34,612
Total notes payable	<u>135,281</u>	<u>-</u>	<u>(34,612)</u>	<u>100,669</u>	<u>34,612</u>
Revenue bonds payable:					
Series 2014 (Interest Rates 3.00% - 5.00%)	18,580,000	-	(18,580,000)	-	-
Series 2020 (Interest Rates 1.40%)	3,865,000	-	(1,285,000)	2,580,000	1,355,000
Less deferred amounts:					
Issuance premiums (discounts)	<u>770,778</u>	<u>-</u>	<u>(770,778)</u>	<u>-</u>	<u>-</u>
Net total revenue bonds payable	23,215,778	-	(20,635,778)	2,580,000	1,355,000
Compensated absences	<u>1,502,155</u>	<u>205,706</u>	<u>-</u>	<u>1,707,861</u>	<u>701,168</u>
Total long-term liabilities	<u>\$ 24,853,214</u>	<u>\$ 205,706</u>	<u>\$(20,670,390)</u>	<u>\$ 4,388,530</u>	<u>\$ 2,090,780</u>

The Electric Fund has no unused lines of credit.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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, 2024, including interest are:

Years Ended June 30,	2015 Bonds		Total Debt Service
	Principal	Interest	
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
2029-2033	7,110,000	1,218,055	8,328,055
2034-2035	3,040,000	147,144	3,187,144
	<u>\$ 14,805,000</u>	<u>\$ 3,460,723</u>	<u>\$ 18,265,723</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 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 \$74,187 as of June 30, 2024.

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, 2024, was \$14,805,000.

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

The following is a summary of long-term liability transactions for the year ended June 30, 2024:

	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
Revenue Bonds payable:					
Series 2015					
(Interest rates - 3.00% - 5.00%)	\$ 15,775,000	\$ -	\$ (970,000)	\$ 14,805,000	\$ 1,000,000
Less deferred amounts:					
Issuance premiums (discounts)	762,787	-	(122,688)	640,099	116,405
Total revenue bonds payable	16,537,787	-	(1,092,688)	15,445,099	1,116,405
Customer deposits	7,390,693	393,082	-	7,783,775	-
Compensated absences	1,027,777	88,772	-	1,116,549	509,866
	8,418,470	481,854	-	8,900,324	509,866
Total long-term liabilities	\$ 24,956,257	\$ 481,854	\$ (1,092,688)	\$ 24,345,423	\$ 1,626,271

The Gas Fund has no unused lines of credit.

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, 2024, including interest are:

Years Ended June 30,	Series 2017 Bonds		Total Debt Service
	Principal	Interest	
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>\$ 3,615,000</u>	<u>\$ 277,125</u>	<u>\$ 3,892,125</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, 2024, was \$3,615,000.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,332,984 and is being charged to operations through fiscal year 2027 using the straight-line method. The difference is reported in deferred outflows of resources in the accompanying Statement of Net Position. Unamortized deferred cost of the Series 2017 Bonds totaled \$255,698 as of June 30, 2024.

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.

The following is a summary of the Water Fund's long-term liability transactions for the year ended June 30, 2024:

	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
Revenue Bonds payable:					
Series 2017	\$ 5,810,000	\$ -	\$ (2,195,000)	\$ 3,615,000	\$ 1,145,000
(Interest rate - 5.00%)					
Less deferred amounts:					
Issuance premiums (discounts)	245,250	-	(117,799)	127,451	74,187
Net total revenue bonds	6,055,250	-	(2,312,799)	3,742,451	1,219,187
Customer deposits	85,710	2,064	-	87,774	-
Compensated absences	957,927	104,695	-	1,062,622	425,506
	1,043,637	106,759	-	1,150,396	425,506
Total long-term liabilities	\$ 7,098,887	\$ 106,759	\$ (2,312,799)	\$ 4,892,847	\$ 1,644,693

The Water Fund has no unused lines of credit.

E. Long-term Debt – Wastewater Fund

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, 2024, including interest are:

Years Ended June 30,	Series 2020 Bonds		Debt Service
	Principal	Interest	
2025	\$ 1,665,000	\$ 161,652	\$ 1,826,652
2026	1,670,000	150,830	1,820,830
2027	1,680,000	136,635	1,816,635
2028	1,700,000	119,835	1,819,835
2029	1,720,000	101,135	1,821,135
2030-2032	5,305,000	163,710	5,468,710
	\$ 13,740,000	\$ 833,797	\$ 14,573,797



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

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, 2024, including interest are as follows:

Years Ended June 30,	Notes Payable*		Total
	Principal*	Interest	Debt Service
2025	\$ 1,098,535	\$ 146,052	\$ 1,244,587
2026	1,106,772	136,116	1,242,888
2027	1,115,928	126,060	1,241,988
2028	1,125,192	115,908	1,241,100
2029	1,134,540	105,648	1,240,188
2030-2032	3,460,824	254,232	3,715,056
2033-2035	3,513,878	157,784	3,671,662
2036-2038	2,610,775	62,648	2,673,423
2039-2041	645,919	9,468	655,387
	<u>\$ 15,812,363</u>	<u>\$ 1,113,916</u>	<u>\$ 16,926,279</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 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, 2024, was \$13,740,000.

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 \$664,949 as of June 30, 2024.

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.

Principal repayments began February 2015 before receiving the final loan funds in October 2015. Principal repayments are due monthly for a term of twenty (20) years with final repayment due January 2035. The outstanding loan balance at June 30, 2024, was \$870,447.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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, 2024.

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, 2024, was \$5,777,230. Final funds were received in July 2017 and were \$1,026 less than the total approved.

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, 2024.

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, 2024, was \$1,350,725.

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, 2024.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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, 2024, was \$2,691,512.

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, 2024.

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 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 2020 with final maturity June 2040. Final funds were received in February 2021. The outstanding loan balance at June 30, 2024, was \$3,043,843.

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, 2024, 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 1.25% 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 April 2041. Final funds were received in March 2021. The outstanding loan balance at June 30, 2024, was \$1,104,739.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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, 2024.

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.

Principal repayments began December 2018 with final maturity November 2038. 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, 2024, was \$973,867.

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 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, 2024.

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, 2024

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, 2024:

	Balance at June 30, 2023	Additions	Retirements*	Balance at June 30, 2024	Due Within One Year
Revenue Bonds payable:					
Series 2020	\$ 15,390,000	\$ -	\$ (1,650,000)	\$ 13,740,000	\$ 1,665,000
(Interest rate - 0.25% - 1.60%)					
Less deferred amounts:					
Issuance premiums (discounts)	(35,816)	-	(241)	(36,057)	(1,111)
Net total revenue bonds payable	15,354,184	-	(1,650,241)	13,703,943	1,663,889
State Revolving Fund Loans:					
Direct Borrowing:					
CW0 2013-313	950,990	-	(80,543)	870,447	81,013
(Interest rate - .34%)					
SRF 2013-314	6,219,713	-	(442,483)	5,777,230	444,245
(Interest rate - .34%)					
CG3 2016-361	2,871,888	-	(180,376)	2,691,512	182,852
(Interest rate - 1.17%)					
CG2 2016-363	1,445,138	-	(94,413)	1,350,725	96,003
(Interest rate - 1.43%)					
CG4 2016-362	3,215,674	-	(171,831)	3,043,843	174,189
(Interest rate - 1.17%)					
SRF 2016-368	1,163,274	-	(58,535)	1,104,739	59,401
(Interest rate - 1.25%)					
SRF 2017-383					
(Interest rate - 1.55%)	1,033,611	-	(59,744)	973,867	60,832
Total state revolving loans	16,900,288	-	(1,087,925)	15,812,363	1,098,535
Compensated absences	845,459	83,047	-	928,506	365,273
Total long-term liabilities	\$ 33,099,931	\$ 83,047	\$ (2,738,166)	\$ 30,444,812	\$ 3,127,697

*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.

E. Long-term Debt – Telecommunications Fund

Term and revolving debt payable at June 30, 2024, consist of the following:

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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, 2024, including interest are:

Years Ended June 30,	2013 Bonds Payable		Total Debt Service
	Principal	Interest	
2025	\$ 5,075,000	\$ 345,635	\$ 5,420,635
2026	5,240,000	178,160	5,418,160
	<u>\$ 10,315,000</u>	<u>\$ 523,795</u>	<u>\$ 10,838,795</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 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 not yet exercised this option, but it has the right to designate which maturities, or portions thereof, will be redeemed. The outstanding balance of Series 2013 bonds as of June 30, 2024, was \$10,315,000.

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 \$555,015 as of June 30, 2024.

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

The following is a summary of the Telecommunication Fund's long-term liability transactions for the year ended June 30, 2024:

	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
Revenue Bonds payable :					
Series 2013	\$ 15,230,000	\$ -	\$(4,915,000)	\$ 10,315,000	\$ 5,075,000
(Interest rate - .60% - 3.40%)					
Less deferred amounts:					
Issuance premiums (discounts)	(56,481)	-	20,538	(35,943)	(20,538)
Net total revenue bonds	15,173,519	-	(4,894,462)	10,279,057	5,054,462
Notes payable (direct placement):					
Electric Fund loan	5,500,000	-	-	5,500,000	-
Total notes payable	5,500,000	-	-	5,500,000	-
Customer deposits	300,327	-	(9,952)	290,375	-
Compensated absences	739,404	-	(6,194)	733,210	368,119
	1,039,731	-	(16,146)	1,023,585	368,119
Total long-term liabilities	\$ 21,713,250	\$ -	\$(4,910,608)	\$ 16,802,642	\$ 5,422,581

F. Net Position – Electric Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 157,052,013
Less: Debt as disclosed in Note 3E	(2,680,669)
Total net investment in capital assets	154,371,344
Restricted:	
Restricted cash and cash equivalents	568,698
Restricted for capital projects	302
Less: Current liabilities payable from restricted assets	(6,020)
Total restricted net position	562,980
Unrestricted	15,080,735
Total net position	\$ 170,015,059



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

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	\$ 99,649,045
Less: Debt as disclosed in Note 3E	<u>(15,445,099)</u>
Total net investment in capital assets	<u>84,203,946</u>
Restricted:	
Restricted cash and cash equivalents	133,582
Less: Current liabilities payable from restricted assets	<u>(50,115)</u>
Total restricted net position	<u>83,467</u>
Unrestricted	<u>25,556,777</u>
Total net position	<u>\$ 109,844,190</u>

F. Net Position – Water Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 122,594,539
Less: Debt as disclosed in Note 3E	<u>(3,742,451)</u>
Total net investment in capital assets	<u>118,852,088</u>
Restricted:	
Restricted cash and cash equivalents	684,952
Restricted for capital projects	105,991
Less: Current liabilities payable from restricted assets	<u>(15,062)</u>
Total restricted net position	<u>775,881</u>
Unrestricted	<u>(2,078,789)</u>
Total net position	<u>\$ 117,549,180</u>

F. Net Position – Wastewater Fund

Net investment in capital assets	
Net property, plant and equipment in service	\$ 139,549,933
Less: Debt as described in Note 3E	<u>(29,516,306)</u>
Total net investment in capital assets	<u>110,033,627</u>
Restricted for debt service:	
Restricted cash and cash equivalents	1,434,174
Restricted for capital projects	194,574
Less: Accrued interest from restricted funds	<u>(13,471)</u>
Total restricted net position	<u>1,615,277</u>
Unrestricted	<u>16,746,917</u>
Total net position	<u>\$ 128,395,821</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

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	\$ 27,535,775
Less: Debt as described in Note 3E	<u>(15,779,057)</u>
Total net investment in capital assets	<u>11,756,718</u>
Restricted for debt service:	
Restricted cash and cash equivalents	6,858,647
Less: Accrued interest from restricted funds	<u>(94,590)</u>
Total restricted net position	<u>6,764,057</u>
Unrestricted	<u>3,538,171</u>
Total net position	<u>\$ 22,058,946</u>

G. Subscription-Based Information Technology Arrangements

In 2023, the Authority entered into a subscription-based information technology arrangement with ITSavvy for a distribution and denial of service (DDoS) detection and mitigation solution. The total cost of the subscription assets are recorded as \$400,019, less accumulated amortization of \$200,010. The following is a summary of SBITA transactions for the year ended June 30, 2024.

