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FINANCIAL AND SUPPLEMENTARY STATEMENTS INFORMATION

FOR FISCAL YEAR ENDING JUNE 30, 2025

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Jackson Energy Authority
Real People. Real Service.

FROM THE PRESIDENT & CEO



As we reflect on the past fiscal year, I am pleased to share the remarkable growth and accomplishments of Jackson Energy Authority. Customer meter counts have increased from 160,468 in fiscal year 2024 to 162,598 in fiscal year 2025. This growth of over 2,039 customer meters can be largely attributed to the construction of five major apartment complexes, some of which have been completed while others are still under construction. Another notable development this year was the official opening of Georgia-Pacific's Dixie® tableware manufacturing site in Jackson. The facility, which began production in June 2024, is expected to significantly increase the supply of disposable tableware products in the marketplace. Additionally, Jackson Data LLC (CleanSpark) commenced Phase 1 of its bitcoin mining facility in December 2024. As of May 2025, the facility ramped up to almost 60MW, making it JEA's largest electric customer.

The Electric Division achieved new system peaks in usage, reaching 383 MW in June, 407 MW in July, and 408 MW in August. This marks a significant milestone, as the most recent prior peak was in August 2007. In addition to this peak milestone, an Engineering Services contract was approved by the board to expand the Passmore substation in order to continue the economic investment in the surrounding area. These engineering services include the design, permitting, and easement preparation needed for the subsequent construction of this project, which has already begun.

The Gas Division surpassed 900 miles of mains in the distribution system and continued their AMI conversion by purchasing residential and commercial meters. A critical leak was also repaired on the existing 8" main at the S. Highland River crossing, which is a critical feed to the south portion of the system. Work continued on the SR223 / Anglin Lane Beltline project, approximately one mile of 12" steel beltline, that will eventually operate at 99 psi after future improvements are made.

The Water Division launched marketing efforts for the new ClearTap branding for JEA's water by adding water stations to our training facility as well as in The Greater Jackson Chamber of Commerce. Repair and rehab of N. Well #5 for JEA's North Water System began and AMI meter deployment continued.

The Wastewater Division continued plans for the Biosolids Dryer project, a \$17M venture, which first included relocation of the existing maintenance facility which is where the dryer will be constructed. Once constructed and in operation, the Dryer is planned to run four days per week in the summer and six days per week in the winter, depending on sludge production.

The Telecommunications Division began upgrading to XGS-PON (Ten Gigabit) due to the age of the G-PON equipment, allowing us the ability to offer multi-Gigabit services to our customers. Additionally, Telecom continued to see growth with installations and new services with the ongoing construction of apartment complexes and other expansions.

In conclusion, I am proud of our recently introduced "Real People. Real Service." marketing campaign. This is a direct result of comprehensive customer survey feedback as well as acknowledging the employees of Jackson Energy Authority who continue to bring electricity, natural gas, propane, water, wastewater, broadband, and the best customer service to our community. "Real People. Real Service." not only summarizes who we are but also reflects our ongoing commitment to those we serve. We continue to build on a tradition of enhancing lives through reliable and exceptional utility services essential to daily life. With an unwavering dedication to excellence and community, JEA remains committed to delivering the very best to the very best.



Monte Cooper, President/CEO
Jackson Energy Authority



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BOARD OF DIRECTORS



Monte Jones
Chair



Pam Finney
Vice Chair



Bill Kipp
Director



Darlette Samuels
Director



Andre Gist
Director

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
Robert Mullins - Senior Vice President, Water Division, Wastewater Division
Ben Lovins - Senior Vice President, Telecommunications Division
Stacy Scoggins - Corporate Secretary

Hameen Harris - Vice President, Engineering
Leslie Jones - Vice President, Operations
John Nanney - Vice President, Economic & Industrial Development
Matthew Coffman - Vice President, Distribution

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ATA CPAs + Advisors PC



SYSTEM HIGHLIGHTS

ELECTRIC

During fiscal year 2025, the Jones Creek 46-kV substation was successfully placed into service to support the operations of Jackson Data LLC (CleanSpark), a cryptocurrency mining company that has now become one of JEA's largest customers.

A replacement 161-kV transformer was tested and placed into service at the Oakfield Substation, restoring full capacity after the previous unit failed in 2022. At the Madison West Substation, testing was completed and a new 161/12.4-kV transformer bank was commissioned to serve Georgia-Pacific Dixie Jackson, a local paper products manufacturer.

The Electric Division installed a 161/12.4-kV transformer bank at the McKellar Substation to support 6K Energy, a new battery-material manufacturing facility in the Airport Industrial Park. This installation is approximately 90% complete and is expected to be fully operational in the fall of 2025.

Design work began and equipment was ordered for the second 46-kV unit at the Passmore Substation. This addition will support industrial expansion and provide capacity for future residential and commercial development in the rapidly developing area.

In response to aging infrastructure, replacement of all poles and reconducting of Circuit 474 was initiated, spanning from Hicks Street Substation to the former Riverside Substation.

Lastly, the Electric Division continued the transition to LED lighting. As older high-pressure sodium and metal halide street, security, and flood lights fail, they are being replaced with energy-efficient LED alternatives.

GAS

During fiscal year 2025, the Gas Division installed approximately 14,000 feet of main along Highway 412 and Law Road, enhancing service capacity in those areas. An additional 28,000 feet of main was laid along Lower Brownsville Road and Providence Road.

The Gas Division entered into a 10-year firm gas storage contract with Pine Prairie Energy Center. This storage agreement provides additional flexibility of supply on both Texas Gas Transmission and ANR Pipeline during times of intra-month price volatility and force majeure events.

The Lane System Replacement Phase 1 & 2 projects were successfully completed, renewing approximately 12,400 feet of main and 101 service connections. Additionally, the Gas Division installed new mains and services to convert the Rosewood Gardens complex, operated by Jackson Housing Authority, from a master-meter set up to individually metered units.

Lastly, in fiscal year 2025, the Gas Division continued its rollout of AMI meters to help provide the technology to read meters remotely and minimize meter reading expenses. At the end of the fiscal year, the Gas Division was over 53% complete towards the goal of full AMI system deployment.

WATER

During fiscal year 2025, the Water Division initiated two key actions: the purchase of filter control valves for the South Water Treatment Plant, and the implementation of a planned 4.5% rate adjustment. These measures supported both operational efficiency and financial sustainability. The Division also executed an agreement to develop a comprehensive Water System Master Plan, which will serve as a foundational tool for guiding future capital improvements and system upgrades.



Infrastructure rehabilitation and expansion continued through the fiscal year. North Well #5 underwent significant repair and rehabilitation, ensuring continued reliability of groundwater resources. Water main extensions were completed on Gerdau Drive and Cumberland Street to support service expansion in growing areas. Additionally, the South Water Treatment Plant saw the replacement of its west aerator structure, enhancing treatment capacity and operational resilience.

Policy updates were also a focus, with revisions to water extension and access fees documented in the updated Water Division Policy and Procedures Manual in April 2025. These changes aim to improve transparency and cost recovery for new service connections. Throughout fiscal year 2025, the Division continued its rollout of Advanced Metering Infrastructure (AMI).

Collectively, these actions demonstrate the Water Division's proactive approach to infrastructure stewardship, financial planning, and service excellence. The investments made during the fiscal year positioned the Division to meet current demands while preparing for future challenges and opportunities.

WASTEWATER

In fiscal year 2025, the Wastewater Division achieved a major milestone with the \$425,000 expansion of wastewater infrastructure to support The Crossings Development, a key growth area. The rehabilitation of a 10-inch main on Ridgedale Drive was completed as well, reinforcing the integrity of aging infrastructure and reducing the risk of service disruptions.

The Division also prioritized equipment upgrades of over \$1 million to improve operational capabilities for the Miller Wastewater Treatment Plant including the acquisition of two 450 HP blowers, a tanker truck for Division-wide operations, and a dump truck for biosolids transport. These upgrades support both treatment efficiency and regulatory compliance in biosolids management.

Additionally, the Division revised its Policy and Procedures Manual during the fiscal year, updating extension and access fees to reflect current cost structures and service demands. These policy updates ensure transparency and equitable cost recovery for new connections.

TELECOMMUNICATIONS

During fiscal year 2025, the Telecommunication Division made significant investments to enhance its service capabilities and infrastructure. Nearly \$700,000 was allocated for the replacement of the Headend HVAC system, ensuring reliable climate control for critical equipment. Additionally, \$500,000 was invested in upgrading the core network switches, further strengthening the backbone of our network operations.

To better serve our growing customer base and service offerings, the Division established a network presence in Atlanta. This strategic move provides improved access and capacity to Internet and data services, enhanced circuit redundancy, and a more efficient method to interconnect to remote customers.

Our local employees demonstrated exceptional commitment by performing over 17,000 customer-premise visits throughout the year. These efforts supported installation, service changes, and ongoing customer support. The Division invested more than \$3.5 million in labor and labor-related costs to maintain high standards of local, professional service.

In fiscal year 2025, more than 327,000 feet of fiber plant was constructed, including 69,000 feet dedicated to distribution fiber. A strategic fiber expansion was completed in the industrial park to improve redundancy and expand services in that area. The Division successfully executed thirteen capital construction projects, which included new subdivisions, apartment complexes, and the Columns III development. Over 400 new customer fiber drops were installed, and fiber infrastructure was extended to 224 lots in new subdivisions, supporting continued growth and connectivity in the community.





FINANCIALS

FINANCIAL STATEMENTS & SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDING JUNE 30, 2025



Jackson Energy Authority
Real People. Real Service.



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, 2025, 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, 2025, 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, 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, 2025, 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, PC

Jackson, Tennessee

October 31, 2025

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, 2025. 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.



REQUIRED FINANCIAL STATEMENTS (Continued)

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.

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, 2025 were \$248.2 million and exceeded liabilities and deferred inflows of resources in the amount of \$179.9 million (i.e. net position).
- Net position increased \$9.9 million during the current year. Restricted net position is \$232 thousand.
- Unrestricted net position increased by \$4.6 million.
- Operating revenues were \$171.4 million for 2025, an increase from 2024 in the amount of \$14.9 million or 9.5%.
- Operating expenses were \$164.4 million for 2025, an increase from 2024 in the amount of \$12.7 million or 8.4%.

FINANCIAL ANALYSIS – ELECTRIC FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2025:

Table 1

CONDENSED STATEMENT OF NET POSITION

			Increase (Decrease)	
	June 30, 2025	June 30, 2024	Amount	%
Current and other assets	\$ 80,437,932	\$ 68,289,308	\$ 12,148,624	17.79%
Capital assets	161,303,897	157,052,013	4,251,884	2.71%
Total assets	241,741,829	225,341,321	16,400,508	7.28%
Deferred outflows of resources	6,433,123	10,582,327	(4,149,204)	-39.21%
Long-term liabilities	23,120,783	29,074,704	(5,953,921)	-20.48%
Other liabilities	40,090,571	31,821,274	8,269,297	25.99%
Total liabilities	63,211,354	60,895,978	2,315,376	3.80%
Deferred inflows of resources	5,051,199	5,012,611	38,588	0.77%
Net position:				
Net investment in capital assets	160,012,839	154,371,344	5,641,495	3.65%
Restricted for capital projects	-	302	(302)	-100.00%
Restricted for debt service	232,396	562,678	(330,282)	-58.70%
Unrestricted	19,667,164	15,080,735	4,586,429	30.41%
Total net position	\$ 179,912,399	\$ 170,015,059	\$ 9,897,340	5.82%

Current and other assets increased by \$12.1 million primarily due to:

- 1) Cash and cash equivalents on deposit increased by \$9.8 million. See the Statement of Cash Flows on pages 29 and 30 for analysis of the changes.
- 2) Accounts receivable increased by \$2.7 million as June 2025 sales were \$4.3 million higher than June 2024 sales.



FINANCIAL ANALYSIS – ELECTRIC FUND (Continued)

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

Long-term liabilities decreased by \$6.0 million due to:

- 1) Long-term portion of bonds payable decreased by \$1.2 million due to regular bond payments.
- 2) Pension liability decreased by \$2.7 million due to income on plan assets.
- 3) OPEB liability decreased by \$1.9 million due to income on plan assets.

Other liabilities increased by \$8.3 million due to:

- 1) Accounts payable increased by \$5.0 million as June 2025 cost of purchased power was \$4 million higher than June 2024.
- 2) Other accounts payable and accrued expenses increased \$3.3 million primarily due to a \$3 million contingent refund. See Note 4-J on page 79.

Major capital expenditures during the fiscal year included the following:

▪ McKellar #4 Substation Bank	\$2.8 million
▪ Owens Corning Furnace Rebuild	\$1.5 million
▪ Electric Meters	\$1.3 million

Table 1 on page 11 shows that 89% 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 2025 and 2024:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

			Increase (Decrease)	
	June 30, 2025	June 30, 2024	Amount	%
Operating revenues	\$ 171,409,996	\$ 156,558,020	\$ 14,851,976	9.49%
Non-operating revenues	2,286,772	2,817,301	(530,529)	-18.83%
Contributions	725,433	1,923,990	(1,198,557)	-62.30%
Total revenues	<u>174,422,201</u>	<u>161,299,311</u>	<u>13,122,890</u>	8.14%
Operating expenses	164,410,210	151,696,944	12,713,266	8.38%
Non-operating expenses	114,651	139,252	(24,601)	-17.67%
Total expenses	<u>164,524,861</u>	<u>151,836,196</u>	<u>12,688,665</u>	8.36%
Change in net position	9,897,340	9,463,115	434,225	4.59%
Beginning net position	<u>170,015,059</u>	<u>160,551,944</u>	<u>9,463,115</u>	5.89%
Ending net position	<u>\$ 179,912,399</u>	<u>\$ 170,015,059</u>	<u>\$ 9,897,340</u>	5.82%

The increase in operating revenues is due to a TVA rate increase of 5% as well as a 5.3% increase in kWh sold over 2024.

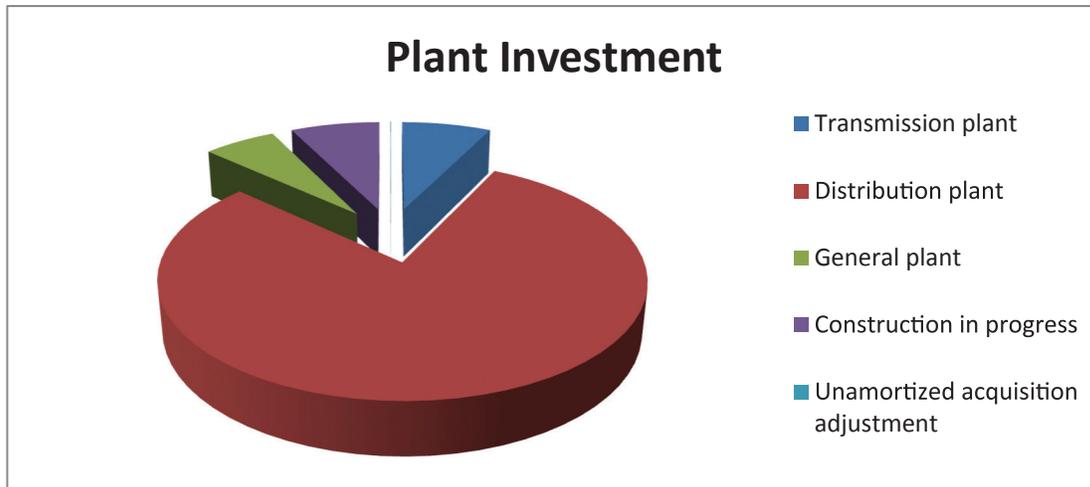
The increase in operating expenses is due to higher power bills from TVA due to the rate increase and increase in kWh sold over 2024.



CAPITAL ASSETS AND DEBT ADMINISTRATION - ELECTRIC FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2025. 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 \$1,225,000 and \$66,058, respectively, as of June 30, 2025. Principal payments are due in the upcoming fiscal year in the amount of \$1,259,612, along with interest payments totaling \$17,150. As of June 30, 2025, the debt service restricted assets were \$235,254 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 2026 budget include:

- Sales projections of \$182,694,000.
- Cost of purchased power projections of \$146,518,000.
- No projected rate increase.
- Customer projections of 39,286.
- O&M projected expenditures of \$18,151,000.
- Capital expenditure projections of \$19,806,000.
- No additional bond issues are projected.
- The FY 2026 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service coverage ratio of 19.09.

Capital projects for the Electric System in the years following the budget year include the construction of an approximate 4.5-mile transmission line from Oakfield Primary Substation to Passmore Substation, the construction of a new Hollywood Primary Substation in the vicinity of Hollywood Drive and I-40, and the expansion of McKellar Substation. These substation additions and expansions and the Oakfield to Passmore transmission line extension will enhance system reliability and ensure that sufficient capacity is available to meet the rapidly growing residential, commercial, and industrial needs for electricity in the northern and western areas of Madison County and in the Highway 223 Industrial Park. Other system reliability projects that will continue beyond the budget year include underground cable replacements, pole replacements, and distribution line upgrades.



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

Existing industrial customer expansions and new industrial load will continue to be pursued and will drive expenses of the Electric System. As substation transformers and switchgear approach their end of life, they will be replaced. The adoption of electric vehicles (EV) by customers 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 \$156.8 million and exceeded liabilities and deferred inflows of resources in the amount of \$113.7 million (i.e. net position).
- Net position increased \$3.8 million during the current year.
- Unrestricted net position increased by \$1.5 million during the current year.
- Operating revenues were \$39.0 million, an increase from 2024 in the amount of \$4.7 million or 13.9%.
- Operating expenses were \$36.8 million, an increase from 2024 in the amount of \$4.1 million or 12.6%.

FINANCIAL ANALYSIS – GAS FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2025:

Table 1

CONDENSED STATEMENT OF NET POSITION

			Increase (Decrease)	
	June 30, 2025	June 30, 2024	Amount	%
Current and other assets	\$ 52,181,771	\$ 49,676,289	\$ 2,505,482	5.04%
Capital assets	100,873,524	99,649,045	1,224,479	1.23%
Total assets	153,055,295	149,325,334	3,729,961	2.50%
Deferred outflows of resources	3,768,897	6,625,872	(2,856,975)	-43.12%
Long-term liabilities	35,381,696	39,217,594	(3,835,898)	-9.78%
Other liabilities	4,281,644	3,356,658	924,986	27.56%
Total liabilities	39,663,340	42,574,252	(2,910,912)	-6.84%
Deferred inflows of resources	3,481,247	3,532,764	(51,517)	-1.46%
Net position:				
Net investment in capital assets	86,544,830	84,203,946	2,340,884	2.78%
Restricted for debt service	87,735	83,467	4,268	5.11%
Unrestricted	27,047,040	25,556,777	1,490,263	5.83%
Total net position	\$ 113,679,605	\$ 109,844,190	\$ 3,835,415	3.49%

Major capital expenditures during the fiscal year included the following:

- System Expansion – Providence Rd. \$561 thousand
- Gas System Replacement – Lane II \$485 thousand
- System Expansion – Hwy 70 & Providence Rd. \$374 thousand



FINANCIAL ANALYSIS – GAS FUND (Continued)

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

Long-term liabilities decreased by \$3.8 million primarily due to:

- 1) OPEB liability decreased by \$1.3 million due in large part to the increase in value of plan assets.
- 2) Pension liability decreased by \$1.9 million as plan assets also increased in value.

Table 1 indicates that 76.1% 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.

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2025 and 2024:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

			Increase (Decrease)	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Amount</u>	<u>%</u>
Operating revenues	\$ 38,988,822	\$ 34,242,956	\$ 4,745,866	13.86%
Non-operating revenues	1,921,107	1,907,067	14,040	0.74%
Contributions in aid	<u>247,489</u>	<u>115,491</u>	<u>131,998</u>	114.29%
Total revenues	<u>41,157,418</u>	<u>36,265,514</u>	<u>4,891,904</u>	13.49%
Operating expenses	36,793,104	32,667,696	4,125,408	12.63%
Non-operating expenses	<u>528,899</u>	<u>547,701</u>	<u>(18,802)</u>	-3.43%
Total expenses	<u>37,322,003</u>	<u>33,215,397</u>	<u>4,106,606</u>	12.36%
Change in net position	3,835,415	3,050,117	785,298	25.75%
Beginning net position	<u>109,844,190</u>	<u>106,794,073</u>	<u>3,050,117</u>	2.86%
Ending net position	<u>\$ 113,679,605</u>	<u>\$ 109,844,190</u>	<u>\$ 3,835,415</u>	3.49%

Operating revenues increased by 13.9% due to an increase in gas sales of \$4.7 million from 2024 to 2025. Average usage per residential customer increased from 56.7 MCF in 2024 to 58.9 MCF in 2025.

