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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:


Since our filing earlier this week, it has been brought to my attention that the copy of JEA's final financial reports transmitted by my letter on August 5 was incomplete. That copy did not contain a Statement of Cash Flows.

With apologies to all, I am forwarding a new substitute Exhibit B. This Exhibit also includes the reports on pages 5 and 6 that correspond to pages 5 and 6 of the original Exhibit B.

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

Again, I apologize for any confusion and inconvenience, and appreciate 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		0.00	0.00
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		364,270.47	360,287.84
Deferred Debits			
Miscellaneous Deferred Debits		370,917.78	387,857.18
Total Deferred Debits		370,917.78	387,857.18
Total Assets		\$735,188.25	\$748,145.02

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

	June 30	
	2007	2006
<u>Liabilities and Net Assets</u>		
Long Term Debt		
Notes Payable	\$ 701,000.00	\$ 650,000.00
Total Long-Term Debt	701,000.00	650,000.00
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	211,049.91	307,378.22
Reserves		
Accrued Leave	36,808.84	20,919.52
Total Reserves	36,808.84	20,919.52
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	(213,670.50)	(230,152.72)
Total Liabilities and Net Assets	\$735,188.25	\$748,145.02

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Cash Flows

	June 30	
	Current Month	12 Months Year to Date
Cash Provided by (used in) Operating Activities:		
Net Income	(\$72,465.03)	\$16,482.22
Adjustments to Reconcile Net Income to Net Cash		
Changes in Current and Deferred Items:		
Accounts Receivable	(2,236.44)	(17,654.24)
Prepayments and Other Current Assets	649.31	(236.91)
Deferred Debits	1,467.07	16,939.40
Accounts Payable	2,584.20	2,877.67
Customer Deposits	(212.15)	56,827.85
Taxes and Interest Accrued	267.01	(36,114.98)
Other Current Liabilities	(76,224.28)	(119,918.85)
Accrued Leave	4,969.02	15,889.32
Net Cash Provided by (used for) Operating Activities	(141,201.29)	(64,908.52)
Cash Provided by (used in) Investing Activities:		
Net Change in Plant	0.00	0.00
Net Cash Provided by (used in) Investing Activities	0.00	0.00
Cash Provided by (used in) Financing Activities		
Net Change in Notes Payable	200,000.00	51,000.00
Net Cash Provided by (used in) Financing Activities	200,000.00	51,000.00
Net Increase (Decrease) in Cash and Temp. Investments	58,798.71	(13,908.52)
Cash and Temporary Investments - Prior Period	18,662.81	91,370.04
Cash and Temporary Investments - Current Period	\$77,461.52	\$77,461.52

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)

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

	June 30, 2007	
	<u>Current Month</u>	<u>12 Months Ended</u>
Operating Revenue		
Local Network Services Revenues	\$59,193.05	\$462,896.95
Miscellaneous Revenues	9,520.86	208,723.06
Uncollectible Revenues	(138.65)	(1,663.80)
Total Operating Revenue	<u>68,575.26</u>	<u>669,956.21</u>
Operating Expense		
Plant Specific	626.66	6,944.62
Plant Non-Specific	19,035.85	65,448.87
Customer Operations	65,478.97	235,911.90
Corporate Operations	51,230.03	265,351.11
Total Operating Expense	<u>136,371.51</u>	<u>573,656.50</u>
Other Operating Expense		
Depreciation & Amortization	1,411.74	16,940.88
Payroll Taxes	7,611.69	25,707.70
Other Taxes	(26,282.88)	9,636.18
Total Other Operating Expense	<u>(17,259.45)</u>	<u>52,284.76</u>
Operating Income	<u>(50,536.80)</u>	<u>44,014.95</u>
Non-Operating Income		
Interest Income	533.48	(6,656.25)
Other Non-Operating Income	(26,552.78)	7,520.14
Total Non-Operating Income	<u>(26,019.30)</u>	<u>863.89</u>
Non-Operating Expenses		
Other Interest Expense	(4,091.07)	28,396.62
Total Non-Operating Expenses	<u>(4,091.07)</u>	<u>28,396.62</u>
Income before Contributions	<u>(\$72,465.03)</u>	<u>\$16,482.22</u>
Contributions in Aid of Construction	0.00	0.00
Increase in Net Assets	<u>(\$72,465.03)</u>	<u>\$16,482.22</u>
Net Assets, beginning of period	(141,205.47)	(230,152.72)
Net Assets, end of period	<u><u>(\$213,670.50)</u></u>	<u><u>(\$213,670.50)</u></u>

Jackson Energy Authority
Telecommunications System - Telephone
Budget Variance Report
June 30, 2007

	12 Months Year to Date		Over (Under)	%
	Actual	Budget	Budget	Variance
Operating Revenue				
Local Network Services Revenues	\$462,897	\$731,318	(\$268,421)	-36.7%
Miscellaneous Revenues	208,723	133,366	75,357	56.5%
Uncollectible Revenues	(1,664)	0	(1,664)	#N/A
Total Operating Revenue	669,956	864,684	(194,727)	(0)
Operating Expense				
Plant Specific	6,945	6,731	214	3.2%
Plant Non-Specific	65,449	31,233	34,216	109.5%
Customer Operations	235,912	269,581	(33,669)	-12.5%
Corporate Operations	265,351	254,577	10,775	4.2%
Total Operating Expense	573,657	562,121	11,535	2.1%
Other Operating Expense				
Depreciation & Amortization	16,941	16,941	0	0.0%
Payroll Taxes	25,708	19,693	6,015	30.5%
Other Taxes	9,636	123	9,514	7765.0%
Total Other Operating Expense	52,285	36,756	15,528	42.2%
Operating Income	44,015	265,806	(221,791)	-83.4%
Non-Operating Income				
Interest Income	(6,656)	0	(6,656)	#N/A
Other Non-Operating Income	7,520	(36,662)	44,182	-120.5%
Total Non-Operating Income	864	(36,662)	37,526	(1)
Non-Operating Expenses				
Other Interest Expense	28,397	84,290	(55,893)	-66.3%
Miscellaneous Income Deductions	0	1,100	(1,100)	-100.0%
Total Non-Operating Expenses	28,397	85,390	(56,993)	(1)
Income before Contributions	\$16,482	\$143,754	(\$127,272)	-88.5%
Net Assets, beginning of period	(230,153)			
Net Assets, end of period	(\$213,671)			