	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
Subscription-Based IT Arrangements	\$ 262,719	\$ -	\$ (133,301)	\$ 129,418	\$ 129,418
Total Subscription-Based IT Arrangements	<u>\$ 262,719</u>	<u>\$ -</u>	<u>\$ (133,301)</u>	<u>\$ 129,418</u>	<u>\$ 129,418</u>

The future subscription payments under the agreement are as follows:

Years Ended June 30,	Subscriptions		
	Principal	Interest	Total
2025	\$ 129,418	\$ 7,882	\$ 137,300
	<u>\$ 129,418</u>	<u>\$ 7,882</u>	<u>\$ 137,300</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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION

A. Pension Costs

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, 2023, the Authority had 516 total participants as follows:

Active Participants	185
Inactive Participants with Deferred Benefits	26
Inactive Participants Receiving Payment	305

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, 2024, the actuarially determined recommended employer contribution was \$8,451,663.

The Authority also elected to make additional contributions totaling \$2,046,130 which brought the total year contributions to \$10,497,793.

Net Pension Liability

The Authority's net pension liability was measured as of July 1, 2023, 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, 2023 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	6.75 percent, net of pension plan investment expenses, including inflation

Mortality rates were based on the PubG-2010 employees and healthy annuitant's mortality table projected generationally using Scale MP-2021.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

Assumption Changes

- The valuations do not reflect any assumption changes since the prior year.

Pension Liabilities

At June 30, 2024, the Authority reported a net pension liability of \$69,942,659. The net pension liability was measured as of July 1, 2023, 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, 2024, the Authority recognized pension costs of \$15,244,280. Of this amount, the Authority recognized as a fringe benefit \$1,178,428 as amounts paid by the Authority to satisfy a requirement for employee contributions.

At June 30, 2024, 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, 2023	\$ 317,936	\$ 2,820,220
(2) Difference due to assumption changes		
(a) measurement date July 1, 2023	5,013,108	-
(3) Contributions subsequent to the measurement date		
(a) measurement date July 1, 2023	10,497,793	-
(4) Net difference between expected and actual earnings on pension plan investment		
(a) measurement date July 1, 2023	9,812,051	-
Total	<u>\$ 25,640,888</u>	<u>\$ 2,820,220</u>

\$10,497,793 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension costs as follows:

<u>Year Ended June 30:</u>	
2025	\$ 5,039,177
2026	1,511,424
2027	6,423,163
2028	(650,889)
Thereafter	-

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made at contractually required



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

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.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at 6/30/2023 (measurement date 6/30/2022)	\$ 224,648,476	\$ 149,210,061	\$ 75,438,415
Changes for the year:			
Service cost	2,780,226	-	2,780,226
Interest	15,001,959	-	15,001,959
Difference between expected and actual experience	429,493	-	429,493
Assumption change	-	-	-
Contributions - employer	-	9,338,748	(9,338,748)
Contributions - 8.28% member	-	1,178,428	(1,178,428)
Contributions - 2% member	-	47,653	(47,653)
Net investment income	-	13,316,564	(13,316,564)
Benefit payments	(10,526,802)	(10,526,802)	-
Administrative expense	-	(173,958)	173,958
Net changes	7,684,876	13,180,633	(5,495,757)
Balance at 6/30/2024 (measurement date 6/30/2023)	\$ 232,333,352	\$ 162,390,694	\$ 69,942,658

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, 2024:

	Market Value	Percentage of Total
Annuity	\$ 5,127,613	3.41
Equities	108,451,606	60.70
Fixed income	61,264,140	35.49
Money market funds	710,255	0.40
Total	\$ 175,553,614	100.00



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

The following investments as of June 30, 2024 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	\$ 22,138,317
Vanguard Div Apprec Index Fund	\$ 24,876,681
Vanguard Small-Cap Index Fund	\$ 10,719,495
Vanguard Total Stock Market Index	\$ 35,903,593
Brandywine Global Corp Crdt-IS	\$ 8,922,143
Dodge & Cox Income Fund	\$ 11,653,073
Vanguard Long-term Bond Index	\$ 16,650,360

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 6.75 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 (5.75 percent) or 1-percentage-point higher (7.75 percent) than current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Total pension liability	\$ 262,756,078	\$ 232,333,352	\$ 207,088,863
Plan fiduciary net pension	<u>162,390,694</u>	<u>162,390,694</u>	<u>162,390,694</u>
Net pension liability	<u>\$ 100,365,384</u>	<u>\$ 69,942,658</u>	<u>\$ 44,698,169</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 in Section 414(d) of the IRS Code, the



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

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, 2024. Total amounts paid over to Voya Financial Inc. on behalf of retirees was \$132,231.

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 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 \$1,018,920 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, 2024. 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, 2024.

For the year ended June 30, 2024, the Authority's annual contributions to the Matching Plan were \$1,018,920 which included both the Authority's matching and discretionary contributions.

B. Major Suppliers

The Electric Fund purchases all of its electric capacity from the Tennessee Valley Authority (TVA). Purchased power from TVA cost \$120,218,385 for the year ending June 30, 2024.

The Gas Fund purchased 37 percent of its natural gas from Symmetry Energy Solutions. Total purchased gas cost was \$14,325,841 for the year ended June 30, 2024.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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; directors and officers; employment practices; fiduciary; technology errors and omissions, multimedia and cyber. During the fiscal year ended June 30, 2024, 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, 2024, the Authority is party to various lawsuits filed against it in the normal course of business. The Authority's liability, if any, in all pending litigation after consideration of the insurance coverage should not have a material adverse effect of its financial position or results of operations.

D. Other Post-Employment Benefits

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, 2024, was \$2,836,454. At the measurement date of June 30, 2023, the Authority had 224 active participants covered under the plan. The plan also covers 268 inactive participants and 135 covered spouses.

The cost of providing retiree life insurance benefits for the year ended June 30, 2024, was \$264,768. At the measurement date of June 30, 2024, the Authority had 369 active participants covered under the plan. The plan also covers 257 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.

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, 2024, the actuarially determined recommended employer contribution was \$2,277,757.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

Assumption Changes

- A change in the discount rate of 5.75% as of the June 30, 2022 measurement date to 6.00% as of the June 30, 2023 measurement date.
- A change in the expected long-rate of return on plan assets from 5.75% to 6.00%.
- Claims and trend rates were updated to reflect more recent plan experience.

Net OPEB Liability

The Authority's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2024, the Authority reported a net OPEB liability of \$16,434,561.

Actuarial Assumptions

The total OPEB liability as of the June 30, 2023, 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	6.00 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-2021.

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

For the year ended June 30, 2024, the Authority recognized OPEB expense of \$423,397.

At June 30, 2024, 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 June 30, 2023	\$ 1,924,068	\$ 1,549,235
(2) Difference due to assumption changes		
(a) measurement date June 30, 2023	2,421,261	12,214,240
(3) Contributions subsequent to the measurement date		
(a) measurement date June 30, 2023	1,581,209	-
(4) Net difference between expected and actual earnings on OPEB plan investment		
(a) measurement date June 30, 2023	1,784,570	-
Total	<u>\$ 7,711,108</u>	<u>\$ 13,763,475</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

\$1,581,209 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2025	\$ (1,770,209)
2026	(2,099,111)
2027	(358,099)
2028	(1,473,582)
2029	(510,154)
Thereafter	(1,422,421)

Discount rate

The discount rate used to measure the total OPEB liability was 6.00 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 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.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balance at 6/30/2023 (measurement date 6/30/2022)	\$ 67,651,751	\$ 42,912,531	\$ 24,739,220
Changes for the year:			
Service Cost	889,479	-	889,479
Interest	3,862,858	-	3,862,858
Difference between expected and actual experience	(1,317,731)	-	(1,317,731)
Assumption change	(5,914,419)	-	(5,914,419)
Net benefit payments	(2,760,770)	-	(2,760,770)
Contributions - employer	-	1,685,037	(1,685,037)
Contributions - retiree	-	550,230	(550,230)
Net investment income	-	4,207,662	(4,207,662)
Benefit payments	-	(3,311,000)	3,311,000
Administrative expense	-	(67,853)	67,853
Net changes	(5,240,583)	3,064,076	(8,304,659)
Balance at 6/30/2024 (measurement date 6/30/2023)	\$ 62,411,168	\$ 45,976,607	\$ 16,434,561



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

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 6.00 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 (5.00 percent) or 1-percentage-point higher (7.00 percent) than current rate:

	1% Decrease (5.00%)	Current Rate (6.00%)	1% Increase (7.00%)
Total OPEB liability	\$ 69,947,921	\$ 62,411,168	\$ 56,071,548
Plan fiduciary net pension	45,976,607	45,976,607	45,976,607
Net OPEB liability	<u>\$ 23,971,314</u>	<u>\$ 16,434,561</u>	<u>\$ 10,094,941</u>

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 (4.75%)	Trend Rate (5.75%)	1% Increase (6.75%)
Total OPEB liability	\$ 56,858,664	\$ 62,411,168	\$ 68,989,348
Plan fiduciary net pension	45,976,607	45,976,607	45,976,607
Net OPEB liability	<u>\$ 10,882,057</u>	<u>\$ 16,434,561</u>	<u>\$ 23,012,741</u>

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, 2024:

	Market Value	Percentage of Total
Equities	\$ 32,029,324	62.54
Fixed income	18,752,613	36.61
Money market funds	435,683	0.85
Total	<u>\$ 51,217,620</u>	<u>100.00</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

OPEB plan investments (Continued)

The following investments as of June 30, 2024, 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	\$ 4,087,310
Vanguard Large-Cap Index Fund	\$ 21,749,525
Vanguard Small-Cap Index Fund	\$ 5,218,553
Dodge & Cox Income Fund	\$ 5,010,440
Vanguard Long-term Bond Index	\$ 11,035,472
Vanguard Total Bond Market Index	\$ 2,706,702

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.

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, 2024.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

F. Inter-Fund Loan (Continued)

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, 2024.

