



COMMITTED TO
COMMUNITY.

DEDICATED
TO SERVICE.

INVESTED IN
TOMORROW.

FINANCIAL
STATEMENTS
—AND—
SUPPLEMENTARY
INFORMATION

FOR FISCAL YEAR
ENDING JUNE 30, 2023



Jackson Energy Authority
One thing you can count on.

FROM THE PRESIDENT/CEO

In fiscal year 2023, Jackson Energy Authority witnessed the early stages of growth, faced unusual challenges, and underwent organizational changes. In September of 2022, Georgia-Pacific Manufacturing announced it would be investing \$425 million into Jackson for the building of a Dixie manufacturing facility. This Dixie plant will provide over 200 jobs and is the largest single investment in the history of Madison County. Additionally, in April of 2023, 6K Energy announced that it will also open a plant in Jackson, creating 230 new jobs in Madison County at an investment of over \$200 million. The 6K Energy investment represents the third largest investment for any industrial company in Jackson, TN, and will be a “Top 5” revenue customer for JEA.

FY23 also presented us with several unprecedented weather-related challenges. The summer of 2022 was one of the hottest summers on record with 67% less rainfall than normal. In October, Hurricane Ian reached landfall in New Smyrna Beach, Florida, and several JEA Electric crews traveled to assist with outages. Between December 23rd and December 26th, Tennessee experienced several days of extreme cold temperatures that created issues for most of our customers. Temperatures dropped from 48 degrees on December 22nd to -2 degrees on December 23rd, and temperatures remained below freezing for 3.5 days. TVA issued their emergency load curtailment system and activated a Step 50 with a 5% reduction on the 23rd and 10% reduction on the 24th. Lastly, March of 2023 brought a windstorm through the area with high winds reaching over 60mph. The outage number peaked initially to around 10,000 with crews working diligently to decrease numbers to approximately 1,000 by that evening. As usual, JEA employees worked tirelessly in all scenarios to restore services to our customers. Along with these weather challenges, JEA continued to face inventory shortages, price increases for materials and exceptionally long delivery lead times. However, these hurdles were met head-on and forced our systems to think differently in preparing for the anticipated growth we are now seeing and will continue to see over the next few years.

In May of 2022, the Electric Division began construction of Jones Creek Substation, a \$4.7M project, that would serve Jackson Data, LLC located at 2342 North Parkway East. Once Jones Creek Substation is on-line, it will serve 60MW of data center load. Construction of Jones Creek Substation is complete apart from relay programming and actual start-up. Additionally, a second transformer bay at Madison West substation has been constructed to support the electric load that will result from the Dixie manufacturing facility. Lastly, a 4th transformer bank, McKellar #4 substation, is being installed to serve 6K Energy and to also serve as a backup for McKellar #3 with start-up for 6K projected to be in mid-November 2023.

MONTE COOPER PRESIDENT & CEO



The Gas Division completed a 12” High Pressure Beltline Expansion project along Liberty Claybrook Road and Willoughby Road that will improve system reliability, serve new system load, and provide natural gas service to unserved areas in eastern Madison County. Also, over 520 services were installed with 320 of those services being attributed to new customer growth. Additionally, two major replacement projects were completed. Lastly, the Gas Division entered into a new 30-year natural gas



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prepayment contract with the Tennergy Corporation. Through this project, along with four other gas prepay projects, the Gas Division will receive discounted gas on approximately 65% of the Division's sales volumes and will equate to a savings of over \$625,000 per year to JEA's wholesale cost of gas.

JEA's Water Division continued work on the Automated Metering Infrastructure (AMI) project, which is one of the most significant capital projects for the division. At the end of FY23, deployment will be at roughly 20,000 AMI meters, which will place the system at over 50% completion. At this rate, the system should be 100% converted within the 10-year completion goal. Additionally, the Water Division completed several miscellaneous improvements at the water plants, some of which include high service pump work at the North Plant and valves at the South Plant. Water Plant maintenance, rehab, and improvements helped JEA to achieve perfect scores on Sanitary Surveys for the third consecutive time.

For the Wastewater Division, fiscal year 2023 was a year focused on rehabilitation and potential growth. Treatment Plant Improvements at Miller, which included monies from the CDBG Hub Grant at \$2.2M, were completed in FY23. Additionally, materials were purchased for the South Fork Interceptor rehab project, which was budgeted at \$1.5M with construction to begin in FY24. This rehab project consists of 5,600 feet of 36-inch line at the Jackson Fairgrounds. Potential growth areas within the Wastewater Division will continue to be monitored and State funding opportunities will be sought after when possible.

The Telecom Division continued participation in the Affordable Connectivity Program (ACP) which was implemented in the previous fiscal year. The ACP is the largest high-speed internet affordability program in U.S. history and, to date, 231 JEA customers have benefited from this program. A major upgrade to the Headend of adding a new generator to the backup emergency power has been completed and Adtran XGS-PON, which provides up to 10 gig connections, was launched in FY23. With the new industry announcements, Telecom has successfully responded to these growth opportunities and is now or will be providing services to several new apartment complexes, subdivisions and three sites for Georgia Pacific.

On February 1, 2023, I officially transitioned into the role of President & CEO, a role that I truly feel blessed and proud to serve in. Since that time, several organizational changes have been made to streamline decision making with a renewed focus on improving Customer Service, Employee Culture, Diversity, and Innovation, which are vital to the success of our organization. As we approach the next fiscal year, there is a heightened energy filled with excitement and anticipation as we prepare for additional growth, new opportunities, and welcomed challenges that will shape the future of JEA as a continued leader within our industry.



Monte Cooper, President/CEO
Jackson Energy Authority



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BOARD & MANAGEMENT	3
SYSTEM HIGHLIGHTS.....	4-5
FINANCIALS	
Independent Auditor’s Report.....	7
Management’s Discussion and Analysis	9
Financial Statements	
Statement of Net Position.....	26
Statement of Revenues, Expenses and Changes in Net Position.....	28
Statement of Cash Flows.....	29
OPEB Plan Statement of Fiduciary Net Position	31
OPEB Plan Statement of Changes in Fiduciary Net Position.....	32
Retirement Plan Statement of Fiduciary Net Position.....	33
Retirement Plan Statement of Changes in Fiduciary Net Position	34
Health and Welfare Benefits Plan Statement of Fiduciary Net Position.....	35
Health and Welfare Benefits Plan Statement of Changes in Fiduciary Net Position	36
Notes to Financial Statements	37
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net Pension Liability and Related Ratios	80
Schedule of the Authority’s Pension Contributions and Notes	81
Schedule of the Authority’s Pension Plan Investment Returns	82
Schedule of Changes in Net OPEB Liability and Related Ratios	83
Schedule of the Authority’s OPEB Contributions and Notes	84
Schedule of the Authority’s OPEB Investment Returns.....	85
SUPPLEMENTARY & OTHER INFORMATION	
Schedule of Operating Revenues and Expenses.....	87
Schedule of Changes in Long-Term Debt by Individual Issue	96
Schedule of Long-Term Debt	101
Rates in Force	107
Schedule of Expenditures of Federal Awards and State Financial Assistance	119
Notes to the Schedule of Expenditures of Federal Awards	120
Largest Customers by Yearly Revenue - Unaudited	121
Historical Bond Coverage - Unaudited.....	126
Electric Fund Sales and Demand in Hours - Unaudited	131
Gas Fund Sales and Transport in MCF - Unaudited	132
Water Fund Sales in MGal - Unaudited	133
Wastewater Fund Sales in MGal - Unaudited.....	134
Number of Customers - Unaudited	135
Schedule of Transfers	136
INTERNAL CONTROL & COMPLIANCE	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	138
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	139
Schedule of Findings and Questioned Costs.....	141
Schedule of Findings and Recommendations.....	142
Schedule of Prior Year Findings and Questioned Costs	143



BOARD OF DIRECTORS

Pictured at right, top to bottom

MONTE JONES, CHAIR

PAM FINNEY, VICE CHAIR

BILL KIPP

LOGAN HAMPTON

ANDRE GIST



MANAGEMENT TEAM

Monte Cooper, President & Chief Executive Officer

Ryan Porter, Senior Vice President & Chief Operating Officer

Mechele Williams, Senior Vice President & Chief Financial Officer

Mike Baughn, Senior Vice President & Chief Technology Officer

Ted Austin, Senior Vice President & Chief Customer Officer



Lara Coleman - Senior Vice President, Electric Division

Braxton Williams - Senior Vice President, Gas Division

Steve Raper - Senior Vice President, Water Division

Rowland Fisher - Senior Vice President, Wastewater Division

Ben Lovins - Senior Vice President, Telecommunications Division

Stacy Scoggins - Corporate Secretary



Hameen Harris - Vice President, Engineering

Robert Mullins - Vice President, Operations

John Nanney - Vice President, Economic & Industrial Development

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ATA CPAs + Advisors PLLC





SYSTEM HIGHLIGHTS

ELECTRIC

During fiscal year 2023, progress was made on updating the 5-year long range plan as a consultant was hired and the planned completion date was set for October 2024.

Construction was completed on the new 46kV Jones Creek Substation. It will serve a data center project on the east side of the JEA service territory. Due to a delay in construction of the data center project, the station will not be energized until later in FY24.

To facilitate the interconnection of a 75MW solar farm to TVA's system, a 34.5 kV transformer bank was constructed and placed in service in JEA's McKellar substation.

The Electric Division also upgraded a 12.4 kV distribution circuit from JEA's Madison West Substation to the new Dixie Jackson manufacturing facility currently under construction in the Madison West Industrial Park. Additionally, the Electric Division began design and procurement of materials for a 12.4 kV transformer bank addition in the Madison West substation to supply electric service to this new industry. The industry's estimated startup date is early 2024.

Switchgear for Owens Corning's furnace rebuild was procured. This rebuild is projected to start in June of 2024.

Lastly, the Electric Division continued the conversion of street, security, and flood lights to LED, as they are now the only type purchased. This conversion continues as a gradual deployment with existing high-pressure sodium (yellow) lights and metal halide (white) lights as they fail.

GAS

During fiscal year 2023, approximately 7.9 miles of main and over 520 services were installed. Of this total, 4.4 miles were new main associated with system expansion projects and 3.5 miles included mains replaced as part of JEA's systematic infrastructure replacement program. Regarding service installations, 320 services were attributed to new customer growth and over 200 services were replaced as part of system renewal efforts. Two major replacement projects were completed. The first replacement project consisted of installing approximately 2.7 miles of gas mains within the Bemis community between D Street and A Street. This project relocated gas mains from the backlot property lines to the city street right of ways, providing improved access to JEA infrastructure and eliminating encroachment issues. The second replacement project consisted of approximately 1 mile of main on East College Street and related services.

The Gas Division entered into a new 30-year natural gas prepayment contract with the Tennergy Corporation, which enables the Division to purchase gas at a discount to market price. Through this project along with four other gas prepay projects, the Gas Division will receive discounted gas on approximately 65% of the Division's sales volumes and will equate to a savings of over \$625,000 a year to JEA's wholesale cost of gas. Participation in these types of projects is another way in which JEA can better serve customers with safe, reliable natural gas at reasonable rates.

WATER

In fiscal year 2023, the Water Division continued the on-going deployment and installation of AMI/ERT water meters throughout the system as planned.

The cleaning, repair, and painting of the Bedford White Water Tank was completed and placed back in service to provide domestic water and fire flow in the northeast portion of JEA's water system.

Maintenance of water mains continued as cast iron water mains along Edwards Drive were abandoned and galvanized abandonments occurred along North Church Street. Water main improvements occurred along Talbot and McCowatt Streets in the downtown area, while galvanized water main improvements were completed for the Bemis Phase II Project area (this project overlapped into FY23 from FY22). Water main improvements also occurred along Barr Avenue and James Buchanan Drive.



Due to growth and customer additions, Water System expansions included main extensions and services for Tag Truck Center along Ridgecrest Road, Liberty Road, Union University, Dream Center, Sterling Farms, Roy Hargrove Road, S. Highland, Murray Guard / Creek Stone, and Innovation Drive for Baptist Memorial Clinic, and our latest industrial addition of the Dixie Jackson facility located in the Airport Industrial Park.

WASTEWATER

In fiscal year 2023, work was completed at Miller Wastewater Treatment Plant associated with the Housing and Urban Development/Community Development Block Grant (HUD/CDBG) project. In addition, the Bells Highway (Hollywood Drive) lift station rehab was completed, increasing reliability and capacity.

Ductile iron pipe materials for the South Fork (SF) Interceptor and PVC pipe materials for the Anderson Branch (AN) Interceptor were purchased in FY23 for construction of these projects in FY24. Replacement pumps were ordered for the Dyer Creek lift station to increase pumping capacity for anticipated growth. Miscellaneous rehab projects completed in FY23 include Greenwood, Forest, Arlington, Sycamore, and West King all located in central Jackson or mid-town areas. Also, a wastewater connection for a new industrial customer, Dixie Jackson Plant, was installed.

Lastly, design for a new Bio-solids Dryer Project at the Miller Avenue Wastewater Treatment Plant was started in FY23. Currently, bio-solids pass through a pressing process which only removes about 15% of the water. The addition of this new natural gas powered dryer will remove up to 90% of water in the bio-solids. The drying process not only helps reduce the volume of bio-solids sent to the landfill, but also produces a high-quality product that can be directly applied to agricultural fields, lawns, home gardens, etc. Completion of design was delayed in FY23 due to potential funding opportunities with grants through both State Revolving Fund (SRF) Loan program, Economic Development Agency (EDA), and Federal Emergency Management Agency (FEMA). The design will continue in FY24.

TELECOMMUNICATIONS

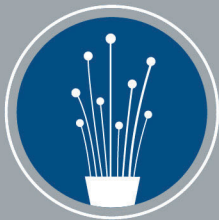
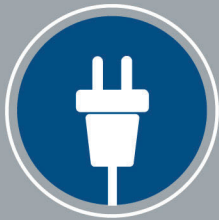
In fiscal year 2023, the Telecommunications Division continued participation in the Affordable Connectivity Program (ACP), the largest high-speed internet affordability program in U.S. history. The program, implemented in the previous fiscal year, has benefited 231 JEA customers to date.

The Telecommunications Division partnered with the Jackson Madison County School System by participating in the Local Options and Opportunities Program (LOOP), a unique work-based learning opportunity for high-school students. Additionally, the Division continues supporting the community through showcasing local events, charity fundraisers, government meetings, legislature updates, and more by utilizing its local origination station, EPlusTV 6.

Fiscal year 2023 saw the completion of a major upgrade to the Headend with the addition of the new generator to the backup emergency power.

The Telecom Division also launched Adtran XGS-PON, which is a Passive Optical Network (PON) that can provide higher speed 10 Gbps symmetrical data transfer. This network will help meet the increasing demands of residential and business customer's connectivity needs. In addition, the Telecom Division has successfully responded to growth demands in multi-family units and subdivisions, as well as industries, due to recent industry announcements.

Lastly, the Telecommunications Division won the Jackson Madison County School System WAN (wide area network)/LAN (local area network) computer network bid. This will allow all sites within the school system to move to 10 gig service. The contract begins July 2024 and goes through June 2027, with two one-year extensions possible.



FINANCIALS

FOR FISCAL YEAR
ENDING JUNE 30, 2023





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, 2023, 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, 2023, 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 management’s discussion and analysis and the pension and OPEB related schedules and notes as listed in the table of contents, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The financial information listed as supplementary and other information in the Table of Contents except that which is marked unaudited, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 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 November 8, 2023, 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 CPAs + Advisors PLLC

Jackson, Tennessee
November 8, 2023



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, 2023. 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.



REQUIRED FINANCIAL STATEMENTS (Continued)

The *Statement of Changes in Fiduciary Net Position* reports all additions and deductions of the plan for the current fiscal year. Additions consist of employer contributions, participant contributions (if required or allowed), and investment earnings.

Deductions include benefits paid on behalf of plan participants and administrative expenses. Total additions minus deductions provide the net increase or decrease in net position for the current fiscal year. The change in net position plus the beginning net position, results in the ending net position restricted for plan benefits for the current year.

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, 2023 were \$244.8 million and exceeded liabilities and deferred inflows of resources in the amount of \$160.6 million (i.e. net position).
- Net position increased \$13.8 million during the current year. Restricted net position is \$9.8 million.
- Unrestricted net position decreased by \$10.3 million.
- Operating revenues were \$165 million for 2023, an increase from 2022 in the amount of \$13.5 million or 8.9%.
- Operating expenses were \$160 million for 2023, an increase from 2022 in the amount of \$16.5 million or 11.5%.