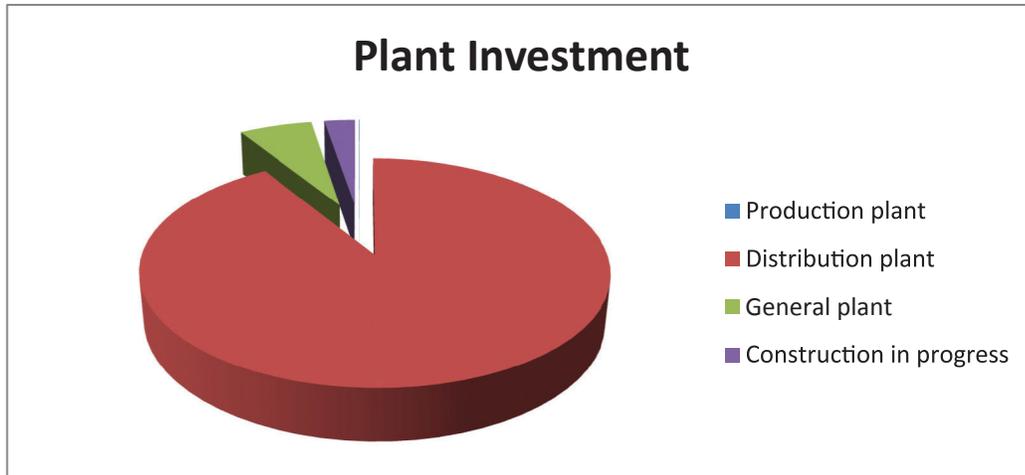
The increase in operating expenses was driven by a increase in cost per MCF from \$10.83 in 2024 to \$11.71 in 2025, an increase of 8.2%.



CAPITAL ASSETS AND DEBT ADMINISTRATION – GAS FUND

Capital Assets

The following chart summarizes the Fund’s capital assets for the year ended June 30, 2025. 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.



Debt Administration

The Fund has outstanding Revenue Bonds of \$13,805,000 as of June 30, 2025. Principal payments are due in the upcoming fiscal year in the amount of \$1,050,000, along with interest payments totaling \$551,381. As of June 30, 2025, debt service restricted assets were \$133,683 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 2026 budget include:

- Sales revenue projections of \$39,494,000.
- Cost of purchased gas projections of \$21,091,000.
- No projected base rate increase.
- Customer projections of 34,666.
- O&M projected expenditures of \$12,100,000.
- Capital expenditure projections of \$7,124,000.
- No additional bond issues are projected.
- The FY 2026 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service ratio of 5.92.

Recurring annual Gas System needs contribute to year-over-year planned capital spending between \$5 and \$9 million. Annual expenses include metering/AMI infrastructure at \$765 thousand, routine installation of service lines at \$1 million, and new gas mains at \$850 thousand each year. Future projects include expanding seven miles of the 12” beltline from Denmark Jackson Road to Riverside Drive in south Madison County, costing \$8 million. Additional system expansions will continue each year with a focus on unserved areas of Madison County and continuation of the farm tap eliminations. Systematic replacement of aged infrastructure will continue at approximately \$600 thousand annually.



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

Gas Division's sales are budgeted conservatively based on weather adjusted historic usage beyond FY 2026. The five-year plan does include incremental growth in line with what has been experienced in recent years. Warmer than normal winter weather will continue to be the greatest negative risk to system operating revenues. Current purchase and transportation costs of gas are projected to be higher than in the previous 24 months but should remain a good energy value near \$5.00. Higher gas costs due to shifts in the supply and demand market fundamentals as well as interstate pipeline rate cases 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.

The Gas Division will continue to plan for continued system growth, as well as solidify the long term planned system rehabilitation and replacement. A focus of the next update to the system master plan will be the long-term strategy of the replacement of the inner-city beltline, which was originally installed in 1931. While this portion of our system continues to enable the Gas Division to provide reliable service, the reality is that no part of the distribution system will last forever. Putting a replacement plan in place will enable the Gas Division to take a measured approach that can be executed in the years to come.

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 \$145.4 million and exceeded liabilities and deferred inflows of resources in the amount of \$124.0 million (i.e. net position).
- Net position increased by \$6.4 million during the current year. Unrestricted net position increased by \$3.9 million.
- Operating revenues were \$21.0 million, an increase from 2024 in the amount of \$810 thousand or 4.0%.
- Operating expenses were \$16.7 million, a decrease from 2024 in the amount of \$171 thousand or 1.0%.

FINANCIAL ANALYSIS – WATER FUND

Table 1 focuses on the Fund's net position and the changes in net position during 2025.

Table 1

CONDENSED STATEMENT OF NET POSITION

			Increase (Decrease)	
	June 30, 2025	June 30, 2024	Amount	%
Current and other assets	\$ 17,860,814	\$ 14,310,783	\$ 3,550,031	24.81%
Capital assets	123,954,184	122,594,539	1,359,645	1.11%
Total assets	<u>141,814,998</u>	<u>136,905,322</u>	<u>4,909,676</u>	3.59%
Deferred outflows of resources	3,594,508	5,992,277	(2,397,769)	-40.01%
Long-term liabilities	15,863,213	19,991,625	(4,128,412)	-20.65%
Other liabilities	2,581,563	2,410,019	171,544	7.12%
Total liabilities	<u>18,444,776</u>	<u>22,401,644</u>	<u>(3,956,868)</u>	-17.66%
Deferred inflows of resources	2,997,216	2,946,775	50,441	1.71%
Net position:				
Net investment in capital assets	121,430,920	118,852,088	2,578,832	2.17%
Restricted for capital projects	-	105,991	(105,991)	-100.00%
Restricted for debt service	704,591	669,890	34,701	5.18%
Unrestricted	<u>1,832,003</u>	<u>(2,078,789)</u>	<u>3,910,792</u>	188.13%
Total net position	<u>\$ 123,967,514</u>	<u>\$ 117,549,180</u>	<u>\$ 6,418,334</u>	5.46%

Current and other assets increase of \$3.6 million is primarily attributable to an increase in cash. Cash and cash equivalents on deposit increased \$4.1 million due to income from operations.



FINANCIAL ANALYSIS – WATER FUND (Continued)

Major capital expenditures during the fiscal year included the following:

▪ South Plant West Aerator Replacement	\$309 thousand
▪ AMI Meters	\$223 thousand
▪ Mercer Water Tank	\$172 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 \$4.1 million primarily due to:

- 1) OPEB liability decreased by \$1.1 million due in large part to an increase in value of plan assets.
- 2) Pension liability decreased by \$1.4 million as the value of plan assets also increased.
- 3) Bond payments of \$1.1 million.

Table 1 indicates that 98% of the Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2025 and 2024:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2025	June 30, 2024	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 20,978,738	\$ 20,168,700	\$ 810,038	4.02%
Non-operating revenues	494,191	444,689	49,502	11.13%
Contributions	1,872,316	652,555	1,219,761	186.92%
Total revenues	<u>23,345,245</u>	<u>21,265,944</u>	<u>2,079,301</u>	9.78%
Operating expenses	16,732,420	16,903,504	(171,084)	-1.01%
Non-operating expenses	194,491	255,381	(60,890)	-23.84%
Total expenses	<u>16,926,911</u>	<u>17,158,885</u>	<u>(231,974)</u>	-1.35%
Change in net position	6,418,334	4,107,059	2,311,275	56.28%
Beginning net position	<u>117,549,180</u>	<u>113,442,121</u>	<u>4,107,059</u>	3.62%
Ending net position	<u>\$ 123,967,514</u>	<u>\$ 117,549,180</u>	<u>\$ 6,418,334</u>	5.46%

Contributions increased by \$1.2 million as a result of an increase in development activity.

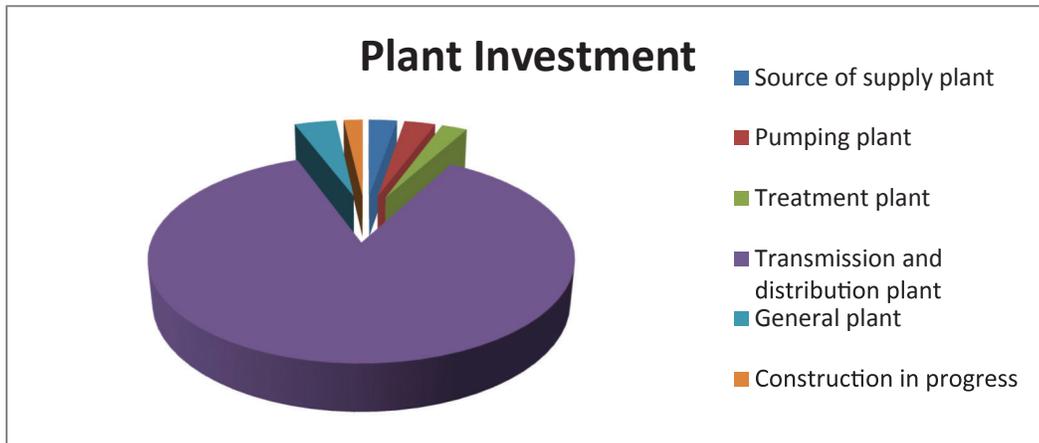
CAPITAL ASSETS AND DEBT ADMINISTRATION – WATER FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2025. 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.



CAPITAL ASSETS AND DEBT ADMINISTRATION – WATER FUND (Continued)



Debt Administration

The Fund has outstanding revenue bonds of \$2,470,000 as of June 30, 2025. Principal payments in the amount of \$1,205,000, are due in the upcoming fiscal year, along with interest payments totaling \$93,375. As of June 30, 2025, the debt service restricted assets were \$714,883 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 2026 budget include:

- Sales projections of \$19,991,000.
- No rate increase is planned in FY 2026.
- Customer projections of 39,355.
- O&M projected expenditures of \$12,989,000.
- Capital expenditure projections of \$6,268,000.
- No additional bond issues are projected.
- The Fund anticipates State Revolving Loan Fund approval of \$4 million in FY 2026 for two new loans to begin in FY 2027.
- The FY 2026 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service coverage ratio of 6.41.

The Water System has capital projects that will continue beyond the new budget year. Over the past four years, three new water wells have been added at the South Water Treatment Plant to maximize capacity. One new water well is planned for the North Water Plant in FY 2027 to bring that plant up to maximum treatment capacity as well. A new water tank is planned for Medina in FY 2027. The Water System plans to fund the North water well and the Medina water tank with State Revolving Fund loans. The water meter AMI deployment project will continue over the next five 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.

A new hotel water park is expected to begin construction, and potential industrial expansion will add to future water demands. Ongoing challenges for the Water System include increasing capacity by additional well field sites, groundwater protection and attention to new drinking water regulations.



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 \$181.8 million and exceeded liabilities and deferred inflows of resources in the amount of \$135.3 million (i.e. net position).
- Net position increased \$6.9 million during the fiscal year.
- Unrestricted net position increased by \$124 thousand.
- Operating revenues were \$21.6 million, an increase from 2024 in the amount of \$340 thousand or 1.6%.
- Operating expenses were \$17.8 million, an increase from 2024 in the amount of \$150 thousand or 0.9%.

FINANCIAL ANALYSIS - WASTEWATER FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2025.

Table 1
CONDENSED STATEMENT OF NET POSITION

			Increase (Decrease)	
	June 30, 2025	June 30, 2024	Amount	%
Current and other assets	\$ 33,877,922	\$ 34,423,769	\$ (545,847)	-1.59%
Capital assets	143,791,201	139,549,933	4,241,268	3.04%
Total assets	<u>177,669,123</u>	<u>173,973,702</u>	<u>3,695,421</u>	2.12%
Deferred outflows of resources	4,160,229	6,194,113	(2,033,884)	-32.84%
Long-term liabilities	39,425,183	44,674,170	(5,248,987)	-11.75%
Other liabilities	4,526,243	4,566,708	(40,465)	-0.89%
Total liabilities	<u>43,951,426</u>	<u>49,240,878</u>	<u>(5,289,452)</u>	-10.74%
Deferred inflows of resources	2,548,128	2,531,116	17,012	0.67%
Net position:				
Net investment in capital assets	117,037,319	110,033,627	7,003,692	6.37%
Restricted for capital projects	-	194,574	(194,574)	
Restricted for debt service	1,421,222	1,420,703	519	0.04%
Unrestricted	<u>16,871,257</u>	<u>16,746,917</u>	<u>124,340</u>	0.74%
Total net position	<u>\$ 135,329,798</u>	<u>\$ 128,395,821</u>	<u>\$ 6,933,977</u>	5.40%

Major capital expenditures during the fiscal year included the following:

- | | |
|-------------------------------|----------------|
| ▪ New Miller Maintenance Shop | \$629 thousand |
| ▪ CIPP Lining of Mains | \$419 thousand |
| ▪ Sandy Creek Rehab | \$380 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 \$5.2 million dollars primarily due to:

- 1) OPEB liability decreased by \$1.0 million due to the increase in value of plan assets.
- 2) Pension liability decreased by \$1.4 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 2025 and 2024:

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

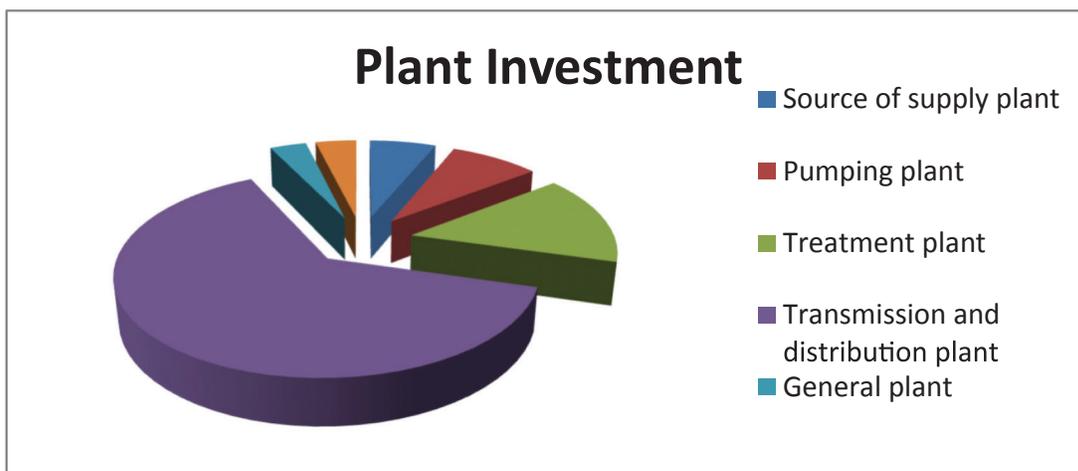
	June 30, 2025	June 30, 2024	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 21,561,791	\$ 21,221,683	\$ 340,108	1.60%
Non-operating revenues	1,290,852	1,311,795	(20,943)	-1.60%
Contributions	2,262,781	675,235	1,587,546	235.11%
Total revenues	25,115,424	23,208,713	1,906,711	8.22%
Operating expenses	17,775,808	17,626,243	149,565	0.85%
Non-operating expenses	405,639	424,210	(18,571)	-4.38%
Total expenses	18,181,447	18,050,453	130,994	0.73%
Change in net position	6,933,977	5,158,260	1,775,717	34.42%
Beginning net position	128,395,821	123,237,561	5,158,260	4.19%
Ending net position	\$ 135,329,798	\$ 128,395,821	\$ 6,933,977	5.40%

Contributions increased by \$1.6 million because of an increase in development activity.

CAPITAL ASSETS AND DEBT ADMINISTRATION – WASTEWATER FUND

Capital Assets

The following chart summarizes the Fund’s capital assets for the year ended June 30, 2025. Changes to capital assets are presented in greater detail in Note 3D to the financial statements. This investment in capital assets provides the plant and infrastructure to collect, treat and dispose of wastewater.



CAPITAL ASSETS AND DEBT ADMINISTRATION – WASTEWATER FUND (Continued)

Debt Administration

The Fund has outstanding Revenue Bonds and Notes Payable of \$12,075,000 and \$14,713,828, respectively, as of June 30, 2025. Principal payments in the amount of \$2,776,772 are due in the upcoming fiscal year with interest payments totaling \$286,946 on the Revenue Bonds and the Notes Payable. As of June 30, 2025, the debt service restricted assets total \$1,433,791 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 2026 budget include:

- Sales projections of \$21,328,000.
- A rate increase of 4.0% is planned in FY 2026.
- Customer projections of 31,848.
- O&M projected expenditures of \$12,384,000.
- Capital expenditure projections of \$7,566,000.
- No additional bond issues are projected.
- The Wastewater Division anticipates State Revolving Loan Fund approval of \$10 million in FY 2026 for funding to be received in FY 2026 through FY 2028.
- The FY 2026 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service coverage ratio of 3.38.

The Wastewater System's bio-solids project will consist of two separate contracts due to the requirements of the EDA grant of \$5 million and the SRF loan of \$10 million, which must be separated due to regulations by the funding agencies. The dryer equipment purchase of \$7 million will be spread over two budget years FY 2026 to FY 2027, using the \$5 million EDA grant and using \$2 million in JEA funds. Bids for the installation of the dryer equipment, building, and generator will be received during the FY 2027 budget year, with construction scheduled to take place in FY 2027 and completion in FY 2028. The total \$17 million project is planned to be financed by a combination of grant, SRF loan, and JEA funds.

Completion of the Anderson Branch (AN) interceptor replacement will take place in FY 2027 at \$585 thousand, along with a portion of the Industrial East (IE) interceptor at a cost of \$600 thousand. Medina interceptor replacement project will occur in FY 2028 and FY 2029 at a cost of \$800 thousand. Replacement projects will continue focusing on annual prioritized projects beginning in FY 2027, with Central City (CC) interceptor at \$1.7 million and Sandy Creek (SA) interceptor at \$1.3 million. The Dyer Creek and Moize Creek Force Main replacement projects will begin in FY 2028 continuing through FY 2030 at cost of \$1.7 million and \$1 million respectively.

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 \$48.9 million and exceeded liabilities by \$25.5 million (i.e. net position).
- Net position increased by \$3.5 million.
- Unrestricted net position decreased by \$156 thousand.
- Operating revenues were \$36.5 million, an increase from 2024 of \$994 thousand or 2.8%.
- Operating expenses were \$32.8 million, an decrease from 2024 of \$890 thousand or 2.6%.



FINANCIAL ANALYSIS - TELECOMMUNICATIONS FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2025.

Table 1
CONDENSED STATEMENT OF NET POSITION

			Increase (Decrease)	
	June 30, 2025	June 30, 2024	Amount	%
Current and other assets	\$ 19,872,871	\$ 19,855,855	\$ 17,016	0.09%
Capital assets	<u>26,017,789</u>	<u>27,535,775</u>	<u>(1,517,986)</u>	-5.51%
Total assets	<u>45,890,660</u>	<u>47,391,630</u>	<u>(1,500,970)</u>	-3.17%
Deferred outflows of resources	<u>3,058,106</u>	<u>5,636,323</u>	<u>(2,578,217)</u>	-45.74%
Long-term liabilities	7,467,899	20,381,359	(12,913,460)	-63.36%
Other liabilities	<u>13,476,803</u>	<u>8,027,219</u>	<u>5,449,584</u>	67.89%
Total liabilities	<u>20,944,702</u>	<u>28,408,578</u>	<u>(7,463,876)</u>	-26.27%
Deferred inflows of resources	<u>2,491,726</u>	<u>2,560,430</u>	<u>(68,704)</u>	-2.68%
Net position:				
Net investment in capital assets	15,293,194	11,756,718	3,536,476	30.08%
Restricted for debt service	6,837,009	6,764,057	72,952	1.08%
Unrestricted	<u>3,382,135</u>	<u>3,538,171</u>	<u>(156,036)</u>	-4.41%
Total net position	<u>\$ 25,512,338</u>	<u>\$ 22,058,946</u>	<u>\$ 3,453,392</u>	15.66%

Capital assets decreased in 2025 as depreciation exceeded asset additions by \$1.8 million.