As of June 30, 2024, the Authority had the following investments in the debt service reserve. Fair market values are based on Level I inputs:

	Cost	Fair Value
Debt Service Fund Investments		
FirstBank	\$ 4,682,250	\$ 4,682,250
Local Govt Investment Pool	571,988	571,988
U.S. Treasury Notes	248,080	245,762
	<u>\$ 5,502,318</u>	<u>\$ 5,500,000</u>

G. Inter-fund Payments

For the fiscal year ended June 30, 2024, the Telecommunications Fund paid rent to the Electric, Gas, Water, and Wastewater Funds in the amount of \$233,433 for the use of facilities. The Telecommunications Fund paid rent to the Electric Fund for the year ended June 30, 2024, in the amount of \$566,245 for use of electric poles. The Electric Fund paid Automated Metering Infrastructure fees to the Telecommunications Fund for the year ended June 30, 2024, in the amount of \$250,000.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

I. The Tennergy Corporation (Continued)

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, 2024, the Gas Fund's investment in the Tennergy Corporation amounted to \$5,146,082.

The investment gain from the Tennergy Corporation amounted to \$493,528 for the year ended June 30, 2024.

The Gas Fund's investment in the Tennergy Corporation represented a 73 percent interest as of June 30, 2024.

On June 30, 2024, the Tennergy Corporation had total assets of \$2,008,077,662, liabilities and deferred inflows of resources of \$2,001,049,355, and net position of \$7,028,305. 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. Reserve for Contract Loss

On occasion, the Authority enters into contracts with commercial and industrial customers to build infrastructure for future projects. In the first quarter of 2023, the Authority entered into a contract requiring a potential customer to pay Contribution in Aid of Construction (CIAC) in the amount of \$5,000,000. The original due date for the payment was June 1, 2023 and the Authority booked a reserve for contract loss for the full \$5,000,000. During the 2024 fiscal year, the Authority renegotiated the contract and received the full \$5 million payment in August 2024.

K. Deferred Revenue – Madison County

On March 27, 1997, the County and Jackson Utility Division (JUD) (now JEA) entered into an agreement under which the Authority provided water and wastewater infrastructure at the Airport Industrial Park as needed at no up-front cost to the County. As compensation for the infrastructure, the County agreed to reimburse the Authority a percentage of the sales price of the industrial park property when it was sold or transferred.

On March 1, 2004 the County and the Authority entered into an agreement deferring for a period of twenty years the Authority's receipt of \$636,000 for installation of utility infrastructure at the 212-acre site of the Bodine Aluminum (now Toyota Motor Manufacturing, Tennessee (TMMTN)) manufacturing facility in the Airport Industrial Park. Title to the Industrial Park property where the facility is located was conveyed by the County to the Industrial Development Board (IDB) in 2004 and a facility lease agreement was entered into between TMMTN and the IDB which runs through December 31, 2026. TMMTN is not required to purchase the property where the manufacturing facility is located until the facility lease agreement with the IDB has expired.

The Authority agreed to defer receipt of reimbursement of \$636,000 under the March 1, 2004 agreement until the first quarter of 2027 to allow the County to use funds received from the purchase of the property by TMMTN to make this payment. As a result, as of June 30, 2024, the Authority booked a receivable and deferred revenue in both the Water and Wastewater systems for their portion of the \$636,000.

L. 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, Telecommunications has some operations in Obion County, Tennessee. The Authority derives its revenue primarily from user charges to customers within these locations.



REQUIRED SUPPLEMENTARY INFORMATION



FINANCIAL STATEMENTS & SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDING JUNE 30, 2024



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net Pension Liability and Related Ratios**
JUNE 30, 2024

	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020
Total Pension Liability					
Service Cost	\$ 2,780,226	\$ 2,785,239	\$ 2,882,661	\$ 2,440,656	\$ 2,495,165
Interest Cost	15,001,959	14,624,994	14,850,079	14,108,673	13,292,606
Changes of Benefit Terms	-	-	(7,348,032)	-	-
Transfer Between Plans (4 participants)	-	-	-	-	-
Transfer of All Remaining Tennergy Liability	-	-	-	-	-
Differences Between Expected and Actual Experiences	429,493	(4,188,736)	(1,551,052)	(1,260,810)	62,477
Changes of Assumptions	-	2,510,342	5,545,645	11,167,768	4,222,221
Benefit Payments, Including Refunds of Member Contributions	<u>(10,526,802)</u>	<u>(9,769,914)</u>	<u>(9,743,358)</u>	<u>(8,977,754)</u>	<u>(8,553,361)</u>
Net Change in Total Pension Liability	7,684,876	5,961,925	4,635,943	17,478,533	11,519,108
Total Pension Liability (Beginning)	<u>224,648,476</u>	<u>218,686,551</u>	<u>214,050,608</u>	<u>196,572,075</u>	<u>185,052,968</u>
Total Pension Liability (Ending)	<u>\$ 232,333,352</u>	<u>\$ 224,648,476</u>	<u>\$ 218,686,551</u>	<u>\$ 214,050,608</u>	<u>\$ 196,572,076</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 9,338,748	\$ 10,230,939	\$ 8,209,843	\$ 7,560,751	\$ 7,726,375
Contributions - 8.28% Member	1,178,428	1,211,013	1,236,170	1,256,753	1,291,435
Contributions - 2% Member	47,653	46,947	46,958	45,844	44,865
Net Investment Income	13,316,564	(23,378,353)	33,843,277	4,034,412	8,410,282
Benefit Payments, Including Refunds of Member Contributions	(10,526,802)	(9,769,914)	(9,743,358)	(8,977,754)	(8,553,361)
Administrative Expense	(173,958)	(184,822)	(173,601)	(143,674)	(101,926)
Transfer Between Plans (4 participants)	-	-	-	-	-
Transfer of All Remaining Tennergy Assets	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	13,180,633	(21,844,190)	33,419,289	3,776,332	8,817,670
Plan Fiduciary Net Position (Beginning)	<u>149,210,061</u>	<u>171,054,251</u>	<u>137,634,962</u>	<u>133,858,630</u>	<u>125,040,960</u>
Plan Fiduciary Net Position (Ending)	<u>\$ 162,390,694</u>	<u>\$ 149,210,061</u>	<u>\$ 171,054,251</u>	<u>\$ 137,634,962</u>	<u>\$ 133,858,630</u>
The Authority's Net Pension Liability	<u>\$ 69,942,658</u>	<u>\$ 75,438,415</u>	<u>\$ 47,632,300</u>	<u>\$ 76,415,646</u>	<u>\$ 62,713,446</u>
Net Position as a % of Pension Liability	69.90%	66.42%	78.22%	64.30%	68.10%
Covered Employee Payroll	\$ 15,962,733	\$ 16,123,335	\$ 17,019,374	\$ 17,130,140	\$ 17,857,525
The Authority's Pension Liability as a % of Covered-Employee Payroll	438.16%	467.88%	279.87%	446.09%	351.19%

*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.



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)**
JUNE 30, 2024

	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	\$ 2,661,358	\$ 2,425,007	\$ 2,349,489	\$ 2,213,443	\$ 2,337,036
Interest Cost	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	490,277	1,451,527	(639)	1,610,666	2,850,872
Changes of Assumptions	4,196,883	1,530,055	-	4,939,654	-
Benefit Payments, Including Refunds of Member Contributions	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)	(6,524,644)
Net Change in Total Pension Liability	11,900,437	17,274,880	6,521,521	12,091,403	8,671,554
Total Pension Liability (Beginning)	173,152,531	155,877,651	149,356,130	137,264,728	134,369,158
Total Pension Liability (Ending)	\$ 185,052,968	\$ 173,152,531	\$ 155,877,651	\$ 149,356,131	\$ 143,040,712
Plan Fiduciary Net Position					
Contributions - Employer	\$ 14,642,435	\$ 7,389,084	\$ 7,022,982	\$ 5,901,463	\$ 5,607,583
Contributions - 8.28% Member	1,586,282	1,548,157			
Contributions - 2% Member	43,565	42,070	41,939	36,655	20,311
Net Investment Income	5,931,821	6,979,057	895,518	2,878,326	12,617,521
Benefit Payments, Including Refunds of Member Contributions	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)	(6,524,644)
Administrative Expense	(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	14,065,161	13,894,388	909,484	1,816,269	11,510,802
Plan Fiduciary Net Position (Beginning)	110,975,799	97,081,411	96,171,927	94,355,659	83,318,142
Plan Fiduciary Net Position (Ending)	\$ 125,040,960	\$ 110,975,799	\$ 97,081,411	\$ 96,171,928	\$ 94,828,944
The Authority's Net Pension Liability	\$ 60,012,008	\$ 62,176,732	\$ 58,796,240	\$ 53,184,203	\$ 48,211,768
Net Position as a % of Pension Liability	67.57%	64.09%	62.28%	64.39%	66.30%
Covered Employee Payroll	\$ 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	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.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's Pension Contributions and Notes
JUNE 30, 2024

	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020
Actuarially Determined Contribution	\$ 7,299,132	\$ 7,275,898	\$ 8,196,643	\$ 6,572,525	\$ 6,003,774
Contributions made in Relation to the Actuarially Determined Contribution	10,497,793	10,564,827	10,230,939	8,209,843	7,560,751
Contribution Deficiency (excess)	(3,198,661)	(3,288,929)	(2,034,296)	(1,637,318)	(1,556,977)
Covered-Employee Payroll	16,535,954	15,962,733	16,123,335	17,019,374	17,130,140
Contributions as a % of Payroll	63.5%	66.2%	63.5%	48.2%	44.1%

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 2024:

Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	5 year smoothing.
General Inflation:	2.50%
Salary Increases:	4.50%
Investment Rate of Return:	6.75%, 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-2021.

*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 Contributions and Notes (Continued)
JUNE 30, 2024

	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	\$ 6,181,859	\$ 5,672,116	\$ 6,813,731	\$ 6,079,045	\$ 6,202,484	\$ 6,009,815
Contributions made in Relation to the Actuarially Determined Contribution	7,726,375	14,642,435	7,389,084	7,022,982	6,190,322	5,607,583
Contribution Deficiency (excess)	(1,544,516)	(8,970,319)	(575,353)	(943,937)	12,162	402,232
Covered-Employee Payroll	17,857,525	21,336,221	20,152,643	18,765,114	19,662,603	18,943,035
Contributions as a % of Payroll	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 2024:

Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	5 year smoothing.
General Inflation:	2.50%
Salary Increases:	4.50%
Investment Rate of Return:	6.75%, 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-2021.