FINANCIAL ANALYSIS – ELECTRIC FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2023:

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 81,100,304	\$ 82,839,408	\$ (1,739,104)	-2.10%
Capital assets	149,127,438	137,240,493	11,886,945	8.66%
Total assets	<u>230,227,742</u>	<u>220,079,901</u>	<u>10,147,841</u>	4.61%
Deferred outflows of resources	14,594,736	10,201,589	4,393,147	43.06%
Long-term liabilities	51,587,105	42,557,312	9,029,793	21.22%
Other liabilities	28,366,267	29,919,292	(1,553,025)	-5.19%
Total liabilities	<u>79,953,372</u>	<u>72,476,604</u>	<u>7,476,768</u>	10.32%
Deferred inflows of resources	4,317,162	11,089,527	(6,772,365)	-61.07%
Net position:				
Net investment in capital assets	125,776,379	110,881,056	14,895,323	13.43%
Restricted for capital projects	78,352	-	78,352	0%
Restricted for debt service	9,746,703	473,906	9,272,797	1956.67%
Other restricted net position	-	109,715	(109,715)	-100.00%
Unrestricted	<u>24,950,510</u>	<u>35,250,682</u>	<u>(10,300,172)</u>	-29.22%
Total net position	<u>\$ 160,551,944</u>	<u>\$ 146,715,359</u>	<u>\$ 13,836,585</u>	9.43%



FINANCIAL ANALYSIS – ELECTRIC FUND (Continued)

Current and other assets decreased by \$1.7 million primarily due to:

- 1) Accounts receivable decreased by \$1.9 million as June, 2023 sales were \$1.4 million lower than June, 2022 sales. Cooling degree days were down 4.1% from last June plus fuel cost adjustments were lower.
- 2) Prepayments and other current assets increased by \$3.9 million primarily due to a \$5 million receivable for contribution in aid of construction for a large project. An offsetting \$5 million reserve for contract loss has been booked and is included in total current assets. Details relating to the contract can be found in Note 4J.
- 3) Offsetting 1) and 2) above somewhat was an increase in materials and supplies of \$1.1 million. Higher material prices and a need to stock more material than usual due to long lead times contributed to the increase.

Deferred outflows of resources increase is attributed to a \$5.7 million increase in the net difference between expected and actual earnings in plan investments due to poor equity market performance as of June 30, 2022 (plan measurement date).

Long-term liabilities increased by \$9 million due to:

- 1) OPEB liability increased by \$3.9 million due in large part to the loss in value of plan assets.
- 2) Pension liability increased by \$8.2 million as it was also affected by market downturn.
- 3) Offsetting 1) and 2) above somewhat was the bond payments of \$2.8 million in 2023.

Other liabilities decreased due mostly to a decrease in accounts payable. This decrease was caused by the lower June sales mentioned earlier.

Deferred inflows decrease is due to the pension plan's net position changing from an increase in investment value to a decrease in market value. In other words, the Authority went from a deferred inflow to a deferred outflow. The effect was \$6.8 million on deferred inflows.

Major capital additions during the fiscal year included the following:

- | | |
|-----------------------------------|----------------|
| • McKellar Substation 80 MW Solar | \$4.8 million |
| • Jones Creek Substation | \$4.7 million |
| • Electric Meters | \$945 thousand |
| • Oakfield Power Transformer | \$621 thousand |
| • Transformers | \$433 thousand |

Table 1 on page 10 shows that 78.4% 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.



FINANCIAL ANALYSIS – ELECTRIC FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2023 and 2022:

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

	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 165,274,420	\$ 151,727,401	\$ 13,547,019	8.93%
Non-operating revenues	1,796,397	320,171	1,476,226	461.07%
Contributions	7,485,269	651,488	6,833,781	1048.95%
Total revenues	174,556,086	152,699,060	21,857,026	14.31%
Operating expenses	159,936,523	143,442,540	16,493,983	11.50%
Non-operating expenses	782,978	852,316	(69,338)	-8.14%
Total expenses	160,719,501	144,294,856	16,424,645	11.38%
Change in net position	13,836,585	8,404,204	5,432,381	64.64%
Beginning net position	146,715,359	138,311,155	8,404,204	6.08%
Ending net position	\$ 160,551,944	\$ 146,715,359	\$ 13,836,585	9.43%

The increase in operating revenues is due almost entirely to the pass-through of fuel cost adjustments from TVA as kwh sold were actually down by 0.7% from 2022.

Non-operating revenues increase is almost entirely due to higher interest income as interest rates increased over 2022.

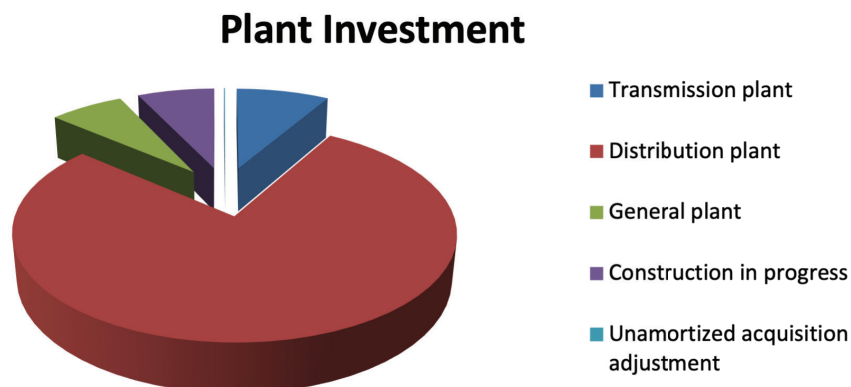
The major portion of the contributions increase is a substation donation by a solar power company. In addition, there was an increase in real estate development in the Jackson area necessitating infrastructure additions by JEA paid for by the developers.

The increase in operating expenses is due to the fuel cost adjustments passed along from TVA and included in operating revenues, offset by an increase in pension expense. In 2022, the fund benefited from a pension plan change.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2023. Changes to capital assets are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the infrastructure necessary to distribute electric power to customers and to expand the fund with customer growth.





CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

The Fund has outstanding Revenue Bonds and Notes Payable of \$22,445,000 and \$135,281 respectively, as of June 30, 2023. Principal payments are due in the upcoming fiscal year in the amount of \$2,978,982, along with interest payments totaling \$822,085. As of June 30, 2023, the debt service restricted assets were \$9,883,717 for the 2014 and 2020 bond issues. Details relating to the outstanding debt can be found in Note 3E.

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

Highlights from the Fund's FY 2024 budget include:

- Sales projections of \$173,731,000.
- Cost of purchased power projections of \$140,608,000.
- No projected rate increase; however, the TVA 2.5% Pandemic Recovery Credit will expire in FY 2024.
- Customer projections of 37,721.
- O&M projected expenditures of \$17,621,000.
- Capital expenditure projections of \$20,134,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 6.94 will meet all bond compliance tests.

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

Existing industrial customer expansions and new industrial load will continue to be sought and drive expenses of the Electric System. Older substation transformers and switchgear will be replaced as they near end of life. Customer adoption of electric vehicles (EV) will create opportunities for increasing Electric System sales at residential as well as commercial locations. Threats to the Electric System will continue as increasing energy efficiencies result in lower sales per customer and as behind the meter DER (distributed energy resources) work to lower customer demand.

FINANCIAL HIGHLIGHTS – GAS FUND

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

- Total assets and deferred outflows of resources at year-end were \$156.2 million and exceeded liabilities and deferred inflows of resources in the amount of \$106.8 million (i.e. net position).
- Net position increased \$3.2 million during the current year.
- Unrestricted net position decreased by \$858 thousand during the current year.
- Operating revenues were \$42.8 million, a decrease from 2022 in the amount of \$133 thousand or 0.31%.
- Operating expenses were \$40.3 million, an increase from 2022 in the amount of \$2.9 million or 7.71%.



FINANCIAL HIGHLIGHTS – GAS FUND (Continued)

Table 1 below focuses on the Fund’s net position and the changes in net position during 2023:

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 47,406,135	\$ 50,989,380	\$ (3,583,245)	-7.03%
Capital assets	99,276,474	96,327,113	2,949,361	3.06%
Total assets	146,682,609	147,316,493	(633,884)	-0.43%
Deferred outflows of resources	9,483,718	6,242,413	3,241,305	51.92%
Long-term liabilities	43,099,331	35,028,750	8,070,581	23.04%
Other liabilities	3,275,267	7,364,263	(4,088,996)	-55.52%
Total liabilities	46,374,598	42,393,013	3,981,585	9.39%
Deferred inflows of resources	2,997,656	7,532,216	(4,534,560)	-60.20%
Net position:				
Net investment in capital assets	82,738,687	78,720,879	4,017,808	5.10%
Restricted for debt service	81,006	80,113	893	1.11%
Unrestricted	23,974,380	24,832,685	(858,305)	-3.46%
Total net position	\$ 106,794,073	\$ 103,633,677	\$ 3,160,396	3.05%

Current and other assets decreased by \$3.6 million primarily due to:

- 1) Accounts receivable decreased by \$866 thousand as June 2023 sales were \$847 thousand lower than June 2022 sales.
- 2) Operating cash decreased \$1.8 million.

Major capital expenditures during the fiscal year included the following:

- 12” Steel Beltline H.P. Main Installation in eastern Madison County \$3.1 million
- Bemis Phase II rehab project \$704 thousand
- Purchase 4,750 gas ERT’s for gas meters \$405 thousand

Deferred outflows of resources increase is attributed to a \$3.3 million increase in the net difference between expected and actual earnings in plan investments due to poor equity market performance as of June 30, 2022 (plan measurement date).

Long-term liabilities increased by \$8.1 million primarily due to:

- 1) OPEB liability increased by \$2.8 million due in large part to the loss in value of plan assets.
- 2) Pension liability increased by \$6.0 million as it was also affected by market downturn.

Other liabilities decreased \$4.1 million dollars primarily due to a decrease in accounts payable of \$4.1 million. Storage gas accounts for \$2.1 million of the decrease in accounts payable.

Deferred inflows decrease is due to the pension plan’s net position changing from an increase in investment value to a decrease in market value. In other words, the Authority went from a deferred inflow to a deferred outflow. The effect was \$4.5 million on deferred inflows.

Table 1 indicates that 77.5% of the Fund’s net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.



FINANCIAL HIGHLIGHTS – GAS FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2023 and 2022:

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

	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 42,759,028	\$ 42,891,753	\$ (132,725)	-0.31%
Non-operating revenues	1,171,295	106,683	1,064,612	997.92%
Contributions in aid	135,837	142,312	(6,475)	-4.55%
Total revenues	44,066,160	43,140,748	925,412	2.15%
Operating expenses	40,347,805	37,460,900	2,886,905	7.71%
Non-operating expenses	557,959	585,392	(27,433)	-4.69%
Total expenses	40,905,764	38,046,292	2,859,472	7.52%
Change in net position	3,160,396	5,094,456	(1,934,060)	-37.96%
Beginning net position	103,633,677	98,539,221	5,094,456	5.17%
Ending net position	\$ 106,794,073	\$ 103,633,677	\$ 3,160,396	3.05%

Operating revenues decreased by 0.31% due to a slight decrease in gas sales of \$133 thousand from 2022 to 2023. Average usage per residential customer decreased from 61.1 MCF in 2022 to 57.4 MCF in 2023, a decrease of 6%. However, cost per MCF increased from \$12.12 in 2022 to \$12.91 in 2023, an increase of 6.5%. In addition, higher prices per MCF were seen in commercial and industrial sales.

Non-operating revenues increase is almost entirely due to higher interest income as interest rates increased over 2022.

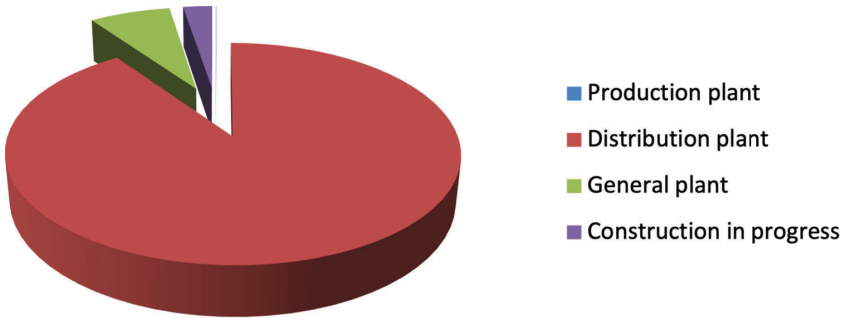
The increase in operating expenses was driven by an increase in pension expense. In 2022, the fund benefited from a pension plan change.

CAPITAL ASSETS AND DEBT ADMINISTRATION – GAS FUND

Capital Assets

The following chart summarizes the Fund’s capital assets for the year ended June 30, 2023. 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.

Plant Investment





CAPITAL ASSETS AND DEBT ADMINISTRATION – GAS FUND (Continued)

Debt Administration

The Fund has outstanding Revenue Bonds of \$15,775,000 as of June 30, 2023. Principal payments are due in the upcoming fiscal year in the amount of \$970,000, along with interest payments totaling \$630,481. As of June 30, 2023, debt service restricted assets were \$133,546 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 2024 budget include:

- Sales revenue projections of \$35,404,000.
- Cost of purchased gas projections of \$17,696,000.
- No projected base rate increase.
- Customer projections of 34,318.
- O&M projected expenditures of \$12,166,000.
- Capital expenditure projections of \$6,791,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 5.31 will meet all bond compliance tests.

In planning for the next five years, recurring annual Gas System needs contribute to year-over-year planned capital spending between \$6.3 and \$8.1 million. Annual expenses include metering/AMI infrastructure at \$900 thousand, routine installation of service lines at \$900 thousand, and new gas mains at \$750 thousand each year. After validating the high-pressure beltline concept through the recently completed Long Range Master Plan, the Gas Division plans to continue the multiyear construction of the 12" beltline in the south and west portions of the distribution system at a cost between \$1.3 million and \$2.0 million annually. Additional system expansions to serve unserved areas of the county and projects focusing on system redundancy and integrity are also planned costing \$1.4 million - \$350 thousand from FY 2025-FY 2028.

Gas Division's sales are budgeted conservatively based on weather adjusted historic usage for beyond FY 2024. The five year plan does, however, include some increased incremental growth both in terms of usage per customer and number of customers due to the impacts of Ford Blue Oval investment in Haywood County. Warmer than normal winter weather will continue to be the greatest negative risk to system operating revenues. While wholesale gas prices have returned to the \$2.00 to \$4.00 levels that have been common in the last decade, a rise in prices (as was seen in the last 18 months) could have a negative impact on sales because of conservation and energy choice decisions.

Additional growth related to Ford Blue Oval is expected in all rate classes. Initial residential growth is expected in areas north of Interstate 40 along the 45 Bypass and North Highland corridors, with longer term expansion opportunities in west Madison County. With the opportunity of growth comes the challenges of being prepared for the unknown. In addition to planned capital expenditures that will be required, the Gas Division will be studying the best options to alleviate any supply constraints that could arise to ensure that they do not hinder future growth. Planning and preparation are key to enable the Gas Division to continue to serve our community with clean, abundant natural gas.

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 \$143.4 million and exceeded liabilities and deferred inflows of resources in the amount of \$113.4 million (i.e. net position).
- Net position increased by \$4.2 million during the current year. Unrestricted net position decreased by \$398 thousand.



FINANCIAL HIGHLIGHTS – WATER FUND (Continued)

- Operating revenues were \$19.4 million, an increase from 2022 in the amount of \$585 thousand or 3.1%.
- Operating expenses were \$16.2 million, an increase from 2022 in the amount of \$3.7 million or 30%.

Table 1 focuses on the Fund’s net position and the changes in net position during 2023.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 16,190,277	\$ 15,214,753	\$ 975,524	6.41%
Capital assets	118,591,976	116,343,421	2,248,555	1.93%
Total assets	<u>134,782,253</u>	<u>131,558,174</u>	<u>3,224,079</u>	2.45%
Deferred outflows of resources	8,596,865	6,150,986	2,445,879	39.76%
Long-term liabilities	23,715,997	18,632,116	5,083,881	27.29%
Other liabilities	3,669,814	3,312,866	356,948	10.77%
Total liabilities	<u>27,385,811</u>	<u>21,944,982</u>	<u>5,440,829</u>	24.79%
Deferred inflows of resources	2,551,186	6,501,115	(3,949,929)	-60.76%
Net position:				
Net investment in capital assets	112,536,726	108,021,087	4,515,639	4.18%
Restricted for debt service	1,283,939	1,222,671	61,268	5.01%
Unrestricted	(378,544)	19,305	(397,849)	-2060.86%
Total net position	<u>\$ 113,442,121</u>	<u>\$ 109,263,063</u>	<u>\$ 4,179,058</u>	3.82%

Major capital expenditures during the fiscal year included the following:

- Bemis Phase 2 main rehab \$645 thousand
- Purchase 6,000 water meters \$543 thousand
- Excavator \$283 thousand

Deferred outflows of resources increase is attributed to a \$2.6 million increase in the net difference between expected and actual earnings in plan investments due to poor equity market performance as of June 30, 2022 (plan measurement date).