Major capital expenditures during the fiscal year included the following:

- Headend HVAC \$667 thousand
- Arista Core-Edge Switches \$490 thousand
- Telecom Connects \$253 thousand

Long-term liabilities decreased by \$12.9 million due to:

- 1) OPEB liability decreased by \$822 thousand due to an increase in value of plan assets.
- 2) Pension liability decreased by \$1.3 million as plan assets also increased in value.
- 3) Bond payments of \$5.1 million were made in 2025.
- 4) Inter-fund loan payable balance of \$5.5 million reclassified to current.

Other liabilities increased \$5.4 million due to the reclassification of the inter-fund loan balance from a long-term liability to a current liability.

Table 1 indicates that 60.0% 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 2025 and 2024:

Table 2

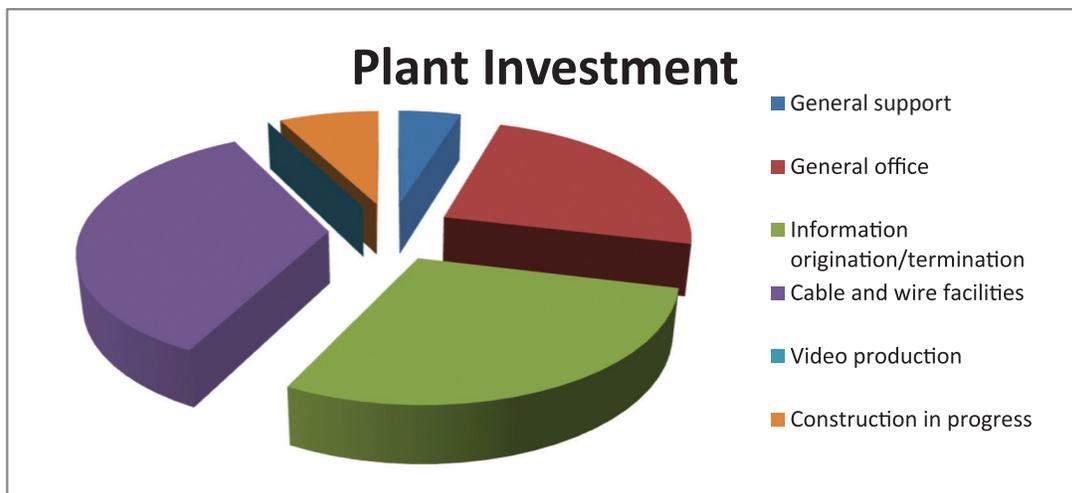
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2025	June 30, 2024	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 36,478,822	\$ 35,484,751	\$ 994,071	2.80%
Non-operating revenues	572,404	558,262	14,142	2.53%
Contributions	11,531	195,342	(183,811)	-94.10%
Total revenues	<u>37,062,757</u>	<u>36,238,355</u>	<u>824,402</u>	2.27%
Operating expenses	32,760,861	33,650,552	(889,691)	-2.64%
Non-operating expenses	848,504	1,005,656	(157,152)	-15.63%
Total expenses	<u>33,609,365</u>	<u>34,656,208</u>	<u>(1,046,843)</u>	-3.02%
Change in net position	3,453,392	1,582,147	1,871,245	118.27%
Beginning net position	<u>22,058,946</u>	<u>20,476,799</u>	<u>1,582,147</u>	7.73%
Ending net position	<u>\$ 25,512,338</u>	<u>\$ 22,058,946</u>	<u>\$ 3,453,392</u>	15.66%

CAPITAL ASSETS AND DEBT ADMINISTRATION - TELECOMMUNICATIONS FUND

Capital Assets

The following chart summarizes the Fund’s capital assets for the year ended June 30, 2025. 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.



CAPITAL ASSETS AND DEBT ADMINISTRATION - TELECOMMUNICATIONS FUND (Continued)

Debt Administration

The Fund has outstanding Revenue Bonds of \$5,240,000 as of June 30, 2025. The Fund has a note payable to the Electric Fund in the amount of \$5,500,000. Principal payments in the amount of \$10,740,000 are due in the upcoming fiscal year with interest payments totaling \$303,148 on the Revenue Bonds and the Note Payable.

As of June 30, 2025, debt service restricted assets total \$6,889,729 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 2026 budget include:

- Sales projections of \$36,197,000.
- Cost of services projections of \$13,125,000.
Retransmission costs from broadcasters are expected to increase 6.3% in FY 2026, resulting in a pass-through rate increase for Cable customers.
- Customer projections of 21,378 by the end of the fiscal year.
- O&M projected expenditures of \$11,488,000.
- Capital expenditures of \$7,026,000.
- No additional bond issues are projected. The \$5.5 million loan from the Electric Fund will be repaid in FY 2026.
- The FY 2026 budget will meet all bond compliance tests. Adjusted earnings will provide a bond debt service coverage ratio of 2.02.

The Telecommunications System's ongoing annual investments in advanced technologies to support customer growth continue to drive capital requirements beyond the budget year. Projected capital expenditures remain steady in the outer years, ranging from \$5.8 to \$6.0 million annually, with a notable increase to \$7.9 million in FY 2028 to accommodate the development of underground transport routes.

The System plans to invest \$4 million in fiber electronics upgrades over the period beyond the budget, but the most significant recurring cost is associated with customer installation labor and materials each year. Additionally, the System prioritizes regular replacement of fiber-to-the-home and headend equipment, enhancement of redundancy in critical fiber routes, and investment in employee development and retention to ensure service quality and maintain a competitive edge.

Strategic marketing of the System's bandwidth capabilities is essential to support evolving applications and to grow market share. Expansion efforts continue through commercial growth and partnerships with other electric utilities to deliver wholesale telecommunications services. Despite these initiatives, the System will continue to face competitive pressures from other providers. Rising retransmission costs, increasing demand for new technology and services, persistent inflation, and compensation pressures will remain key challenges. These factors will require the System to carefully manage costs while maintaining competitive rates and high-quality service delivery.

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, 2025

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	ELIMINATING ENTRIES	TOTAL
ASSETS							
Current assets:							
Cash and cash equivalents on deposit	\$ 46,325,599	\$ 41,277,502	\$ 13,413,536	\$ 25,581,660	\$ 7,936,641	\$ -	\$ 134,534,938
Temporary investments	754,034	3,305,755	-	1,595,400	-	-	5,655,189
Accounts receivable (net of allowance for uncollectibles)	16,730,936	1,361,843	1,693,515	1,682,985	2,690,427	-	24,159,706
Accrued interest receivable	16,636	11,660	-	37,633	-	-	65,929
Materials and supplies	3,560,976	1,901,980	1,403,675	495,609	1,435,583	-	8,797,823
Prepayments and other current assets	7,214,041	252,139	565,675	824,134	774,210	-	9,630,199
Total current assets	<u>74,602,222</u>	<u>48,110,879</u>	<u>17,076,401</u>	<u>30,217,421</u>	<u>12,836,861</u>	<u>-</u>	<u>182,843,784</u>
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	235,254	133,683	714,883	1,433,791	1,389,729	-	3,907,340
Total restricted assets	<u>235,254</u>	<u>133,683</u>	<u>714,883</u>	<u>1,433,791</u>	<u>6,889,729</u>	<u>-</u>	<u>9,407,340</u>
Other assets:							
Investment - The Tennergy Corporation	-	4,624,687	-	-	-	-	4,624,687
Investment - Seven States Power Corporation	16,348	-	-	-	-	-	16,348
Investment - Central Services Association	76,552	67,273	51,034	37,116	-	-	231,975
Long-term notes receivable - interfund	5,500,000	-	-	-	-	(5,500,000)	-
Unrecovered purchased gas cost	-	(842,363)	-	-	-	-	(842,363)
Intellectual Property	-	-	-	2,125,398	-	-	2,125,398
Subscription-Based IT Arrangements	-	-	-	-	66,670	-	66,670
Regulatory assets:							
Unamortized bond issuance costs	7,556	87,612	18,496	64,196	12,715	-	190,575
Unamortized expenditures (net of accumulated amortization of \$2,089,301 at June 30, 2025)	-	-	-	-	66,896	-	66,896
Total other assets	<u>5,600,456</u>	<u>3,937,209</u>	<u>69,530</u>	<u>2,226,710</u>	<u>146,281</u>	<u>(5,500,000)</u>	<u>6,480,186</u>
Capital assets:							
Plant in service and equipment - at cost	296,986,984	182,357,748	183,512,478	228,316,298	87,574,393	-	978,747,901
Add: Unamortized acquisition adjustment	65,530	-	-	-	-	-	65,530
Less: Accumulated depreciation	<u>147,484,006</u>	<u>84,105,592</u>	<u>61,796,934</u>	<u>89,989,609</u>	<u>63,551,183</u>	<u>-</u>	<u>446,927,324</u>
Net plant in service and equipment - at cost	149,568,508	98,252,156	121,715,544	138,326,689	24,023,210	-	531,886,107
Construction in progress at cost	<u>11,735,389</u>	<u>2,621,368</u>	<u>2,238,640</u>	<u>5,464,512</u>	<u>1,994,579</u>	<u>-</u>	<u>24,054,488</u>
Total capital assets (net of accumulated depreciation)	<u>161,303,897</u>	<u>100,873,524</u>	<u>123,954,184</u>	<u>143,791,201</u>	<u>26,017,789</u>	<u>-</u>	<u>555,940,595</u>
Total noncurrent assets	<u>167,139,607</u>	<u>104,944,416</u>	<u>124,738,597</u>	<u>147,451,702</u>	<u>33,053,799</u>	<u>(5,500,000)</u>	<u>571,828,121</u>
Total assets	<u>\$ 241,741,829</u>	<u>\$ 153,055,295</u>	<u>\$ 141,814,998</u>	<u>\$ 177,669,123</u>	<u>\$ 45,890,660</u>	<u>\$ (5,500,000)</u>	<u>\$ 754,671,905</u>
Deferred outflows of resources							
Deferred outflows related to pension and other post-employment benefits							
Contributions subsequent to measurement date	\$ 3,312,971	\$ 2,318,859	\$ 1,974,785	\$ 2,084,522	\$ 1,448,830	\$ -	\$ 11,139,967
Difference between expected and actual experience	1,151,412	285,968	641,698	554,178	738,430	-	3,371,686
Assumption changes	1,074,518	434,928	476,789	526,937	279,043	-	2,792,215
Net difference between expected and actual earnings in plan investments	835,560	672,411	353,592	418,303	353,939	-	2,633,805
Unamortized debt refunding losses	<u>58,662</u>	<u>56,731</u>	<u>147,644</u>	<u>576,289</u>	<u>237,864</u>	<u>-</u>	<u>1,077,190</u>
Total deferred outflows of resources	<u>\$ 6,433,123</u>	<u>\$ 3,768,897</u>	<u>\$ 3,594,508</u>	<u>\$ 4,160,229</u>	<u>\$ 3,058,106</u>	<u>\$ -</u>	<u>\$ 21,014,863</u>

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, 2025

	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	\$ -	\$ -	\$ 1,106,772	\$ 5,500,000	\$ (5,500,000)	\$ 1,141,384
Accounts payable	28,899,694	2,388,188	499,445	902,230	1,372,526	-	34,062,083
Other accounts payable and accrued expense	9,138,630	108,954	372,543	449,981	951,147	-	11,021,255
Compensated absences estimated to be used next year	<u>789,777</u>	<u>582,376</u>	<u>452,615</u>	<u>387,195</u>	<u>375,814</u>	<u>-</u>	<u>2,587,777</u>
Total current liabilities	<u>38,862,713</u>	<u>3,079,518</u>	<u>1,324,603</u>	<u>2,846,178</u>	<u>8,199,487</u>	<u>(5,500,000)</u>	<u>48,812,499</u>
Current liabilities payable from restricted assets:							
Accrued revenue bond interest	2,858	45,948	10,292	12,569	52,721	-	124,388
Current maturities of long-term debt (net of discount of \$17,909 plus premiums of \$147,846 for the year ended June 30, 2025)	<u>1,225,000</u>	<u>1,156,178</u>	<u>1,246,668</u>	<u>1,667,496</u>	<u>5,224,595</u>	<u>-</u>	<u>10,519,937</u>
Total current liabilities payable from restricted assets	<u>1,227,858</u>	<u>1,202,126</u>	<u>1,256,960</u>	<u>1,680,065</u>	<u>5,277,316</u>	<u>-</u>	<u>10,644,325</u>
Noncurrent liabilities:							
Notes payable (net of current portion)	31,446	-	-	13,607,056	-	-	13,638,502
OPEB liability	1,942,836	2,834,983	1,500,378	2,571,848	1,485,908	-	10,335,953
Net pension liability	20,273,391	10,536,936	12,451,215	12,336,783	5,377,792	-	60,976,117
Compensated absences	873,110	542,050	550,535	536,938	330,212	-	2,832,845
Bonds payable (less current maturities, net of discount of \$32,442 and net premiums of \$429,112 for the year ended June 30, 2025)	-	13,172,516	1,276,596	10,372,558	-	-	24,821,670
Customer deposits	-	8,295,211	84,489	-	273,987	-	8,653,687
Total noncurrent liabilities	<u>23,120,783</u>	<u>35,381,696</u>	<u>15,863,213</u>	<u>39,425,183</u>	<u>7,467,899</u>	<u>-</u>	<u>121,258,774</u>
Total liabilities	<u>\$ 63,211,354</u>	<u>\$ 39,663,340</u>	<u>\$ 18,444,776</u>	<u>\$ 43,951,426</u>	<u>\$ 20,944,702</u>	<u>\$ (5,500,000)</u>	<u>\$ 180,715,598</u>
Deferred inflows of resources							
Deferred inflows related to pension and other post-employment benefits							
Difference between expected and actual experience	\$ 736,748	\$ 516,396	\$ 447,209	\$ 384,834	\$368,772	\$ -	\$ 2,453,959
Assumption changes	4,096,963	2,876,788	2,459,755	2,119,722	2,019,089	-	13,572,317
Net difference between expected and actual earnings in plan investments	<u>217,488</u>	<u>88,063</u>	<u>90,252</u>	<u>43,572</u>	<u>103,865</u>	<u>-</u>	<u>543,240</u>
Total deferred inflows of resources	<u>\$ 5,051,199</u>	<u>\$ 3,481,247</u>	<u>\$ 2,997,216</u>	<u>\$ 2,548,128</u>	<u>\$ 2,491,726</u>	<u>\$ -</u>	<u>\$ 16,569,516</u>
NET POSITION							
Net investment in capital assets	\$ 160,012,839	\$ 86,544,830	\$ 121,430,920	\$ 117,037,319	\$ 15,293,194	\$ -	\$ 500,319,102
Restricted for debt service	232,396	87,735	704,591	1,421,222	6,837,009	-	9,282,953
Unrestricted	<u>19,667,164</u>	<u>27,047,040</u>	<u>1,832,003</u>	<u>16,871,257</u>	<u>3,382,135</u>	<u>-</u>	<u>68,799,599</u>
Total net position	<u>\$ 179,912,399</u>	<u>\$ 113,679,605</u>	<u>\$ 123,967,514</u>	<u>\$ 135,329,798</u>	<u>\$ 25,512,338</u>	<u>\$ -</u>	<u>\$ 578,401,654</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, 2025

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Operating revenues:						
Charges for sales and services	\$ 167,236,231	\$ 38,988,822	\$ 20,978,738	\$ 21,561,791	\$ 36,478,822	\$ 285,244,404
Other revenue	4,173,765	-	-	-	-	4,173,765
Total operating revenues	<u>171,409,996</u>	<u>38,988,822</u>	<u>20,978,738</u>	<u>21,561,791</u>	<u>36,478,822</u>	<u>289,418,169</u>
Operating expenses:						
Cost of sales and services	132,844,255	18,682,316	-	-	13,841,784	165,368,355
Operations expense	11,592,304	9,309,861	9,911,002	8,863,870	11,039,228	50,716,265
Maintenance expense	5,394,151	1,867,289	2,370,498	2,805,397	-	12,437,335
Provision for depreciation	10,263,407	4,814,061	3,865,958	4,563,197	6,474,147	29,980,770
Amortization	34,612	-	-	969,287	154,068	1,157,967
Payroll taxes	548,265	409,512	376,704	344,872	308,579	1,987,932
Other taxes	-	-	-	-	591,131	591,131
Payment in lieu of taxes	3,733,216	1,710,065	208,258	229,185	351,924	6,232,648
Total operating expenses	<u>164,410,210</u>	<u>36,793,104</u>	<u>16,732,420</u>	<u>17,775,808</u>	<u>32,760,861</u>	<u>268,472,403</u>
Operating income	<u>6,999,786</u>	<u>2,195,718</u>	<u>4,246,318</u>	<u>3,785,983</u>	<u>3,717,961</u>	<u>20,945,766</u>
Nonoperating revenues (expenses):						
Interest and other income	2,207,894	1,879,820	449,997	1,229,611	461,089	6,228,411
Interest, amortization, and other expense	(114,651)	(528,899)	(194,491)	(405,639)	(848,504)	(2,092,184)
Gain (loss) on disposition of capital assets	78,878	41,287	44,194	61,241	111,315	336,915
Total non-operating revenues (expenses)	<u>2,172,121</u>	<u>1,392,208</u>	<u>299,700</u>	<u>885,213</u>	<u>(276,100)</u>	<u>4,473,142</u>
Contributions						
Capital contributions	<u>725,433</u>	<u>247,489</u>	<u>1,872,316</u>	<u>2,262,781</u>	<u>11,531</u>	<u>5,119,550</u>
Change in net position	<u>9,897,340</u>	<u>3,835,415</u>	<u>6,418,334</u>	<u>6,933,977</u>	<u>3,453,392</u>	<u>30,538,458</u>
Total net position - beginning	<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>
Total net position - ending	<u>\$ 179,912,399</u>	<u>\$ 113,679,605</u>	<u>\$ 123,967,514</u>	<u>\$ 135,329,798</u>	<u>\$ 25,512,338</u>	<u>\$ 578,401,654</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, 2025

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash flows from operating activities:						
Receipts from customers and users	\$ 168,521,580	\$ 41,018,201	\$ 20,934,738	\$ 21,565,026	\$ 36,573,770	\$ 288,613,315
Payments to suppliers	(135,071,283)	(23,480,144)	(6,639,359)	(5,755,730)	(20,443,144)	(191,389,660)
Payments to employees	(7,490,289)	(5,918,368)	(5,785,808)	(6,051,966)	(4,068,470)	(29,314,901)
Payment of taxes and in lieu of taxes	(4,281,481)	(2,119,577)	(584,962)	(574,057)	(1,251,634)	(8,811,711)
Net cash provided (used) by operating activities	<u>21,678,527</u>	<u>9,500,112</u>	<u>7,924,609</u>	<u>9,183,273</u>	<u>10,810,522</u>	<u>59,097,043</u>
Cash flows from capital and related financing activities						
Construction and acquisition of plant	(14,478,376)	(6,246,429)	(5,703,125)	(9,217,894)	(5,127,496)	(40,773,320)
Other plant activity including removal cost and salvage	(660,143)	(44,153)	372,620	240,269	(40,799)	(132,206)
Contributions in aid	725,433	247,489	1,872,316	2,262,781	11,531	5,119,550
Principal paid on bonds	(1,355,000)	(1,000,000)	(1,145,000)	(1,665,000)	(5,075,000)	(10,240,000)
Principal paid on notes	(34,611)	-	-	(1,098,535)	-	(1,133,146)
SBITA payments	-	-	-	-	(129,418)	(129,418)
Interest expense	(36,085)	(622,711)	(152,340)	(306,893)	(537,379)	(1,655,408)
Net cash provided (used) by capital and relating financing activities	<u>(15,838,782)</u>	<u>(7,665,804)</u>	<u>(4,755,529)</u>	<u>(9,785,272)</u>	<u>(10,898,561)</u>	<u>(48,943,948)</u>
Cash flows from investing activities:						
Net (purchase) reduction of investments	1,438,373	307,895	486,126	(506,971)	-	1,725,423
Interest earned	2,215,267	1,321,824	452,085	1,271,773	461,329	5,722,278
Net cash provided (used) by investing activities	<u>3,653,640</u>	<u>1,629,719</u>	<u>938,211</u>	<u>764,802</u>	<u>461,329</u>	<u>7,447,701</u>
Net increase (decrease) in cash and cash equivalents	9,493,385	3,464,027	4,107,291	162,803	373,290	17,600,796
Cash and cash equivalents - beginning 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>
Cash and cash equivalents - end of year	<u>\$ 46,560,853</u>	<u>\$ 41,411,185</u>	<u>\$ 14,128,419</u>	<u>\$ 27,015,451</u>	<u>\$ 14,826,370</u>	<u>\$ 143,942,278</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, 2025