*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, 2024

	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020
Annual money-weighted rate of return, net of investment expense	8.44%	-14.71%	21.81%	2.87%	6.42%



JACKSON ENERGY AUTHORITY
Schedule of the Authority's Pension Plan Investment Returns (Continued)
JUNE 30, 2024

	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	4.94%	6.63%	0.82%	2.89%	13.93%



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net OPEB Liability and Related Ratios
JUNE 30, 2024

	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021
Total OPEB Liability				
Service Cost	\$ 889,479	\$ 877,354	\$ 878,206	\$ 828,526
Interest Cost	3,862,858	3,620,137	3,431,238	3,588,183
Changes of Benefit Terms	-	-	-	-
Contributions from the members	-	-	-	-
Differences Between Expected and Actual Experiences	(1,317,731)	26,467	2,089,483	(552,973)
Changes of Assumptions	(5,914,419)	2,641,627	(350,829)	(4,373,184)
Benefit Payments, Including Refunds of Member Contributions	<u>(2,760,770)</u>	<u>(3,146,790)</u>	<u>(2,387,907)</u>	<u>(2,154,773)</u>
Net Change in Total OPEB Liability	<u>(5,240,583)</u>	<u>4,018,795</u>	<u>3,660,191</u>	<u>(2,664,221)</u>
Total OPEB Liability (Beginning)	<u>67,651,751</u>	<u>63,632,956</u>	<u>59,972,765</u>	<u>62,636,986</u>
Total OPEB Liability (Ending)	<u>\$ 62,411,168</u>	<u>\$ 67,651,751</u>	<u>\$ 63,632,956</u>	<u>\$ 59,972,765</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,685,037	\$ 2,299,719	\$ 2,218,464	\$ 3,864,557
Contributions - Member	550,230	545,284	594,848	645,638
Net Investment Income	4,207,662	(7,948,958)	10,335,155	2,950,929
Benefit Payments, Including Refunds of Member Contributions	(3,311,000)	(3,692,074)	(2,982,755)	(2,800,411)
Administrative Expense	<u>(67,853)</u>	<u>(72,055)</u>	<u>(66,748)</u>	<u>(58,890)</u>
Net Change in Plan Fiduciary Net Position	<u>3,064,076</u>	<u>(8,868,084)</u>	<u>10,098,964</u>	<u>4,601,823</u>
Plan Fiduciary Net Position (Beginning)	<u>42,912,532</u>	<u>51,780,616</u>	<u>41,681,652</u>	<u>37,079,829</u>
Plan Fiduciary Net Position (Ending)	<u>\$ 45,976,608</u>	<u>\$ 42,912,532</u>	<u>\$ 51,780,616</u>	<u>\$ 41,681,652</u>
The Authority's Net OPEB Liability	<u>\$ 16,434,560</u>	<u>\$ 24,739,219</u>	<u>\$ 11,852,340</u>	<u>\$ 18,291,113</u>
Net Position as a % of Total OPEB Liability	73.67%	63.43%	81.37%	69.50%
Covered - Employee Payroll	\$ 25,067,246	\$ 23,116,219	\$ 22,942,544	\$ 19,811,754
Total OPEB Liability as a % of Covered-Employee Payroll	65.56%	107.02%	51.66%	92.32%



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)
JUNE 30, 2024

	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Total OPEB Liability			
Service Cost	\$ 969,719	\$ 1,833,801	\$ 1,995,248
Interest Cost	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	755,147	(440,726)	2,236,392
Changes of Assumptions	(9,942,279)	(2,899,542)	3,079,988
Benefit Payments, Including Refunds of Member Contributions	<u>(2,197,408)</u>	<u>(1,901,423)</u>	<u>(2,373,522)</u>
Net Change in Total OPEB Liability	(6,448,915)	(18,308,857)	2,579,139
Total OPEB Liability (Beginning)	<u>69,085,901</u>	<u>87,394,758</u>	<u>84,815,619</u>
Total OPEB Liability (Ending)	<u>\$ 62,636,986</u>	<u>\$ 69,085,901</u>	<u>\$ 87,394,758</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 6,471,290	\$ 8,738,289	\$ 3,442,183
Contributions - Member	570,155	428,075	336,958
Net Investment Income	2,819,284	1,505,210	(41,440)
Benefit Payments, Including Refunds of Member Contributions	(2,767,563)	(2,329,498)	(2,373,522)
Administrative Expense	<u>(45,355)</u>	<u>(44,698)</u>	<u>(42,415)</u>
Net Change in Plan Fiduciary Net Position	7,047,811	8,297,378	1,321,764
Plan Fiduciary Net Position (Beginning)	<u>30,032,018</u>	<u>21,734,640</u>	<u>20,412,876</u>
Plan Fiduciary Net Position (Ending)	<u>\$ 37,079,829</u>	<u>\$ 30,032,018</u>	<u>\$ 21,734,640</u>
The Authority's Net OPEB Liability	<u>\$ 25,557,157</u>	<u>\$ 39,053,883</u>	<u>\$ 65,660,118</u>
Net Position as a % of Total OPEB Liability	59.20%	43.47%	24.87%
Covered - Employee Payroll	\$ 20,056,659	\$ 25,095,008	\$ 24,274,764
Total OPEB Liability as a % of Covered-Employee Payroll	127.42%	155.62%	270.49%



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Contribution and Notes
JUNE 30, 2024

	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021
Actuarially Determined Contribution	\$ 2,277,757	\$ 1,175,909	\$ 1,763,923	\$ 2,351,434
Contributions made in Relation to the Actuarially Determined Contribution	1,581,209	1,763,923	2,299,719	2,218,464
Contribution Deficiency (excess)	696,548	(588,014)	(535,796)	132,970
Covered-Employee Payroll	28,208,334	25,067,246	23,116,219	22,942,544
Contributions as a % of Payroll	5.6%	7.0%	9.9%	9.7%

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 2024:

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 2021.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Contribution and Notes (Continued)
JUNE 30, 2024

	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Actuarially Determined Contribution	\$ 3,661,202	\$ 6,846,016	\$ 6,836,384
Contributions made in Relation to the Actuarially Determined Contribution	3,864,557	6,471,290	8,738,289
Contribution Deficiency (excess)	(203,355)	374,726	(1,901,905)
Covered-Employee Payroll	19,811,754	20,056,659	25,095,008
Contributions as a % of Payroll	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 2024:

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 2021.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Investment Returns
JUNE 30, 2024

	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021
Annual money-weighted rate of return, net of investment expense	9.31%	-16.94%	21.97%	7.34%

*Only seven years are available from actuarial valuation.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Investment Returns (Continued)
JUNE 30, 2024

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

*Only seven years are available from actuarial valuation.



SUPPLEMENTARY & OTHER INFORMATION



FINANCIAL STATEMENTS & SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDING JUNE 30, 2024



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	Increase (Decrease)
Operating revenues:			
Charges for sales and services:			
Residential sales	\$ 47,171,907	\$ 49,668,476	\$ (2,496,569)
Small lighting and power sales	14,136,191	14,162,050	(25,859)
Large lighting and power sales	85,989,642	93,771,904	(7,782,262)
Street and athletic lighting sales	2,280,226	2,376,886	(96,660)
Outdoor lighting	2,125,415	2,166,822	(41,407)
Unbilled revenue	1,111,031	(751,759)	1,862,790
Uncollectible accounts	(341,835)	(310,776)	(31,059)
Total charges for sales and services (net)	<u>152,472,577</u>	<u>161,083,603</u>	<u>(8,611,026)</u>
Other revenues			
Forfeited discounts	950,819	1,163,825	(213,006)
Miscellaneous service revenue	364,546	394,654	(30,108)
Rent from electric property	2,739,260	2,611,314	127,946
Other electric revenue	30,818	21,024	9,794
Total other revenues	<u>4,085,443</u>	<u>4,190,817</u>	<u>(105,374)</u>
Total operating revenues (net)	<u>156,558,020</u>	<u>165,274,420</u>	<u>(8,716,400)</u>
Operating expenses:			
Cost of sales and services:			
Purchased power	<u>120,218,385</u>	<u>129,394,560</u>	<u>(9,176,175)</u>
Operations expenses:			
Transmission expenses:			
Load Dispatching	1,217	8,533	(7,316)
Overhead line expense	<u>13,400</u>	<u>14,085</u>	<u>(685)</u>
Total transmission expense	<u>14,617</u>	<u>22,618</u>	<u>(8,001)</u>
Distribution expenses:			
Load dispatching	413,822	334,855	78,967
Station expense	8,686	10,784	(2,098)
Overhead line expense	70,388	35,308	35,080
Underground line expense	1,132	342	790
Street lighting and signal system	1,220	3,688	(2,468)
Meter expense	365,017	283,919	81,098
Customer installations expense	660,659	691,803	(31,144)
Supervision and engineering	163,231	145,111	18,120
Miscellaneous	782,771	875,193	(92,422)
Rents	190,430	168,118	22,312
Total distribution expenses	<u>2,657,356</u>	<u>2,549,121</u>	<u>108,235</u>
Customer accounts expenses:			
Meter reading expense	27,445	24,710	2,735
Customer contracts and orders	510,311	551,759	(41,448)
Customer collections	195,137	119,816	75,321
Customer utility billing coordinator	44,650	77,776	(33,126)
Data processing	85,722	145,148	(59,426)
Stand-By time	<u>25,161</u>	<u>2,535</u>	<u>-</u>
Total customer accounts	<u>888,426</u>	<u>921,744</u>	<u>(55,944)</u>



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
Operating expenses (continued):			
Customer information and sales expense:			
Assistance	347,717	334,153	13,564
Demonstrations and advertising	51,543	26,310	25,233
Service guarantees	317	455	(138)
Miscellaneous	42,928	41,583	1,345
Total customer information and sales expense	<u>442,505</u>	<u>402,501</u>	<u>40,004</u>
Administrative expenses:			
Office salaries	2,120,885	2,187,282	(66,397)
Employee training	-	-	-
Office supplies and expense	632,185	499,231	132,954
Professional services	140,839	172,043	(31,204)
Insurance	522,832	419,263	103,569
Employee pension and benefits	4,448,406	4,673,014	(224,608)
Miscellaneous and penalties	166,487	210,085	(43,598)
Total administrative expenses	<u>8,031,634</u>	<u>8,160,918</u>	<u>(129,284)</u>
Total operations expense	<u>12,034,538</u>	<u>12,056,902</u>	<u>(44,990)</u>
Maintenance expenses:			
Transmission expenses:			
Supervision and engineering	227	7,643	(7,416)
Station equipment	-	-	-
Overhead lines	172,288	114,020	58,268
Total transmission expenses	<u>172,515</u>	<u>121,663</u>	<u>50,852</u>
Distribution expenses:			
Supervision and engineering	136,664	40,207	96,457
Station equipment	671,466	385,538	285,928
Poles	-	-	-
Lines	2,829,271	3,044,001	(214,730)
Transformers	57,060	169,370	(112,310)
Street lighting and signals	33,117	110,800	(77,683)
Meters	78,325	83,952	(5,627)
Total distribution expenses	<u>3,805,903</u>	<u>3,833,868</u>	<u>(27,965)</u>
Administrative and general expenses:			
Structures and improvements	334,401	290,663	43,738
Office furniture and fixtures	165,138	95,559	69,579
Communications equipment	363,753	381,451	(17,698)
Total administrative and general expenses	<u>863,292</u>	<u>767,673</u>	<u>95,619</u>
Total maintenance expenses	<u>4,841,710</u>	<u>4,723,204</u>	<u>118,506</u>
Depreciation and amortization	9,901,903	9,392,944	508,959
Taxes	499,386	471,863	27,523
In lieu of taxes	4,201,022	3,897,050	303,972
	<u>14,602,311</u>	<u>13,761,857</u>	<u>840,454</u>
Total operating expenses	<u>\$ 151,696,944</u>	<u>\$ 159,936,523</u>	<u>\$ (8,262,205)</u>