Long-term liabilities increased by \$5.1 million dollars primarily due to:

- 1) OPEB liability increased by \$2.2 million due in large part to the loss in value of plan assets.
- 2) Pension liability increased by \$5.1 million as it was also affected by market downturn.
- 3) Offsetting 1) and 2) above somewhat was the bond payments of \$2.1 million in 2023.

Deferred inflows decrease is due to the pension plan’s net position changing from an increase in investment value to a decrease in market value. In other words, the Authority went from a deferred inflow to a deferred outflow. The effect was \$3.9 million on deferred inflows.

Table 1 indicates that 99.2% of the Fund’s net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.



FINANCIAL HIGHLIGHTS – WATER FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2023 and 2022:

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

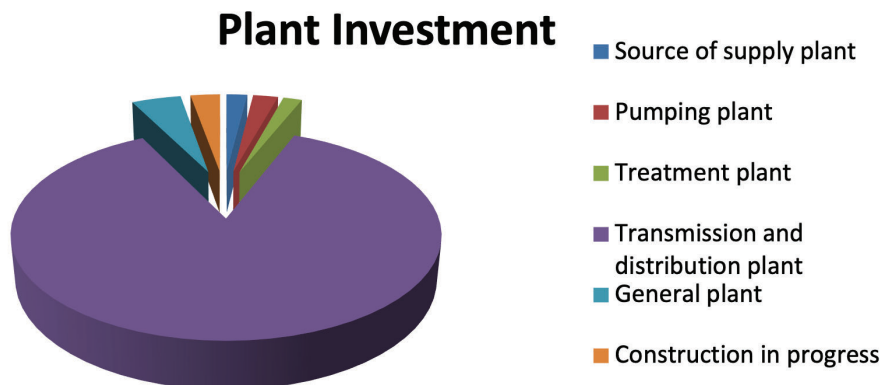
	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 19,420,400	\$ 18,835,866	\$ 584,534	3.10%
Non-operating revenues	322,688	33,241	289,447	870.75%
Contributions	980,301	817,052	163,249	19.98%
Total revenues	20,723,389	19,686,159	1,037,230	5.27%
Operating expenses	16,205,262	12,468,765	3,736,497	29.97%
Non-operating expenses	339,069	384,996	(45,927)	-11.93%
Total expenses	16,544,331	12,853,761	3,690,570	28.71%
Change in net position	4,179,058	6,832,398	(2,653,340)	-38.83%
Beginning net position	109,263,063	102,430,665	6,832,398	6.67%
Ending net position	\$ 113,442,121	\$ 109,263,063	\$ 4,179,058	3.82%

The increase in operating expenses was driven by an increase in pension expense. In 2022, the fund benefited from a pension plan change.

CAPITAL ASSETS AND DEBT ADMINISTRATION – WATER FUND

Capital Assets

The following chart summarizes the Fund’s capital assets for the year ended June 30, 2023. Changes to capital assets are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the necessary plant and infrastructure to deliver water service to customers and to expand the system with customer growth.



Debt Administration

The Fund has outstanding revenue bonds of \$5,810,000 as of June 30, 2023. Principal payments in the amount of \$2,195,000, are due in the upcoming fiscal year, along with interest payments totaling \$235,625. As of June 30, 2023, the debt service restricted assets were \$1,308,147 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 2024 budget include:

- Sales projections of \$19,660,000.
- A rate increase of 4.5% is planned in FY 2024.
- Customer projections of 38,552.
- O&M projected expenditures of \$12,851,000.
- Capital expenditure projections of \$7,526,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 3.3 will meet all bond compliance tests.

In planning for the next five years, the Water System has capital projects that will continue beyond the new budget year. New production wells are planned at the South Water Plant to increase capacity to the airport area. The water meter AMI deployment project will continue at \$700,000 per year over the next four years. Distribution system improvements are ongoing to include cast iron pipe rehabilitation, service line replacements, fire hydrants, and valves. Industrial, commercial, and residential growth will require extending water mains and new service connections.

Expectations are for a manufacturing facility and a new hotel water park to begin operations, adding to current daily usage demands. Ongoing challenges for the Water System include the need for additional south well field sites, groundwater protection and attention to drinking water contaminants. The Water System plans to continue seeking opportunities for state funding of water projects.

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 \$179 million and exceeded liabilities and deferred inflows of resources in the amount of \$123.2 million (i.e. net position).
- Net position increased \$5.6 million during the fiscal year.
- Unrestricted net position increased by \$642 thousand.
- Operating revenues were \$21.2 million, an increase from 2022 in the amount of \$97 thousand or 0.5%.
- Operating expenses were \$17.6 million, an increase from 2022 in the amount of \$3.3 million or 22.9%.



FINANCIAL HIGHLIGHTS - WASTEWATER FUND (Continued)

Table 1 below focuses on the Fund's net position and the changes in net position during 2023.

Table 1
CONDENSED STATEMENT OF NET POSITION

			Increase (Decrease)	
	June 30, 2023	June 30, 2022	Amount	%
Current and other assets	\$ 34,239,948	\$ 34,689,419	\$ (449,471)	-1.30%
Capital assets	136,381,469	133,643,921	2,737,548	2.05%
Total assets	<u>170,621,417</u>	<u>168,333,340</u>	<u>2,288,077</u>	1.36%
Deferred outflows of resources	<u>8,366,374</u>	<u>6,191,076</u>	<u>2,175,298</u>	35.14%
Long-term liabilities	49,503,149	45,728,740	3,774,409	8.25%
Other liabilities	3,967,098	5,360,310	(1,393,212)	-25.99%
Total liabilities	<u>53,470,247</u>	<u>51,089,050</u>	<u>2,381,197</u>	4.66%
Deferred inflows of resources	<u>2,279,983</u>	<u>5,824,031</u>	<u>(3,544,048)</u>	-60.85%
Net position:				
Net investment in capital assets	104,126,997	98,260,198	5,866,799	5.97%
Restricted for debt service	1,419,468	2,301,792	(882,324)	-38.33%
Unrestricted	<u>17,691,096</u>	<u>17,049,345</u>	<u>641,751</u>	3.76%
Total net position	<u>\$ 123,237,561</u>	<u>\$ 117,611,335</u>	<u>\$ 5,626,226</u>	4.78%

Major capital expenditures during the fiscal year included the following:

- Interceptor Rehab \$1.6 million
- Rehab Phase 2 \$391 thousand
- Summit Section 1 & 2 WW rehab \$326 thousand

Deferred outflows of resources increase is attributed to a \$2.2 million increase in the net difference between expected and actual earnings in plan investments due to poor equity market performance as of June 30, 2022 (plan measurement date).

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

- 1) OPEB liability increased by \$1.9 million due in large part to the loss in value of plan assets.
- 2) Pension liability increased by \$4.5 million as it was also affected by market downturn.

Deferred inflows decrease is due to the pension plan's net position changing from an increase in investment value to a decrease in market value. In other words, the Authority went from a deferred inflow to a deferred outflow. The effect was \$3.5 million on deferred inflows.



FINANCIAL ANALYSIS - WASTEWATER FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2023 and 2022:

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

	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 21,247,353	\$ 21,150,696	\$ 96,657	0.46%
Non-operating revenues	756,488	125,861	630,627	501.05%
Contributions	1,759,065	3,192,297	(1,433,232)	-44.90%
Total revenues	23,762,906	24,468,854	(705,948)	-2.89%
Operations expenses	17,614,565	14,332,207	3,282,358	22.90%
Non-operating expenses	522,115	668,768	(146,653)	-21.93%
Total expenses	18,136,680	15,000,975	3,135,705	20.90%
Change in net position	5,626,226	9,467,879	(3,841,653)	-40.58%
Beginning net position	117,611,335	108,143,456	9,467,879	8.75%
Ending net position	\$ 123,237,561	\$ 117,611,335	\$ 5,626,226	4.78%

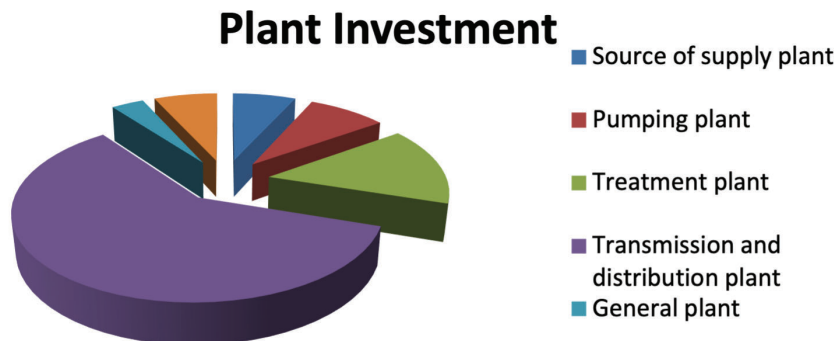
The contributions decrease is related to CDBG grants decreasing \$1.9 million from 2022 to 2023.

The increase in operating expenses was driven by an increase in pension expense. In 2022, the fund benefited from a pension plan change.

CAPITAL ASSETS AND DEBT ADMINISTRATION – WASTEWATER FUND

Capital Assets

The following chart summarizes the Fund’s capital assets for the year ended June 30, 2023. Changes to capital assets are presented in greater detail in Note 3D to the financial statements. This investment in capital assets provides the plant and infrastructure to collect, treat and dispose of wastewater.



Debt Administration

The Fund has outstanding Revenue Bonds and Notes Payable of \$15,390,000 and \$16,900,288, respectively, as of June 30, 2023. Principal payments in the amount of \$2,738,736 are due in the upcoming fiscal year with interest payments totaling \$325,795 on the Revenue Bonds and the Notes Payable. As of June 30, 2023, the debt service restricted assets total \$1,433,626 for the 2017 and 2020 bond issues and the State Revolving Fund notes payable. Details relating to the outstanding debt can be found in Note 3E.



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

Highlights from the Fund's FY 2024 budget include:

- Sales projections of \$21,140,000.
- No projected rate increase.
- Customer projections of 30,990.
- O&M projected expenditures of \$11,937,000.
- Capital expenditure projections of \$7,639,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 3.4 will meet all bond compliance tests.

In planning for the next five years, the Wastewater System's bio-solids dryer equipment purchase of \$4 million will spread over two budget years of FY 2024 and FY 2025. Bids for the installation of the equipment will be received during the FY 2025 budget year with construction scheduled to take place in FY 2025 and FY 2026. The project will be financed by the Wastewater System's operating funds at \$10 million.

If grant monies or other sources of funding for the biosolids project are made available, that will be pursued. In FY 2027, a central heating plant (CHP) generator will also be installed at a cost of \$1 million to increase resiliency and reduce dependency on the electric grid at the Miller Wastewater Treatment Plant. A potential EDA grant will be another source of funding.

Replacement of the Anderson Branch (AN) interceptor will take place in FY 2026 for a total of \$2 million. Rehabilitation projects will continue focusing on annual prioritized projects beginning in FY 2025.

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 \$58.3 million and exceeded liabilities by \$20.5 million (i.e. net position).
- Net position increased by \$959 thousand.
- Unrestricted net position decreased by \$1.2 million.
- Operating revenues were \$35.2 million, an increase from 2022 of \$301 thousand or 0.9%.
- Operating expenses were \$33.4 million, an increase from 2022 of \$3 million or 9.9%.



FINANCIAL ANALYSIS - TELECOMMUNICATIONS FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2023.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 19,870,732	\$ 20,204,903	\$ (334,171)	-1.65%
Capital assets	30,384,707	33,031,947	(2,647,240)	-8.01%
Total assets	50,255,439	53,236,850	(2,981,411)	-5.60%
Deferred outflows of resources	8,025,470	6,049,264	1,976,206	32.67%
Long-term liabilities	27,592,386	26,115,175	1,477,211	5.66%
Other liabilities	8,145,773	8,201,769	(55,996)	-0.68%
Total liabilities	35,738,159	34,316,944	1,421,215	4.14%
Deferred inflows of resources	2,065,951	5,451,540	(3,385,589)	-62.10%
Net position:				
Net investment in capital assets	9,711,189	7,608,967	2,102,222	27.63%
Restricted for debt service	6,774,966	6,703,015	71,951	1.07%
Unrestricted	3,990,644	5,205,648	(1,215,004)	-23.34%
Total net position	\$ 20,476,799	\$ 19,517,630	\$ 959,169	4.91%

Capital assets decreased in 2023 as depreciation expense exceeded asset additions by \$2.6 million.

Deferred outflows of resources increase is attributed to a \$2.9 million increase in the net difference between expected and actual earnings in plan investments due to poor equity market performance as of June 30, 2022 (plan measurement date).

Long-term liabilities increased by \$1.5 million due to:

- 1) OPEB liability increased by \$2.1 million due in large part to the loss in value of plan assets.
- 2) Pension liability increased by \$4.1 million as it was also affected by market downturn.
- 3) Offsetting 1) and 2) above somewhat was the bond payments of \$4.8 million in 2023.

Table 1 indicates that 47% 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 2023 and 2022:

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

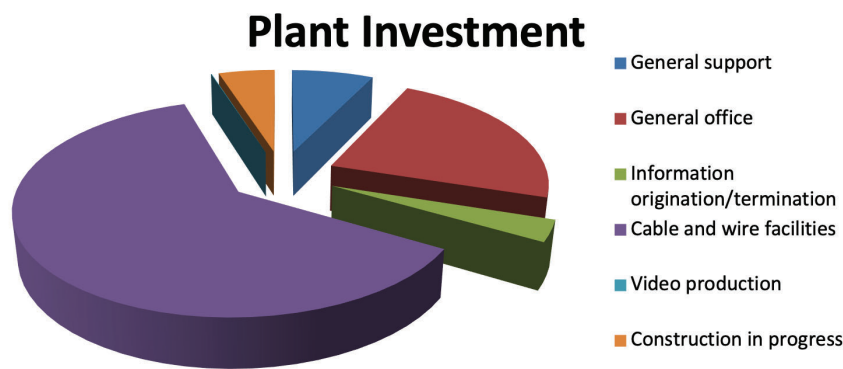
	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 35,164,212	\$ 34,863,072	\$ 301,140	0.86%
Non-operating revenues	363,813	79,363	284,450	358.42%
Contributions	19,010	26,562	(7,552)	-28.43%
Total revenues	35,547,035	34,968,997	578,038	1.65%
Operating expenses	33,435,860	30,425,384	3,010,476	9.89%
Non-operating expenses	1,152,006	1,287,130	(135,124)	-10.50%
Total expenses	34,587,866	31,712,514	2,875,352	9.07%
Change in net position	959,169	3,256,483	(2,297,314)	-70.55%
Beginning net position	19,517,630	16,261,147	3,256,483	20.03%
Ending net position	\$ 20,476,799	\$ 19,517,630	\$ 959,169	4.91%

The increase in operating expenses is due to an increase in pension expense. In 2022, the fund benefited from a pension plan change.

CAPITAL ASSETS AND DEBT ADMINISTRATION - TELECOMMUNICATIONS FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2023. The changes are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the infrastructure necessary to distribute telecommunication service to customers and to expand the system with customer growth.



Debt Administration

The Fund has outstanding Revenue Bonds of \$15,230,000 as of June 30, 2023. The Fund has a note payable to the Electric Fund in the amount of \$5,500,000. Bond principal payments are due in the upcoming fiscal year in the amount of \$4,915,000 along with interest payments totaling \$502,915. As of June 30, 2023, debt service restricted assets total \$6,908,921 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 2024 budget include:

- Sales projections of \$35,355,000.
- Cost of services projections of \$14,495,000.
- Retransmission costs from broadcasters are expected to increase 17.6% in FY 2024, resulting in a pass-through rate increase for Cable customers.
- Customer projections of 22,133 by the end of the fiscal year.
- O&M projected expenditures of \$11,662,000.
- Capital expenditures of \$3,583,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 1.62 will meet all bond compliance tests.

In planning for the next five years, the Telecommunications System's annual investments in new technology for customer growth drive capital requirements beyond the new budget year. Scheduled capital spending remains almost level over the four years beyond the budget, ranging from \$4 million to \$4.4 million annually. The largest cost is customer installation labor and materials each year. Regular annual replacements of fiber-to-the-home and headend equipment coupled with employee development and retention are crucial to maintain quality and competitive services.

