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Ms. Sharla Dillon, Docket Manager
Dockets and Records Office
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

RE: Petition of Jackson Energy Authority, TRA Docket No. 07-00201

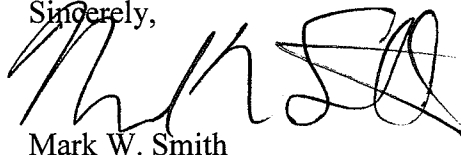
Dear Ms. Dillon:

In line with today's pre-hearing conference in the captioned docket, I have attached a copy of JEA's final financial reports for the period ending June 30, 2007. The financial reports attached to the application as Exhibit B were filed in "preliminary" form. At the hearing next week, Mr. Wheeler will supplement his testimony with this document, and I will ask that it be moved into the record in substitution for Exhibit B. I have discussed this matter with the parties, and they have no objection.

I will send five paper copies to your attention via hand delivery.

As always, thank you for your kind assistance.

Sincerely,



Mark W. Smith

cc: Parties of record (via email)

JACKSON ENERGY AUTHORITY

Telecommunications - Telephone

Monthly Financial Reports

as of

June 30, 2007

FINAL

**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

	June 30	
	2007	2006
<u>Assets</u>		
Utility Plant		
Construction Work in Progress	0.00	0.00
Total Net Plant	<u>0.00</u>	<u>0.00</u>
Current Assets		
Cash - Gross Revenue Fund	\$ 77,461.52	\$ 91,370.04
Accounts Receivable - Customer Billing	274,034.25	254,904.63
Accounts Receivable - Miscellaneous	8,949.86	14,103.36
Accumulated Provisions for Uncollectible Accounts	2,112.09	(1,566.03)
Materials and Supplies - Utility	1,323.86	1,323.86
Accrued Interest Receivable	0.00	(1.61)
Prepaid Expenses	363.89	128.59
Other Current Assets	25.00	25.00
Total Current Assets	<u>364,270.47</u>	<u>360,287.84</u>
Deferred Debits		
Miscellaneous Deferred Debits	<u>370,917.78</u>	<u>387,857.18</u>
Total Deferred Debits	<u>370,917.78</u>	<u>387,857.18</u>
Total Assets	<u>\$735,188.25</u>	<u>\$748,145.02</u>

**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

	<u>June 30</u>	
	<u>2007</u>	<u>2006</u>
<u>Liabilities and Net Assets</u>		
Long Term Debt		
Notes Payable	\$ 701,000.00	\$ 650,000.00
Total Long-Term Debt	<u>701,000.00</u>	<u>650,000.00</u>
Current and Accrued Liabilities		
Accounts Payable - General	6,535.70	3,658.03
Customer Deposits	31,167.85	11,430.00
Sales/Use Tax Payable	1,129.40	154.38
Other Current & Accrued Liabilities	172,216.96	292,135.81
Total Current and Accrued Liabilities	<u>211,049.91</u>	<u>307,378.22</u>
Reserves		
Accrued Leave	36,808.84	20,919.52
Total Reserves	<u>36,808.84</u>	<u>20,919.52</u>
Deferred Credits		
Net Assets		
Investment in Capital Assets, Net of Related Debt	0.00	0.00
Restricted For:		
Capital Projects	0.00	0.00
Debt Service	0.00	0.00
Unrestricted	(213,670.50)	(230,152.72)
Total Net Assets	<u>(213,670.50)</u>	<u>(230,152.72)</u>
Total Liabilities and Net Assets	<u>\$735,188.25</u>	<u>\$748,145.02</u>

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Revenues, Expenses and Changes in Net Assets

	June 30		12 Months Year to Date	
	2007	2006	2007	2006
Operating Revenue				
Local Network Services Revenues	\$59,193.05	(\$189,491.11)	\$462,896.95	\$251,458.67
Miscellaneous Revenues	9,520.86	30,523.76	208,723.06	233,513.44
Uncollectible Revenues	(138.65)	(138.70)	(1,663.80)	(1,664.35)
Total Operating Revenue	68,575.26	(159,106.05)	669,956.21	483,307.76
Operating Expense				
Plant Specific	626.66	979.29	6,944.62	6,389.97
Plant Non-Specific	19,035.85	3,195.92	65,448.87	24,569.55
Customer Operations	65,478.97	13,858.46	235,911.90	190,574.62
Corporate Operations	51,230.03	14,172.96	265,351.11	189,587.14
Total Operating Expense	136,371.51	32,206.63	573,656.50	411,121.28
Other Operating Expense				
Depreciation & Amortization	1,411.74	1,411.74	16,940.88	16,940.88
Payroll Taxes	7,611.69	1,245.91	25,707.70	17,387.72
Other Taxes	(26,282.88)	(86,413.78)	9,636.18	(2,366.51)
Total Other Operating Expense	(17,259.45)	(83,756.13)	52,284.76	31,962.09
Operating Income	(50,536.80)	(107,556.55)	44,014.95	40,224.39
Non-Operating Income				
Interest Income	533.48	193.84	(6,656.25)	2,093.49
Other Non-Operating Income	(26,552.78)	(86,573.82)	7,520.14	(3,058.91)
Total Non-Operating Income	(26,019.30)	(86,379.98)	863.89	(965.42)
Non-Operating Expenses				
Other Interest Expense	(4,091.07)	4,778.54	28,396.62	46,999.36
Miscellaneous Income Deductions	0.00	137.54	0.00	1,147.03
Total Non-Operating Expenses	(4,091.07)	4,916.08	28,396.62	48,146.39
Income before Contributions	(\$72,465.03)	(\$198,852.61)	\$16,482.22	(\$8,887.42)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00
Increase in Net Assets	(\$72,465.03)	(\$198,852.61)	\$16,482.22	(\$8,887.42)
Net Assets, beginning of period	(141,205.47)	(31,300.11)	(230,152.72)	(221,265.30)
Net Assets, end of period	(\$213,670.50)	(\$230,152.72)	(\$213,670.50)	(\$230,152.72)