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 34,271,303	\$ 42,819,030	\$ (8,547,727)
Uncollectible accounts	<u>(28,347)</u>	<u>(60,002)</u>	<u>31,655</u>
Total operating revenues (net)	<u>34,242,956</u>	<u>42,759,028</u>	<u>(8,516,072)</u>
Operating expenses:			
Cost of sales and services:			
Gas purchased	<u>14,325,841</u>	<u>22,662,060</u>	<u>(8,336,219)</u>
Total cost of sales and services expense	<u>14,325,841</u>	<u>22,662,060</u>	<u>(8,336,219)</u>
Operations expense:			
Distribution expenses:			
Production	2,185	2,429	(244)
Mains and services	266,416	297,533	(31,117)
Gas leak surveying	1,650	6,662	(5,012)
Measuring and regulating	389,732	306,758	82,974
Meter house and regulation	226,343	240,719	(14,376)
Customer installations expense	301,894	385,628	(83,734)
Gas light and grills	13,986	19,283	(5,297)
Supervision and engineering	385,970	392,045	(6,075)
Maps and records	3,196	2,598	598
Office expense	412,717	457,104	(44,387)
Rents	-	-	-
Propane delivery	<u>173,156</u>	<u>167,140</u>	<u>6,016</u>
Total distribution expenses	<u>2,177,245</u>	<u>2,277,899</u>	<u>(100,410)</u>
Customer accounts expenses:			
Meter reading expense	306,349	319,859	(13,510)
Customer contracts and orders	263,790	250,805	12,985
Customer collections	235,463	133,133	102,330
Customer utility billing coordinator	65,614	58,819	6,795
Customer account stand-by time	247,369	33,396	213,973
Data processing	<u>60,617</u>	<u>85,662</u>	<u>(25,045)</u>
Total customer accounts expenses	<u>1,179,202</u>	<u>881,674</u>	<u>297,528</u>
Customer information and sales expense:			
Assistance	169,074	118,311	50,763
Demonstrations and advertising	51,543	26,310	25,233
Miscellaneous	<u>39,022</u>	<u>35,213</u>	<u>3,809</u>
Total customer information and sales expense	<u>259,639</u>	<u>179,834</u>	<u>79,805</u>



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	Increase (Decrease)
Operations expenses (continued):			
Administrative expenses:			
Office salaries	1,942,784	1,881,605	61,179
Office supplies and expense	399,176	332,456	66,720
Special services	102,099	199,840	(97,741)
Insurance	243,435	196,287	47,148
Employee pension and benefits	3,231,852	3,434,035	(202,183)
Miscellaneous and penalties	64,587	48,443	16,144
Total administrative expenses	<u>5,983,933</u>	<u>6,092,666</u>	<u>(108,733)</u>
Total operations expense	<u>9,600,019</u>	<u>9,432,073</u>	<u>168,190</u>
Total operations and cost of sales and services	<u>23,925,860</u>	<u>32,094,133</u>	<u>(8,168,029)</u>
Maintenance expenses:			
Production	4,583	2,701	1,882
Total production expenses	<u>4,583</u>	<u>2,701</u>	<u>1,882</u>
Distribution expenses:			
Supervision and engineering	178,786	167,457	11,329
Structures and improvements	-	-	-
Mains	525,594	496,032	29,562
Measuring and regulating	42,128	14,967	27,161
Services	168,621	222,268	(53,647)
Meters and regulators	54,457	64,540	(10,083)
Other equipment	235,926	107,728	128,198
Total distribution expenses	<u>1,205,512</u>	<u>1,072,992</u>	<u>132,520</u>
Administrative and general expenses:			
Administrative and general expenses:	578,893	498,288	80,605
Total administrative and general expenses	<u>578,893</u>	<u>498,288</u>	<u>80,605</u>
Total maintenance expenses	<u>1,788,988</u>	<u>1,573,981</u>	<u>215,007</u>
Depreciation and amortization	4,945,801	4,704,629	241,172
Taxes	379,140	348,072	31,068
In lieu of taxes	1,627,907	1,626,990	917
	<u>6,952,848</u>	<u>6,679,691</u>	<u>273,157</u>
Total operating expenses	<u>\$ 32,667,696</u>	<u>\$ 40,347,805</u>	<u>\$ (7,679,865)</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 20,272,930	\$ 1,482,578	\$ 790,352
Uncollectible accounts	(104,230)	(62,178)	(42,052)
Total operating revenues (net)	<u>20,168,700</u>	<u>19,420,400</u>	<u>748,300</u>
Operating expenses:			
Operations expense			
Source of supply:			
Labor	7,508	3,619	3,889
Miscellaneous	563,213	630,093	(66,880)
Total source of supply expense	<u>570,721</u>	<u>633,712</u>	<u>(62,991)</u>
Pumping			
Supervision and engineering	-	-	-
Purchased power	686,414	631,974	54,440
Miscellaneous	244	1,201	(957)
Total pumping expense	<u>686,658</u>	<u>633,175</u>	<u>53,483</u>
Treatment and disposal			
Supervision and engineering	20,326	22,093	(1,767)
Labor	578,997	507,973	71,024
Chemicals	517,284	478,726	38,558
Miscellaneous	177,955	189,501	(11,546)
Total treatment and disposal expense	<u>1,294,562</u>	<u>1,198,293</u>	<u>96,269</u>
Transmission and distribution			
Supervision and engineering	446,823	416,932	29,891
Storage facilities expense	4,522	5,639	(1,117)
Line expense	488,995	445,686	43,309
Meter expense	93,131	53,337	39,794
Miscellaneous	331,513	426,340	(94,827)
Customer installation	234,967	338,779	(103,812)
Total transmission and distribution expense	<u>1,599,951</u>	<u>1,686,713</u>	<u>(86,762)</u>
Customer accounts expenses:			
Meter reading expense	192,562	179,212	13,350
Customer billing and collecting	471,620	414,875	56,745
Data processing	51,010	70,568	(19,558)
Assistance expense	114,486	114,391	95
Demonstrations and advertising	28,253	13,155	15,098
Stand-By time	114,395	14,979	99,416
Miscellaneous	32,929	29,542	3,387
Total customer accounts expense	<u>1,005,255</u>	<u>836,722</u>	<u>168,533</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	Increase (Decrease)
Operating expenses (continued):			
Administrative and general expense:			
Salaries	1,322,993	1,223,316	99,677
Office supplies and expense	299,833	237,502	62,331
Professional service	82,365	89,848	(7,483)
Insurance	284,521	213,278	71,243
Employee pension and benefits	2,888,988	2,903,033	(14,045)
Miscellaneous	59,352	50,669	8,683
Total administrative and general expense	<u>4,938,052</u>	<u>4,717,646</u>	<u>220,406</u>
Total operations expense	<u>10,095,199</u>	<u>9,706,261</u>	<u>388,938</u>
Maintenance expenses:			
Source of supply			
Wells and springs	81,758	36,244	45,514
Total source of supply	<u>81,758</u>	<u>36,244</u>	<u>45,514</u>
Pumping			
Supervision and engineering	4,852	1,638	3,214
Pumping equipment	71,456	69,039	2,417
Total pumping expenses	<u>76,308</u>	<u>70,677</u>	<u>5,631</u>
Treatment and disposal			
Structures and improvements	6,479	1,616	4,863
Treatment and disposal equipment	480,735	315,294	165,441
Total treatment and disposal	<u>487,214</u>	<u>316,910</u>	<u>170,304</u>
Transmission and distribution			
Supervision and engineering	10,127	17,624	(7,497)
Distribution reservoirs and standpipes	75,839	70,836	5,003
Mains and services	887,993	964,685	(76,692)
Service meters and hydrants	296,744	368,526	(71,782)
Total transmission and distribution	<u>1,270,703</u>	<u>1,421,671</u>	<u>(150,968)</u>
Administrative and general expenses:			
Administrative and general expenses	557,025	477,979	79,046
Total administrative and general expenses	<u>557,025</u>	<u>477,979</u>	<u>79,046</u>
Total maintenance expenses	<u>2,473,008</u>	<u>2,323,481</u>	<u>149,527</u>
Depreciation and amortization	3,774,015	3,656,463	117,552
Taxes	358,291	321,435	36,856
In lieu of taxes	202,991	197,622	5,369
	<u>4,335,297</u>	<u>4,175,520</u>	<u>159,777</u>
Total operating expenses	<u>\$ 16,903,504</u>	<u>\$ 16,205,262</u>	<u>\$ 698,242</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 21,249,041	\$ 21,289,582	\$ (40,541)
Uncollectible accounts	<u>(27,358)</u>	<u>(42,229)</u>	<u>14,871</u>
Total operating revenues (net)	<u>21,221,683</u>	<u>21,247,353</u>	<u>(25,670)</u>
Operating expenses:			
Operations expense:			
Pumping			
Purchased power	123,896	131,890	(7,994)
Miscellaneous	<u>13,984</u>	<u>10,654</u>	<u>3,330</u>
Total pumping expense	<u>137,880</u>	<u>142,544</u>	<u>(4,664)</u>
Treatment and disposal			
Supervision and engineering	40,226	41,034	(808)
Labor	1,382,174	1,407,712	(25,538)
Chemicals	301,191	200,445	100,746
Miscellaneous	<u>832,107</u>	<u>873,591</u>	<u>(41,484)</u>
Total treatment and disposal expense	<u>2,555,698</u>	<u>2,522,782</u>	<u>32,916</u>
Transmission and distribution			
Supervision and engineering	167,055	166,895	160
Line expense	343,583	357,521	(13,938)
Meter expense	98,460	64,692	33,768
Miscellaneous	241,332	291,081	(49,749)
Customer installation	<u>93,916</u>	<u>64,761</u>	<u>29,155</u>
Total transmission and distribution expense	<u>944,346</u>	<u>944,950</u>	<u>(604)</u>
Customer accounts expenses			
Supervision	-	11,789	(11,789)
Meter reading expense	155,106	148,574	6,532
Customer billing and collecting	355,330	329,757	25,573
Data processing	38,934	58,764	(19,830)
Assistance expense	184,887	244,860	(59,973)
Demonstrations and advertising	26,122	13,155	12,967
Stand-By time	76,639	11,698	64,941
Miscellaneous	<u>29,653</u>	<u>30,023</u>	<u>(370)</u>
Total customer accounts expense	<u>866,671</u>	<u>848,620</u>	<u>18,051</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	Increase (Decrease)
Operating expenses (continued):			
Administrative and general expense			
Salaries	1,193,662	1,333,953	(140,291)
Office supplies and expense	232,316	192,117	40,199
Professional service	69,987	78,489	(8,502)
Insurance	365,052	381,141	(16,089)
Employee pension and benefits	2,430,019	2,640,063	(210,044)
Miscellaneous	44,106	48,766	(4,660)
Total administrative and general expense	<u>4,335,142</u>	<u>4,674,529</u>	<u>(339,387)</u>
Total operations expense	<u>8,839,737</u>	<u>9,133,425</u>	<u>(293,688)</u>
Maintenance expenses:			
Pumping			
Supervision and engineering	5,528	-	-
Structures and improvements	2,223	1,817	406
Pumping equipment	390,501	450,696	(60,195)
Total pumping	<u>398,252</u>	<u>452,513</u>	<u>(59,789)</u>
Treatment and disposal			
Structures and improvements	-	35	(35)
Treatment and disposal equipment	857,419	651,509	205,910
Total treatment and disposal	<u>857,419</u>	<u>651,544</u>	<u>205,875</u>
Transmission and distribution			
Supervision and engineering	3,718	4,103	(385)
Mains and services	1,086,003	1,120,772	(34,769)
Service meters and hydrants	17,412	16,437	975
Total transmission and distribution	<u>1,107,133</u>	<u>1,141,312</u>	<u>(34,179)</u>
Administrative and general			
Administrative and general expenses	478,163	402,127	76,036
Total administrative and general expenses	<u>478,163</u>	<u>402,127</u>	<u>76,036</u>
Total maintenance expenses	<u>2,840,967</u>	<u>2,647,496</u>	<u>187,943</u>
Depreciation and amortization	5,403,698	5,311,126	92,572
Taxes	314,788	300,950	13,838
In lieu of taxes	227,053	221,568	5,485
	<u>5,945,539</u>	<u>5,833,644</u>	<u>111,895</u>
Total operating expenses	<u>\$ 17,626,243</u>	<u>\$ 17,614,565</u>	<u>\$ 6,150</u>