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

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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



JACKSON ENERGY AUTHORITY STATEMENT OF NET POSITION AS OF JUNE 30, 2023

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	ELIMINATING ENTRIES	TOTAL
ASSETS							
Current assets:							
Cash and cash equivalents on deposit	\$ 41,333,376	\$ 33,807,660	\$ 10,968,669	\$ 24,183,133	\$ 7,762,898	\$ -	\$118,055,736
Temporary investments	2,810,093	5,102,316	476,797	1,839,260	-	-	10,228,466
Accounts receivable (net of allowance for uncollectibles)	12,433,131	1,104,830	1,497,792	1,572,141	2,458,846	-	19,066,740
Grants receivable	-	-	-	47,500	-	-	47,500
Accrued interest receivable	38,596	25,471	2,089	57,447	43,690	-	167,293
Materials and supplies	3,378,234	2,245,032	1,613,010	592,669	1,697,909	-	9,526,854
Prepayments and other current assets	10,496,183	263,740	250,495	272,701	404,624	-	11,687,743
Reserve for contract loss	<u>(5,000,000)</u>	-	-	-	-	-	<u>(5,000,000)</u>
Total current assets	<u>65,489,613</u>	<u>42,549,049</u>	<u>14,808,852</u>	<u>28,564,851</u>	<u>12,367,967</u>	<u>-</u>	<u>163,780,332</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	<u>9,883,717</u>	<u>133,546</u>	<u>1,308,147</u>	<u>1,433,626</u>	<u>1,408,921</u>	<u>-</u>	<u>14,167,957</u>
Total restricted assets	<u>9,883,717</u>	<u>133,546</u>	<u>1,308,147</u>	<u>1,433,626</u>	<u>6,908,921</u>	<u>-</u>	<u>19,667,957</u>
Other assets:							
Investment - The Tennergy Corporation	-	4,652,043	-	-	-	-	4,652,043
Investment - Seven States Power Corporation	10,787	-	-	-	-	-	10,787
Investment - Central Services Association	43,006	37,794	28,671	20,852	-	-	130,323
Retainage account	78,352	-	-	72,700	-	-	151,052
Long-term notes receivable - interfund	5,500,000	-	-	-	-	(5,500,000)	-
Unrecovered purchased gas cost	-	(72,517)	-	-	-	-	(72,517)
Intellectual Property	-	-	-	4,063,971	-	-	4,063,971
Subscription-Based IT Arrangements	-	-	-	-	333,348	-	333,348
Regulatory assets:							
Unamortized bond issuance costs	94,829	106,220	44,607	83,948	46,624	-	376,228
Unamortized expenditures (net of accumulated amortization of \$2,942,325 at June 30, 2023)	-	-	-	-	<u>213,872</u>	-	<u>213,872</u>
Total other assets	<u>5,726,974</u>	<u>4,723,540</u>	<u>73,278</u>	<u>4,241,471</u>	<u>593,844</u>	<u>(5,500,000)</u>	<u>9,859,107</u>
Capital assets:							
Plant in service and equipment - at cost	275,282,018	173,146,591	172,243,293	210,346,318	87,685,285	-	918,703,505
Add: Unamortized acquisition adjustment	134,753	-	-	-	-	-	134,753
Less: Accumulated depreciation	<u>136,669,397</u>	<u>76,405,847</u>	<u>56,924,655</u>	<u>83,203,957</u>	<u>58,799,178</u>	<u>-</u>	<u>412,003,034</u>
Net plant in service and equipment - at cost	138,747,374	96,740,744	115,318,638	127,142,361	28,886,107	-	506,835,224
Construction in progress at cost	<u>10,380,064</u>	<u>2,535,730</u>	<u>3,273,338</u>	<u>9,239,108</u>	<u>1,498,600</u>	<u>-</u>	<u>26,926,840</u>
Total capital assets (net of accumulated depreciation)	<u>149,127,438</u>	<u>99,276,474</u>	<u>118,591,976</u>	<u>136,381,469</u>	<u>30,384,707</u>	<u>-</u>	<u>533,762,064</u>
Total noncurrent assets	<u>164,738,129</u>	<u>104,133,560</u>	<u>119,973,401</u>	<u>142,056,566</u>	<u>37,887,472</u>	<u>(5,500,000)</u>	<u>563,289,128</u>
Total assets	<u>\$ 230,227,742</u>	<u>\$146,682,609</u>	<u>\$134,782,253</u>	<u>\$170,621,417</u>	<u>\$ 50,255,439</u>	<u>\$ (5,500,000)</u>	<u>\$727,069,460</u>
Deferred outflows of resources							
Deferred outflows related to pension and other post-employment benefits							
Contributions subsequent to measurement date	\$ 3,391,528	\$ 2,345,049	\$ 2,075,862	\$ 2,101,469	\$ 1,625,157	\$ -	\$ 11,539,065
Difference between expected and actual experience	930,399	142,360	468,076	421,769	632,503	-	2,595,107
Assumption changes	4,288,753	2,663,450	2,271,240	2,115,844	1,940,102	-	13,279,389
Net difference between expected and actual earnings in plan investments	5,710,746	4,241,216	3,392,523	2,973,683	2,955,542	-	19,273,710
Unamortized debt refunding losses	<u>273,310</u>	<u>91,643</u>	<u>389,164</u>	<u>753,609</u>	<u>872,166</u>	<u>-</u>	<u>2,379,892</u>
Total deferred outflows of resources	<u>\$ 14,594,736</u>	<u>\$ 9,483,718</u>	<u>\$ 8,596,865</u>	<u>\$ 8,366,374</u>	<u>\$ 8,025,470</u>	<u>\$ -</u>	<u>\$ 49,067,163</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, 2023

	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	\$ 63,982	\$ -	\$ -	\$ 1,088,736	\$ -	\$ -	\$ 1,152,718
Accounts payable	22,557,662	1,341,368	609,643	539,638	1,269,967	-	26,318,278
Other accounts payable and accrued expense	1,840,381	287,367	309,435	266,690	1,339,399	-	4,043,272
Compensated absences estimated to be used next year	660,984	464,433	413,729	407,635	374,689	-	2,321,470
Current portion of Subscription-Based IT arrangements	-	-	-	-	133,301	-	133,301
Gas supply imbalances	-	36,871	-	-	-	-	36,871
Total current liabilities	<u>25,123,009</u>	<u>2,130,039</u>	<u>1,332,807</u>	<u>2,302,699</u>	<u>3,117,356</u>	<u>-</u>	<u>34,005,910</u>
Current liabilities payable from restricted assets:							
Accrued revenue bond interest	137,014	52,540	24,208	14,158	133,955	-	361,875
Current maturities of long-term debt (net of discount of \$55,342 plus premiums of \$466,776 for the year ended June 30, 2023)	<u>3,106,244</u>	<u>1,092,688</u>	<u>2,312,799</u>	<u>1,650,241</u>	<u>4,894,462</u>	<u>-</u>	<u>13,056,434</u>
Total current liabilities payable from restricted assets	<u>3,243,258</u>	<u>1,145,228</u>	<u>2,337,007</u>	<u>1,664,399</u>	<u>5,028,417</u>	<u>-</u>	<u>13,418,309</u>
Noncurrent liabilities:							
Notes payable (net of current portion)	71,299	-	-	15,811,552	-	-	15,882,851
OPEB liability	6,251,488	5,931,957	4,101,739	4,754,891	3,699,144	-	24,739,219
Net pension liability	24,313,613	13,768,238	15,241,899	14,794,939	7,319,726	-	75,438,415
Compensated absences	841,171	563,344	544,198	437,824	364,715	-	2,751,252
Notes payable- interfund	-	-	-	-	5,500,000	(5,500,000)	-
Bonds payable (less current maturities, net of discount of \$292,473 and net premiums of \$1,567,556 for the year ended June 30, 2023)	20,109,534	15,445,099	3,742,451	13,703,943	10,279,056	-	63,280,083
Subscription-Based IT arrangements (net of current position)	-	-	-	-	129,418	-	129,418
Customer deposits	-	7,390,693	85,710	-	300,327	-	7,776,730
Total noncurrent liabilities	<u>51,587,105</u>	<u>43,099,331</u>	<u>23,715,997</u>	<u>49,503,149</u>	<u>27,592,386</u>	<u>(5,500,000)</u>	<u>189,997,968</u>
Total liabilities	<u>\$ 79,953,372</u>	<u>\$ 46,374,598</u>	<u>\$ 27,385,811</u>	<u>\$ 53,470,247</u>	<u>\$ 35,738,159</u>	<u>\$(5,500,000)</u>	<u>\$237,422,187</u>
Deferred inflows of resources							
Deferred inflows related to pension and other post-employment benefits							
Difference between expected and actual experience	\$ 1,493,557	\$ 1,063,774	\$ 898,889	\$ 799,560	\$ 740,515	\$ -	\$ 4,996,295
Assumption changes	<u>2,823,605</u>	<u>1,933,882</u>	<u>1,652,297</u>	<u>1,480,423</u>	<u>1,325,436</u>	<u>-</u>	<u>9,215,643</u>
Total deferred inflows of resources	<u>\$ 4,317,162</u>	<u>\$ 2,997,656</u>	<u>\$ 2,551,186</u>	<u>\$ 2,279,983</u>	<u>\$ 2,065,951</u>	<u>\$ -</u>	<u>\$ 14,211,938</u>
NET POSITION							
Net investment in capital assets	\$ 125,776,379	\$ 82,738,687	\$ 112,536,726	\$104,126,997	\$ 9,711,189	\$ -	\$434,889,978
Restricted for capital projects	78,352	-	-	-	-	-	78,352
Restricted for debt service	9,746,703	81,006	1,283,939	1,419,468	6,774,966	-	19,306,082
Unrestricted	<u>24,950,510</u>	<u>23,974,380</u>	<u>(378,544)</u>	<u>17,691,096</u>	<u>3,990,644</u>	<u>-</u>	<u>70,228,086</u>
Total net position	<u>\$ 160,551,944</u>	<u>\$106,794,073</u>	<u>\$ 113,442,121</u>	<u>\$123,237,561</u>	<u>\$ 20,476,799</u>	<u>\$ -</u>	<u>\$524,502,498</u>
Total Liabilities and net assets	<u>\$ 244,822,478</u>	<u>\$156,166,327</u>	<u>\$ 143,379,118</u>	<u>\$178,987,791</u>	<u>\$ 58,280,909</u>	<u>\$(5,500,000)</u>	<u>\$776,136,623</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, 2023

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Operating revenues:						
Charges for sales and services	\$ 161,083,603	\$ 42,759,028	\$ 19,420,400	\$ 21,247,353	\$ 35,164,212	\$ 279,674,596
Other revenue	<u>4,190,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,190,817</u>
Total operating revenues	<u>165,274,420</u>	<u>42,759,028</u>	<u>19,420,400</u>	<u>21,247,353</u>	<u>35,164,212</u>	<u>283,865,413</u>
Operating expenses:						
Cost of sales and services	129,394,560	22,662,060	-	-	13,961,351	166,017,971
Operations expense	12,056,902	9,432,073	9,706,261	9,133,425	11,358,356	51,687,017
Maintenance expense	4,723,204	1,573,981	2,323,481	2,647,496	-	11,268,162
Provision for depreciation	9,332,179	4,704,629	3,656,463	4,341,839	6,891,463	28,926,573
Amortization	60,765	-	-	969,287	-	1,030,052
Payroll taxes	471,863	348,072	321,435	300,950	298,210	1,740,530
Other taxes	-	-	-	-	544,189	544,189
Payment in lieu of taxes	<u>3,897,050</u>	<u>1,626,990</u>	<u>197,622</u>	<u>221,568</u>	<u>382,291</u>	<u>6,325,521</u>
Total operating expenses	<u>159,936,523</u>	<u>40,347,805</u>	<u>16,205,262</u>	<u>17,614,565</u>	<u>33,435,860</u>	<u>267,540,015</u>
Operating income	<u>5,337,897</u>	<u>2,411,223</u>	<u>3,215,138</u>	<u>3,632,788</u>	<u>1,728,352</u>	<u>16,325,398</u>
Nonoperating revenues (expenses):						
Interest and other income	1,749,215	1,119,337	291,298	711,064	354,625	4,225,539
Interest, amortization, and other expense	(782,978)	(557,959)	(339,069)	(522,115)	(1,152,006)	(3,354,127)
Gain (loss) on disposition of capital assets	<u>47,182</u>	<u>51,958</u>	<u>31,390</u>	<u>45,424</u>	<u>9,188</u>	<u>185,142</u>
Total nonoperating revenues (expenses)	<u>1,013,419</u>	<u>613,336</u>	<u>(16,381)</u>	<u>234,373</u>	<u>(788,193)</u>	<u>1,056,554</u>
Contributions						
Capital contributions	<u>7,485,269</u>	<u>135,837</u>	<u>980,301</u>	<u>1,759,065</u>	<u>19,010</u>	<u>10,379,482</u>
Change in net position	13,836,585	3,160,396	4,179,058	5,626,226	959,169	27,761,434
Total net position - beginning	<u>146,715,359</u>	<u>103,633,677</u>	<u>109,263,063</u>	<u>117,611,335</u>	<u>19,517,630</u>	<u>496,741,064</u>
Total net position - ending	<u>\$ 160,551,944</u>	<u>\$ 106,794,073</u>	<u>\$ 113,442,121</u>	<u>\$ 123,237,561</u>	<u>\$ 20,476,799</u>	<u>\$ 524,502,498</u>

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, 2023**

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash flows from operating activities:						
Receipts from customers and users	\$167,454,315	\$ 43,849,672	\$ 19,461,574	\$ 21,650,891	\$ 35,051,429	\$287,467,881
Payments to suppliers	(137,445,200)	(28,149,973)	(5,056,474)	(5,478,033)	(20,466,210)	(196,595,890)
Payments to employees	(9,190,867)	(6,627,317)	(6,161,616)	(6,391,886)	(4,955,864)	(33,327,550)
Payment of taxes and in lieu of taxes	(4,368,913)	(1,975,062)	(519,057)	(522,518)	(1,224,690)	(8,610,240)
Net cash provided (used) by operating activities	<u>16,449,335</u>	<u>7,097,320</u>	<u>7,724,427</u>	<u>9,258,454</u>	<u>8,404,665</u>	<u>48,934,201</u>
Cash flows from capital and related financing activities						
Construction and acquisition of plant	(20,932,787)	(7,684,738)	(6,132,090)	(7,394,419)	(4,270,276)	(46,414,310)
Other plant activity including removal cost and salvage	(906,941)	(185,783)	(119,786)	(17,989)	89,774	(1,140,725)
Contributions in aid	7,485,269	135,837	980,301	1,759,065	19,010	10,379,482
Principal paid on bonds	(2,815,000)	(940,000)	(2,090,000)	(2,030,000)	(4,770,000)	(12,645,000)
Loan proceeds (including SBITA arrangement)	70,551	-	-	-	400,019	470,570
Principal paid on notes	(52,752)	-	-	(1,079,892)	-	(1,132,644)
SBITA payments	-	-	-	-	(137,300)	(137,300)
Interest expense	(913,695)	(661,996)	(342,763)	(378,706)	(831,710)	(3,128,870)
Net cash provided (used) by capital and relating financing activities	<u>(18,065,355)</u>	<u>(9,336,680)</u>	<u>(7,704,338)</u>	<u>(9,141,941)</u>	<u>(9,500,483)</u>	<u>(53,748,797)</u>
Cash flows from investing activities:						
Net (purchase) reduction of investments	1,787,074	573,223	(5,339)	(1,846,950)	-	508,008
Interest earned	1,760,730	712,759	291,298	679,359	313,598	3,757,744
Net cash provided (used) by investing activities	<u>3,547,804</u>	<u>1,285,982</u>	<u>285,959</u>	<u>(1,167,591)</u>	<u>313,598</u>	<u>4,265,752</u>
Net increase (decrease) in cash and cash equivalents	1,931,784	(953,378)	306,048	(1,051,078)	(782,220)	(548,844)
Cash and cash equivalents - beginning of year	<u>49,285,309</u>	<u>34,894,584</u>	<u>11,970,768</u>	<u>26,667,837</u>	<u>15,454,039</u>	<u>138,272,537</u>
Cash and cash equivalents - end of year	<u>\$ 51,217,093</u>	<u>\$ 33,941,206</u>	<u>\$ 12,276,816</u>	<u>\$25,616,759</u>	<u>\$ 14,671,819</u>	<u>\$137,723,693</u>