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash and cash equivalents:						
Unrestricted cash and cash equivalents on deposit	\$ 46,325,599	\$ 41,277,502	\$ 13,413,536	\$ 25,581,660	\$ 7,936,641	\$ 134,534,938
Debt service fund - cash and cash equivalents	235,254	133,683	714,883	1,433,791	1,389,729	3,907,340
Debt service fund investment - cash and cash equivalents	-	-	-	-	5,500,000	5,500,000
Total cash and cash equivalents	<u>\$ 46,560,853</u>	<u>\$ 41,411,185</u>	<u>\$ 14,128,419</u>	<u>\$ 27,015,451</u>	<u>\$ 14,826,370</u>	<u>\$ 143,942,278</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 6,999,786	\$ 2,195,718	\$ 4,246,318	\$ 3,785,983	\$ 3,717,961	\$ 20,945,766
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	10,263,407	4,814,061	3,865,958	4,563,197	6,474,147	29,980,770
Amortization	34,612	-	-	969,287	154,068	1,157,967
Depreciation charged to transportation clearing	667,797	293,330	255,088	428,975	169,382	1,814,572
(Increase) decrease in accounts receivable	(2,774,175)	(151,011)	(40,715)	3,234	242,045	(2,720,622)
(Increase) decrease in materials and supplies	(789,643)	81,970	49,721	53,817	(16,093)	(620,228)
(Increase) decrease in prepayments and other current assets	(530,735)	20,472	(35,563)	(29,920)	9,339	(566,407)
(Increase) decrease in other assets	3,094,520	2,049,317	1,649,710	1,371,320	1,842,389	10,007,256
Increase (decrease) unrecovered purchased gas cost	-	1,276,642	-	-	-	1,276,642
Increase (decrease) in accounts payable	5,018,788	802,527	229,801	97,731	106,695	6,255,542
Increase (decrease) in other accounts payable and accrued expenses	409,606	14,344	(2,085)	23,513	(14,902)	430,476
Increase (decrease) in other noncurrent liabilities	(715,436)	(2,408,695)	(2,290,339)	(2,083,864)	(1,858,121)	(9,356,455)
Increase (decrease) in customer deposits	-	511,437	(3,285)	-	(16,388)	491,764
Net cash provided (used) by operating activities	<u>\$ 21,678,527</u>	<u>\$ 9,500,112</u>	<u>\$ 7,924,609</u>	<u>\$ 9,183,273</u>	<u>\$ 10,810,522</u>	<u>\$ 59,097,043</u>
Non-cash disclosure:						
Contributed capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,531,103</u>	<u>\$ 1,979,738</u>	<u>\$ -</u>	<u>\$ 3,510,841</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, 2025**

ASSETS

Investments:

Equity mutual funds	\$ 33,449,117
Fixed income mutual funds	20,743,321
Money market funds	<u>731,923</u>
Total investments	<u>54,924,361</u>

Due from other funds	<u>112,062</u>
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Accrued income	<u>141,024</u>
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Net assets available for benefits	55,177,447
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LIABILITIES AND NET POSITION

LIABILITIES

-

Net position restricted for OPEB benefits	<u>\$ 55,177,447</u>
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The accompanying notes are an integral part of the financial statements.



**JACKSON ENERGY AUTHORITY
OPEB PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Additions

Contributions	
Employer and retiree	\$ <u>2,220,009</u>
Investment income	
Interest and dividends	1,375,320
Realized (losses)/gains	557
Unrealized (losses)/gains	<u>4,138,602</u>
Net investment income	<u>5,514,479</u>
 Total additions	 <u>7,734,488</u>

Deductions

Trustee/Custody fees	31,574
Benefits	3,841,573
Actuarial Fees	<u>11,875</u>
Total deductions	<u>3,885,022</u>

Net increase in fiduciary net position 3,849,466

Net position restricted for OPEB benefits, beginning of year 51,327,981

Net position restricted for OPEB benefits, end of year \$ 55,177,447

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



**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2025**

ASSETS

Investments:

Equity mutual funds	\$ 116,972,587
Fixed income mutual funds	69,561,712
Contracts and annuities	4,928,995
Money market funds	<u>1,975,821</u>
Total investments	<u>193,439,115</u>

Accrued income	<u>462,427</u>
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Net assets available for benefits	193,901,542
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LIABILITIES AND NET POSITION

LIABILITIES

-

Net position restricted for pension benefits	<u>\$ 193,901,542</u>
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The accompanying notes are an integral part of the financial statements.



**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Additions

Contributions	
Employer and employee	\$ <u>10,471,994</u>
Investment income	
Interest income	5,551,785
Realized (losses)/gains	11,434,939
Unrealized (losses)/gains	<u>2,652,518</u>
Net investment income	<u>19,639,242</u>
 Total additions	 <u>30,111,236</u>

Deductions

Benefits payments	12,191,785
Trustee/Custody fees	106,505
Other fees and expenses	<u>15,515</u>
Total deductions	12,313,805

Net increase in fiduciary net position 17,797,431

Net position restricted for pension benefits, beginning of year 176,104,111

Net position restricted for pension benefits, end of year \$ 193,901,542

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



**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2025**

ASSETS

Cash and cash equivalents	\$ 2,138,343
Investments	3,153,405
Accrued interest	<u>176,429</u>

Net assets available for benefits 5,468,177

LIABILITIES AND NET POSITION

LIABILITIES - Due to other funds 112,062

Net position restricted for health benefits \$ 5,356,115

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



**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Additions

Contributions	
Employer and employee	\$ <u>3,978,868</u>
Investment income	
Interest and dividends	151,801
Other income	<u>110,314</u>
Net investment income	<u>262,115</u>
 Total additions	 <u>4,240,983</u>

Deductions

Benefit payments	5,172,914
Other fees and expenses	<u>1,703</u>
Total deductions	<u>5,174,617</u>

Net decrease in fiduciary net position (933,634)

Net position restricted for health benefits, beginning of year 6,289,749

Net position restricted for health benefits, end of year \$ 5,356,115

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025.

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.

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

C. Assets, Liabilities, and Net Position

Deposits and Investments

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

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

The Public Act creating the Authority authorizes the following investments:

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deposits and Investments (Continued)

- (7) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers and rated in either of the two highest rating categories by a nationally recognized rating agency of such obligations; or
- (8) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by, or on behalf of, the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of the principal and interest of such obligations, rated in either of the two highest rating categories by a nationally recognized rating agency of such obligations.

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

Accounts Receivable

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

Unbilled Revenues

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

Inventories and Prepaid Items

All inventories are valued at weighted-average cost.

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

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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 \$5,420,622 has been accrued for the year ended June 30, 2025, 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.

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred outflow/inflows of resources

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

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

Pensions

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

Other Post – Employment Benefits (OPEB)

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

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

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, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

As of June 30, 2025, 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		
Merrick Bank	\$ 250,000	\$ 251,671
U.S. Treasury Notes	<u>499,675</u>	<u>502,363</u>
	<u>\$ 749,675</u>	<u>\$ 754,034</u>
Gas Fund		
Morgan Stanley	\$ 250,000	\$ 251,137
Firstbank	1,003,482	1,003,482
Bank of Jackson	546,356	546,356
Bank of Jackson	550,000	550,000
Florida St. Board of Admin	470,000	470,000
U.S. Treasury Notes	<u>484,229</u>	<u>484,780</u>
	<u>\$ 3,304,067</u>	<u>\$ 3,305,755</u>
Wastewater Fund		
Community Bank	\$ 1,000,000	\$ 1,000,000
Florida St. Board of Admin	100,000	100,000
U.S. Treasury Notes	<u>495,651</u>	<u>495,400</u>
	<u>\$ 1,595,651</u>	<u>\$ 1,595,400</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

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.

	<u>Cost</u>	<u>Fair Value</u>
Jackson Energy Authority OPEB Plan Fund		
Fixed Income Mutual Funds	\$ 24,716,893	\$ 20,743,321
Equity Mutual Funds	17,464,708	33,449,117
Money Market Funds	<u>731,923</u>	<u>731,923</u>
	<u>\$ 42,913,524</u>	<u>\$ 54,924,361</u>

Jackson Energy Authority Retirement Plan Fund

Equity Mutual Funds	\$ 66,360,697	\$ 116,972,587
Fixed Income Mutual Funds	79,020,219	69,561,712
Contracts and Annuities	8,030,594	4,928,995
Money Market Funds	<u>1,975,821</u>	<u>1,975,821</u>
	<u>\$ 155,387,331</u>	<u>\$ 193,439,115</u>

The following fair values are based on Level 2 inputs:

	<u>Cost</u>	<u>Fair Value</u>
Other Investments		
Electric Fund	\$ 10,787	\$ 16,348
Seven States Power Corporation	<u>3,007</u>	<u>76,552</u>
Central Services Association	<u>\$ 13,794</u>	<u>\$ 92,900</u>
Gas Fund		
Tennergy Corporation	\$ 257,000	\$ 4,624,687
Central Services Association	<u>2,642</u>	<u>67,273</u>
	<u>\$ 259,642</u>	<u>\$ 4,691,960</u>
Water Fund		
Central Services Association	<u>\$ 2,005</u>	<u>\$ 51,034</u>
Wastewater Fund		
Central Services Association	<u>\$ 1,458</u>	<u>\$ 37,116</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

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, 2025, none of the Authority's deposits were exposed to custodial credit risk.

Pension and OPEB Money-Weighted Returns

For the years ended June 30, 2025 and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.65 and 8.44 percent, respectively. The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense was 11.27 and 9.31 percent for the years ended June 30, 2025 and 2024 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, 2025

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	\$ 17,320,087
Allowance for doubtful accounts	<u>(589,151)</u>
	<u>\$ 16,730,936</u>
Gas Fund	
Billed services for utility customers	1,520,577
Allowance for doubtful accounts	<u>(158,734)</u>
	<u>\$ 1,361,843</u>
Water Fund	
Billed services for utility customers	1,850,630
Allowance for doubtful accounts	<u>(157,115)</u>
	<u>\$ 1,693,515</u>
Wastewater Fund	
Billed services for utility customers	1,796,160
Allowance for doubtful accounts	<u>(113,175)</u>
	<u>\$ 1,682,985</u>
Telecommunications Fund	
Billed services for utility customers	2,906,010
Allowance for doubtful accounts	<u>(215,583)</u>
	<u>\$ 2,690,427</u>
Total Receivables	<u>\$ 24,159,706</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

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	\$ 235,254
	<u>\$ 235,254</u>
Gas Fund	
Cash and cash equivalents - debt service fund	133,683
	<u>\$ 133,683</u>
Water Fund	
Cash and cash equivalents - debt service fund	714,883
	<u>\$ 714,883</u>
Wastewater Fund	
Cash and cash equivalents - debt service fund	1,433,791
	<u>\$ 1,433,791</u>
Telecommunications Fund	
Cash and cash equivalents - debt service fund	1,389,729
Investments - debt service reserve account	<u>5,500,000</u>
	<u>\$ 6,889,729</u>
 Total Restricted Assets	 <u><u>\$ 9,407,340</u></u>

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Electric Fund

Electric Fund capital asset activity during the year ended June 30, 2025, was as follows:

Description	Balance at June 30, 2024	Additions	Disposals (Net of Salvage)	Balance at June 30, 2025
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	10,237,396	1,497,993	-	11,735,389
Total capital assets not being depreciated	<u>12,297,822</u>	<u>1,497,993</u>	<u>-</u>	<u>13,795,815</u>
Capital assets, being depreciated				
Transmission plant	28,862,814	264,595	93,740	29,033,669
Distribution plant	230,677,604	11,626,858	2,636,486	239,667,976
General plant	26,080,045	1,088,930	944,062	26,224,913
Total capital assets being depreciated	<u>285,620,463</u>	<u>12,980,383</u>	<u>3,674,288</u>	<u>294,926,558</u>
Less accumulated depreciation for				
Transmission plant	16,954,520	779,655	115,104	17,619,071
Distribution plant	107,058,293	8,531,211	3,355,716	112,233,788
General plant	16,953,601	1,620,337	942,791	17,631,147
Total accumulated depreciation	<u>140,966,414</u>	<u>10,931,203</u>	<u>4,413,611</u>	<u>147,484,006</u>
Total capital assets being depreciated, net	<u>144,654,049</u>	<u>2,049,180</u>	<u>(739,323)</u>	<u>147,442,552</u>
Unamortized acquisition adjustment	<u>100,142</u>	<u>-</u>	<u>34,612</u>	<u>65,530</u>
Total capital assets, net	<u>\$ 157,052,013</u>	<u>\$ 3,547,173</u>	<u>\$ (704,711)</u>	<u>\$ 161,303,897</u>

Depreciation expense charged to operations amounted to \$10,263,407 for the fiscal year ended June 30, 2025.

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, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Gas Fund

Gas Fund capital asset activity during the year ended June 30, 2025, was as follows:

Description	Balance at June 30, 2024	Additions	Disposals (Net of Salvage)	Balance at June 30, 2025
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	<u>1,061,890</u>	<u>1,559,478</u>	<u>-</u>	<u>2,621,368</u>
Total capital assets not being depreciated	<u>1,907,487</u>	<u>1,559,478</u>	<u>-</u>	<u>3,466,965</u>
Capital assets, being depreciated				
Production plant	2,018,428	-	-	2,018,428
Distribution plant	157,313,432	3,967,080	968,172	160,312,340
General plant	<u>19,011,520</u>	<u>719,871</u>	<u>550,008</u>	<u>19,181,383</u>
Total capital assets being depreciated	<u>178,343,380</u>	<u>4,686,951</u>	<u>1,518,180</u>	<u>181,512,151</u>
Less accumulated depreciation for				
Production plant	2,011,933	6,497	-	2,018,430
Distribution plant	65,656,692	3,849,333	1,053,613	68,452,412
General plant	<u>12,933,197</u>	<u>1,251,561</u>	<u>550,008</u>	<u>13,634,750</u>
Total accumulated depreciation	<u>80,601,822</u>	<u>5,107,391</u>	<u>1,603,621</u>	<u>84,105,592</u>
Total capital assets being depreciated, net	<u>97,741,558</u>	<u>(420,440)</u>	<u>(85,441)</u>	<u>97,406,559</u>
Total capital assets, net	<u>\$ 99,649,045</u>	<u>\$ 1,139,038</u>	<u>\$ (85,441)</u>	<u>\$ 100,873,524</u>

Depreciation expense charged to operations amounted to \$4,814,061 for the fiscal year ended June 30, 2025.

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, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Water Fund

Water Fund capital asset activity during the year ended June 30, 2025, was as follows:

Description	Balance at June 30, 2024	Additions	Disposals (Net of Salvage)	Balance at June 30, 2025
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 and distribution plant	65,076	-	-	65,076
General plant	552,606	-	-	552,606
Construction in progress	<u>3,960,497</u>	<u>(1,721,857)</u>	<u>-</u>	<u>2,238,640</u>
Total capital assets not being depreciated	<u>4,840,777</u>	<u>(1,721,857)</u>	<u>-</u>	<u>3,118,920</u>
Capital assets, being depreciated				
Source of supply plant	4,592,348	1,413,768	125,299	5,880,817
Pumping plant	6,071,783	333,175	85,238	6,319,720
Treatment plant	11,118,459	642,855	47,004	11,714,310
Transmission and distribution plant	139,141,083	4,742,286	915,898	142,967,471
General plant	<u>15,926,518</u>	<u>292,898</u>	<u>469,536</u>	<u>15,749,880</u>
Total capital assets being depreciated	<u>176,850,191</u>	<u>7,424,982</u>	<u>1,642,975</u>	<u>182,632,198</u>
Less accumulated depreciation for				
Source of supply plant	2,662,537	158,702	125,299	2,695,940
Pumping plant	3,205,456	194,490	85,238	3,314,708
Treatment plant	8,601,384	254,409	47,004	8,808,789
Transmission and distribution plant	33,667,347	2,619,169	722,022	35,564,494
General plant	<u>10,959,705</u>	<u>894,276</u>	<u>440,978</u>	<u>11,413,003</u>
Total accumulated depreciation	<u>59,096,429</u>	<u>4,121,046</u>	<u>1,420,541</u>	<u>61,796,934</u>
Total capital assets being depreciated, net	<u>117,753,762</u>	<u>3,303,936</u>	<u>222,434</u>	<u>120,835,264</u>
Total capital assets, net	<u>\$ 122,594,539</u>	<u>\$ 1,582,079</u>	<u>\$ 222,434</u>	<u>\$ 123,954,184</u>

Depreciation expense charged to operations amounted to \$3,865,958 for the fiscal year ended June 30, 2025.

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, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Wastewater Fund

Wastewater Fund capital asset activity during the year ended June 30, 2025, was as follows:

Description	Balance at June 30, 2024	Additions	Disposals (Net of Salvage)	Balance at June 30, 2025
Capital assets, not being depreciated				
Pumping plant	\$ 27,324	\$ -	-	\$ 27,324
Treatment plant	1,300,904	-	-	1,300,904
Transmission and distribution plant	279,656	-	-	279,656
General plant	348,616	-	-	348,616
Construction in progress	7,112,889	(1,648,377)	-	5,464,512
Total capital assets not being depreciated	<u>9,069,389</u>	<u>(1,648,377)</u>	<u>-</u>	<u>7,421,012</u>
Capital assets, being depreciated				
Source of supply plant	11,613,090	-	7,736	11,605,354
Pumping plant	22,782,483	785,946	19,504	23,548,925
Treatment plant	54,651,546	213,269	1,753	54,863,062
Transmission and distribution plant	115,287,737	9,036,540	1,606,160	122,718,117
General plant	13,370,173	830,516	576,349	13,624,340
Total capital assets being depreciated	<u>217,705,029</u>	<u>10,866,271</u>	<u>2,211,502</u>	<u>226,359,798</u>
Less accumulated depreciation for				
Source of supply plant	2,536,573	158,802	7,736	2,687,639
Pumping plant	10,835,364	771,625	19,503	11,587,486
Treatment plant	33,308,102	1,461,290	1,754	34,767,638
Transmission and distribution plant	31,776,175	1,722,464	1,627,683	31,870,956
General plant	8,768,271	877,991	570,372	9,075,890
Total accumulated depreciation	<u>87,224,485</u>	<u>4,992,172</u>	<u>2,227,048</u>	<u>89,989,609</u>
Total capital assets being depreciated, net	<u>130,480,544</u>	<u>5,874,099</u>	<u>(15,546)</u>	<u>136,370,189</u>
Total capital assets, net	<u>\$ 139,549,933</u>	<u>\$ 4,225,722</u>	<u>\$ (15,546)</u>	<u>\$ 143,791,201</u>

Depreciation expense charged to operations amounted to \$4,563,197 for the fiscal year ended June 30, 2025.

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, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Telecommunications Fund

Telecommunications Fund capital asset activity during the year ended June 30, 2025, was as follows:

Description	Balance at June 30, 2024	Additions	Disposals (Net of Salvage)	Balance at June 30, 2025
Capital assets, not being depreciated				
Construction in progress - at cost	\$ 1,680,615	\$ 313,964	\$ -	\$ 1,994,579
Capital assets, being depreciated				
General support	5,457,550	347,428	575,293	5,229,685
General office	17,716,252	595,522	477,105	17,834,669
Information origination/termination	12,517,288	2,832,389	1,147,077	14,202,600
Cable & wire facilities	48,699,818	1,002,242	11,616	49,690,444
Video production	650,359	35,951	69,315	616,995
Total capital assets being depreciated	<u>85,041,267</u>	<u>4,813,532</u>	<u>2,280,406</u>	<u>87,574,393</u>
Less accumulated depreciation for				
General support	4,188,424	370,698	575,293	3,983,829
General office	10,443,058	1,634,235	477,105	11,600,188
Information origination/termination	4,321,304	3,562,347	1,144,256	6,739,395
Cable & wire facilities	39,582,962	1,043,336	12,484	40,613,814
Video production	650,359	32,913	69,315	613,957
Total accumulated depreciation	<u>59,186,107</u>	<u>6,643,529</u>	<u>2,278,453</u>	<u>63,551,183</u>
Total capital assets being depreciated, net	<u>25,855,160</u>	<u>(1,829,997)</u>	<u>1,953</u>	<u>24,023,210</u>
Total capital assets, net	<u>\$ 27,535,775</u>	<u>\$ (1,516,033)</u>	<u>\$ 1,953</u>	<u>\$ 26,017,789</u>

Depreciation expense charged to operations amounted to \$6,474,147 for the fiscal year ended June 30, 2025.