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 35,584,898	\$ 35,276,872	\$ 308,026
Uncollectible accounts	(100,147)	(112,660)	12,513
Total operating revenues (net)	<u>35,484,751</u>	<u>35,164,212</u>	<u>320,539</u>
Operating expenses:			
Programming and services costs	<u>14,007,880</u>	<u>13,961,351</u>	<u>46,529</u>
Operations expenses			
Plant specific			
Network support	59,485	62,236	(2,751)
General support	435,373	386,793	48,580
Headend	18,792	15,777	3,015
Headend transmission	13,259	14,369	(1,110)
Cable and wire facilities	573,043	573,016	27
Total plant specific	<u>1,099,952</u>	<u>1,052,191</u>	<u>47,761</u>
Plant non-specific			
Other property and equipment	13,356	11,577	1,779
Network operations	484,179	796,970	(312,791)
Total plant non-specific	<u>497,535</u>	<u>808,547</u>	<u>(311,012)</u>
Customer operations			
Marketing	595,896	454,925	140,971
Services	4,135,223	3,943,223	192,000
Stand-by Time	78,055	48,200	29,855
Total customer operations	<u>4,809,174</u>	<u>4,446,348</u>	<u>362,826</u>
Corporate operations			
Executive and planning	1,017,081	983,558	33,523
General and administrative	3,923,660	4,067,712	(144,052)
Total corporate operations	<u>4,940,741</u>	<u>5,051,270</u>	<u>(110,529)</u>
Total operations expenses	<u>11,347,402</u>	<u>11,358,356</u>	<u>(10,954)</u>
Depreciation and amortization	7,171,366	6,891,463	279,903
Payroll Taxes	302,651	298,210	4,441
In lieu of taxes and other taxes	821,253	926,480	(105,227)
	<u>8,295,270</u>	<u>8,116,153</u>	<u>179,117</u>
Total operating expenses	<u>\$ 33,650,552</u>	<u>\$ 33,435,860</u>	<u>\$ 214,692</u>



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2024

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2024
Notes Payable:									
Southwest Electric	Various	0%	Various	Various	\$ 135,281	\$ -	\$ 34,612	\$ -	\$ 100,669
Total Notes Payable					<u>\$ 135,281</u>	<u>\$ -</u>	<u>\$ 34,612</u>	<u>\$ -</u>	<u>\$ 100,669</u>
Bonds Payable:									
Revenue Bonds - Series 2014	27,120,000	3.00 to 5.00%	12/5/2014	5/1/2033	\$ 18,580,000	\$ -	\$ 18,580,000	\$ -	\$ -
Revenue Bonds - Series 2020	7,995,000	1.40%	5/1/2020	5/1/2026	<u>3,865,000</u>	<u>-</u>	<u>1,285,000</u>	<u>-</u>	<u>2,580,000</u>
Total Bonds Payable					<u>\$ 22,445,000</u>	<u>\$ -</u>	<u>\$ 19,865,000</u>	<u>\$ -</u>	<u>\$ 2,580,000</u>

Notes to Schedule:

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



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2024

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2024
Bonds Payable:									
Revenue Bonds - Series 2015	21,240,000	3.00 to 5.00%	12/22/2015	6/1/2035	\$ 15,775,000	\$ -	\$ 970,000	\$ -	\$ 14,805,000
Total Bonds Payable					<u>\$ 15,775,000</u>	<u>\$ -</u>	<u>\$ 970,000</u>	<u>\$ -</u>	<u>\$ 14,805,000</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2024

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2024
Bonds Payable:									
Revenue Bonds - Series 2017	15,285,000	5.00%	12/7/2017	12/1/2026	\$ 5,810,000	\$ -	\$ 2,195,000	\$ -	\$ 3,615,000
Total Bonds Payable					<u>\$ 5,810,000</u>	<u>\$ -</u>	<u>\$ 2,195,000</u>	<u>\$ -</u>	<u>\$ 3,615,000</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

JUNE 30, 2024

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2024
Notes Payable:									
State Revolving Loans - CW0 2013-313	2,150,000	0.34%	9/27/2012	1/20/2035	\$950,990	\$ -	\$ 80,543	\$ -	\$ 870,447
State Revolving Loans - SRF 2013-314 ¹	8,953,352	0.34%	9/27/2012	3/20/2037	6,219,713	-	442,483	-	5,777,230
State Revolving Loans - CG3 2016-361	4,000,000	1.17%	4/7/2016	2/20/2038	2,871,888	-	180,376	-	2,691,512
State Revolving Loans - CG2 2016-363 ²	2,000,000	1.43%	10/29/2015	5/20/2037	1,445,138	-	94,413	-	1,350,725
State Revolving Loans - CG4 2016-362	4,000,000	1.17%	4/7/2016	6/20/2040	3,215,674	-	171,831	-	3,043,843
State Revolving Loans - SRF 2016-368 ³	2,000,000	1.25%	4/7/2016	9/20/2040	1,163,274	-	58,535	-	1,104,739
State Revolving Loans - SRF 2017-383 ⁴	1,400,000	1.55%	3/21/2017	11/20/2038	<u>1,033,611</u>	-	<u>59,744</u>	-	<u>973,867</u>
Total Notes Payable ⁵					<u>\$ 16,900,288</u>	<u>\$ -</u>	<u>\$ 1,087,925</u>	<u>\$ -</u>	<u>\$ 15,812,363</u>
Bonds Payable:									
Revenue Bonds - Series 2020	16,220,000	0.20 to 1.60%	12/17/2020	6/1/2032	<u>15,390,000</u>	-	<u>1,650,000</u>	-	<u>13,740,000</u>
Total Bonds Payable					<u>\$ 15,390,000</u>	<u>\$ -</u>	<u>\$ 1,650,000</u>	<u>\$ -</u>	<u>\$ 13,740,000</u>

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, 2024

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2024
Bonds Payable:									
Revenue Bonds - Series 2013	58,800,000	0.60 to 3.40%	5/22/2013	4/1/2026	\$ 15,230,000	\$ -	\$ 4,915,000	\$ -	\$ 10,315,000
Total Bonds Payable					<u>\$ 15,230,000</u>	<u>\$ -</u>	<u>\$ 4,915,000</u>	<u>\$ -</u>	<u>\$ 10,315,000</u>
Subscription-Based Information Technology Arrangements									
2023 ITSavvy DDoS	400,019	3.00%	1/15/2023	1/15/2025	\$ 262,719	\$ -	\$ 133,301	\$ -	\$ 129,418
Total Subscription-Based Information Technology Arrangements					<u>\$ 262,719</u>	<u>\$ -</u>	<u>\$ 133,301</u>	<u>\$ -</u>	<u>\$ 129,418</u>



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2024

Years Ended June 30,	Electric Revenue Bonds		Notes Payable		Total		
	Series 2020		Principal	Interest	Principal	Interest	Debt Service
	Principal	Interest					
2025	\$ 1,355,000	\$ 36,120	\$ 34,612	\$ -	\$ 1,389,612	\$ 36,120	\$ 1,425,732
2026	1,225,000	17,150	34,612	-	1,259,612	17,150	1,276,762
2027	-	-	5,241	-	5,241	-	5,241
2028	-	-	5,241	-	5,241	-	5,241
2029	-	-	5,241	-	5,241	-	5,241
2030	-	-	5,241	-	5,241	-	5,241
2031	-	-	5,241	-	5,241	-	5,241
2032	-	-	5,240	-	5,240	-	5,240
	<u>\$ 2,580,000</u>	<u>\$ 53,270</u>	<u>\$ 100,669</u>	<u>\$ -</u>	<u>\$ 2,680,669</u>	<u>\$ 53,270</u>	<u>\$ 2,733,939</u>



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2024

Years Ended June 30,	Series 2015 Bonds		Debt Service
	Principal	Interest	
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>\$ 14,805,000</u>	<u>\$ 3,460,723</u>	<u>\$ 18,265,723</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2024

Years Ended	Series 2017 Bonds		Total
June 30,	Principal	Interest	Debt Service
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>\$ 3,615,000</u>	<u>\$ 277,125</u>	<u>\$ 3,892,125</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2024

Years Ended	Series 2020 Bonds		
June 30,	Principal	Interest	Debt Service
2025	\$ 1,665,000	\$ 161,652	\$ 1,826,652
2026	1,670,000	150,830	1,820,830
2027	1,680,000	136,635	1,816,635
2028	1,700,000	119,835	1,819,835
2029	1,720,000	101,135	1,821,135
2030	1,740,000	79,635	1,819,635
2031	1,765,000	55,275	1,820,275
2032	1,800,000	28,800	1,828,800
	\$ 13,740,000	\$ 833,797	\$ 14,573,797



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT - NOTES PAYABLE
JUNE 30, 2024

Years Ended June 30,	CW0 2013-313		SRF 2013-314		CG2 16-363		CG3 16-361	
	Principal	Interest	Principal ¹	Interest	Principal ²	Interest	Principal	Interest
2025	\$ 81,013	\$ 3,504	\$ 444,245	\$ 23,412	\$ 96,003	\$ 19,728	\$ 182,852	\$ 32,604
2026	81,192	3,156	445,632	21,540	97,272	18,276	184,824	30,312
2027	81,468	2,820	447,144	19,668	98,664	16,800	187,008	27,972
2028	81,744	2,472	448,668	17,784	100,092	15,300	189,204	25,632
2029	82,020	2,136	450,192	15,900	101,532	13,776	191,424	23,256
2030	82,296	1,788	451,728	14,004	102,996	12,228	193,680	20,844
2031	82,584	1,440	453,264	12,108	104,472	10,668	195,960	18,408
2032	82,860	1,092	454,812	10,200	105,972	9,084	198,264	15,948
2033	83,148	744	456,360	8,280	107,508	7,464	200,592	13,464
2034	83,424	396	457,920	6,360	109,056	5,832	202,956	10,932
2035	48,698	56	459,480	4,428	110,616	4,176	205,344	8,388
2036	-	-	461,040	2,508	112,212	2,496	207,756	5,808
2037	-	-	346,745	606	104,330	792	210,204	3,192
2038	-	-	-	-	-	-	141,444	662
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-
	<u>\$ 870,447</u>	<u>\$ 19,604</u>	<u>\$ 5,777,230</u>	<u>\$ 156,798</u>	<u>\$ 1,350,725</u>	<u>\$ 136,620</u>	<u>\$ 2,691,512</u>	<u>\$ 237,422</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 - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT - NOTES PAYABLE (Continued)
JUNE 30, 2024