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, 2023

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash and cash equivalents:						
Unrestricted cash and cash equivalents on deposit	\$ 41,333,376	\$ 33,807,660	\$ 10,968,669	\$ 24,183,133	\$ 7,762,898	\$ 118,055,736
Debt service fund - cash and cash equivalents	9,883,717	133,546	1,308,147	1,433,626	1,408,921	14,167,957
Debt service fund investment - cash and cash equivalents	-	-	-	-	5,500,000	5,500,000
Total cash and cash equivalents	<u>\$ 51,217,093</u>	<u>\$ 33,941,206</u>	<u>\$ 12,276,816</u>	<u>\$ 25,616,759</u>	<u>\$ 14,671,819</u>	<u>\$ 137,723,693</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 5,337,897	\$ 2,411,223	\$ 3,215,138	\$ 3,632,788	\$ 1,728,352	\$ 16,325,398
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	9,332,179	4,704,629	3,656,463	4,341,839	6,891,463	28,926,573
Amortization	60,765	-	-	969,287	-	1,030,052
Depreciation charged to transportation clearing	528,669	268,488	378,248	348,036	182,316	1,705,757
(Increase) decrease in accounts receivable	2,202,941	805,500	29,125	403,538	(3,335)	3,437,769
(Increase) decrease in materials and supplies	(1,079,570)	(455,195)	(689,151)	(86,949)	(569,734)	(2,880,599)
(Increase) decrease in prepayments and other current assets	798,018	(84,445)	(27,584)	(35,374)	37,515	688,130
(Increase) decrease in other assets	(4,459,614)	(3,251,841)	(2,604,505)	(2,288,273)	884,345	(11,719,888)
Increase (decrease) unrecovered purchased gas cost	-	2,100,297	-	-	-	2,100,297
Increase (decrease) in accounts payable	(1,220,666)	(4,081,697)	287,425	(1,120,757)	4,397	(6,131,298)
Increase (decrease) in other accounts payable and accrued expenses	(16,100)	17,317	17,649	42,289	376,802	437,957
Increase (decrease) in other noncurrent liabilities	4,964,816	4,369,693	3,449,569	3,052,030	(1,116,956)	14,719,152
Increase (decrease) in customer deposits	-	293,351	12,050	-	(10,500)	294,901
Net cash provided (used) by operating activities	<u>\$ 16,449,335</u>	<u>\$ 7,097,320</u>	<u>\$ 7,724,427</u>	<u>\$ 9,258,454</u>	<u>\$ 8,404,665</u>	<u>\$ 48,934,201</u>
Non-cash disclosure:						
Contributed capital assets	<u>\$ 4,686,908</u>	<u>\$ -</u>	<u>\$ 665,563</u>	<u>\$ 819,857</u>	<u>\$ -</u>	<u>\$ 6,172,328</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, 2023**

ASSETS

Investments:

Equity mutual funds	\$ 27,732,956
Fixed income mutual funds	17,502,544
Money market funds	<u>699,577</u>
Total investments	<u>45,935,077</u>

Accrued income	<u>41,530</u>
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Net assets available for benefits	45,976,607
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LIABILITIES AND NET POSITION

LIABILITIES - Due to Other Funds	<u>202,146</u>
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Net position restricted for OPEB benefits	<u>\$ 45,774,461</u>
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**JACKSON ENERGY AUTHORITY
OPEB PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

Additions

Contributions	
Employer and retiree	\$ <u>2,132,831</u>
Investment income	
Interest and dividends	1,100,349
Realized (losses)/gains	60,537
Unrealized (losses)/gains	<u>3,153,070</u>
Net investment income	<u>4,313,956</u>
 Total additions	 <u>6,446,787</u>

Deductions

Trustee/Custody fees	25,453
Benefits	3,363,347
Actuarial Fees	<u>20,900</u>
Total deductions	<u>3,409,700</u>

Net decrease in fiduciary net position 3,037,087

Net position restricted for OPEB benefits, beginning of year 42,737,374

Net position restricted for OPEB benefits, end of year \$ 45,774,461



**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2023**

ASSETS

Investments:	
Equity mutual funds	\$ 97,324,561
Fixed income mutual funds	56,896,889
Contracts and annuities	5,459,335
Money market funds	<u>650,614</u>
Total investments	<u>160,331,399</u>
Accrued income	<u>162,167</u>
Net assets available for benefits	160,493,566

LIABILITIES AND NET POSITION

LIABILITIES	<u>-</u>
Net position restricted for pension benefits	<u><u>\$ 160,493,566</u></u>



**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

Additions

Contributions	
Employer and employee	\$ 10,564,828
Investment income	
Interest income	4,465,449
Realized (losses)/gains	63,501
Unrealized (losses)/gains	<u>9,143,033</u>
Net investment income	<u>13,671,983</u>
Total additions	<u>24,236,811</u>

Deductions

Benefits payments	11,058,703
Trustee/Custody fees	85,242
Other fees and expenses	<u>58,289</u>
Total deductions	<u>11,202,234</u>

Net decrease in fiduciary net position 13,034,577

Net position restricted for pension benefits, beginning of year	<u>147,458,989</u>
Net position restricted for pension benefits, end of year	<u>\$ 160,493,566</u>



**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2023**

ASSETS

Cash and cash equivalents	\$ 6,344,447
Due from OPEB Trust	202,146
Accrued interest	<u>63,146</u>

Net assets available for benefits 6,609,739

LIABILITIES AND NET POSITION

LIABILITIES

Net position restricted for health benefits \$ 6,609,739



**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

Additions

Contributions	
Employer and employee	\$ 2,984,387
Investment income	
Interest and dividends	<u>259,722</u>
Net investment income	<u>259,722</u>
 Total additions	 <u>3,244,109</u>

Deductions

Benefit payments	5,449,721
Other fees and expenses	<u>1,668</u>
Total deductions	<u>5,451,389</u>

Net decrease in fiduciary net position (2,207,280)

Net position restricted for health benefits, beginning of year	<u>8,817,019</u>
Net position restricted for health benefits, end of year	<u>\$ 6,609,739</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023.

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

C. Assets, Liabilities, and Net Position

Deposits and Investments

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

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

The Public Act creating the Authority authorizes the following investments:

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deposits and Investments (Continued)

- (5) Guaranteed investment contracts or similar agreements providing for a specified rate of return over a specified period of time with entities rated in one of the two highest rating categories of a nationally recognized rating agency;
- (6) The local government investment pool;
- (7) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers and rated in either of the two highest rating categories by a nationally recognized rating agency of such obligations; or
- (8) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by, or on behalf of, the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of the principal and interest of such obligations, rated in either of the two highest rating categories by a nationally recognized rating agency of such obligations.

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

Accounts Receivable

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

Unbilled Revenues

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

Inventories and Prepaid Items

All inventories are valued at weighted-average cost.

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

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

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

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

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

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

Compensated Absences

The Authority grants annual leave and sick leave based on longevity of service. Employees may accumulate up to 280 hours of annual leave, which is fully vested. Up to 160 hours of unused annual leave is paid to the employee's 401(a) account at retirement. Employees are not vested in sick leave until retirement at which time 30 percent of accumulated sick leave is paid to the employee's 401(a) account. The remaining 70 percent of the employee's accumulated sick leave is credited to the employee's number of years of service. The amount of such additional credit shall be determined by dividing such sick leave hours by 2,080 hours. In no event may such additional credit exceed one additional year of service, with each such day deemed equal to eight (8) hours. A liability of \$5,072,722 has been accrued for the year ended June 30, 2023, 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.

Implementation of New Accounting Principles

The Authority adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The objective of this statement is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for SBITAs, improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position

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

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

Deferred outflow/inflows of resources

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

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

Pensions

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

Other Post – Employment Benefits (OPEB)

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

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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

As of June 30, 2023, 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		
Met Govt Nashville & Davidson Cnty	\$ 650,000	\$ 650,000
Memphis Shelby Cnty TN	502,113	495,185
Nashua NH	244,750	242,998
Tennessee State	500,397	491,220
New York State	936,130	930,690
	<u>\$ 2,833,390</u>	<u>\$ 2,810,093</u>
Gas Fund		
Bank of Jackson	\$ 500,000	\$ 500,000
Florida St Board of Admin	448,242	433,932
Houston TX Util System	1,117,452	1,099,244
Memphis Shelby Co IDB	501,444	495,185
New York ST Urban Dev Corp	1,006,116	982,140
Simmons Bank CD	1,019,836	1,019,836
Wright Cnty MN	579,945	571,979
	<u>\$ 5,173,035</u>	<u>\$ 5,102,316</u>
Water Fund		
U.S. Treasury Notes	\$ 497,613	\$ 476,797
	<u>\$ 497,613</u>	<u>\$ 476,797</u>
Wastewater Fund		
Bank of Jackson	\$ 1,000,000	\$ 1,000,000
Colorado State Housing & Finance	249,938	247,950
Florida St. Board of Admin.	95,224	92,326
U.S. Treasury Notes	499,866	498,984
	<u>\$ 1,845,028</u>	<u>\$ 1,839,260</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Telecommunications Fund

The Telecommunications Fund also has investments in the debt service funds, which are restricted. See Note 4F for discussion of debt service funds and related investments.

	Cost	Fair Value
Jackson Energy Authority OPEB Plan Fund		
Fixed Income Mutual Funds	\$ 16,697,208	\$ 17,502,544
Equity Mutual Funds	20,929,966	27,732,956
Money Market Funds	1,164,158	699,577
	\$ 38,791,332	\$ 45,935,077
 Jackson Energy Authority Retirement Plan Fund		
Equity Mutual Funds	\$ 66,117,360	\$ 97,324,561
Fixed Income Mutual Funds	52,741,846	56,896,889
Contracts and Annuities	8,071,176	5,459,335
Money Market Funds	2,826,658	650,614
	\$ 129,757,040	\$ 160,331,399

The following fair values are based on Level 2 inputs:

	Cost	Fair Value
Other Investments		
Electric Fund		
Seven States Power Corporation	10,787	10,787
Central Services Association	3,007	43,006
	\$ 13,794	\$ 53,793
 Gas Fund		
Tennergy Corporation	257,000	4,652,043
Central Services Association	2,642	37,794
	\$ 259,642	\$ 4,689,837
 Water Fund		
Central Services Association	\$ 2,005	\$ 28,671
 Wastewater Fund		
Central Services Association	\$ 1,458	\$ 20,852



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

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, 2023, none of the Authority's deposits were exposed to custodial credit risk.

Pension and OPEB Money-Weighted Returns

For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -14.71 and 21.81 percent, respectively. The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense was -16.94 and 21.97 percent for the years ended June 30, 2023 and 2022 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, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

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

Electric Fund	
Billed services for utility customers	\$ 12,865,937
Allowance for doubtful accounts	<u>(432,806)</u>
	<u>\$ 12,433,131</u>
Gas Fund	
Billed services for utility customers	1,258,209
Allowance for doubtful accounts	<u>(153,379)</u>
	<u>\$ 1,104,830</u>
Water Fund	
Billed services for utility customers	1,605,601
Allowance for doubtful accounts	<u>(107,809)</u>
	<u>\$ 1,497,792</u>
Wastewater Fund	
Billed services for utility customers	1,653,273
Allowance for doubtful accounts	<u>(81,132)</u>
	<u>\$ 1,572,141</u>
Telecommunications Fund	
Billed services for utility customers	2,682,329
Allowance for doubtful accounts	<u>(223,483)</u>
	<u>\$ 2,458,846</u>
Total Receivables	<u><u>\$ 19,066,740</u></u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

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	\$ 9,883,717
	<u>\$ 9,883,717</u>
Gas Fund	
Cash and cash equivalents - debt service fund	133,546
	<u>\$ 133,546</u>
Water Fund	
Cash and cash equivalents - debt service fund	1,308,147
	<u>\$ 1,308,147</u>
Wastewater Fund	
Cash and cash equivalents - debt service fund	1,433,626
	<u>\$ 1,433,626</u>
Telecommunications Fund	
Cash and cash equivalents - debt service fund	1,408,921
Investments - debt service reserve account	5,500,000
	<u>\$ 6,908,921</u>
 Total Restricted Assets	 <u>\$ 19,667,957</u>

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Electric Fund

Electric Fund capital asset activity during the year ended June 30, 2023, was as follows:

Description	Balance at June 30, 2022	Additions	Disposals (Net of Salvage)	Balance at June 30, 2023
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	<u>5,190,964</u>	<u>5,189,100</u>	-	<u>10,380,064</u>
Total capital assets not being depreciated	<u>7,251,390</u>	<u>5,189,100</u>	-	<u>12,440,490</u>
Capital assets, being depreciated				
Transmission plant	28,082,733	521,239	187,607	28,416,365
Distribution plant	206,860,670	13,809,702	1,531,692	219,138,680
General plant	<u>24,530,879</u>	<u>1,412,746</u>	<u>277,078</u>	<u>25,666,547</u>
Total capital assets being depreciated	<u>259,474,282</u>	<u>15,743,687</u>	<u>1,996,377</u>	<u>273,221,592</u>
Less accumulated depreciation for				
Transmission plant	15,614,784	935,621	267,221	16,283,184
Distribution plant	98,271,225	7,778,322	2,307,277	103,742,270
General plant	<u>15,742,278</u>	<u>1,146,905</u>	<u>245,240</u>	<u>16,643,943</u>
Total accumulated depreciation	<u>129,628,287</u>	<u>9,860,848</u>	<u>2,819,738</u>	<u>136,669,397</u>
Total capital assets being depreciated, net	<u>129,845,995</u>	<u>5,882,839</u>	<u>(823,361)</u>	<u>136,552,195</u>
Unamortized acquisition adjustment	<u>143,108</u>	-	<u>8,355</u>	<u>134,753</u>
Total capital assets, net	<u>\$ 137,240,493</u>	<u>\$ 11,071,939</u>	<u>\$ (815,006)</u>	<u>\$ 149,127,438</u>

Depreciation expense charged to operations amounted to \$9,332,179 for the fiscal year ended June 30, 2023.

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, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Gas Fund

Gas Fund capital asset activity during the year ended June 30, 2023, was as follows:

Description	Balance at June 30, 2022	Additions	Disposals (Net of Salvage)	Balance at June 30, 2023
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>5,269,354</u>	<u>(2,733,624)</u>	-	<u>2,535,730</u>
Total capital assets not being depreciated	<u>6,114,951</u>	<u>(2,733,624)</u>	-	<u>3,381,327</u>
Capital assets, being depreciated				
Production plant	2,018,428	-	-	2,018,428
Distribution plant	142,782,678	9,456,568	862,637	151,376,609
General plant	<u>18,412,259</u>	<u>961,794</u>	<u>468,096</u>	<u>18,905,957</u>
Total capital assets being depreciated	<u>163,213,365</u>	<u>10,418,362</u>	<u>1,330,733</u>	<u>172,300,994</u>
Less accumulated depreciation for				
Production plant	2,014,492	623	-	2,015,115
Distribution plant	58,895,193	3,978,010	1,050,559	61,822,644
General plant	<u>12,091,518</u>	<u>994,484</u>	<u>517,914</u>	<u>12,568,088</u>
Total accumulated depreciation	<u>73,001,203</u>	<u>4,973,117</u>	<u>1,568,473</u>	<u>76,405,847</u>
Total capital assets being depreciated, net	<u>90,212,162</u>	<u>5,445,245</u>	<u>(237,740)</u>	<u>95,895,147</u>
Total capital assets, net	<u>\$ 96,327,113</u>	<u>\$ 2,711,621</u>	<u>\$ (237,740)</u>	<u>\$ 99,276,474</u>

Depreciation expense charged to operations amounted to \$4,704,629 for the fiscal year ended June 30, 2023.

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, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Water Fund

Water Fund capital asset activity during the year ended June 30, 2023, was as follows:

Description	Balance at June 30, 2022	Additions	Disposals (Net of Salvage)	Balance at June 30, 2023
Capital assets, not being depreciated				
Source of supply plant	\$ 134,200	\$ -	\$ -	\$ 134,200
Pumping plant	24,369	-	-	24,369
Treatment plant	104,029	-	-	104,029
Transmission & distribution plant	65,076	-	-	65,076
General plant	546,308	6,298	-	552,606
Construction in progress	<u>3,114,977</u>	<u>158,361</u>	-	<u>3,273,338</u>
Total capital assets not being depreciated	<u>3,988,959</u>	<u>164,659</u>	-	<u>4,153,618</u>
Capital assets, being depreciated				
Source of supply plant	4,575,580	27,490	10,722	4,592,348
Pumping plant	5,707,995	123,768	4,224	5,827,539
Treatment plant	10,404,095	2,808	-	10,406,903
Transmission & distribution plant	130,952,609	4,771,185	955,267	134,768,527
General plant	<u>14,886,112</u>	<u>1,042,180</u>	<u>160,596</u>	<u>15,767,696</u>
Total capital assets being depreciated	<u>166,526,391</u>	<u>5,967,431</u>	<u>1,130,809</u>	<u>171,363,013</u>
Less accumulated depreciation for				
Source of supply plant	2,171,130	253,978	10,722	2,414,386
Pumping plant	2,930,001	155,174	4,224	3,080,951
Treatment plant	8,184,349	246,803	-	8,431,152
Transmission & distribution plant	30,701,375	2,544,841	1,098,120	32,148,096
General plant	<u>10,185,074</u>	<u>833,915</u>	<u>168,919</u>	<u>10,850,070</u>
Total accumulated depreciation	<u>54,171,929</u>	<u>4,034,711</u>	<u>1,281,985</u>	<u>56,924,655</u>
Total capital assets being depreciated, net	<u>112,354,462</u>	<u>1,932,720</u>	<u>(151,176)</u>	<u>114,438,358</u>
Total capital assets, net	<u>\$ 116,343,421</u>	<u>\$ 2,097,379</u>	<u>\$ (151,176)</u>	<u>\$ 118,591,976</u>

Depreciation expense charged to operations amounted to \$3,656,463 for the fiscal year ended June 30, 2023.