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, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Electric Fund

Notes payable at June 30, 2025, 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>
2026	\$ 34,612
2027	5,241
2028	5,241
2029	5,241
2030	5,241
2031-2032	<u>10,482</u>
	<u>\$ 66,058</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, 2025, including interest are as follows:

<u>Year ended</u> <u>June 30,</u>	<u>2020 Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2026	<u>1,225,000</u>	<u>17,150</u>	<u>1,242,150</u>
	<u>\$ 1,225,000</u>	<u>\$ 17,150</u>	<u>\$ 1,242,150</u>

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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.

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, 2025 was \$1,225,000.

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 \$58,662 as of June 30, 2025.

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, 2025:

Description	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
Notes payable (direct placements):					
SWTEMC	\$ 100,669	\$ -	\$ (34,611)	\$ 66,058	\$ 34,612
Total notes payable	<u>100,669</u>	<u>-</u>	<u>(34,611)</u>	<u>66,058</u>	<u>34,612</u>
Revenue bonds payable:					
Series 2020 (Interest Rates 1.40%)	2,580,000	-	(1,355,000)	1,225,000	1,225,000
Net total revenue bonds payable	2,580,000		(1,355,000)	1,225,000	1,225,000
Compensated absences	1,707,861	-	(44,974)	1,662,887	789,777
Total long-term liabilities	<u>\$ 4,388,530</u>	<u>\$ -</u>	<u>\$ (1,434,585)</u>	<u>\$ 2,953,945</u>	<u>\$ 2,049,389</u>

The Electric Fund has no unused lines of credit.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

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, 2025, including interest are:

Years Ended June 30,	2015 Bonds		Total Debt Service
	Principal	Interest	
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
2031-2035	7,260,000	707,437	7,967,437
	\$ 13,805,000	\$ 2,859,342	\$ 16,664,342

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 \$56,371 as of June 30, 2025.

The Series 2015 Bonds were issued as fixed-rate bonds. Bonds maturing on or before June 1, 2026, 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, 2025, was \$13,805,000.

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, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt –G Fund (Continued)

The following is a summary of long-term liability transactions for the year ended June 30, 2025:

Description	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
Revenue Bonds payable:					
Series 2015					
(Interest rates - 3.00% - 5.00%)	\$ 14,805,000	\$ -	\$ (1,000,000)	\$ 13,805,000	\$ 1,050,000
Less deferred amounts:					
Issuance premiums (discounts)	640,099	-	(116,405)	523,694	106,178
Total revenue bonds payable	<u>15,445,099</u>	<u>-</u>	<u>(1,116,405)</u>	<u>14,328,694</u>	<u>1,156,178</u>
Customer deposits	7,783,775	511,436	-	8,295,211	-
Compensated absences	<u>1,116,549</u>	<u>7,877</u>	<u>-</u>	<u>1,124,426</u>	<u>582,376</u>
	<u>8,900,324</u>	<u>519,313</u>	<u>-</u>	<u>9,419,637</u>	<u>582,376</u>
Total long-term liabilities	<u>\$ 24,345,423</u>	<u>\$ 519,313</u>	<u>\$ (1,116,405)</u>	<u>\$ 23,748,331</u>	<u>\$ 1,738,554</u>

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, 2025, including interest are:

Years Ended June 30,	Series 2017 Bonds		Total Debt Service
	Principal	Interest	
2026	\$ 1,050,000	93,375	1,298,375
2027	<u>1,265,000</u>	<u>31,625</u>	<u>1,296,625</u>
	<u>\$ 2,470,000</u>	<u>\$ 125,000</u>	<u>\$ 2,595,000</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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, 2025, was \$2,470,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,332,984 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 \$147,644 as of June 30, 2025.

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, 2025:

Description	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
Revenue Bonds payable:					
Series 2017 (Interest rate - 5.00%)	\$ 3,615,000	\$ -	\$ (1,145,000)	\$ 2,470,000	\$ 1,205,000
Less deferred amounts:					
Issuance premiums (discounts)	127,451	-	(74,187)	53,264	41,668
Net total revenue bonds	<u>3,742,451</u>	<u>-</u>	<u>(1,219,187)</u>	<u>2,523,264</u>	<u>1,246,668</u>
Customer deposits	87,774	-	(3,285)	84,489	-
Compensated absences	1,062,622	-	(59,472)	1,003,150	452,615
	<u>1,150,396</u>	<u>-</u>	<u>(62,757)</u>	<u>1,087,639</u>	<u>452,615</u>
Total long-term liabilities	<u>\$ 4,892,847</u>	<u>\$ -</u>	<u>\$ (1,281,944)</u>	<u>\$ 3,610,903</u>	<u>\$ 1,699,283</u>

The Water Fund has no unused lines of credit.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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, 2025, including interest are:

Years Ended June 30,	Series 2020 Bonds		Debt Service
	Principal	Interest	
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
2031-2032	3,565,000	84,075	3,649,075
	<u>\$ 12,075,000</u>	<u>\$ 672,145</u>	<u>\$ 12,747,145</u>

Scheduled annual requirements for loans (notes payable) at June 30, 2025, including interest are as follows:

Years Ended June 30,	Notes Payable*		Total Debt Service
	Principal*	Interest	
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	1,144,008	95,256	1,239,264
2031-2035	5,830,694	316,760	6,147,454
2036-2040	3,196,352	71,736	3,268,088
2041	60,342	380	60,722
	<u>\$ 14,713,828</u>	<u>\$ 967,864</u>	<u>\$ 15,681,692</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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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

Bonds are subject to optional redemption on June 1, 2029, and thereafter at a price of par. The outstanding principal balance on June 30, 2025, was \$12,075,000.

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 \$576,289 as of June 30, 2025.

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, 2025, was \$789,434.

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, 2025.

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 authorized an increase of \$3,953,352 to the original loan, bringing the total approved amount to \$8,953,352. Principal repayments began in April 2017 and are due monthly over the term of twenty (20) years with final repayment due March 2037. The outstanding balance as of June 30, 2025, was \$5,332,985. 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, 2025.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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 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. Interest and administrative fee payments commenced in December 2016 following the initial loan disbursement.

Principal repayments began in June 2017 and are scheduled monthly over a term of 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, 2025, was \$1,254,722.

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, 2025.

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

Principal repayments began March 2018 with final maturity February 2038. Final funds were received in August 2018. The outstanding loan balance at June 30, 2025, was \$2,508,660.

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, 2025.

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, 2025, was \$2,869,654.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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, 2025, 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, 2025, was \$1,045,338.

The loan was originally secured by \$113,072 on deposit with the LGIP, but the deposit was reduced by \$40,268 in April 2021 for a new balance of \$72,804 as the amount of the loan was reduced by the unused portion. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. There are no lender's subjective acceleration clauses in the agreement. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2025.

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, at which time the loan amount was reduced by \$103,742 due to unused funds. The outstanding loan balance at June 30, 2025, was \$913,035.

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, 2025.

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, 2025

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, 2025:

	Balance at June 30, 2024	Additions	Retirements*	Balance at June 30, 2025	Due Within One Year
Revenue Bonds payable:					
Series 2020 (Interest rate - 0.25% - 1.60%)	\$ 13,740,000	\$ -	\$ (1,665,000)	\$ 12,075,000	\$ 1,670,000
Less deferred amounts:					
Issuance premiums (discounts)	(36,057)	-	1,111	(34,946)	(2,504)
Net total revenue bonds payable	<u>13,703,943</u>	<u>-</u>	<u>(1,663,889)</u>	<u>12,040,054</u>	<u>1,667,496</u>
State Revolving Fund Loans:					
Direct Borrowing:					
CW0 2013-313 (Interest rate - .34%)	870,447	-	(81,013)	789,434	81,192
SRF 2013-314 (Interest rate - .34%)	5,777,230	-	(444,245)	5,332,985	445,632
CG3 2016-361 (Interest rate - 1.17%)	2,691,512	-	(182,852)	2,508,660	184,824
CG2 2016-363 (Interest rate - 1.43%)	1,350,725	-	(96,003)	1,254,722	97,272
CG4 2016-362 (Interest rate - 1.17%)	3,043,843	-	(174,189)	2,869,654	176,064
SRF 2016-368 (Interest rate - 1.25%)	1,104,739	-	(59,401)	1,045,338	60,084
SRF 2017-383 (Interest rate - 1.55%)	973,867	-	(60,832)	913,035	61,704
Total state revolving loans	<u>15,812,363</u>	<u>-</u>	<u>(1,098,535)</u>	<u>14,713,828</u>	<u>1,106,772</u>
Compensated absences	928,506	-	(4,373)	924,133	387,195
Total long-term liabilities	<u>\$ 30,444,812</u>	<u>\$ -</u>	<u>\$ (2,766,797)</u>	<u>\$ 27,678,015</u>	<u>\$ 3,161,463</u>

*Retirements include payments and principal forgiveness.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Telecommunications Fund

Term and revolving debt payable at June 30, 2025, consist of the following:

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

Principal on the inter-fund loan is due April 1, 2026. Interest on the inter-fund loan is due monthly. Scheduled annual requirements for the inter-fund loan payable at June 30, 2025, including interest are:

Year ended June 30,	Inter-fund Loan - Electric		Total
	Principal	Interest	Debt Service
2026	\$ 5,500,000	\$ 124,988	\$ 5,624,988
	<u>\$ 5,500,000</u>	<u>\$ 124,988</u>	<u>\$ 5,624,988</u>

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, 2025, including interest are:

Year ended June 30,	2013 Bonds Payable		Total
	Principal	Interest	Debt Service
2026	\$ 5,240,000	\$ 178,160	\$ 5,418,160
	<u>\$ 5,240,000</u>	<u>\$ 178,160</u>	<u>\$ 5,418,160</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.

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 Series 2013 Bonds were issued as fixed-rate bonds. The outstanding balance of Series 2013 bonds as of June 30, 2025, was \$5,240,000.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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. In accordance with 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 \$237,864 as of June 30, 2025.

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

The following is a summary of the Telecommunication Fund’s long-term liability transactions for the year ended June 30, 2025:

	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
Revenue Bonds payable:					
Series 2013 (Interest rate - .60% - 3.40%)	\$ 10,315,000	\$ -	\$ (5,075,000)	\$ 5,240,000	\$ 5,240,000
Less deferred amounts:					
Issuance premiums (discounts)	(35,943)	-	20,538	(15,405)	(15,405)
Net total revenue bonds	<u>10,279,057</u>	<u>-</u>	<u>(5,054,462)</u>	<u>5,224,595</u>	<u>5,224,595</u>
Notes payable (direct placement):					
Electric Fund loan	<u>5,500,000</u>	<u>-</u>	<u>-</u>	<u>5,500,000</u>	<u>5,500,000</u>
Total notes payable	<u>5,500,000</u>	<u>-</u>	<u>-</u>	<u>5,500,000</u>	<u>5,500,000</u>
Customer deposits	290,375	-	(16,388)	273,987	-
Compensated absences	<u>733,210</u>	<u>-</u>	<u>(27,184)</u>	<u>706,026</u>	<u>375,814</u>
	<u>1,023,585</u>	<u>-</u>	<u>(43,572)</u>	<u>980,013</u>	<u>375,814</u>
Total long-term liabilities	<u>\$ 16,802,642</u>	<u>\$ -</u>	<u>\$ (5,098,034)</u>	<u>\$ 11,704,608</u>	<u>\$ 11,100,409</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Net Position— Electric Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 161,303,897
Less: Debt as disclosed in Note 3E	<u>(1,291,058)</u>
Total net investment in capital assets	<u>160,012,839</u>
Restricted:	
Restricted cash and cash equivalents	235,254
Less: Current liabilities payable from restricted assets	<u>(2,858)</u>
Total restricted net position	<u>232,396</u>
Unrestricted	<u>19,667,164</u>
Total net position	<u>\$ 179,912,399</u>

F. Net Position – Gas Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 100,873,524
Less: Debt as disclosed in Note 3E	<u>(14,328,694)</u>
Total net investment in capital assets	<u>86,544,830</u>
Restricted:	
Restricted cash and cash equivalents	133,683
Less: Current liabilities payable from restricted assets	<u>(45,948)</u>
Total restricted net position	<u>87,735</u>
Unrestricted	<u>27,047,040</u>
Total net position	<u>\$ 113,679,605</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Net Position – Water Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 123,954,184
Less: Debt as disclosed in Note 3E	<u>(2,523,264)</u>
Total net investment in capital assets	<u>121,430,920</u>
Restricted:	
Restricted cash and cash equivalents	714,883
Less: Current liabilities payable from restricted assets	<u>(10,292)</u>
Total restricted net position	<u>704,591</u>
Unrestricted	<u>1,832,003</u>
Total net position	<u>\$ 123,967,514</u>

F. Net Position – Wastewater Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 143,791,201
Less: Debt as disclosed in Note 3E	<u>(26,753,882)</u>
Total net investment in capital assets	<u>117,037,319</u>
Restricted:	
Restricted cash and cash equivalents	1,433,791
Less: Accrued interest from restricted funds	<u>(12,569)</u>
Total restricted net position	<u>1,421,222</u>
Unrestricted	<u>16,871,257</u>
Total net position	<u>\$ 135,329,798</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Net Position – Telecommunication Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 26,017,789
Less: Debt as disclosed in Note 3E	<u>(10,724,595)</u>
Total net investment in capital assets	<u>15,293,194</u>
Restricted:	
Restricted cash and cash equivalents	6,889,729
Less: Accrued interest from restricted funds	<u>(52,721)</u>
Total restricted net position	<u>6,837,009</u>
Unrestricted	<u>3,382,135</u>
Total net position	<u>\$ 25,512,338</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 \$333,949. The following is a summary of SBITA transactions for the year ended June 30, 2025.

	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
Subscription-Based IT Arrangements	\$ 129,418	\$ -	\$ (129,418)	\$ -	\$ -
Total Subscription-Based IT Arrangements	<u>\$ 129,418</u>	<u>\$ -</u>	<u>\$ (129,418)</u>	<u>\$ -</u>	<u>\$ -</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 4 - OTHER INFORMATION

A. Pension Costs

Plan Description

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

Benefits Provided

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

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

Employees covered by the benefit terms

At the measurement date of June 30, 2024, the Authority had 509 total participants as follows:

Active Participants	177
Inactive Participants with Deferred Benefits	26
Inactive Participants Receiving Payment	306

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, 2025, the actuarially determined recommended employer contribution was \$7,244,970.

The Authority also elected to make additional contributions totaling \$3,227,022 which brought the total year contributions to \$10,471,992.

Net Pension Liability

The Authority's net pension liability was measured as of July 1, 2024, 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, 2024 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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

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

Assumption Changes

- A change in the retirement rates to better reflect anticipated future experience.

Pension Liabilities

At June 30, 2025, the Authority reported a net pension liability of \$60,976,117. The net pension liability was measured as of July 1, 2024, 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, 2025, the Authority recognized pension costs of \$12,344,188. Of this amount, the Authority recognized as a fringe benefit \$1,193,547 as amounts paid by the Authority to satisfy a requirement for employee contributions.

At June 30, 2025, 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, 2024	\$ 1,972,345	\$ 1,195,365
(2) Difference due to assumption changes		
(a) measurement date July 1, 2024	1,087,801	1,833,030
(3) Contributions subsequent to the measurement date		
(a) measurement date July 1, 2024	10,471,992	-
(4) Net difference between expected and actual earnings on pension plan investment		
(a) measurement date July 1, 2024	2,633,805	-
Total	\$ 16,165,943	\$ 3,028,395



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

\$10,471,992 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension costs as follows:

Year ended June 30:		
2026	\$	346,504
2027		5,258,243
2028		(1,801,420)
2029		(1,137,771)
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 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 6/30/2024 (measurement date 6/30/2023)	\$ 232,333,352	\$ 162,390,694	\$ 69,942,658
Changes for the year:			
Service cost	2,573,406	-	2,573,406
Interest	15,482,420	-	15,482,420
Difference between expected and actual experience	2,480,932	-	2,480,932
Assumption change	(2,575,147)	-	(2,575,147)
Contributions - employer	-	9,257,107	(9,257,107)
Contributions - 8.28% member	-	1,193,547	(1,193,547)
Contributions - 2% member	-	47,141	(47,141)
Net investment income	-	16,613,808	(16,613,808)
Benefit payments	(11,258,977)	(11,258,977)	-
Administrative expense	-	(183,451)	183,451
Net changes	6,702,634	15,669,175	(8,966,541)
Balance at 6/30/2025 (measurement date 6/30/2024)	\$ 239,035,986	\$ 178,059,869	\$ 60,976,117



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

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, 2025:

	Market Value	Percentage of Total
Annuity	\$4,928,995	2.55
Equities	116,972,587	60.47
Fixed income	69,561,712	35.96
Money market funds	1,975,821	1.02
Total	\$ 193,439,115	100.00

The following investments as of June 30, 2025, represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U. S. Government:

	Market Value
Fidelity International Index Fund	\$ 24,505,369
Vanguard Div Apprec Index Fund	\$ 26,293,050
Vanguard Small-Cap Index Fund	\$ 10,959,267
Vanguard Total Stock Market Index	\$ 38,334,337
Brandywine Global Corp Crdt-IS	\$ 9,816,984
Dodge & Cox Income Fund	\$ 12,409,723
Vanguard Long-term Bond Index Fund	\$ 18,537,211

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:

	1% Decrease (5.75%)	Current rate (6.75%)	1% Increase (7.75%)
Total pension liability	\$ 269,963,413	\$ 239,035,986	\$ 213,301,550
Plan fiduciary net pension	178,059,869	178,059,869	178,059,869
Net pension liability	\$ 91,903,544	\$ 60,976,117	\$ 35,241,681



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

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-trusteed 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 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, 2025. Total amounts paid over to Voya Financial Inc. on behalf of retirees was \$387,424.

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 \$1,203,487 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, 2025.

For the year ended June 30, 2025, the Authority's annual contributions to the Matching Plan were \$1,203,487 which included both the Authority's matching and discretionary contributions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

B. Major Suppliers

The Electric Fund purchases all of its electric capacity from the Tennessee Valley Authority (TVA). Purchased power from TVA cost \$132,844,255 for the year ending June 30, 2025.

The Gas Fund purchased 28 percent of its natural gas from Symmetry Energy Solutions. Total purchased gas cost was \$18,682,316 for the year ended June 30, 2025.

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; unmanned aircraft systems; directors and officers; employment practices; fiduciary; technology errors and omissions, multimedia and cyber. During the fiscal year ended June 30, 2025, 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, 2025, 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, 2025, was \$3,604,509. At the measurement date of June 30, 2024, the Authority had 216 active participants covered under the plan. The plan also covers 271 inactive participants and 142 covered spouses.

The cost of providing retiree life insurance benefits for the year ended June 30, 2025, was \$271,606. At the measurement date of June 30, 2024, the Authority had 378 active participants covered under the plan. The plan also covers 259 inactive participants.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

Contributions

The contribution requirements of plan members and Jackson Energy Authority are established and may be amended by the Jackson Energy Authority Board of Directors pursuant to the plan document. For the year ended June 30, 2025, the actuarially determined recommended employer contribution was \$1,453,506.

Assumption Changes

- A change in the discount rate of 6.00% as of the June 30, 2023 measurement date to 6.25% as of the June 30, 2024 measurement date.
- A change in the expected long-rate of return on plan assets from 6.00% to 6.25%.
- Claims and trend rates were updated to reflect more recent plan experience.
- A change in the retirement age assumption to better reflect plan experience.

Net OPEB Liability

The Authority's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2025, the Authority reported a net OPEB liability of \$10,335,953.

Actuarial assumptions

The total OPEB liability as of the June 30, 2024, 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	6.25 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, 2025, the Authority recognized OPEB expense of \$(851,378).