Years Ended June 30,	CG4 16-362		SRF 2016-368		SRF 17-383		Total		Debt Service
	Principal	Interest	Principal ³	Interest	Principal ⁴	Interest	Principal	Interest	
2025	\$ 174,189	\$ 37,056	\$ 59,401	\$ 14,328	\$ 60,832	\$ 15,420	\$ 1,098,535	\$ 146,052	\$ 1,244,587
2026	176,064	34,872	60,084	13,536	61,704	14,424	1,106,772	136,116	1,242,888
2027	178,140	32,652	60,840	12,732	62,664	13,416	1,115,928	126,060	1,241,988
2028	180,240	30,408	61,596	11,928	63,648	12,384	1,125,192	115,908	1,241,100
2029	182,352	28,152	62,376	11,100	64,644	11,328	1,134,540	105,648	1,240,188
2030	184,500	25,860	63,156	10,260	65,652	10,272	1,144,008	95,256	1,239,264
2031	186,672	23,544	63,948	9,420	66,672	9,204	1,153,572	84,792	1,238,364
2032	188,868	21,192	64,752	8,568	67,716	8,100	1,163,244	74,184	1,237,428
2033	191,088	18,816	65,568	7,704	68,772	6,996	1,173,036	63,468	1,236,504
2034	193,332	16,428	66,396	6,816	69,840	5,868	1,182,924	52,632	1,235,556
2035	195,612	13,992	67,236	5,928	70,932	4,716	1,157,918	41,684	1,199,602
2036	197,904	11,544	68,076	5,028	72,048	3,552	1,119,036	30,936	1,149,972
2037	200,232	9,048	68,928	4,128	73,164	2,376	1,003,603	20,142	1,023,745
2038	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>\$ 3,043,843</u>	<u>\$ 315,480</u>	<u>\$1,104,739</u>	<u>\$ 128,636</u>	<u>\$ 973,867</u>	<u>\$ 119,356</u>	<u>\$15,812,363</u>	<u>\$ 1,113,916</u>	<u>\$16,926,279</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, 2024

Years Ended June 30,	Series 2013 Bonds		
	Principal	Interest	Debt Service
2025	\$ 5,075,000	\$ 345,635	\$ 5,420,635
2026	5,240,000	178,160	5,418,160
	<u>\$ 10,315,000</u>	<u>\$ 523,795</u>	<u>\$ 10,838,795</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, 2024.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE
 JUNE 30, 2024

Residential rate schedule RS

Customer charge - per delivery point per month	\$	20.08
Energy charge - cents per kWh		9.871¢

General power schedule

GSA1

Customer charge - per delivery point per month	\$	30.83
Energy charge - cents per kWh		11.186¢

GSA2

Customer charge per delivery point per month	\$	92.49
Demand charges - per kW per month over 51 kW	\$	14.77
Energy charge - cents per kWh		
First 15,000 kWh per month		11.179¢
Additional kWh per month		6.403¢

GSA3

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month		
First 1,000 kW	\$	13.62
Excess over 1,000 kW	\$	13.51
Energy charge - cents per kWh		6.77¢

GSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	11.35
Excess demand - ON PEAK	\$	11.35
Demand charges - per kW per month - Max		4.770¢
Energy charge - cents per kWh Onpeak		8.852¢
Energy charge - cents per kWh Offpeak 1		6.248¢
Energy charge - cents per kWh Offpeak 2		2.635¢
Energy charge - cents per kWh Offpeak 3		2.278¢
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¢

EV charging EVC

Customer charge per delivery point per month	\$	100.00
All kWh		2.3127¢

Outdoor lighting rate schedule

LS

Base charge - athletic field and traffic signal divisions per month	\$	3.75
Energy charge - cents per kWh		7.519¢
Facilities charge - percent of installed plant		12.00%
Security Lighting		
175 W MV - 70 kWh	\$	8.42
400 W MV - 155 kWh	\$	17.14
1000 W MV - kWh	\$	34.28
100 W HPS - 42 kWh	\$	8.51
250 W HPS - 105 kWh	\$	15.21
400 W HPS - 165 kWh	\$	19.87
150 W MH - 68 kWh	\$	12.35
LED 100 W EQ - 73kWh	\$	8.52
LED 250 W EQ - 161kWh	\$	13.48
Additional monthly pole charge		
30 foot	\$	2.25
40 foot	\$	3.75



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE (Continued)
 JUNE 30, 2024

Manufacturing rate schedule

MSA

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month	\$	12.50
Additional Kw per month	\$	12.36
Energy charge - cents per kWh		6.776¢

MSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.70
Excess demand - ON PEAK	\$	10.70
Demand charges - per kW per month - Max	\$	1.68
Energy charge - cents per kWh Onpeak		7.850¢
Energy charge - cents per kWh Offpeak 1		5.237¢
Energy charge - cents per kWh Offpeak 2		2.135¢
Energy charge - cents per kWh Offpeak 3		1.869¢
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	\$	10.70
Excess demand - ON PEAK	\$	10.70
Demand charges - per kW per month - Max	\$	1.67
Energy charge - cents per kWh Onpeak		7.496¢
Energy charge - cents per kWh Offpeak 1		4.883¢
Energy charge - cents per kWh Offpeak 2		2.105¢
Energy charge - cents per kWh Offpeak 3		2.044¢
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	\$	9.01
Demand charges - per kW per month - Max	\$	5.97
Energy charge - cents per kWh Onpeak		9.008¢
Energy charge - cents per kWh Offpeak 1		6.535¢

The Electric Fund served 37,395 and 38,314 customers as of June 30, 2023, and June 30, 2024 respectively. There are no customers without meters.



JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE
JUNE 30, 2024

RATE SCHEDULE R-1

Monthly Rates	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 5 Ccf	108.37¢ per therm	0.50¢ per therm	(1.11)¢ per therm	107.76¢ per therm
Next 5 Ccf	97.68¢ per therm	0.50¢ per therm	(1.11)¢ per therm	97.07¢ per therm
Next 20 Ccf	86.97¢ per therm	0.50¢ per therm	(1.11)¢ per therm	86.36¢ per therm
Excess over 30 Ccf	76.25¢ per therm	0.50¢ per therm	(1.11)¢ per therm	75.64¢ 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	0.50¢ per therm	(1.11)¢ per therm	103.80¢ per therm
Next 40 Ccf	94.70¢ per therm	0.50¢ per therm	(1.11)¢ per therm	94.09¢ per therm
Next 50 Ccf	84.97¢ per therm	0.50¢ per therm	(1.11)¢ per therm	84.36¢ per therm
Excess over 100 Ccf	75.28¢ per therm	0.50¢ per therm	(1.11)¢ per therm	75.64¢ 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	0.50¢ per therm	(1.11)¢ per therm	71.77¢ per therm
Next 4,000 therms	62.92¢ per therm	0.50¢ per therm	(1.11)¢ per therm	62.31¢ per therm
Next 10,000 therms	56.9¢ per therm	0.50¢ per therm	(1.11)¢ per therm	56.29¢ per therm
Over 15,000 therms	55.04¢ per therm	0.50¢ per therm	(1.11)¢ per therm	54.43¢ 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	(2.15)¢ per therm	(2.02)¢ per therm	68.99¢ per therm
Next 4,000 Ccf	63.70¢ per therm	(2.15)¢ per therm	(2.02)¢ per therm	59.53¢ per therm
Next 10,000 Ccf	57.68¢ per therm	(2.15)¢ per therm	(2.02)¢ per therm	53.51¢ per therm
Excess over 15,000 Ccf	55.82¢ per therm	(2.15)¢ per therm	(2.02)¢ per therm	51.65¢ per therm



JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE (Continued)
 JUNE 30, 2024

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 31,348 and 31,522 natural gas customers as of June 30, 2023 and 2024, respectively.
 There are no customers without meters.

The Gas Fund served 2,689 and 2,669 propane customers as of June 30, 2023 and 2024, respectively.

Firm Propane Rate Schedule

Monthly Rate

Metered Service - \$2.65 per gallon

Customer charge of \$4.00 per month

Bulk Service - \$2.63 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, 2024

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	\$ 0.3630	\$ 0.2940	\$ 0.1750

Minimum Monthly Bill

Meter Size

	<u>5/8"</u>	<u>1"</u>	<u>1 1/2"</u>	<u>2"</u>
Urban	\$ 12.47	\$ 17.34	\$ 22.57	\$ 40.45

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	\$ 0.4310	\$ 0.3300	\$ 0.2080	\$ 0.1790	\$ 0.1260

Minimum Monthly Bill

Meter Size

	<u>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>
	\$ 19.31	\$ 24.26	\$ 30.76	\$ 45.56	\$ 81.71	\$ 127.47	\$ 169.66	\$ 433.49

The Water Fund served 38,597 and 38,973 water customers as of June 30, 2023 and 2024, 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, 2024

		<u>Monthly Residential Rates</u>	
		Thousands of Gallons	
	<u>Customer Charge</u>	<u>0-9999999</u>	
Wastewater rates per 100 gallons:			
Urban RI	\$ 7.76	\$ 0.5360	

		<u>Monthly General Service Rates</u>		
		Thousands of Gallons		
	<u>Customer Charge</u>	<u>0-500</u>	<u>Next 500</u>	<u>Over 1,000</u>
Wastewater rates per 100 gallons:				
Urban GI	\$ 26.78	\$ 0.5800	\$ 0.5260	\$ 0.3620

The Wastewater Fund served 31,244 and 31,602 customers as of June 30, 2023 and 2024, respectively.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE
JUNE 30, 2024

RESIDENTIAL CABLE RATE - SCHEDULE R-1

Programming Service Categories

Analog Basic Service (Lifetime Service)	\$ 58.50	per month
Analog Expanded Service	\$ 75.50	per month
Analog Standard Service (Basic & Expanded)	\$ 134.00	per month
Digital Basic Service - Included with analog lifetime service, requires digital converter or digital television		
Digital Plus Service Tier	\$ 20.00	per month
Digital Hispanic Service		per month
Digital High Definition Service Tier	\$ 9.00	per month
Home Box Office - Digital Premium Service	\$ 23.75	per month
EPIX - Digital Premium Service	\$ 15.00	per month
Cinemax - Digital Premium Service	\$ 17.00	per month
Showtime Unlimited - Digital Premium Service	\$ 24.50	per month
Starz Super Pack - Digital Premium Service	\$ 17.75	per month
TV Japan - Digital Premium Service	\$ 25.00	per month
MoviePlex	\$ 1.00	per month
IndiePlex	\$ 1.00	per month
RetroPlex	\$ 1.00	per month
Starz Encore Espanol	\$ 1.00	per month
IP STB	\$ 7.50	per month
EPlus TV Technology Fee	\$ 7.50	per month

Customer Premise Equipment and Service Features

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	\$ 23.00	per month each
TiVo Mini	\$ 10.00	per month each
Smart Highlights	\$ 0.50	per month each
Cloud DVR, per hour	\$ 0.25	per month each

GENERAL CABLE RATE - SCHEDULE G-1

Programming Service Categories

Analog Basic Service (Lifetime Service)	\$ 67.50	per month
Analog Expanded Service (Basic and Expanded)	\$ 134.00	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	\$ 23.00	per month each
TiVo Mini	\$ 10.00	per month each



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
JUNE 30, 2024

GENERAL CABLE RATE SCHEDULE G-2

Programming Service Categories

Analog Basic Service	\$ 67.50	per month
Analog Standard Service (Basic & Expanded)	\$ 134.00	per month
Digital Basic Service - Included with analog lifetime service, requires digital converter or digital television		
Digital Service Tier	\$ 20.00	per month
Digital High Definition Service Tier	\$ 9.00	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	\$ 23.00	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, 2024

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



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
JUNE 30, 2024

COMMERCIAL TELEPHONE RATE - SCHEDULE G-1

<u>Directory and Operator Assistance</u>		
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
<u>Long Distance Per Minute and Packages</u>		
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, 2024

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.