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, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Wastewater Fund

Wastewater Fund capital asset activity during the year ended June 30, 2023, was as follows:

Description	Balance at June 30, 2022	Additions	Disposals (Net of Salvage)	Balance at June 30, 2023
Capital assets, not being depreciated				
Pumping plant	\$ 27,324	\$ -	\$ -	\$ 27,324
Treatment plant	1,300,904	-	-	1,300,904
Transmission & distribution plant	279,656	-	-	279,656
General plant	344,285	4,331	-	348,616
Construction in progress	<u>5,934,113</u>	<u>3,304,995</u>	-	<u>9,239,108</u>
Total capital assets not being depreciated	<u>7,886,282</u>	<u>3,309,326</u>	-	<u>11,195,608</u>
Capital assets, being depreciated				
Source of supply plant	11,411,545	165,256	-	11,576,801
Pumping plant	21,284,920	294,017	9,239	21,569,698
Treatment plant	50,920,672	12,381	3,491	50,929,562
Transmission & distribution plant	108,947,009	2,858,389	344,680	111,460,718
General plant	<u>12,264,916</u>	<u>755,051</u>	<u>166,928</u>	<u>12,853,039</u>
Total capital assets being depreciated	<u>204,829,062</u>	<u>4,085,094</u>	<u>524,338</u>	<u>208,389,818</u>
Less accumulated depreciation for				
Source of supply plant	2,190,524	172,218	-	2,362,742
Pumping plant	9,381,559	774,484	9,239	10,146,804
Treatment plant	30,596,272	1,358,753	3,491	31,951,534
Transmission & distribution plant	28,981,331	1,688,682	369,345	30,300,668
General plant	<u>7,921,737</u>	<u>695,739</u>	<u>175,267</u>	<u>8,442,209</u>
Total accumulated depreciation	<u>79,071,423</u>	<u>4,689,876</u>	<u>557,342</u>	<u>83,203,957</u>
Total capital assets being depreciated, net	<u>125,757,639</u>	<u>(604,782)</u>	<u>(33,004)</u>	<u>125,185,861</u>
Total capital assets, net	<u>\$ 133,643,921</u>	<u>\$ 2,704,544</u>	<u>\$ (33,004)</u>	<u>\$136,381,469</u>

Depreciation expense charged to operations amounted to \$4,341,839 for the fiscal year ended June 30, 2023.

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, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Telecommunications Fund

Telecommunications Fund capital asset activity during the year ended June 30, 2023, was as follows:

Description	Balance at June 30, 2022	Additions	Disposals (Net of Salvage)	Balance at June 30, 2023
Capital assets not being depreciated				
Construction in progress - at cost	\$ 1,357,484	\$ 141,116	\$ -	\$ 1,498,600
Capital assets, being depreciated				
General support	5,410,743	338,817	196,649	5,552,911
General office	20,610,670	765,181	1,430,522	19,945,329
Information origination/termination	9,680,145	189,286	2,356,334	7,513,097
Cable & wire facilities	51,275,696	2,831,359	83,466	54,023,589
Video production	645,842	4,517	-	650,359
Total capital assets being depreciated	<u>87,623,096</u>	<u>4,129,160</u>	<u>4,066,971</u>	<u>87,685,285</u>
Less accumulated depreciation for:				
General support	4,192,025	245,148	115,620	4,321,553
General office	11,720,584	1,770,986	1,430,522	12,061,048
Information origination/termination	8,399,916	462,075	2,355,566	6,506,425
Cable & wire facilities	31,103,353	4,259,120	84,678	35,277,795
Video production	532,755	99,602	-	632,357
Total accumulated depreciation	<u>55,948,633</u>	<u>6,836,931</u>	<u>3,986,386</u>	<u>58,799,178</u>
Total capital assets, being depreciated, net	<u>31,674,463</u>	<u>(2,707,771)</u>	<u>80,585</u>	<u>28,886,107</u>
Total capital assets, net	<u>\$ 33,031,947</u>	<u>\$ (2,566,655)</u>	<u>\$ 80,585</u>	<u>\$ 30,384,707</u>

Depreciation expense charged to operations amounted to \$6,891,463 for the fiscal year ended June 30, 2023.

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, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Electric Fund

Notes payable at June 30, 2023, 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>
2024	63,982
2025	34,612
2026	5,241
2027	5,241
2028	5,241
2029-2032	<u>20,964</u>
Total	<u>\$ 135,281</u>

Principal on the Series 2014 Bonds is due annually on May 1; interest is due semi-annually on November 1 and May 1. Principal payments on the Series 2020 Bonds are due annually on May 1; semi-annual interest payments are due November 1 and May 1. The scheduled annual requirements for bonds payable at June 30, 2023, including interest are as follows:

<u>Years Ended</u> <u>June 30,</u>	<u>2014 Bonds Payable</u>		<u>2020 Bonds Payable</u>		<u>Total</u>	<u>Total</u>	<u>Total Debt</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
2024	\$ 1,630,000	\$ 767,975	\$ 1,285,000	\$ 54,110	\$ 2,915,000	\$ 822,085	\$ 3,737,085
2025	1,660,000	686,475	1,355,000	36,120	3,015,000	722,595	3,737,595
2026	1,900,000	603,475	1,225,000	17,150	3,125,000	620,625	3,745,625
2027	3,230,000	508,475	-	-	3,230,000	508,475	3,738,475
2028	3,400,000	346,975	-	-	3,400,000	346,975	3,746,975
2029-2033	6,760,000	512,775	-	-	6,760,000	512,775	7,272,775
	<u>\$ 18,580,000</u>	<u>\$ 3,426,150</u>	<u>\$ 3,865,000</u>	<u>\$ 107,380</u>	<u>\$ 22,445,000</u>	<u>\$ 3,533,530</u>	<u>\$ 25,978,530</u>

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

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

The 2014 Bonds were issued as fixed-rate bonds. Bonds maturing on or before May 1, 2024, are not subject to early redemption. Serial bonds maturing on or after May 1, 2025, are subject to early redemption at the option of the Authority on May 1, 2024, and thereafter, in whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date. Term bonds maturing May 1, 2033, are subject to mandatory redemption, in part, on May 1, 2032, at a redemption price equal to 100% of the principal amount specified plus accrued interest to the redemption date. The outstanding principal balance on June 30, 2023, was \$18,580,000.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$138,329, which is reported as a deferred outflow of resources and charged to operations through fiscal year 2033 using the straight-line method in accordance with GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Unamortized deferred cost of the Series 2014 bond refunding totaled \$73,860 as of June 30, 2023.

Electric System Revenue Refunding Bond, Series 2020 – On March 13, 2020, the Electric Fund issued a \$7,995,000 Revenue Refunding Bond, Series 2020, to refinance the outstanding \$7,995,000 Electric System Refunding Revenue Bonds, Series 2010, maturing on and after May 1, 2021. Total issuance costs of \$68,000 were paid from operating funds and are being amortized through fiscal year 2026 on a straight-line basis.

The Series 2020 Bond was issued as a private placement with an interest rate of 1.40%. The refunding resulted in an economic gain of \$639,247, representing the difference between the present values of the debt service payments on the old and new debt.

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, 2023 was \$3,865,000.

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 \$199,450 as of June 30, 2023.

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, 2023:

Description	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Notes payable (direct placement):					
SWTEMC	\$ 117,482	\$ 70,551	\$ (52,752)	\$ 135,281	\$ 63,982
Total notes payable	<u>117,482</u>	<u>70,551</u>	<u>(52,752)</u>	<u>135,281</u>	<u>63,982</u>
Revenue bonds payable:					
Series 2014 (Interest Rates 3.00% - 5.00%)	20,030,000	-	(1,450,000)	18,580,000	1,630,000
Series 2020 (Interest Rates 1.40%)	5,230,000	-	(1,365,000)	3,865,000	1,285,000
Less deferred amounts:					
Issuance (premiums) discounts	981,955	-	(211,177)	770,778	191,244
Net total revenue bonds payable	26,241,955	-	(3,026,177)	23,215,778	3,106,244
Compensated absences	1,395,984	106,171	-	1,502,155	660,984
Total long-term liabilities	<u>\$ 27,755,421</u>	<u>\$ 176,722</u>	<u>\$ (3,078,929)</u>	<u>\$ 24,853,214</u>	<u>\$ 3,831,210</u>

The Electric Fund has no unused lines of credit.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

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, 2023, including interest are:

Years Ended June 30,	2015 Bonds		Total Debt Service
	Principal	Interest	
2024	\$ 970,000	\$ 630,481	\$ 1,600,481
2025	1,000,000	601,381	1,601,381
2026	1,050,000	551,381	1,601,381
2027	1,100,000	498,881	1,598,881
2028	1,505,000	443,881	1,948,881
2029-2033	7,110,000	1,218,055	8,328,055
2034-2035	3,040,000	147,144	3,187,144
	\$ 15,775,000	\$ 4,091,204	\$ 19,866,204

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 \$91,643 as of June 30, 2023.

The Series 2015 Bonds were issued as fixed-rate bonds. Bonds maturing on or before June 1, 2025, mature without option of prior redemption. Bonds maturing on June 1, 2026, and thereafter, are subject to optional redemption prior to maturity at the option of the Authority, in whole or in part, on and after June 1, 2025, and anytime thereafter at a price of par plus accrued interest to the redemption date. The Authority has the right to designate which maturities, or portions thereof, will be redeemed. The outstanding principal balance on June 30, 2023, was \$15,775,000.

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, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

The following is a summary of long-term liability transactions for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Revenue Bonds payable:					
Series 2015					
(Interest rates - 3.00% - 5.00%)	\$ 16,715,000	\$ -	\$ (940,000)	\$ 15,775,000	\$ 970,000
Less deferred amounts:					
Issuance premiums (discounts)	891,234	-	(128,447)	762,787	122,688
Total revenue bonds payable	<u>17,606,234</u>	<u>-</u>	<u>(1,068,447)</u>	<u>16,537,787</u>	<u>1,092,688</u>
Customer deposits	7,097,342	293,351	-	7,390,693	-
Compensated absences	867,295	160,482	-	1,027,777	464,433
	<u>7,964,637</u>	<u>453,833</u>	<u>-</u>	<u>8,418,470</u>	<u>464,433</u>
Total long-term liabilities	<u>\$ 25,570,871</u>	<u>\$ 453,833</u>	<u>\$ (1,068,447)</u>	<u>\$ 24,956,257</u>	<u>\$ 1,557,121</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, 2023, including interest are:

Years Ended June 30,	Series 2017 Bonds		Total Debt Service
	Principal	Interest	
2024	\$ 2,195,000	\$ 235,625	\$ 2,430,625
2025	1,145,000	152,125	1,297,125
2026	1,205,000	93,375	1,298,375
2027	1,265,000	31,625	1,296,625
	<u>\$ 5,810,000</u>	<u>\$ 512,750</u>	<u>\$ 6,322,750</u>

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

The bonds were issued as bank-qualified, fixed-rate bonds. The bonds are not subject to optional redemption prior to maturity. The outstanding principal balance on June 30, 2023, was \$5,810,000.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,332,984 and is being charged to operations through fiscal year 2027 using the straight-line method. The difference is reported in deferred outflows of resources in the accompanying Statement of Net Position. Unamortized deferred cost of the Series 2017 Bonds totaled \$389,164 as of June 30, 2023.

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, 2023:

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Revenue Bonds payable:					
Series 2017 (Interest rate - 5.00%)	\$ 7,900,000	\$ -	\$ (2,090,000)	\$ 5,810,000	\$ 2,195,000
Less deferred amounts:					
Issuance premiums (discounts)	422,335	-	(177,085)	245,250	117,799
Net total revenue bonds	<u>8,322,335</u>	<u>-</u>	<u>(2,267,085)</u>	<u>6,055,250</u>	<u>2,312,799</u>
Customer deposits	73,660	12,050	-	85,710	-
Compensated absences	795,770	162,157	-	957,927	413,729
	<u>869,430</u>	<u>174,207</u>	<u>-</u>	<u>1,043,637</u>	<u>413,729</u>
Total long-term liabilities	<u>\$ 9,191,765</u>	<u>\$ 174,207</u>	<u>\$ (2,267,085)</u>	<u>\$ 7,098,887</u>	<u>\$ 2,726,528</u>

The Water Fund has no unused lines of credit.

E. Long-term Debt – Wastewater Fund

Principal payments on the Series 2017 Bonds are due annually on December 1; semi-annual interest payments are due December 1 and June 1. Principal payments on the Series 2020 Bonds are due annually on June 1; semi-annual interest payments are due December 1 and June 1. Scheduled annual requirements for bonds payable at June 30, 2023, including interest are:

Years Ended June 30,	Series 2020 Bonds		Debt Service
	Principal	Interest	
2024	\$1,650,000	\$ 169,903	\$ 1,819,903
2025	1,665,000	161,652	1,826,652
2026	1,670,000	150,830	1,820,830
2027	1,680,000	136,635	1,816,635
2028	1,700,000	119,835	1,819,835
2029-2030	3,460,000	180,770	3,640,770
2031-2032	3,565,000	84,075	3,649,075
	<u>\$ 15,390,000</u>	<u>\$ 1,003,700</u>	<u>\$ 16,393,700</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

Scheduled annual requirements for loans (notes payable) at June 30, 2023, including interest are as follows:

Years Ended June 30,	Notes Payable*		Total Debt Service
	Principal*	Interest	
2024	\$ 1,088,736	\$ 155,892	\$ 1,244,628
2025	1,097,724	146,052	1,243,776
2026	1,106,772	136,116	1,242,888
2027	1,115,928	126,060	1,241,988
2028	1,125,192	115,908	1,241,100
2029-2032	4,595,364	359,880	4,955,244
2033-2035	3,513,878	157,784	3,671,662
2036-2038	2,610,775	62,648	2,673,423
2039-2041	645,919	9,468	655,387
	<u>\$ 16,900,288</u>	<u>\$ 1,269,808</u>	<u>\$ 18,170,096</u>

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

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

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

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

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

The final payment on the Series 2017 bonds was made on December 1, 2022, in the amount of \$1,695,000.

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, 2023, was \$15,390,000.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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 \$753,609 as of June 30, 2023.

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, 2023, was \$950,990.

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, 2023.

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

In October 2013, TLDA and TDEC approved an increase of \$3,953,352 in the loan previously approved. The total loan approved was \$8,953,352. Principal repayments began April 2017, and are due monthly. The term of the loan is twenty (20) years with final repayment due March 2037. The outstanding balance as of June 30, 2023, was \$6,219,713. 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, 2023.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

Principal repayments began June 2017, and are due monthly. The term of the loan is twenty (20) years with final repayment due May 2037. Final funds were received in April 2018 at which time the loan was reduced by \$7,620 and principal repayments were recalculated and reduced. The outstanding loan balance at June 30, 2023, was \$1,445,138.

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, 2023.

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, 2023, was \$2,871,888.

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, 2023.

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, 2023, was \$3,215,674.

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, 2023, there are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

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, 2023, was \$1,163,274.

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, 2023.

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

Principal repayments began December 2018 with final maturity November 2038. Final funds were received in November 2017. The loan was reduced by \$103,742 due to funds not being used. The outstanding loan balance at June 30, 2022, was \$1,033,611.

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, 2023.