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefit (Continued)

At June 30, 2025, 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, 2024	\$ 1,399,341	\$ 1,258,594
(2) Difference due to assumption changes		
(a) measurement date June 30, 2024	1,704,414	11,739,287
(3) Contributions subsequent to the measurement date		
(a) measurement date June 30, 2024	667,975	-
(4) Net difference between expected and actual earnings on OPEB plan investment		
(a) measurement date June 30, 2024	-	543,240
Total	\$ 3,771,730	\$ 13,541,121

\$667,975 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	\$ (2,994,764)
2027	(1,253,752)
2028	(2,369,235)
2029	(1,405,805)
2030	(1,022,795)
Thereafter	(1,391,015)

Discount rate

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefit (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balance at 6/30/2024 (measurement date 6/30/2023)	\$ 62,411,168	\$ 45,976,607	\$ 16,434,561
Changes for the year:			
Service Cost	775,848	-	775,848
Interest	3,716,049	-	3,716,049
Difference between expected and actual experience	130,673	-	130,673
Assumption change	(2,791,067)	-	(2,791,067)
Net benefit payments	(3,134,437)	-	(3,134,437)
Contributions - employer	-	2,443,447	(2,443,447)
Contributions - retiree	591,652	591,652	-
Net investment income	-	5,559,733	(5,559,733)
Benefit payments	-	(3,134,437)	3,134,437
Administrative expense	-	(73,069)	73,069
Net changes	<u>(711,282)</u>	<u>5,387,326</u>	<u>(6,098,608)</u>
Balance at 6/30/2025 (measurement date 6/30/2024)	<u>\$ 61,699,886</u>	<u>\$ 51,363,933</u>	<u>\$ 10,335,953</u>

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 6.25 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 (5.25 percent) or 1-percentage-point higher (7.25 percent) than current rate:

	1% Decrease (5.25%)	Current rate (6.25%)	1% Increase (7.25%)
Total OPEB liability	\$ 68,829,910	\$ 61,699,886	\$ 55,674,360
Plan fiduciary net position	<u>51,363,933</u>	<u>51,363,933</u>	<u>51,363,933</u>
Net OPEB liability	<u>\$ 17,465,977</u>	<u>\$ 10,335,953</u>	<u>\$ 4,310,427</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	Trend Rate	1% Increase
Total OPEB liability	\$ 56,457,882	\$ 61,699,886	\$ 67,878,585
Plan fiduciary net position	<u>51,363,933</u>	<u>51,363,933</u>	<u>51,363,933</u>
Net OPEB liability	<u>\$ 5,093,949</u>	<u>\$ 10,335,953</u>	<u>\$ 16,514,652</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefit (Continued)

OPEB plan investments - The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Directors by a majority vote of its members. It is the policy of the Board of Directors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the asset allocation as of June 30, 2025:

	Market Value	Percentage of Total
Equities	\$ 33,449,117	60.90
Fixed income	20,743,321	37.77
Money market funds	731,923	1.33
Total	\$ 54,924,361	100.00

The following investments as of June 30, 2025, represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U. S. Government:

	Market Value
Fidelity International Index Fund	\$ 4,473,152
Vanguard Large-Cap Index Fund	\$ 22,327,417
Vanguard Small-Cap Index Fund	\$ 5,471,160
Dodge & Cox Income Fund	\$ 5,517,861
Vanguard Long-term Bond Index Fund	\$ 12,331,840
Vanguard Total Bond Market Index Fund	\$ 2,893,621

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

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

E. Related Party Transactions

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

F. Inter-Fund Loan

Concurrently with the issuance of the Series 2003 Telecommunications Fund revenue bonds, the Authority was required to deposit \$5,500,000 (the Series 2003 debt service reserve requirement) into the debt service reserve sub-account of the bonds. The deposit was derived from a loan made September 26, 2003, by the Authority's Electric Fund pursuant to a supplemental Electric resolution adopted on August 28, 2003. Interest on the initial loan and any subsequent loans is paid monthly at an annual percentage rate equal to the higher of (1) the highest interest rate earned by the Electric Fund on invested funds on the date the loan was made or (2) the highest rate on the senior debt of the Electric Fund on the date the loan was made. The rate on the initial loan was 3.03%. Principal repayments on the initial loan are not due until final maturity of the Series 2003 Telecommunications Fund Revenue Bonds, which will occur in FY 2026. Consequently, the entire loan balance is presented as a short-term note payable in the financial statements of the Telecommunications Fund as of June 30, 2025.

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

Loans subsequent to the initial amount borrowed of \$5,500,000 are to be repaid monthly in sixty equal monthly installments. The Telecommunications Fund has no outstanding subsequent loans from the Electric Fund as of June 30, 2025.

As of June 30, 2025, 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	\$ 4,900,782	\$ 4,900,782	
Local Govt Investment Pool	599,218	599,218	
	\$ 5,500,000	\$ 5,500,000	

G. Inter-fund Payments

For the fiscal year ended June 30, 2025, the Telecommunications Fund paid rent to the Electric, Gas, Water, and Wastewater Funds in the amount of \$235,690 for the use of facilities. The Telecommunications Fund paid rent to the Electric Fund for the year ended June 30, 2025, in the amount of \$602,870 for use of electric poles. The Electric Fund paid Automated Metering Infrastructure fees to the Telecommunications Fund for the year ended June 30, 2025, in the amount of \$300,000.

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).



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

H. Deferred Compensation Plan (Continued)

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 (the Corporation) is a joint venture between Jackson Energy Authority, the Humboldt Utilities Authority, and Brownsville Energy Authority. The 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, 2025, the Gas Fund's investment in the Tennergy Corporation amounted to \$4,624,687.

The investment gain from the Tennergy Corporation amounted to \$557,997 for the year ended June 30, 2025.

The Gas Fund's investment in the Tennergy Corporation represented a 73 percent interest as of June 30, 2025.

On June 30, 2025, the Tennergy Corporation had total assets of \$2,244,253,777, liabilities and deferred inflows of resources of \$2,237,895,276, and net position of \$6,358,501. 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. Contingent Refund

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 Authority received the full \$5 million payment in August 2024, and the company began operations in December 2024.

In November 2024, the Authority entered into an agreement with the company to offer a contingent refund of a portion of the \$5 million payment. After the completion of forty-two months, the customer will be eligible to receive a refund of up to \$3 million, which is approximately fifty percent of the Authority's total capital investment in facilities for the customer's project. To receive any portion of the refund, the company must meet minimum usage requirements set forth in the agreement.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 4 - OTHER INFORMATION (Continued)

K. Deferred Revenue – Madison County (Continued)

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. In fiscal year 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, 2025



Jackson Energy Authority
Real People. Real Service.

JACKSON ENERGY AUTHORITY
Schedule of Changes in Net Pension Liability and Related Ratios**
JUNE 30, 2025

	Fiscal Year Ending 2025	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021
Total Pension Liability					
Service Cost	\$ 2,573,406	\$ 2,780,226	\$ 2,785,239	\$ 2,882,661	\$ 2,440,656
Interest Cost	15,482,420	15,001,959	14,624,994	14,850,079	14,108,673
Changes of Benefit Terms	-	-	-	(7,348,032)	-
Transfer Between Plans (4 participants)	-	-	-	-	-
Transfer of All Remaining Tennergy Liability	-	-	-	-	-
Differences Between Expected and Actual Experiences	2,480,932	429,493	(4,188,736)	(1,551,052)	(1,260,810)
Changes of Assumptions	(2,575,147)	-	2,510,342	5,545,645	11,167,768
Benefit Payments, Including Refunds of Member Contributions	<u>(11,258,977)</u>	<u>(10,526,802)</u>	<u>(9,769,914)</u>	<u>(9,743,358)</u>	<u>(8,977,754)</u>
Net Change in Total Pension Liability	6,702,634	7,684,876	5,961,925	4,635,943	17,478,533
Total Pension Liability (Beginning)	<u>232,333,352</u>	<u>224,648,476</u>	<u>218,686,551</u>	<u>214,050,608</u>	<u>196,572,075</u>
Total Pension Liability (Ending)	<u>\$ 239,035,986</u>	<u>\$ 232,333,352</u>	<u>\$ 224,648,476</u>	<u>\$ 218,686,551</u>	<u>\$ 214,050,608</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 9,257,107	\$ 9,338,748	\$ 10,230,939	\$ 8,209,843	\$ 7,560,751
Contributions - 8.28% Member	1,193,547	1,178,428	1,211,013	1,236,170	1,256,753
Contributions - 2% Member	47,141	47,653	46,947	46,958	45,844
Net Investment Income	16,613,808	13,316,564	(23,378,353)	33,843,277	4,034,412
Benefit Payments, Including Refunds of Member Contributions	(11,258,977)	(10,526,802)	(9,769,914)	(9,743,358)	(8,977,754)
Administrative Expense	(183,451)	(173,958)	(184,822)	(173,601)	(143,674)
Transfer Between Plans (4 participants)	-	-	-	-	-
Transfer of All Remaining Tennergy Assets	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	15,669,175	13,180,633	(21,844,190)	33,419,289	3,776,332
Plan Fiduciary Net Position (Beginning)	<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>
Plan Fiduciary Net Position (Ending)	<u>\$ 178,059,869</u>	<u>\$ 162,390,694</u>	<u>\$ 149,210,061</u>	<u>\$ 171,054,251</u>	<u>\$ 137,634,962</u>
The Authority's Net Pension Liability	<u>\$ 60,976,117</u>	<u>\$ 69,942,658</u>	<u>\$ 75,438,415</u>	<u>\$ 47,632,300</u>	<u>\$ 76,415,646</u>
Net Position as a % of Pension Liability	74.49%	69.90%	66.42%	78.22%	64.30%
Covered Employee Payroll	\$ 16,535,954	\$ 15,962,733	\$ 16,123,335	\$ 17,019,374	\$ 17,130,140
The Authority's Pension Liability as a % of Covered-Employee Payroll	368.75%	438.16%	467.88%	279.87%	446.09%

*During fiscal year ended June 30, 2018, JEA absorbed the employees and net pension liability of Tennergy.

**This is a 10-year schedule. Retroactive information is not required.

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)**
JUNE 30, 2025

	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018*	Fiscal Year Ending 2017*	Fiscal Year Ending 2016*
Total Pension Liability					
Service Cost	\$ 2,495,165	\$ 2,661,358	\$ 2,425,007	\$ 2,349,489	\$ 2,213,443
Interest Cost	13,292,606	12,589,204	11,341,447	11,117,492	10,203,036
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	62,477	490,277	1,451,527	(639)	1,610,666
Changes of Assumptions	4,222,221	4,196,883	1,530,055	-	4,939,654
Benefit Payments, Including Refunds of Member Contributions	(8,553,361)	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)
Net Change in Total Pension Liability	11,519,108	11,900,437	17,274,880	6,521,521	12,091,403
Total Pension Liability (Beginning)	185,052,968	173,152,531	155,877,651	149,356,130	137,264,728
Total Pension Liability (Ending)	\$ 196,572,076	\$ 185,052,968	\$ 173,152,531	\$ 155,877,651	\$ 149,356,131
Plan Fiduciary Net Position					
Contributions - Employer	\$ 7,726,375	\$ 14,642,435	\$ 7,389,084	\$ 7,022,982	\$ 5,901,463
Contributions - 8.28% Member	1,291,435	1,586,282	1,548,157		
Contributions - 2% Member	44,865	43,565	42,070	41,939	36,655
Net Investment Income	8,410,282	5,931,821	6,979,057	895,518	2,878,326
Benefit Payments, Including Refunds of Member Contributions	(8,553,361)	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)
Administrative Expense	(101,926)	(101,657)	(85,435)	(106,134)	(124,779)
Transfer Between Plans (4 participants)	-	-	902,635	-	-
Transfer of All Remaining Tennergy Assets	-	-	4,060,067	-	-
Net Change in Plan Fiduciary Net Position	8,817,670	14,065,161	13,894,388	909,484	1,816,269
Plan Fiduciary Net Position (Beginning)	125,040,960	110,975,799	97,081,411	96,171,927	94,355,659
Plan Fiduciary Net Position (Ending)	\$ 133,858,630	\$ 125,040,960	\$ 110,975,799	\$ 97,081,411	\$ 96,171,928
The Authority's Net Pension Liability	\$ 62,713,446	\$ 60,012,008	\$ 62,176,732	\$ 58,796,240	\$ 53,184,203
Net Position as a % of Pension Liability	68.10%	67.57%	64.09%	62.28%	64.39%
Covered Employee Payroll	\$ 17,857,525	\$ 21,336,221	\$ 20,801,069	\$ 18,765,114	\$ 18,659,785
The Authority's Pension Liability as a % of Covered-Employee Payroll	351.19%	281.27%	298.91%	313.33%	285.02%

*During fiscal year ended June 30, 2018, JEA absorbed the employees and net pension liability of Tennergy.

**This is a 10-year schedule. Retroactive information is not required.

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's Pension Contributions and Notes
JUNE 30, 2025

	Fiscal Year Ending 2025	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021
Actuarially Determined Contribution	\$ 7,244,970	\$ 7,299,132	\$ 7,275,898	\$ 8,196,643	\$ 6,572,525
Contributions made in Relation to the Actuarially Determined Contribution	10,471,992	9,257,107	9,338,748	10,230,939	8,209,843
Contribution Deficiency (excess)	(3,227,022)	(1,957,975)	(2,062,850)	(2,034,296)	(1,637,318)
Covered-Employee Payroll	16,460,622	16,535,954	15,962,733	16,123,335	17,019,374
Contributions as a % of Payroll	63.6%	56.0%	58.5%	63.5%	48.2%

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 2025:

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.

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's Pension Contributions and Notes (Continued)
JUNE 30, 2025

	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018*	Fiscal Year Ending 2017	Fiscal Year Ending 2016
Actuarially Determined Contribution	\$ 6,003,774	\$ 6,181,859	\$ 5,672,116	\$ 6,813,731	\$ 6,079,045
Contributions made in Relation to the Actuarially Determined Contribution	7,560,751	7,726,375	14,642,435	7,389,084	7,022,982
Contribution Deficiency (excess)	(1,556,977)	(1,544,516)	(8,970,319)	(575,353)	(943,937)
Covered-Employee Payroll	17,130,140	17,857,525	21,336,221	20,152,643	18,765,114
Contributions as a % of Payroll	44.1%	43.3%	68.6%	36.7%	37.4%

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 2025:

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, 2025

	Fiscal Year Ending 2025	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	9.65%	8.44%	-14.71%	21.81%	2.87%

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's Pension Plan Investment Returns (Continued)
 JUNE 30, 2025

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

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net OPEB Liability and Related Ratios
JUNE 30, 2025

	Fiscal Year Ending 2025	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022
Total OPEB Liability				
Service Cost	\$ 775,848	\$ 889,479	\$ 877,354	\$ 878,206
Interest Cost	3,716,049	3,862,858	3,620,137	3,431,238
Changes of Benefit Terms	-	-	-	-
Contributions from the members	-	-	-	-
Differences Between Expected and Actual Experiences	130,673	(1,317,731)	26,467	2,089,483
Changes of Assumptions	(2,791,067)	(5,914,419)	2,641,627	(350,829)
Benefit Payments, Including Refunds of Member Contributions	<u>(2,542,785)</u>	<u>(2,760,770)</u>	<u>(3,146,790)</u>	<u>(2,387,907)</u>
Net Change in Total OPEB Liability	(711,282)	(5,240,583)	4,018,795	3,660,191
Total OPEB Liability (Beginning)	<u>62,411,168</u>	<u>67,651,751</u>	<u>63,632,956</u>	<u>59,972,765</u>
Total OPEB Liability (Ending)	<u>\$ 61,699,886</u>	<u>\$ 62,411,168</u>	<u>\$ 67,651,751</u>	<u>\$ 63,632,956</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$2,443,447	\$ 1,685,037	\$ 2,299,719	\$ 2,218,464
Contributions - Member	591,652	550,230	545,284	594,848
Net Investment Income	5,559,733	4,207,662	(7,948,958)	10,335,155
Benefit Payments, Including Refunds of Member Contributions	(3,134,437)	(3,311,000)	(3,692,074)	(2,982,755)
Administrative Expense	<u>(73,069)</u>	<u>(67,853)</u>	<u>(72,055)</u>	<u>(66,748)</u>
Net Change in Plan Fiduciary Net Position	5,387,326	3,064,076	(8,868,084)	10,098,964
Plan Fiduciary Net Position (Beginning)	<u>45,976,607</u>	<u>42,912,532</u>	<u>51,780,616</u>	<u>41,681,652</u>
Plan Fiduciary Net Position (Ending)	<u>\$ 51,363,933</u>	<u>\$ 45,976,608</u>	<u>\$ 42,912,532</u>	<u>\$ 51,780,616</u>
The Authority's Net OPEB Liability	<u>\$ 10,335,953</u>	<u>\$ 16,434,561</u>	<u>\$ 24,739,220</u>	<u>\$ 11,852,340</u>
Net Position as a % of Total OPEB Liability	83.25%	73.67%	63.43%	81.37%
Covered - Employee Payroll	\$ 28,208,334	\$ 25,067,246	\$ 23,116,219	\$ 22,942,544
Total OPEB Liability as a % of Covered-Employee Payroll	36.64%	65.56%	107.02%	51.66%

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)
JUNE 30, 2025

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

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Contribution and Notes
JUNE 30, 2025

	Fiscal Year Ending 2025	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022
Actuarially Determined Contribution	\$ 1,453,506	\$ 2,277,757	\$ 1,175,909	\$ 1,763,923
Contributions made in Relation to the				
Actuarially Determined Contribution	667,975	2,443,447	1,685,037	2,299,719
Contribution Deficiency (excess)	785,531	(165,690)	(509,128)	(535,796)
Covered-Employee Payroll	30,169,354	28,208,334	25,067,246	23,116,219
Contributions as a % of Payroll	2.2%	8.7%	6.7%	9.9%

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 2025:

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:	6.25%, net of OPEB plan investment expense, including inflation.
Mortality:	PUBGH-2010 Fully Generational mortality tables, projected from 2010 with scale MP 2021.

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Contribution and Notes (Continued)
JUNE 30, 2025

	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Actuarially Determined Contribution	\$ 2,351,434	\$ 3,661,202	\$ 6,846,016	\$ 6,836,384
Contributions made in Relation to the Actuarially Determined Contribution	2,218,464	3,864,557	6,471,290	8,738,289
Contribution Deficiency (excess)	132,970	(203,355)	374,726	(1,901,905)
Covered-Employee Payroll	22,942,544	19,811,754	20,056,659	25,095,008
Contributions as a % of Payroll	9.7%	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 2025:

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:	6.25%, net of OPEB plan investment expense, including inflation.
Mortality:	PUBGH-2010 Fully Generational mortality tables, projected from 2010 with scale MP 2021.

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Investment Returns
JUNE 30, 2025

	Fiscal Year Ending 2025	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022
Annual money-weighted rate of return, net of investment expense	11.27%	9.31%	-16.94%	21.97%

*Only eight years are available from actuarial valuation.

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Investment Returns (Continued)
 JUNE 30, 2025

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

*Only eight years are available from actuarial valuation.

See independent auditor's report.





SUPPLEMENTARY & OTHER INFORMATION

FINANCIAL STATEMENTS & SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDING JUNE 30, 2025



Jackson Energy Authority
Real People. Real Service.

JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Charges for sales and services:			
Residential sales	\$ 50,915,405	\$ 47,171,907	\$ 3,743,498
Small lighting and power sales	14,566,649	14,136,191	430,458
Large lighting and power sales	96,877,783	85,989,642	10,888,141
Street and athletic lighting sales	2,570,021	2,280,226	289,795
Outdoor lighting	2,165,318	2,125,415	39,903
Unbilled revenue	439,011	1,111,031	(672,020)
Uncollectible accounts	<u>(297,956)</u>	<u>(341,835)</u>	<u>43,879</u>
Total charges for sales and services (net)	<u>167,236,231</u>	<u>152,472,577</u>	<u>14,763,654</u>
Other revenues			
Forfeited discounts	883,607	950,819	(67,212)
Miscellaneous service revenue	387,591	364,546	23,045
Rent from electric property	2,874,908	2,739,260	135,648
Other electric revenue	<u>27,659</u>	<u>30,818</u>	<u>(3,159)</u>
Total other revenues	<u>4,173,765</u>	<u>4,085,443</u>	<u>88,322</u>
Total operating revenues (net)	<u>171,409,996</u>	<u>156,558,020</u>	<u>14,851,976</u>
Operating expenses:			
Cost of sales and services:			
Purchased power	<u>132,844,255</u>	<u>120,218,385</u>	<u>12,625,870</u>
Operations expenses:			
Transmission expenses:			
Load Dispatching	1,748	1,217	531
Overhead line expense	<u>11,069</u>	<u>13,400</u>	<u>(2,331)</u>
Total transmission expense	<u>12,817</u>	<u>14,617</u>	<u>(1,800)</u>
Distribution expenses:			
Load dispatching	425,209	413,822	11,387
Station expense	18,090	8,686	9,404
Overhead line expense	22,036	70,388	(48,352)
Underground line expense	1,516	1,132	384
Street lighting and signal system	1,626	1,220	406
Meter expense	264,833	365,017	(100,184)
Customer installations expense	720,988	660,659	60,329
Supervision and engineering	250,115	163,231	86,884
Miscellaneous	726,831	782,771	(55,940)
Rents	<u>159,743</u>	<u>190,430</u>	<u>(30,687)</u>
Total distribution expenses	<u>2,590,987</u>	<u>2,657,356</u>	<u>(66,369)</u>
Customer accounts expenses:			
Meter reading expense	598	27,445	(26,847)
Customer contracts and orders	534,793	510,311	24,482
Customer collections	143,880	195,137	(51,257)
Customer utility billing coordinator	53,650	44,650	9,000
Data processing	114,543	85,722	28,821
Stand-By time	<u>23,445</u>	<u>25,161</u>	<u>(1,716)</u>
Total customer accounts	<u>870,909</u>	<u>888,426</u>	<u>(17,517)</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Operating expenses (continued):			
Customer information and sales expense:			
Assistance	356,068	347,717	8,351
Demonstrations and advertising	31,780	51,543	(19,763)
Service guarantees	91	317	(226)
Miscellaneous	<u>34,012</u>	<u>42,928</u>	<u>(8,916)</u>
Total customer information and sales expense	<u>421,951</u>	<u>442,505</u>	<u>(20,554)</u>
Administrative expenses:			
Office salaries	2,414,035	2,120,885	293,150
Office supplies and expense	594,079	632,185	(38,106)
Professional services	165,815	140,839	24,976
Insurance	579,659	522,832	56,827
Employee pension and benefits	3,713,758	4,448,406	(734,648)
Miscellaneous and penalties	<u>228,294</u>	<u>166,487</u>	<u>61,807</u>
Total administrative expenses	<u>7,695,640</u>	<u>8,031,634</u>	<u>(335,994)</u>
Total operations expense	<u>11,592,304</u>	<u>12,034,538</u>	<u>(442,234)</u>
Maintenance expenses:			
Transmission expenses:			
Supervision and engineering	43,486	227	43,259
Station equipment	1,273	-	1,273
Overhead lines	<u>60,551</u>	<u>172,288</u>	<u>(111,737)</u>
Total transmission expenses	<u>105,310</u>	<u>172,515</u>	<u>(67,205)</u>
Distribution expenses:			
Supervision and engineering	29,897	136,664	(106,767)
Station equipment	699,633	671,466	28,167
Lines	3,148,120	2,829,271	318,849
Transformers	220,872	57,060	163,812
Street lighting and signals	15,180	33,117	(17,937)
Meters	<u>70,291</u>	<u>78,325</u>	<u>(8,034)</u>
Total distribution expenses	<u>4,183,993</u>	<u>3,805,903</u>	<u>378,090</u>
Administrative and general expenses:			
Structures and improvements	489,056	334,401	154,655
Office furniture and fixtures	200,460	165,138	35,322
Communications equipment	<u>415,332</u>	<u>363,753</u>	<u>51,579</u>
Total administrative and general expenses	<u>1,104,848</u>	<u>863,292</u>	<u>241,556</u>
Total maintenance expenses	<u>5,394,151</u>	<u>4,841,710</u>	<u>552,441</u>
Depreciation and amortization	10,298,019	9,901,903	396,116
Taxes	548,265	499,386	48,879
In lieu of taxes	<u>3,733,216</u>	<u>4,201,022</u>	<u>(467,806)</u>
	<u>14,579,500</u>	<u>14,602,311</u>	<u>(22,811)</u>
Total operating expenses	<u>\$ 164,410,210</u>	<u>\$ 151,696,944</u>	<u>\$ 12,713,266</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 39,017,435	\$ 34,271,303	\$ 4,746,132
Uncollectible accounts	<u>(28,613)</u>	<u>(28,347)</u>	<u>(266)</u>
Total operating revenues (net)	<u>38,988,822</u>	<u>34,242,956</u>	<u>4,745,866</u>
Operating expenses:			
Cost of sales and services:			
Gas purchased	<u>18,682,316</u>	<u>14,325,841</u>	<u>4,356,475</u>
Total cost of sales and services expense	<u>18,682,316</u>	<u>14,325,841</u>	<u>4,356,475</u>
Operations expense:			
Distribution expenses:			
Production	2,455	2,185	270
Mains and services	448,276	266,416	181,860
Gas leak surveying	2,308	1,650	658
Measuring and regulating	364,217	389,732	(25,515)
Meter house and regulation	252,251	226,343	25,908
Customer installations expense	335,026	301,894	33,132
Gas light and grills	15,275	13,986	1,289
Supervision and engineering	361,437	385,970	(24,533)
Maps and records	3,366	3,196	170
Office expense	512,950	412,717	100,233
Propane delivery	<u>175,891</u>	<u>173,156</u>	<u>2,735</u>
Total distribution expenses	<u>2,473,452</u>	<u>2,177,245</u>	<u>296,207</u>
Customer accounts expenses:			
Meter reading expense	339,529	306,349	33,180
Customer contracts and orders	277,525	263,790	13,735
Customer collections	174,185	235,463	(61,278)
Customer utility billing coordinator	46,015	65,614	(19,599)
Customer account stand-by time	254,388	247,369	7,019
Data processing	<u>65,578</u>	<u>60,617</u>	<u>4,961</u>
Total customer accounts expenses	<u>1,157,220</u>	<u>1,179,202</u>	<u>(21,982)</u>
Customer information and sales expense:			
Assistance	143,898	169,074	(25,176)
Demonstrations and advertising	31,780	51,543	(19,763)
Miscellaneous	<u>34,625</u>	<u>39,022</u>	<u>(4,397)</u>
Total customer information and sales expense	<u>210,303</u>	<u>259,639</u>	<u>(49,336)</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	Increase (Decrease)
Operations expenses (continued):			
Administrative expenses:			
Office salaries	2,137,053	1,942,784	194,269
Office supplies and expense	479,792	399,176	80,616
Special services	94,403	102,099	(7,696)
Insurance	229,818	243,435	(13,617)
Employee pension and benefits	2,465,424	3,231,852	(766,428)
Miscellaneous and penalties	62,396	64,587	(2,191)
Total administrative expenses	<u>5,468,886</u>	<u>5,983,933</u>	<u>(515,047)</u>
Total operations expense	<u>9,309,861</u>	<u>9,600,019</u>	<u>(290,158)</u>
Total operations and cost of sales and services	<u>27,992,177</u>	<u>23,925,860</u>	<u>4,066,317</u>
Maintenance expenses:			
Production			
Production	408	4,583	(4,175)
Total production expenses	<u>408</u>	<u>4,583</u>	<u>(4,175)</u>
Distribution expenses:			
Supervision and engineering	260,687	178,786	81,901
Mains	585,551	525,594	59,957
Measuring and regulating	30,632	42,128	(11,496)
Services	133,455	168,621	(35,166)
Meters and regulators	41,755	54,457	(12,702)
Other equipment	203,472	235,926	(32,454)
Total distribution expenses	<u>1,255,552</u>	<u>1,205,512</u>	<u>50,040</u>
Administrative and general expenses:			
Administrative and general expenses:	<u>611,329</u>	<u>578,893</u>	<u>32,436</u>
Total administrative and general expenses	<u>611,329</u>	<u>578,893</u>	<u>32,436</u>
Total maintenance expenses	<u>1,867,289</u>	<u>1,788,988</u>	<u>78,301</u>
Depreciation and amortization	4,814,061	4,945,801	(131,740)
Taxes	409,512	379,140	30,372
In lieu of taxes	1,710,065	1,627,907	82,158
	<u>6,933,638</u>	<u>6,952,848</u>	<u>(19,210)</u>
Total operating expenses	<u>\$ 36,793,104</u>	<u>\$ 32,667,696</u>	<u>\$ 4,125,408</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Operating revenues	\$ 21,049,368	\$ 20,272,930	\$ 776,438
Uncollectible accounts	<u>(70,630)</u>	<u>(104,230)</u>	<u>33,600</u>
Total operating revenues (net)	<u>20,978,738</u>	<u>20,168,700</u>	<u>810,038</u>
 Operating expenses:			
Operations expense			
Source of supply:			
Labor	2,690	7,508	(4,818)
Miscellaneous	<u>606,431</u>	<u>563,213</u>	<u>43,218</u>
Total source of supply expense	<u>609,121</u>	<u>570,721</u>	<u>38,400</u>
 Pumping			
Purchased power	660,149	686,414	(26,265)
Miscellaneous	<u>3,470</u>	<u>244</u>	<u>3,226</u>
Total pumping expense	<u>663,619</u>	<u>686,658</u>	<u>(23,039)</u>
 Treatment and disposal			
Supervision and engineering	21,047	20,326	721
Labor	579,969	578,997	972
Chemicals	517,912	517,284	628
Miscellaneous	<u>149,495</u>	<u>177,955</u>	<u>(28,460)</u>
Total treatment and disposal expense	<u>1,268,423</u>	<u>1,294,562</u>	<u>(26,139)</u>
 Transmission and distribution			
Supervision and engineering	473,159	446,823	26,336
Storage facilities expense	5,532	4,522	1,010
Line expense	600,125	488,995	111,130
Meter expense	178,139	93,131	85,008
Miscellaneous	338,694	331,513	7,181
Customer installation	<u>291,691</u>	<u>234,967</u>	<u>56,724</u>
Total transmission and distribution expense	<u>1,887,340</u>	<u>1,599,951</u>	<u>287,389</u>
 Customer accounts expenses:			
Meter reading expense	194,522	192,562	1,960
Customer billing and collecting	451,042	471,620	(20,578)
Data processing	57,748	51,010	6,738
Assistance expense	197,058	114,486	82,572
Demonstrations and advertising	36,530	28,253	8,277
Stand-By time	105,825	114,395	(8,570)
Miscellaneous	<u>26,793</u>	<u>32,929</u>	<u>(6,136)</u>
Total customer accounts expense	<u>1,069,518</u>	<u>1,005,255</u>	<u>64,263</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Operating expenses (continued):			
Administrative and general expense:			
Salaries	1,378,323	1,322,993	55,330
Office supplies and expense	375,446	299,833	75,613
Professional service	87,779	82,365	5,414
Insurance	244,627	284,521	(39,894)
Employee pension and benefits	2,226,864	2,888,988	(662,124)
Miscellaneous	99,942	59,352	40,590
Total administrative and general expense	<u>4,412,981</u>	<u>4,938,052</u>	<u>(525,071)</u>
Total operations expense	<u>9,911,002</u>	<u>10,095,199</u>	<u>(184,197)</u>
Maintenance expenses:			
Source of supply			
Wells and springs	90,131	81,758	8,373
Total source of supply	<u>90,131</u>	<u>81,758</u>	<u>8,373</u>
Pumping			
Supervision and engineering	17,988	4,852	13,136
Pumping equipment	59,683	71,456	(11,773)
Total pumping expenses	<u>77,671</u>	<u>76,308</u>	<u>1,363</u>
Treatment and disposal			
Structures and improvements	1,465	6,479	(5,014)
Treatment and disposal equipment	339,432	480,735	(141,303)
Total treatment and disposal	<u>340,897</u>	<u>487,214</u>	<u>(146,317)</u>
Transmission and distribution			
Supervision and engineering	21,293	10,127	11,166
Distribution reservoirs and standpipes	60,036	75,839	(15,803)
Mains and services	985,693	887,993	97,700
Service meters and hydrants	216,107	296,744	(80,637)
Total transmission and distribution	<u>1,283,129</u>	<u>1,270,703</u>	<u>12,426</u>
Administrative and general expenses:			
Administrative and general expenses	578,670	557,025	21,645
Total administrative and general expenses	<u>578,670</u>	<u>557,025</u>	<u>21,645</u>
Total maintenance expenses	<u>2,370,498</u>	<u>2,473,008</u>	<u>(102,510)</u>
Depreciation and amortization	3,865,958	3,774,015	91,943
Taxes	376,704	358,291	18,413
In lieu of taxes	208,258	202,991	5,267
	<u>4,450,920</u>	<u>4,335,297</u>	<u>115,623</u>
Total operating expenses	<u>\$ 16,732,420</u>	<u>\$ 16,903,504</u>	<u>\$ (171,084)</u>

See independent auditor's report.



**JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Operating revenues	\$ 21,620,342	\$ 21,249,041	\$ 371,301
Uncollectible accounts	<u>(58,551)</u>	<u>(27,358)</u>	<u>(31,193)</u>
Total operating revenues (net)	<u>21,561,791</u>	<u>21,221,683</u>	<u>340,108</u>
Operating expenses:			
Operations expense:			
Pumping			
Purchased power	158,244	123,896	34,348
Miscellaneous	<u>17,647</u>	<u>13,984</u>	<u>3,663</u>
Total pumping expense	<u>175,891</u>	<u>137,880</u>	<u>38,011</u>
Treatment and disposal			
Supervision and engineering	42,206	40,226	1,980
Labor	1,466,367	1,382,174	84,193
Chemicals	301,467	301,191	276
Miscellaneous	<u>986,740</u>	<u>832,107</u>	<u>154,633</u>
Total treatment and disposal expense	<u>2,796,780</u>	<u>2,555,698</u>	<u>241,082</u>
Transmission and distribution			
Supervision and engineering	167,406	167,055	351
Line expense	391,649	343,583	48,066
Meter expense	143,888	98,460	45,428
Miscellaneous	240,779	241,332	(553)
Customer installation	<u>62,326</u>	<u>93,916</u>	<u>(31,590)</u>
Total transmission and distribution expense	<u>1,006,048</u>	<u>944,346</u>	<u>61,702</u>
Customer accounts expenses			
Meter reading expense	144,064	155,106	(11,042)
Customer billing and collecting	336,507	355,330	(18,823)
Data processing	37,493	38,934	(1,441)
Assistance expense	289,428	184,887	104,541
Demonstrations and advertising	31,780	26,122	5,658
Stand-By time	64,807	76,639	(11,832)
Miscellaneous	<u>24,017</u>	<u>29,653</u>	<u>(5,636)</u>
Total customer accounts expense	<u>928,096</u>	<u>866,671</u>	<u>61,425</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	Increase (Decrease)
Operating expenses (continued):			
Administrative and general expense			
Salaries	1,213,395	1,193,662	19,733
Office supplies and expense	290,244	232,316	57,928
Professional service	71,831	69,987	1,844
Insurance	369,854	365,052	4,802
Employee pension and benefits	1,917,932	2,430,019	(512,087)
Miscellaneous	93,799	44,106	49,693
Total administrative and general expense	<u>3,957,055</u>	<u>4,335,142</u>	<u>(378,087)</u>
Total operations expense	<u>8,863,870</u>	<u>8,839,737</u>	<u>24,133</u>
Maintenance expenses:			
Pumping			
Supervision and engineering	26,809	5,528	21,281
Structures and improvements	4,289	2,223	2,066
Pumping equipment	480,239	390,501	89,738
Total pumping	<u>511,337</u>	<u>398,252</u>	<u>113,085</u>
Treatment and disposal			
Structures and improvements	3,533	-	3,533
Treatment and disposal equipment	807,103	857,419	(50,316)
Total treatment and disposal	<u>810,636</u>	<u>857,419</u>	<u>(46,783)</u>
Transmission and distribution			
Supervision and engineering	6,596	3,718	2,878
Mains and services	1,012,756	1,086,003	(73,247)
Service meters and hydrants	27,357	17,412	9,945
Total transmission and distribution	<u>1,046,709</u>	<u>1,107,133</u>	<u>(60,424)</u>
Administrative and general			
Administrative and general expenses	436,715	478,163	(41,448)
Total administrative and general expenses	<u>436,715</u>	<u>478,163</u>	<u>(41,448)</u>
Total maintenance expenses	<u>2,805,397</u>	<u>2,840,967</u>	<u>(35,570)</u>
Depreciation and amortization	5,532,484	5,403,698	128,786
Taxes	344,872	314,788	30,084
In lieu of taxes	229,185	227,053	2,132
	<u>6,106,541</u>	<u>5,945,539</u>	<u>161,002</u>
Total operating expenses	<u>\$ 17,775,808</u>	<u>\$ 17,626,243</u>	<u>\$ 149,565</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 36,536,861	\$ 35,584,898	\$ 951,963
Uncollectible accounts	(58,039)	(100,147)	42,108
Total operating revenues (net)	36,478,822	35,484,751	994,071
Operating expenses:			
Programming and services costs	13,841,784	14,007,880	(166,096)
Operations expenses			
Plant specific			
Network support	77,916	59,485	18,431
General support	438,442	435,373	3,069
Headend	16,496	18,792	(2,296)
Headend transmission	13,293	13,259	34
Cable and wire facilities	608,451	573,043	35,408
Total plant specific	1,154,598	1,099,952	54,646
Plant non-specific			
Other property and equipment	17,090	13,356	3,734
Network operations	404,782	484,179	(79,397)
Total plant non-specific	421,872	497,535	(75,663)
Customer operations			
Marketing	547,785	595,896	(48,111)
Services	4,249,782	4,135,223	114,559
Stand-by Time	99,837	78,055	21,782
Total customer operations	4,897,404	4,809,174	88,230
Corporate operations			
Executive and planning	1,040,076	1,017,081	22,995
General and administrative	3,525,278	3,923,660	(398,382)
Total corporate operations	4,565,354	4,940,741	(375,387)
Total operations expenses	11,039,228	11,347,402	(308,174)
Depreciation and amortization	6,628,215	7,171,366	(543,151)
Payroll Taxes	308,579	302,651	5,928
In lieu of taxes and other taxes	943,055	821,253	121,802
	7,879,849	8,295,270	(415,421)
Total operating expenses	\$ 32,760,861	\$ 33,650,552	\$ (889,691)

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2025

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2024	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2025
Notes Payable:									
Southwest Electric	Various	0%	Various	Various	\$ 100,669	\$ -	\$ 34,611	\$ -	\$ 66,058
Total Notes Payable					<u>\$ 100,669</u>	<u>\$ -</u>	<u>\$ 34,611</u>	<u>\$ -</u>	<u>\$ 66,058</u>
Bonds Payable:									
Revenue Bonds - Series 2020	7,995,000	1.40%	5/1/2020	5/1/2026	\$ 2,580,000	\$ -	\$ 1,355,000	\$ -	\$ 1,225,000
Total Bonds Payable					<u>\$ 2,580,000</u>	<u>\$ -</u>	<u>\$ 1,355,000</u>	<u>\$ -</u>	<u>\$ 1,225,000</u>

Notes to Schedule:

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

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2025

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2024	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2025
Bonds Payable:									
Revenue Bonds - Series 2015	21,240,000	3.00 to 5.00%	12/22/2015	6/1/2035	\$ 14,805,000	\$ -	\$ 1,000,000	\$ -	\$ 13,805,000
Total Bonds Payable					<u>\$ 14,805,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 13,805,000</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2025

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2024	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2025
Bonds Payable:									
Revenue Bonds - Series 2017	15,285,000	5.00%	12/7/2017	12/1/2026	\$ 3,615,000	\$ -	\$ 1,145,000	\$ -	\$ 2,470,000
Total Bonds Payable					<u>\$ 3,615,000</u>	<u>\$ -</u>	<u>\$ 1,145,000</u>	<u>\$ -</u>	<u>\$ 2,470,000</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2025