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



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
JUNE 30, 2024

GENERAL INTERNET RATE - SCHEDULE G-1

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 20,249 and 20,874 customers as of June 30, 2023 and 2024, respectively.



JACKSON ENERGY AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor	Assistance Listing Number	Contract Number	Expenditures
Federal Awards:			
U.S. Department of Homeland Security - FEMA/TN Department of Military - TEMA - Disaster Assistance Electric	97.036*	113-077F-00	\$ 284,472
Total federal awards and state financial assistance			\$ 284,472
* - Denotes major program			
** - Loan program			

See Notes on page 127 related to the schedule above.



JACKSON ENERGY AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024. Because the Schedule presents only a selected portion of the operations of Jackson Energy Authority, it is not intended to and programs of the Federal and State government for the year ended June 30, 2024.

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, 2024

Number	Company	Revenue	Consumption (kWh)	Peak Demand (kW)
1	Owens Corning	\$ 9,229,932	163,112,284	21,520
2	Kellanova (Kellogg)	8,118,862	148,903,411	22,376
3	West TN Healthcare	4,841,398	59,912,482	8,617
4	Toyota TN	2,227,035	39,316,101	6,220
5	Berry Global	2,170,212	35,677,573	5,660
6	Equistar (Lyondell Basell)	1,778,986	28,878,997	4,690
7	Carlstar (Carlisle Transportation)	1,545,069	20,452,923	4,380
8	Conagra	1,443,159	27,534,927	4,662
9	Stanley Black & Decker	1,411,945	20,321,631	4,194
10	Pacific Manufacturing TN	<u>1,313,191</u>	<u>18,768,000</u>	<u>3,955</u>
Total		<u>\$ 34,079,789</u>	<u>562,878,329</u>	<u>86,274</u>



JACKSON ENERGY AUTHORITY - GAS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2024

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (ccf)</u>
1	West TN Healthcare (Main)	\$ 476,777	2,750,012
2	Kellanova (Kellogg)	414,178	12,658,587
3	Carlstar (Carlisle Transportation)	405,022	1,104,371
4	Gerdau	393,638	10,787,871
5	Dement Construction	275,659	683,553
6	Pace Industries (Jackson Die Cast)	254,197	687,761
7	Stanley Black & Decker	225,841	464,857
8	MOST	223,384	5,359,749
9	Tennalum	223,374	598,621
10	West Tn Healthcare (North)	<u>202,106</u>	<u>366,660</u>
Total		<u>\$ 3,094,176</u>	<u>35,462,042</u>



JACKSON ENERGY AUTHORITY - WATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2024

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellanova (Kellogg)	\$ 456,336	348,872,000
2	West TN Healthcare	355,459	220,079,600
3	Equistar (Lyondell Basell)	65,238	42,888,700
4	Conagra	50,017	29,333,000
5	Delta Faucet Company	48,573	28,382,500
6	Toyota TN	45,003	22,219,600
7	Berry Global	29,093	13,441,400
8	Stanley Black & Decker	27,808	9,056,900
9	Carlstar (Carlisle Transportation)	22,833	9,115,900
10	Pratt Industries (TN Corrugated)	<u>21,611</u>	<u>7,064,700</u>
Total		<u>\$ 1,121,971</u>	<u>730,454,300</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2024

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellanova (Kellogg)	\$ 1,463,060	349,621,000
2	West TN Healthcare	652,731	154,141,600
3	Owens Corning	270,175	65,231,800
4	Equistar (Lyondell Basell)	142,709	36,630,000
5	Conagra	136,004	28,935,300
6	Delta Faucet Company	124,897	28,194,700
7	Gerdau	121,996	27,191,500
8	Vorteq Coil Finishers (Wismarq)	91,284	17,267,000
9	Toyota TN	69,201	12,234,800
10	Carlstar (Carlisle Transportation)	<u>36,022</u>	<u>6,533,600</u>
Total		<u>\$ 3,108,079</u>	<u>725,981,300</u>



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2024

<u>Number</u>	<u>Company</u>	<u>Revenue</u>
1	Jackson Madison County General Hospital	\$ 532,430
2	Jackson Madison County Schools	419,398
3	Jackson Energy Authority	260,918
4	Iris Networks	106,348
5	City of Jackson	104,035
6	Windstream	100,100
7	Lane College	94,973
8	Cupples J & J Company	87,463
9	Union University	73,700
10	Kirklands Distribution Center	<u>60,060</u>
Total		<u>\$ 1,839,425</u>



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
2024	\$ 159,848,168	\$ 137,594,020	\$ 22,254,148	\$ 3,737,085	5.95
2023	173,098,985	146,646,529	26,452,456	3,728,695	7.09
2022	152,569,867	129,967,148	22,602,719	3,813,065	5.93
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

* Debt service requirements in FY 2024 do not include early redemption of Series 2014 Electric Bonds.



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
2024	\$ 35,748,831	\$ 26,093,988	\$ 9,654,843	\$ 1,600,482	6.03
2023	43,604,309	34,022,557	9,581,752	1,598,681	5.99
2022	43,005,030	31,341,886	11,663,144	1,594,681	7.31
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

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



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
2024	\$ 20,933,848	\$ 12,926,498	\$ 8,007,350	\$ 2,430,625	3.29
2023	20,061,598	12,351,177	7,710,421	2,432,750	3.17
2022	19,290,017	8,773,256	10,516,761	2,434,750	4.32
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

*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
2024	\$ 22,737,928	\$ 11,995,492	\$ 10,742,436	\$ 3,064,530	3.51
2023	22,172,613	12,081,871	10,090,742	3,488,967	2.89
2022	21,356,497	9,274,951	12,081,546	3,488,280	3.46
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

*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
2024	\$ 36,162,113	\$ 26,102,722	\$ 10,059,391	\$ 5,601,062	1.80
2023	35,535,621	26,162,106	9,373,515	5,738,892	1.63
2022	34,965,295	22,965,044	12,000,251	5,600,962	2.14
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



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SALES AND DEMAND IN HOURS - UNAUDITED
 JUNE 30, 2024

Sales in Megawatt Hours and Maximum Demand in Kilowatts

Fiscal Year	Residential	Commercial	Industrial	Other	Total MWH Sales	Maximum Hourly Demand
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
2022	397,355	104,034	1,144,726	20,180	1,666,295	338,388
2023	396,439	103,797	1,136,589	18,616	1,655,441	356,111
2024	397,838	107,432	1,121,160	16,727	1,643,157	350,314

The total distribution substation capacity of the Electric Fund is 575,000 KVA.

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



JACKSON ENERGY AUTHORITY - GAS FUND
SALES AND TRANSPORT IN MCF - UNAUDITED
 JUNE 30, 2024

Sales and Transport in MCF

Fiscal Year	Residential	Commercial Firm	Commercial Interruptible	Industrial Firm	Industrial Interruptible	Index	Transport	Total MCF Sales and Transport
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
2022	1,691,907	1,152,176	30,303	81,008	5,859	767,759	3,983,597	7,712,609
2023	1,597,093	1,126,385	35,282	93,656	5,439	617,989	4,034,199	7,510,043
2024	1,585,941	1,121,735	34,329	97,384	5,856	474,911	4,071,543	7,391,699



JACKSON ENERGY AUTHORITY - WATER FUND
SALES IN MGAL - UNAUDITED
 JUNE 30, 2024

Sales in MGallons Sold

<u>Fiscal Year</u>	<u>Residential</u>	<u>General</u>	<u>Wholesale</u>	<u>Total MGal Sales</u>
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
2022	2,100,784	1,843,211	14,044	3,958,039
2023	2,231,645	1,874,866	25,747	4,132,258
2024	2,224,969	1,771,574	123,291	4,119,834



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SALES IN MGAL - UNAUDITED
JUNE 30, 2024

Sales in MGallons Sold			
<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total MGal Sales</u>
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
2022	1,522,580	1,625,060	3,147,640
2023	1,570,669	1,583,240	3,153,909
2024	1,586,846	1,546,906	3,133,752



JACKSON ENERGY AUTHORITY
NUMBER OF CUSTOMERS - UNAUDITED
 JUNE 30, 2024

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
2022	36,507	31,242	2,733	38,287	30,973	9,966	17,484	5,157
2023	37,138	31,356	2,649	38,374	30,944	9,065	17,632	4,891
2024	38,067	31,535	2,669	38,760	31,323	8,414	18,406	5,665



JACKSON ENERGY AUTHORITY
SCHEDULE OF TRANSFERS
For the Year Ended June 30, 2024

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Electric Fund	Telecommunications Fund	Automated Metering Infrastructure Fees	\$ 250,000
Electric Fund	City of Jackson	In Lieu of Tax Payments	4,201,022
Gas Fund	City of Jackson	In Lieu of Tax Payments	1,627,907
Water Fund	City of Jackson	In Lieu of Tax Payments	202,991
Wastewater Fund	City of Jackson	In Lieu of Tax Payments	227,053
Telecommunications Fund	City of Jackson	In Lieu of Tax Payments	376,464
Telecommunications Fund	Electric Fund	Credit Enhancement Fees	16,497
Telecommunications Fund	Electric Fund	Interest on Debt Service Reserve Note	166,650
Telecommunications Fund	Electric Fund	Pole Attachments	566,245
Telecommunications Fund	Electric Fund	Rent	77,033
Telecommunications Fund	Gas Fund	Rent	67,696
Telecommunications Fund	Water Fund	Rent	51,355
Telecommunications Fund	Wastewater Fund	Rent	37,349
Total Transfers			<u>\$ 7,868,262</u>



INTERNAL CONTROL & COMPLIANCE



FINANCIAL STATEMENTS & SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDING JUNE 30, 2024



**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, 2024, 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, 2024.

Report on 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 Authority'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 or significant deficiencies may exist that have not been identified.

Report on 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATA, PLLC

Jackson, Tennessee
October 31, 2024

JACKSON ENERGY AUTHORITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

None reported.

JACKSON ENERGY AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

There were no prior year findings reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings reported.