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, 2023

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, 2023:

	Balance at June 30, 2022	Additions	Retirements*	Balance at June 30, 2023	Due Within One Year
Revenue Bonds payable:					
Series 2017 (Interest rate - 5%)	\$ 1,695,000	\$ -	\$ (1,695,000)	\$ -	\$ -
Series 2020 (Interest rate - 0.25% - 1.60%)	15,725,000	-	(335,000)	15,390,000	1,650,000
Less deferred amounts:					
Issuance premiums (discounts)	<u>(16,457)</u>	<u>-</u>	<u>(19,359)</u>	<u>(35,816)</u>	<u>241</u>
Net total revenue bonds payable	<u>17,403,543</u>	<u>-</u>	<u>(2,049,359)</u>	<u>15,354,184</u>	<u>1,650,241</u>
State Revolving Fund Loans:					
Direct Borrowing:					
CW0 2013-313 (Interest rate - .34%)	1,031,354	-	(80,364)	950,990	80,640
SRF 2013-314 (Interest rate - .34%)	6,660,821	-	(441,108)	6,219,713	442,608
CG3 2016-361 (Interest rate - 1.17%)	3,050,340	-	(178,452)	2,871,888	180,552
CG2 2016-363 (Interest rate - 1.43%)	1,538,330	-	(93,192)	1,445,138	94,524
CG4 2016-362 (Interest rate - 1.17%)	3,385,678	-	(170,004)	3,215,674	171,996
SRF 2016-368 (Interest rate - 1.25%)	1,221,138	-	(57,864)	1,163,274	58,596
SRF 2017-383 (Interest rate - 1.55%)	<u>1,092,519</u>	<u>-</u>	<u>(58,908)</u>	<u>1,033,611</u>	<u>59,820</u>
Total state revolving loans	<u>17,980,180</u>	<u>-</u>	<u>(1,079,892)</u>	<u>16,900,288</u>	<u>1,088,736</u>
Compensated absences	<u>702,666</u>	<u>142,793</u>	<u>-</u>	<u>845,459</u>	<u>407,635</u>
Total long-term liabilities	<u>\$ 36,086,389</u>	<u>\$ 142,793</u>	<u>\$ (3,129,251)</u>	<u>\$ 33,099,931</u>	<u>\$ 3,146,612</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, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Telecommunications Fund

Term and revolving debt payable at June 30, 2023, consist of the following:

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

Principal on the Fund’s Series 2013 Bonds is due annually on April 1. Interest on the Series 2013 Bonds is due semi-annually on October 1 and April 1. Scheduled annual requirements for bonds payable at June 30, 2023, including interest are:

Years Ended June 30,	2013 Bonds Payable		Total Debt Service
	Principal	Interest	
2024	\$ 4,915,000	\$ 502,915	\$ 5,417,915
2025	5,075,000	345,635	5,420,635
2026	5,240,000	178,160	5,418,160
	<u>\$ 15,230,000</u>	<u>\$ 1,026,710</u>	<u>\$ 16,256,710</u>

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

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

The Series 2013 Bonds were issued as fixed-rate bonds. Bonds maturing on or before April 1, 2023, mature without option of prior redemption. The Series 2013 Bonds maturing on and after April 1, 2024, are subject to redemption prior to maturity at the option of the Authority, in whole or in part, on or after April 1, 2023, at a price of par plus accrued interest to the redemption date. The Authority has the right to designate which maturities, or portions thereof, will be redeemed. The outstanding balance of Series 2013 bonds as of June 30, 2023, was \$15,230,000.

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

The refunding resulted in a difference between the reacquisition price and the net carrying cost of the old debt of \$4,070,104. The difference is being charged to operations through bond maturity using the straight-line method. With the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the Telecommunications Fund reclassified unamortized deferred cost on bond refunding from bonds payable to deferred outflows of resources in the accompanying Statement of Net Position. Unamortized deferred cost of the Series 2013 refunding totaled \$872,166 as of June 30, 2023.

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

The following is a summary of the Telecommunication Fund’s long-term liability transactions for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Revenue Bonds payable :					
Series 2013	\$ 20,000,000	\$ -	\$ (4,770,000)	\$ 15,230,000	\$ 4,915,000
(Interest rate - .60% - 3.40%)					
Less deferred amounts:					
Issuance premiums (discounts)	(77,020)	-	20,538	(56,482)	(20,538)
Net total revenue bonds	<u>19,922,980</u>	<u>-</u>	<u>(4,749,462)</u>	<u>15,173,518</u>	<u>4,894,462</u>
Notes payable (direct placement):					
Electric Fund loan	5,500,000	-	-	5,500,000	-
Total notes payable	<u>5,500,000</u>	<u>-</u>	<u>-</u>	<u>5,500,000</u>	<u>-</u>
Customer deposits	312,711	-	(12,384)	300,327	-
Compensated absences	627,407	111,997	-	739,404	374,689
	<u>940,118</u>	<u>111,997</u>	<u>(12,384)</u>	<u>1,039,731</u>	<u>374,689</u>
Total long-term liabilities	<u>\$ 26,363,098</u>	<u>\$ 111,997</u>	<u>\$ (4,761,846)</u>	<u>\$ 21,713,249</u>	<u>\$ 5,269,151</u>

F. Net Position – Electric Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 149,127,438
Less: Debt as disclosed in Note 3E	<u>(23,351,059)</u>
Total net investment in capital assets	<u>125,776,379</u>
Restricted:	
Restricted cash and cash equivalents	9,883,717
Restricted for capital projects	78,352
Less: Current liabilities payable from restricted assets	<u>(137,014)</u>
Total restricted net position	<u>9,825,055</u>
Unrestricted	<u>24,950,510</u>
Total net position	<u>\$ 160,551,944</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Net Position – Gas Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 99,276,474
Less: Debt as disclosed in Note 3E	<u>(16,537,787)</u>
Total net investment in capital assets	<u>82,738,687</u>
Restricted:	
Restricted cash and cash equivalents	133,546
Less: Current liabilities payable from restricted assets	<u>(52,540)</u>
Total restricted net position	<u>81,006</u>
Unrestricted	<u>23,974,380</u>
Total net position	<u>\$ 106,794,073</u>

F. Net Position – Water Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 118,591,976
Less: Debt as disclosed in Note 3E	<u>(6,055,250)</u>
Total net investment in capital assets	<u>112,536,726</u>
Restricted:	
Restricted cash and cash equivalents	1,308,147
Less: Current liabilities payable from restricted assets	<u>(24,208)</u>
Total restricted net position	<u>1,283,939</u>
Unrestricted	<u>(378,544)</u>
Total net position	<u>\$ 113,442,121</u>

F. Net Position – Wastewater Fund

Net investment in capital assets	
Net property, plant and equipment in service	\$ 136,381,469
Less: Debt as described in Note 3E	<u>(32,254,472)</u>
Total net investment in capital assets	<u>104,126,997</u>
Restricted for debt service:	
Restricted cash and cash equivalents	1,433,626
Less: Accrued interest from restricted funds	<u>(14,158)</u>
Total restricted net position	<u>1,419,468</u>
Unrestricted	<u>17,691,096</u>
Total net position	<u>\$ 123,237,561</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Net Position – Telecommunications Fund

Net investment in capital assets	
Net property, plant and equipment in service	\$ 30,384,707
Less: Debt as described in Note 3E	<u>(20,673,518)</u>
Total net investment in capital assets	<u>9,711,189</u>
Restricted for debt service:	
Restricted cash and cash equivalents	6,908,921
Less: Accrued interest from restricted funds	<u>(133,955)</u>
Total restricted net position	<u>6,774,966</u>
Unrestricted	<u>3,990,644</u>
Total net position	<u>\$ 20,476,799</u>

G. Subscription-Based Information Technology Arrangements

The Authority has 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 \$66,671. The future subscription payments under the agreement are as follows:

Years Ended June 30,	Principal	Interest	Total
2024	\$ 133,301	\$ 3,999	\$ 137,300
2025	<u>129,418</u>	<u>7,882</u>	<u>137,300</u>
	<u>\$ 262,719</u>	<u>\$ 11,881</u>	<u>\$ 274,600</u>

NOTE 4 - OTHER INFORMATION

A. Pension Costs

Plan Description

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

Benefits Provided

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

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, 2022, the Authority had 521 total participants as follows:

Active Participants	205
Inactive Participants with Deferred Benefits	23
Inactive Participants Receiving Payment	293

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, 2023, the actuarially determined recommended employer contribution was \$7,275,898.

The Authority also elected to make additional contributions totaling \$2,062,850 which brought the total year contributions to \$10,564,827.

Net Pension Liability

The Authority’s net pension liability was measured as of July 1, 2022, 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent	
Salary increases	Graded salary ranges averaging 4.50 percent	
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation	

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

Assumption Changes

- Changed the mortality improvements projection scale from Scale MP-2020 to Scale MP-2021.
- Changed the assumed spousal age difference from zero years to males being two years older.
- Changed the disability rates from the rates in Table 3b as of the June 30, 2021 measurement date to the rates in Table 3a as of the June 30, 2022 measurement date.

Pension Liabilities

At June 30, 2023, the Authority reported a net pension liability of \$75,438,415. The net pension liability was measured as of July 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

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

For the year ended June 30, 2023, the Authority recognized pension costs of \$14,665,729. Of this amount, the Authority recognized as a fringe benefit \$1,211,013 as amounts paid by the Authority to satisfy a requirement for employee contributions.

At June 30, 2023, 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, 2022	\$ 32,035	\$ 4,474,150
(2) Difference due to assumption changes		
(a) measurement date July 1, 2022	10,141,281	-
(3) Contributions subsequent to the measurement date		
(a) measurement date July 1, 2022	10,564,827	-
(4) Net difference between expected and actual earnings on pension plan investment		
(a) measurement date July 1, 2022	15,827,658	-
Total	\$ 36,565,801	\$ 4,474,150

\$10,564,827 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, 2024. 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:	
2024	\$ 6,918,325
2025	5,578,510
2026	2,050,757
2027	6,979,232
2028	-
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.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

Changes in the Net Pension Liability

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a)-(b)</u>
Balance at 6/30/2022 (measurement date 6/30/2021)	\$ 218,686,551	\$ 171,054,251	\$ 47,632,300
Changes for the year:			
Service cost	2,785,239	-	2,785,239
Interest	14,624,994	-	14,624,994
Difference between expected and actual experience	(4,188,736)	-	(4,188,736)
Assumption change	2,510,342	-	2,510,342
Contributions - employer	-	10,230,939	(10,230,939)
Contributions - 8.28% member	-	1,211,013	(1,211,013)
Contributions - 2% member	-	46,947	(46,947)
Net investment income	-	(23,378,353)	23,378,353
Benefit payments	(9,769,914)	(9,769,914)	-
Administrative expense	-	(184,822)	184,822
Net changes	<u>5,961,925</u>	<u>(21,844,190)</u>	<u>27,806,115</u>
Balance at 6/30/2023 (measurement date 6/30/2022)	<u>\$ 224,648,476</u>	<u>\$ 149,210,061</u>	<u>\$ 75,438,415</u>

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, 2023:

	<u>Market Value</u>	<u>Percentage of Total</u>
Annuity	\$ 5,459,335	3.41
Equities	97,324,561	60.70
Fixed income	56,896,889	35.49
Money market funds	<u>650,614</u>	<u>0.40</u>
Total	<u>\$ 160,331,399</u>	<u>100.00</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

The following investments as of June 30, 2023 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	\$ 7,148,405
Vanguard Div Apprec Index Fund	\$ 17,484,104
Vanguard Small-Cap Index Fund	\$ 20,077,712
Vanguard Total Stock Market Index	\$ 8,796,167
Brandywine Global Corp Crdt-IS	\$ 7,960,489
Dodge & Cox Income Fund	\$ 10,711,485
Vanguard Long-term Bond Index	\$ 16,928,367

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	\$ 254,375,509	\$ 224,648,476	\$ 200,009,310
Plan fiduciary net pension	<u>149,210,061</u>	<u>149,210,061</u>	<u>149,210,061</u>
Net pension liability	<u>\$ 105,165,448</u>	<u>\$ 75,438,415</u>	<u>\$ 50,799,249</u>

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

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, 2023. Total amounts paid over to Voya Financial Inc. on behalf of retirees was \$420,698.

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 \$834,588 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, 2023. 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, 2023.

For the year ended June 30, 2023, the Authority's annual contributions to the Matching Plan were \$834,588 which included both the Authority's matching and discretionary contributions.

B. Major Suppliers

The Electric Fund purchases all of its electric capacity from the Tennessee Valley Authority (TVA). Purchased power from TVA cost \$129,394,560 for the year ending June 30, 2023.

The Gas Fund purchased 49 percent of its natural gas from Symmetry Energy Solutions. Total purchased gas cost was \$22,662,060 for the year ended June 30, 2023.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

C. Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; pollution; crime; directors and officers; employment practices; fiduciary; technology errors and omissions, multimedia and cyber. During the fiscal year ended June 30, 2023, 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, 2023, 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, 2023, was \$3,030,945. At the measurement date of June 30, 2022, the Authority had 245 active participants covered under the plan. The plan also covers 259 inactive participants and 136 covered spouses.

The cost of providing retiree life insurance benefits for the year ended June 30, 2023 was \$210,686. At the measurement date of June 30, 2022 the Authority had 361 active participants covered under the plan. The plan also covers 249 inactive participants.

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

Contributions

The contribution requirements of plan members and Jackson Energy Authority are established and may be amended by the Jackson Energy Authority Board of Directors pursuant to the plan document. For the year ended June 30, 2023, the actuarially determined recommended employer contribution was \$1,175,909.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

Assumption Changes

- Changed the mortality improvement projected scale from Scale MP-2020 to Scale MP-2021.
- Future spousal coverage elections were updated to better reflect expected plan experience.
- Claims and trend rates were updated to reflect more recent plan experience.

Net OPEB Liability

The Authority's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2023, the Authority reported a net OPEB liability of \$24,739,219.

Actuarial assumptions

The total OPEB liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Healthy life mortality pre/post-retirement rates were based on the PUBG.H.-2010 employees and healthy annuitants mortality table. Mortality rates are projected generationally from 2010 using Scale MP-2021.

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

For the year ended June 30, 2023, the Authority recognized OPEB expense of \$928,239.

At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
(1) Difference between actual and expected experience		
(a) measurement date June 30, 2022	\$ 2,563,072	\$ 522,145
(2) Difference due to assumption changes		
(a) measurement date June 30, 2022	3,138,108	9,215,643
(3) Contributions subsequent to the measurement date		
(a) measurement date June 30, 2022	974,238	-
(4) Net difference between expected and actual earnings on OPEB plan investment		
(a) measurement date June 30, 2022	3,446,052	-
Total	<u>\$ 10,121,470</u>	<u>\$ 9,737,788</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

\$974,238 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2024	\$ (680,944)
2025	(486,770)
2026	(815,672)
2027	925,339
2028	(190,140)
Thereafter	657,631

Discount rate

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

Changes in the Net OPEB Liability

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (Asset) (a)-(b)</u>
Balance at 6/30/2022 (measurement date 6/30/2021)	\$ 63,632,956	\$ 51,780,616	\$ 11,852,340
Changes for the year:			
Service Cost	877,354	-	877,354
Interest	3,620,137	-	3,620,137
Difference between expected and actual experience	26,467	-	26,467
Assumption change	2,641,627	-	2,641,627
Net benefit payments	(3,146,790)	-	(3,146,790)
Contributions - employer	-	2,299,719	(2,299,719)
Contributions - retiree	-	545,284	(545,284)
Net investment income	-	(7,948,958)	7,948,958
Benefit payments	-	(3,692,074)	3,692,074
Administrative expense	-	(72,055)	72,055
Net changes	<u>4,018,795</u>	<u>(8,868,084)</u>	<u>12,886,879</u>
Balance at 6/30/2023 (measurement date 6/30/2022)	<u>\$ 67,651,751</u>	<u>\$ 42,912,532</u>	<u>\$ 24,739,219</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

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

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

	1% Decrease (4.75%)	Current Rate (5.75%)	1% Increase (6.75%)
Total OPEB liability	\$ 76,123,829	\$ 67,651,751	\$ 60,572,207
Plan fiduciary net pension	42,912,531	42,912,532	42,912,531
Net OPEB liability	<u>\$ 33,211,298</u>	<u>\$ 24,739,219</u>	<u>\$ 17,659,676</u>

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

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

	1% Decrease (4.75%)	Trend Rate (5.75%)	1% Increase (6.75%)
Total OPEB liability	\$ 60,988,289	\$ 67,651,751	\$ 74,696,495
Plan fiduciary net pension	42,912,531	42,912,532	42,912,531
Net OPEB liability	<u>\$ 18,075,758</u>	<u>\$ 24,739,219</u>	<u>\$ 31,783,964</u>

OPEB plan investments - The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Directors by a majority vote of its members. It is the policy of the Board of Directors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the asset allocation as of June 30, 2023:

	Market Value	Percentage of Total
Equities	\$ 27,732,956	60.38
Fixed income	17,502,544	38.10
Money market funds	699,577	1.52
Total	<u>\$ 45,935,077</u>	<u>100.00</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

OPEB plan investments (Continued)

The following investments as of June 30, 2023, represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U. S. Government:

	<u>Market Value</u>
Fidelity International Index Fund	\$ 3,669,920
Vanguard Large-Cap Index Fund	\$ 18,489,748
Vanguard Small-Cap Index Fund	\$ 4,698,491
Dodge & Cox Income Fund	\$ 4,576,630
Vanguard Long-term Bond Index	\$ 10,460,684
Vanguard Total Bond Market Index	\$ 2,465,230

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

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

E. Related Party Transactions

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

F. Inter-Fund Loan

Concurrently with the issuance of the Series 2003 Telecommunications Fund revenue bonds, the Authority was required to deposit \$5,500,000 (the Series 2003 debt service reserve requirement) into the debt service reserve sub-account of the bonds. The deposit was derived from a loan made September 26, 2003, by the Authority's Electric Fund pursuant to a supplemental Electric resolution adopted on August 28, 2003. Interest on the initial loan and any subsequent loans is paid monthly at an annual percentage rate equal to the higher of (1) the highest interest rate earned by the Electric Fund on invested funds on the date the loan was made or (2) the highest rate on the senior debt of the Electric Fund on the date the loan was made. The rate on the initial loan was 3.03%. Principal repayments on the initial loan are not due until final maturity of the Series 2003 Telecommunications Fund Revenue Bonds. Consequently, the entire loan balance is presented as a long-term note payable in the financial statements of the Telecommunications Fund as of June 30, 2023.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

F. Inter-Fund Loan (Continued)

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, 2023.