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2024	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2025
Notes Payable:									
State Revolving Loans - CW0 2013-313	2,150,000	0.34%	9/27/2012	1/20/2035	\$ 870,447	\$ -	\$ 81,013	\$ -	\$ 789,434
State Revolving Loans - SRF 2013-314 ¹	8,953,352	0.34%	9/27/2012	3/20/2037	5,777,230	-	444,245	-	5,332,985
State Revolving Loans - CG3 2016-361	4,000,000	1.17%	4/7/2016	2/20/2038	2,691,512	-	182,852	-	2,508,660
State Revolving Loans - CG2 2016-363 ²	2,000,000	1.43%	10/29/2015	5/20/2037	1,350,725	-	96,003	-	1,254,722
State Revolving Loans - CG4 2016-362	4,000,000	1.17%	4/7/2016	6/20/2040	3,043,843	-	174,189	-	2,869,654
State Revolving Loans - SRF 2016-368 ³	2,000,000	1.25%	4/7/2016	9/20/2040	1,104,739	-	59,401	-	1,045,338
State Revolving Loans - SRF 2017-383 ⁴	1,400,000	1.55%	3/21/2017	11/20/2038	973,867	-	60,832	-	913,035
Total Notes Payable ⁵					<u>\$ 15,812,363</u>	<u>\$ -</u>	<u>\$ 1,098,535</u>	<u>\$ -</u>	<u>\$ 14,713,828</u>
Bonds Payable:									
Revenue Bonds - Series 2020	16,220,000	0.20 to 1.60%	12/17/2020	6/1/2032	\$ 13,740,000	\$ -	\$ 1,650,000	\$ -	\$ 12,075,000
Total Bonds Payable					<u>\$ 13,740,000</u>	<u>\$ -</u>	<u>\$ 1,650,000</u>	<u>\$ -</u>	<u>\$ 12,075,000</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.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2025

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2024	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2025
Bonds Payable:									
Revenue Bonds - Series 2013	58,800,000	0.60 to 3.40%	5/22/2013	4/1/2026	\$ 10,315,000	\$ -	\$ 5,075,000	\$ -	\$ 5,240,000
Total Bonds Payable					<u>\$ 10,315,000</u>	<u>\$ -</u>	<u>\$ 5,075,000</u>	<u>\$ -</u>	<u>\$ 5,240,000</u>
Subscription-Based Information Technology Arrangements									
2023 IT Savvy DDoS	400,019	3.00%	1/15/2023	1/15/2025	\$ 129,418	\$ -	\$ 129,418	\$ -	\$ -
Total Subscription-Based Information Technology Arrangements					<u>\$ 129,418</u>	<u>\$ -</u>	<u>\$ 129,418</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2025

Years Ended June 30,	Electric Revenue Bonds		Notes Payable		Total		
	Series 2020		Principal	Interest	Principal	Interest	Debt Service
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	-	-	5,241	-	5,241	-	5,241
	<u>\$ 1,225,000</u>	<u>\$ 17,150</u>	<u>\$ 66,058</u>	<u>\$ -</u>	<u>\$ 1,291,058</u>	<u>\$ 17,150</u>	<u>\$ 1,308,208</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2025

Years Ended June 30,	Series 2015 Bonds		Debt Service
	Principal	Interest	
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>\$ 13,805,000</u>	<u>\$ 2,859,342</u>	<u>\$ 16,664,342</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2025

Years Ended	Series 2017 Bonds		Total
	Principal	Interest	Debt Service
June 30,			
2026	\$ 1,205,000	\$ 93,375	\$ 1,298,375
2027	1,265,000	31,625	1,296,625
	<u>\$ 2,470,000</u>	<u>\$ 125,000</u>	<u>\$ 2,595,000</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2025

Years Ended June 30,	Series 2020 Bonds		
	Principal	Interest	Debt Service
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
	<u>\$ 12,075,000</u>	<u>\$ 672,145</u>	<u>\$ 12,747,145</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT - NOTES PAYABLE
 JUNE 30, 2025

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
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>\$ 789,434</u>	<u>\$ 16,100</u>	<u>\$ 5,332,985</u>	<u>\$ 133,386</u>	<u>\$ 1,254,722</u>	<u>\$ 116,892</u>	<u>\$ 2,508,660</u>	<u>\$ 204,818</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.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT - NOTES PAYABLE (Continued)
 JUNE 30, 2025

Years Ended June 30,	CG4 16-362		SRF 2016-368		SRF 17-383		Total		
	Principal	Interest	Principal ³	Interest	Principal ⁴	Interest	Principal	Interest	Debt Service
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>\$ 2,869,654</u>	<u>\$ 278,424</u>	<u>\$ 1,045,338</u>	<u>\$ 114,308</u>	<u>\$ 913,035</u>	<u>\$ 103,936</u>	<u>\$ 14,713,828</u>	<u>\$ 967,864</u>	<u>\$15,681,692</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, 2025

Years Ended	Series 2013 Bonds		Notes Payable		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
June 30, 2026	\$ 5,240,000	\$ 178,160	\$ 5,500,000	\$ 124,988	\$ 10,740,000	\$ 303,148	\$ 11,043,148
	<u>\$ 5,240,000</u>	<u>\$ 178,160</u>	<u>\$ 5,500,000</u>	<u>\$ 124,988</u>	<u>\$ 10,740,000</u>	<u>\$ 303,148</u>	<u>\$ 11,043,148</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE
 JUNE 30, 2025

Residential rate schedule RS

Customer charge - per delivery point per month	\$	20.08
Energy charge - cents per kWh		11.016¢

General power schedule

GSA1

Customer charge - per delivery point per month	\$	30.83
Energy charge - cents per kWh		12.351¢

GSA2

Customer charge per delivery point per month	\$	92.49
Demand charges - per kW per month over 51 kW	\$	15.40
Energy charge - cents per kWh		
First 15,000 kWh per month		12.344¢
Additional kWh per month		7.360¢

GSA3

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month		
First 1,000 kW	\$	14.25
Excess over 1,000 kW	\$	14.14
Energy charge - cents per kWh		7.743¢

GSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	11.95
Excess demand - ON PEAK	\$	11.95
Demand charges - per kW per month - Max	\$	4.97
Energy charge - cents per kWh Onpeak		9.940¢
Energy charge - cents per kWh Offpeak 1		7.199¢
Energy charge - cents per kWh Offpeak 2		3.397¢
Energy charge - cents per kWh Offpeak 3		3.021¢
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		24.558¢

Outdoor lighting rate schedule

LS

Base charge - athletic field and traffic signal divisions per month	\$	3.75
Energy charge - cents per kWh		8.156¢
Facilities charge - percent of installed plant		12.00%
Security Lighting		
175 W MV - 70 kWh	\$	8.91
400 W MV - 155 kWh	\$	18.25
1000 W MV - kWh	\$	36.69
100 W HPS - 42 kWh	\$	8.80
250 W HPS - 105 kWh	\$	15.91
400 W HPS - 165 kWh	\$	20.96
150 W MH - 68 kWh	\$	12.79
LED 100 W EQ - 73kWh	\$	8.69
LED 250 W EQ - 161kWh	\$	13.85
Additional monthly pole charge		
30 foot	\$	2.25
40 foot	\$	3.75

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE (Continued)
 JUNE 30, 2025

Manufacturing rate schedule

MSA

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month	\$	13.08
Additional Kw per month	\$	12.93
Energy charge - cents per kWh		7.754¢

MSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	11.27
Excess demand - ON PEAK	\$	11.27
Demand charges - per kW per month - Max	\$	1.72
Energy charge - cents per kWh Onpeak		8.975¢
Energy charge - cents per kWh Offpeak 1		6.225¢
Energy charge - cents per kWh Offpeak 2		2.961¢
Energy charge - cents per kWh Offpeak 3		2.680¢
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	\$	11.27
Excess demand - ON PEAK	\$	11.27
Demand charges - per kW per month - Max	\$	1.71
Energy charge - cents per kWh Onpeak		8.602¢
Energy charge - cents per kWh Offpeak 1		5.852¢
Energy charge - cents per kWh Offpeak 2		2.929¢
Energy charge - cents per kWh Offpeak 3		2.864¢
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	\$	9.48
Demand charges - per kW per month - Max	\$	6.14
Energy charge - cents per kWh Onpeak		10.098¢
Energy charge - cents per kWh Offpeak 1		7.495¢

The Electric Fund served 38,314 and 39,149 customers as of June 30, 2024 and June 30, 2025 respectively. There are no customers without meters.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE
 JUNE 30, 2025

RATE SCHEDULE R-1

Monthly Rates	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 5 Ccf	108.37¢ per therm	14.79¢ per therm	(4.92)¢ per therm	118.24¢ per therm
Next 5 Ccf	97.68¢ per therm	14.79¢ per therm	(4.92)¢ per therm	107.55¢ per therm
Next 20 Ccf	86.97¢ per therm	14.79¢ per therm	(4.92)¢ per therm	96.84¢ per therm
Excess over 30 Ccf	76.25¢ per therm	14.79¢ per therm	(4.92)¢ per therm	86.12¢ 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	14.79¢ per therm	(4.92)¢ per therm	114.28¢ per therm
Next 40 Ccf	94.70¢ per therm	14.79¢ per therm	(4.92)¢ per therm	104.57¢ per therm
Next 50 Ccf	84.97¢ per therm	14.79¢ per therm	(4.92)¢ per therm	94.84¢ per therm
Excess over 100 Ccf	75.28¢ per therm	14.79¢ per therm	(4.92)¢ per therm	85.15¢ 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	14.79¢ per therm	(4.92)¢ per therm	82.25¢ per therm
Next 4,000 therms	62.92¢ per therm	14.79¢ per therm	(4.92)¢ per therm	72.79¢ per therm
Next 10,000 therms	56.9¢ per therm	14.79¢ per therm	(4.92)¢ per therm	66.77¢ per therm
Over 15,000 therms	55.04¢ per therm	14.79¢ per therm	(4.92)¢ per therm	64.91¢ 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	8.57¢ per therm	(4.80)¢ per therm	76.93¢ per therm
Next 4,000 Ccf	63.70¢ per therm	8.57¢ per therm	(4.80)¢ per therm	67.47¢ per therm
Next 10,000 Ccf	57.68¢ per therm	8.57¢ per therm	(4.80)¢ per therm	61.45¢ per therm
Excess over 15,000 Ccf	55.82¢ per therm	8.57¢ per therm	(4.80)¢ per therm	59.59¢ per therm

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE (Continued)
 JUNE 30, 2025

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 \$0.15 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 31,522 and 31,850 natural gas customers as of June 30, 2024 and June 30, 2025, respectively. There are no customers without meters.

The Gas Fund served 2,669 and 2,662 propane customers as of June 30, 2024 and June 30, 2025, 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

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
WATER RATES IN FORCE
 JUNE 30, 2025

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	\$ 0.3790	\$ 0.3070	\$ 0.1830

Minimum Monthly Bill
 Meter Size

	<u>5/8"</u>	<u>1"</u>	<u>1 1/2"</u>	<u>2"</u>
Urban	\$ 13.03	\$ 18.12	\$ 23.59	\$ 42.27

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	\$ 0.4500	\$ 0.3450	\$ 0.2170	\$ 0.1870	\$ 0.1320

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>
	\$ 20.18	\$ 25.35	\$ 32.14	\$ 47.61	\$ 85.39	\$ 133.21	\$ 177.29	\$ 453.00

The Water Fund served 38,973 and 42,905 water customers as of June 30, 2024 and 2025, 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, 2025

Monthly Residential Rates

Thousands of Gallons

	<u>Customer Charge</u>	<u>0-9999999</u>
Wastewater rates per 100 gallons:		
Urban RI	\$ 7.76	\$ 0.5360

Monthly General Service Rates

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 31,602 and 31,911 customers as of June 30, 2024 and 2025, respectively.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE

JUNE 30, 2025

RESIDENTIAL CABLE RATE - SCHEDULE R-1

Programming Service Categories

Analog Basic Service (Lifetime Service)	\$ 63.00	per month
Analog Expanded Service	\$ 80.00	per month
Analog Standard Service (Basic & Expanded)	\$ 143.00	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
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)	\$ 72.00	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

See independent auditor's report.



**JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)**

JUNE 30, 2025

GENERAL CABLE RATE SCHEDULE G-2

Programming Service Categories

Analog Basic Service	\$ 72.00	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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See independent auditor's report.



**JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)**

JUNE 30, 2025

RESIDENTIAL TELEPHONE RATE - SCHEDULE R-1

Optional Features and Per Use Charges

Residential Intra and Inter Long Distance	\$ 0.012	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

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)

JUNE 30, 2025

COMMERCIAL OUTSIDE CITY TELEPHONE RATE

Telephone Service Levels

Union City Basic (3 year contract)	\$ 14.95	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

COMMERCIAL TELEPHONE RATE - SCHEDULE G-1

Directory and Operator Assistance

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

Long Distance Per Minute and Packages

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

See independent auditor's report.



**JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)**

JUNE 30, 2025

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.

GENERAL INTERNET RATE - SCHEDULE G-1

Asymmetrical Service Levels

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

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



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)

JUNE 30, 2025

GENERAL INTERNET RATE - SCHEDULE G-1

Guaranteed Internet Service

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

Commercial Metro Ethernet Service Levels (Guaranteed Bandwidth)

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

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

The Telecommunications Fund served 20,874 and 21,056 customers as of June 30, 2024 and 2025, respectively.

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2025

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (kWh)</u>	<u>Peak Demand (kW)</u>
1	Kellanova (Kellogg)	\$ 8,816,115	150,208,166	22,900
2	Owens Corning	8,705,796	143,223,691	19,574
3	West TN Healthcare	5,024,015	57,391,394	8,613
4	Jackson Data LLC (CleanSpark)	4,987,780	93,173,978	56,604
5	Toyota TN	2,676,191	40,863,702	6,610
6	Berry Global	2,305,445	37,473,563	5,818
7	Dixie/Georgia Pacific	1,922,410	18,079,200	5,299
8	Equistar (Lyondell Basell)	1,784,163	25,079,623	4,896
9	Conagra	1,568,774	25,973,618	4,296
10	Pacific Manufacturing TN	<u>1,435,008</u>	<u>18,984,000</u>	<u>4,042</u>
Total		<u>\$ 39,225,697</u>	<u>610,450,935</u>	<u>138,652</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2025

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Total Therms</u>
1	West TN Healthcare (Main)	\$ 938,731	2,786,663
2	Packaging Corp (PCA)	392,590	602,318
3	Kellanova (Kellogg)	380,461	13,124,185
4	Carlstar (Carlisle Transportation)	367,372	856,371
5	Dement Construction	361,870	803,919
6	Gerdau	354,058	10,225,029
7	Pace Industries (Jackson Die Cast)	294,699	661,028
8	Stanley Black & Decker	272,132	492,806
9	Tennalum	261,955	593,099
10	MOST	<u>233,421</u>	<u>5,535,801</u>
Total		<u>\$ 3,857,289</u>	<u>35,681,219</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2025

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellanova (Kellogg)	\$ 445,874	325,195,800
2	West TN Healthcare (Main)	288,692	164,443,600
3	Equistar (Lyondell Basell)	76,230	49,044,000
4	Conagra	51,399	28,697,100
5	Delta Faucet Company	47,566	25,929,800
6	Toyota TN	43,467	20,309,800
7	Dixie/Georgia Pacific	35,330	15,364,800
8	West TN Healthcare (North Campus)	33,521	14,265,900
9	Stanley Black & Decker	31,776	10,608,800
10	Berry Global	<u>28,162</u>	<u>12,346,400</u>
Total		<u>\$ 1,082,017</u>	<u>666,206,000</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2025

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellanova (Kellogg)	\$ 1,278,595	323,063,300
2	West TN Healthcare (Main)	606,387	141,628,500
3	Owens Corning	226,258	53,725,200
4	Equistar (Lyondell Basell)	181,749	45,762,700
5	Conagra	176,670	41,500,000
6	Gerdau	132,978	28,999,400
7	Delta Faucet Company	116,002	25,761,000
8	Vorteq Coil Finishers (Wismarq)	76,022	13,888,500
9	Toyota TN	61,832	11,188,200
10	West TN Healthcare (North Campus)	<u>46,931</u>	<u>9,245,900</u>
Total		<u>\$ 2,903,424</u>	<u>694,762,700</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2025

<u>Number</u>	<u>Company</u>	<u>Revenue</u>
1	West TN Healthcare	\$ 575,493
2	Jackson Madison County Schools	409,127
3	Jackson Energy Authority	270,160
4	City of Jackson	114,985
5	Iris Networks	106,348
6	Windstream	100,100
7	Lane College	89,654
8	Cupples J&J Company	85,140
9	Union University	73,700
10	Kirklands Distribution Center	<u>60,060</u>
Total		<u>\$ 1,884,767</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
HISTORICAL BOND COVERAGE - UNAUDITED

Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2025	\$ 174,343,357	\$ 150,378,975	\$ 23,964,382	\$ 1,391,120	17.23
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

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



See independent auditor's report.

**JACKSON ENERGY AUTHORITY - GAS FUND
HISTORICAL BOND COVERAGE - UNAUDITED**

Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2025	\$ 40,536,804	\$ 30,214,666	\$ 10,322,138	\$ 1,601,381	6.45
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

*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
2025	\$ 21,769,733	\$ 12,658,204	\$ 9,111,529	\$ 1,297,125	7.02
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

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



See independent auditor's report.

**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
2025	\$ 23,074,445	\$ 12,014,139	\$ 11,060,306	\$ 3,070,429	3.60
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

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

See independent auditor's report.



**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
2025	\$ 36,944,021	\$ 25,780,721	\$ 11,163,300	\$ 5,603,737	1.99
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

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SALES AND DEMAND IN HOURS - UNAUDITED
 JUNE 30, 2025

Sales in Megawatt Hours and Maximum Demand in Kilowatts

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other</u>	<u>Total MWH Sales</u>	<u>Maximum Hourly Demand</u>
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
2025	410,805	106,405	1,210,783	14,712	1,742,705	407,356

The total distribution substation capacity of the Electric Fund is 598,000 KVA.
 The maximum peak hour load was 407,356 kilowatts during June 2025.



JACKSON ENERGY AUTHORITY - GAS FUND
SALES AND TRANSPORT IN MCF - UNAUDITED
 JUNE 30, 2025

Sales and Transport in MCF

Fiscal Year	Residential	Commercial Firm	Commercial Interruptible	Industrial Firm	Industrial Interruptible	Index	Transport	Total MCF Sales and Transport
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
2025	1,659,545	1,163,482	38,601	143,947	-	637,524	3,829,001	7,472,100

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WATER FUND
SALES IN MGAL - UNAUDITED
 JUNE 30, 2025

Sales in MGallons Sold

<u>Fiscal Year</u>	<u>Residential</u>	<u>General</u>	<u>Wholesale</u>	<u>Total MGal Sales</u>
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
2025	2,205,590	1,691,696	16,865	3,914,151

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SALES IN MGAL - UNAUDITED
 JUNE 30, 2025

Sales in MGallons Sold

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total MGal Sales</u>
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
2025	1,598,229	1,517,279	3,115,508

See independent auditor's report.



JACKSON ENERGY AUTHORITY
NUMBER OF CUSTOMERS - UNAUDITED
 JUNE 30, 2025

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
2025	39,149	31,849	2,662	39,219	31,695	7,564	18,759	5,469

See independent auditor's report.



JACKSON ENERGY AUTHORITY
SCHEDULE OF TRANSFERS
For the Year Ended June 30, 2025

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Electric Fund	Telecommunications Fund	Automated Metering Infrastructure Fees	\$ 300,000
Electric Fund	City of Jackson	In Lieu of Tax Payments	3,733,216
Gas Fund	City of Jackson	In Lieu of Tax Payments	1,710,065
Water Fund	City of Jackson	In Lieu of Tax Payments	208,258
Wastewater Fund	City of Jackson	In Lieu of Tax Payments	229,185
Telecommunications Fund	City of Jackson	In Lieu of Tax Payments	351,924
Telecommunications Fund	Electric Fund	Credit Enhancement Fees	16,452
Telecommunications Fund	Electric Fund	Interest on Debt Service Reserve Note	166,650
Telecommunications Fund	Electric Fund	Pole Attachments	602,870
Telecommunications Fund	Electric Fund	Rent	77,778
Telecommunications Fund	Gas Fund	Rent	68,350
Telecommunications Fund	Water Fund	Rent	51,852
Telecommunications Fund	Wastewater Fund	Rent	<u>37,710</u>
Total Transfers			<u>\$ 7,554,310</u>

See independent auditor's report.





INTERNAL CONTROL & COMPLIANCE

FINANCIAL STATEMENTS & SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDING JUNE 30, 2025



Jackson Energy Authority
Real People. Real Service.



**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, 2025, 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, 2025.

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, PC

Jackson, Tennessee
October 31, 2025

JACKSON ENERGY AUTHORITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2025

FINANCIAL STATEMENT FINDINGS

None reported.

JACKSON ENERGY AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2025

FINANCIAL STATEMENT FINDINGS

There were no prior year findings reported.