As of June 30, 2023, the Authority had the following investments in the debt service reserve. Fair market values are based on Level 1 inputs:

	Cost	Fair Value
Debt Service Fund Investments		
Bank of Jackson CD	\$ 1,000,000	\$ 1,000,000
Cadence Bank	1,000,000	1,000,000
FirstBank	2,235,169	2,235,169
Local Govt Investment Pool	542,331	542,331
U.S. Treasury Notes	247,903	245,078
U.S. Treasury Notes	248,449	242,305
U.S. Treasury Notes	<u>243,040</u>	<u>235,117</u>
	<u>\$ 5,516,892</u>	<u>\$ 5,500,000</u>

G. Inter-fund Payments

For the fiscal year ended June 30, 2023, the Telecommunications Fund paid rent to the Electric, Gas, Water, and Wastewater Funds in the amount of \$222,976 for the use of facilities. The Telecommunications Fund paid rent to the Electric Fund for the year ended June 30, 2023, in the amount of \$546,350 for use of electric poles. The Electric Fund paid Automated Metering Infrastructure fees to the Telecommunications Fund for the year ended June 30, 2023, in the amount of \$250,000.

H. Deferred Compensation Plan

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



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2023

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 began operations on April 1, 1998, as a joint venture among the Board of Utility Commissioners of the City of Jackson, Tennessee, the Board of Public Utilities of Humboldt, Tennessee, and the City of Brownsville, Tennessee Utilities Board. The Tennergy Corporation is an energy acquisition company as provided by the laws of the State of Tennessee. The Corporation's purpose is to purchase and resell energy, including natural gas and electricity. As of June 30, 2023, the Gas Fund's investment in the Tennergy Corporation amounted to \$4,652,043.

The investment gain from the Tennergy Corporation amounted to \$406,579 for the year ended June 30, 2023.

The Gas Fund's investment in the Tennergy Corporation represented a 73 percent interest as of June 30, 2023.

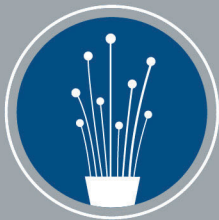
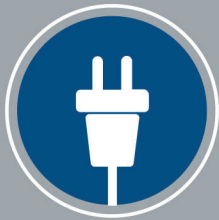
On June 30, 2023, the Tennergy Corporation had total assets of \$1,926,991,370, liabilities and deferred inflows of resources of \$1,920,637,801, and net position of \$6,353,569. These assets, liabilities, and this net position reflect investment interests that include, but are not limited to, both the Gas and Electric Funds of Jackson Energy Authority. Separate financial statements of the Tennergy Corporation can be obtained for the Corporation in Jackson, Tennessee.

J. Reserve for Contract Loss

On occasion, the Authority enters into contracts with commercial and industrial customers to build infrastructure for future projects. In the first quarter of 2023, the Authority entered into a contract requiring a potential customer to pay Contribution in Aid of Construction (CIAC) in the amount of \$5,000,000. The original due date for the payment was June 1, 2023. As of the date of this report, no payment has been received. As a result, the Authority booked a reserve for contract loss for the full \$5,000,000. The Authority is in the process of renegotiating the contract with the potential customer.

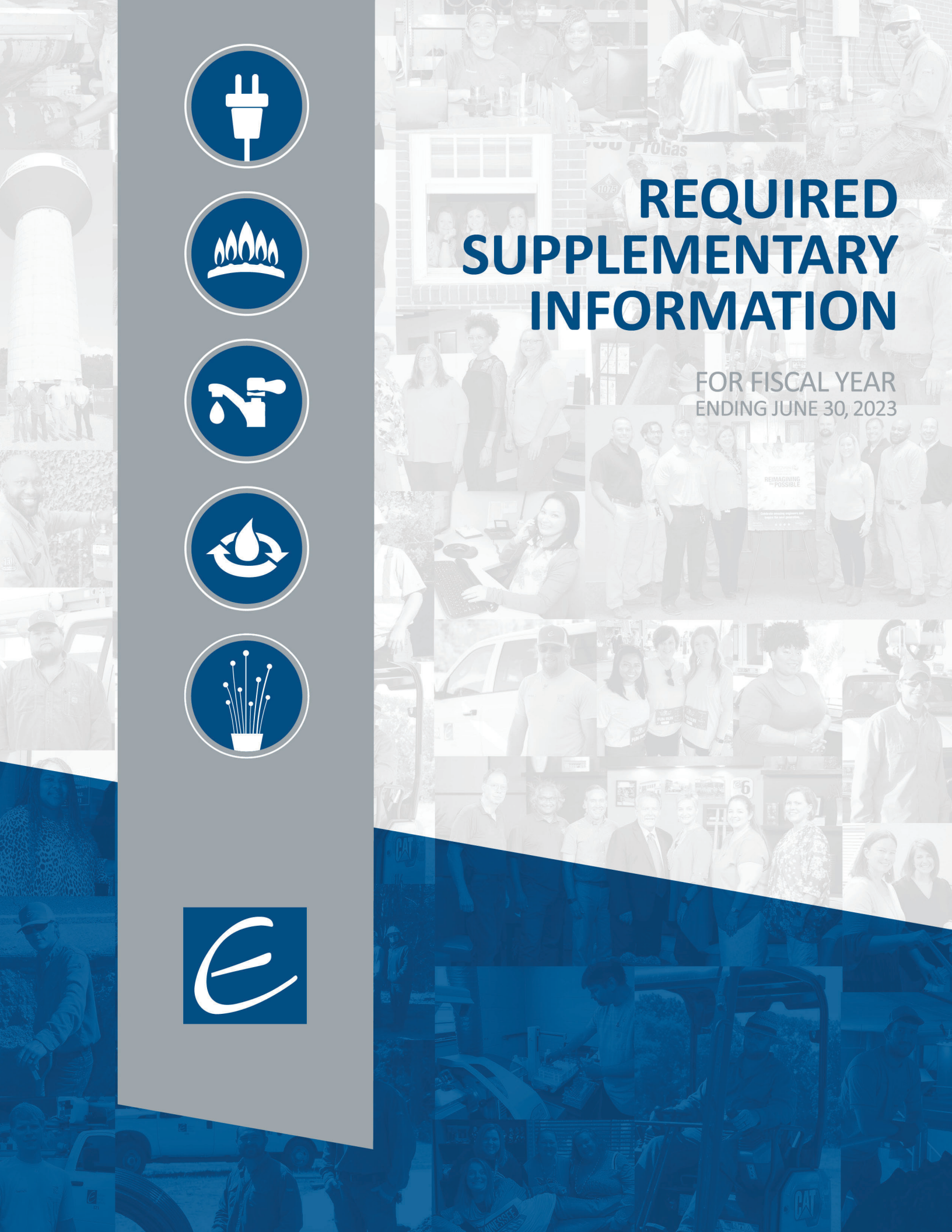
K. Geographic Operations

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

FOR FISCAL YEAR
ENDING JUNE 30, 2023





JACKSON ENERGY AUTHORITY
Schedule of Changes in Net Pension Liability and Related Ratios**
JUNE 30, 2023

	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018*	Fiscal Year Ending 2017*	Fiscal Year Ending 2016*	Fiscal Year Ending 2015
Total Pension Liability									
Service Cost	\$ 2,785,239	\$ 2,882,661	\$ 2,440,656	\$ 2,495,165	\$ 2,661,358	\$ 2,425,007	\$ 2,349,489	\$ 2,213,443	\$ 2,337,036
Interest Cost	14,624,994	14,850,079	14,108,673	13,292,606	12,589,204	11,341,447	11,117,492	10,203,036	10,008,290
Changes of Benefit Terms	-	(7,348,032)	-	-	-	-	-	-	-
Transfer Between Plans (4 participants)	-	-	-	-	-	902,635	-	-	-
Transfer of All Remaining Tennergy Liability	-	-	-	-	-	6,565,456	-	-	-
Differences Between Expected and Actual Experiences	(4,188,736)	(1,551,052)	(1,260,810)	62,477	490,277	1,451,527	(639)	1,610,666	2,850,872
Changes of Assumptions	2,510,342	5,545,645	11,167,768	4,222,221	4,196,883	1,530,055	-	4,939,654	-
Benefit Payments, Including Refunds of Member Contributions	(9,769,914)	(9,743,358)	(8,977,754)	(8,553,361)	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)	(6,524,644)
Net Change in Total Pension Liability	5,961,925	4,635,943	17,478,533	11,519,108	11,900,437	17,274,880	6,521,521	12,091,403	8,671,554
Total Pension Liability (Beginning)	218,686,551	214,050,608	196,572,075	185,052,968	173,152,531	155,877,651	149,356,130	137,264,728	134,369,158
Total Pension Liability (Ending)	\$ 224,648,476	\$ 218,686,551	\$ 214,050,608	\$ 196,572,076	\$ 185,052,968	\$ 173,152,531	\$ 155,877,651	\$ 149,356,131	\$ 143,040,712
Plan Fiduciary Net Position									
Contributions - Employer	\$ 10,230,939	\$ 8,209,843	\$ 7,560,751	\$ 7,726,375	\$ 14,642,435	\$ 7,389,084	\$ 7,022,982	\$ 5,901,463	\$ 5,607,583
Contributions - 8.28% Member	1,211,013	1,236,170	1,256,753	1,291,435	1,586,282	1,548,157	-	-	-
Contributions - 2% Member	46,947	46,958	45,844	44,865	43,565	42,070	41,939	36,655	20,311
Net Investment Income	(23,378,353)	33,843,277	4,034,412	8,410,282	5,931,821	6,979,057	895,518	2,878,326	12,617,521
Benefit Payments, Including Refunds of Member Contributions	(9,769,914)	(9,743,358)	(8,977,754)	(8,553,361)	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)	(6,524,644)
Administrative Expense	(184,822)	(173,601)	(143,674)	(101,926)	(101,657)	(85,435)	(106,134)	(124,779)	(209,969)
Transfer Between Plans (4 participants)	-	-	-	-	-	902,635	-	-	-
Transfer of All Remaining Tennergy Assets	-	-	-	-	-	4,060,067	-	-	-
Net Change in Plan Fiduciary Net Position	(21,844,190)	33,419,289	3,776,332	8,817,670	14,065,161	13,894,388	909,484	1,816,269	11,510,802
Plan Fiduciary Net Position (Beginning)	171,054,251	137,634,962	133,858,630	125,040,960	110,975,799	97,081,411	96,171,927	94,355,659	83,318,142
Plan Fiduciary Net Position (Ending)	\$ 149,210,061	\$ 171,054,251	\$ 137,634,962	\$ 133,858,630	\$ 125,040,960	\$ 110,975,799	\$ 97,081,411	\$ 96,171,928	\$ 94,828,944
The Authority's Net Pension Liability	\$ 75,438,415	\$ 47,632,300	\$ 76,415,646	\$ 62,713,446	\$ 60,012,008	\$ 62,176,732	\$ 58,796,240	\$ 53,184,203	\$ 48,211,768
Net Position as a % of Pension Liability	66.42%	78.22%	64.30%	68.10%	67.57%	64.09%	62.28%	64.39%	66.30%
Covered Employee Payroll	\$ 16,123,335	\$ 17,019,374	\$ 17,130,140	\$ 17,857,525	\$ 21,336,221	\$ 20,801,069	\$ 18,765,114	\$ 18,659,785	\$ 18,943,055
The Authority's Pension Liability as a % of Covered-Employee Payroll	467.88%	279.87%	446.09%	351.19%	281.27%	298.91%	313.33%	285.02%	254.51%

*Fiscal year ended June 30, 2015 figures show JEA and Tennergy combined. Fiscal years ended June 30, 2016 and 2017 are JEA only.

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

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



JACKSON ENERGY AUTHORITY
Schedule of the Authority's Pension Contributions and Notes
JUNE 30, 2023

	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018*	Fiscal Year Ending 2017	Fiscal Year Ending 2016	Fiscal Year Ending 2015	Fiscal Year Ending 2014
Actuarially Determined Contribution	\$7,275,898	\$ 8,196,643	\$ 6,572,525	\$ 6,003,774	\$ 6,181,859	\$ 5,672,116	\$ 6,813,731	\$ 6,079,045	\$ 6,202,484	\$ 6,009,815
Contributions made in Relation to the Actuarially Determined Contribution	10,564,827	10,230,939	8,209,843	7,560,751	7,726,375	14,642,435	7,389,084	7,022,982	6,190,322	5,607,583
Contribution Deficiency (excess)	(3,288,929)	(2,034,296)	(1,637,318)	(1,556,977)	(1,544,516)	(8,970,319)	(575,353)	(943,937)	12,162	402,232
Covered-Employee Payroll	15,962,733	16,123,335	17,019,374	17,130,140	17,857,525	21,336,221	20,152,643	18,765,114	19,662,603	18,943,035
Contributions as a % of Payroll	66.2%	63.5%	48.2%	44.1%	43.3%	68.6%	36.7%	37.4%	31.5%	29.6%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates for fiscal year 2023:

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, 2023

	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018	Fiscal Year Ending 2017	Fiscal Year Ending 2016	Fiscal Year Ending 2015
Annual money-weighted rate of return, net of investment expense	-14.71%	21.81%	2.87%	6.42%	4.94%	6.63%	0.82%	2.89%	13.93%

* Only nine years are available from actuarial valuation.



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net OPEB Liability and Related Ratios
JUNE 30, 2023

	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Total OPEB Liability						
Service Cost	\$ 877,354	\$ 878,206	\$ 828,526	\$ 969,719	\$ 1,833,801	\$ 1,995,248
Interest Cost	3,620,137	3,431,238	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	26,467	2,089,483	(552,973)	755,147	(440,726)	2,236,392
Changes of Assumptions	2,641,627	(350,829)	(4,373,184)	(9,942,279)	(2,899,542)	3,079,988
Benefit Payments, Including Refunds of Member Contributions	<u>(3,146,790)</u>	<u>(2,387,907)</u>	<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	4,018,795	3,660,191	(2,664,221)	(6,448,915)	(18,308,857)	2,579,139
Total OPEB Liability (Beginning)	<u>63,632,956</u>	<u>59,972,765</u>	<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>\$ 67,651,751</u>	<u>\$ 63,632,956</u>	<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	\$ 2,299,719	\$ 2,218,464	\$ 3,864,557	\$ 6,471,290	\$ 8,738,289	\$ 3,442,183
Contributions - Member	545,284	594,848	645,638	570,155	428,075	336,958
Net Investment Income	(7,948,958)	10,335,155	2,950,929	2,819,284	1,505,210	(41,440)
Benefit Payments, Including Refunds of Member Contributions	(3,692,074)	(2,982,755)	(2,800,411)	(2,767,563)	(2,329,498)	(2,373,522)
Administrative Expense	<u>(72,055)</u>	<u>(66,748)</u>	<u>(58,890)</u>	<u>(45,355)</u>	<u>(44,698)</u>	<u>(42,415)</u>
Net Change in Plan Fiduciary Net Position	(8,868,084)	10,098,964	4,601,823	7,047,811	8,297,378	1,321,764
Plan Fiduciary Net Position (Beginning)	<u>51,780,616</u>	<u>41,681,652</u>	<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>\$ 42,912,532</u>	<u>\$ 51,780,616</u>	<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>\$ 24,739,219</u>	<u>\$ 11,852,340</u>	<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	63.43%	81.37%	69.50%	59.20%	43.47%	24.87%
Covered - Employee Payroll	\$ 23,116,219	\$ 22,942,544	\$ 19,811,754	\$ 20,056,659	\$ 25,095,008	\$ 24,274,764
Total OPEB Liability as a % of Covered-Employee Payroll	107.02%	69.64%	92.32%	127.42%	155.62%	270.49%



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Contribution and Notes
JUNE 30, 2023

	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Actuarially Determined Contribution	\$ 1,175,909	\$ 1,763,923	\$ 2,351,434	\$ 3,661,202	\$ 6,846,016	\$ 6,836,384
Contributions made in Relation to the						
Actuarially Determined Contribution	1,763,923	2,299,719	2,218,464	3,864,557	6,471,290	8,738,289
Contribution Deficiency (excess)	(588,014)	(535,796)	132,970	(203,355)	374,726	(1,901,905)
Covered-Employee Payroll	25,067,246	23,116,219	22,942,544	19,811,754	20,056,659	25,095,008
Contributions as a % of Payroll	7.0%	9.9%	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 2023:

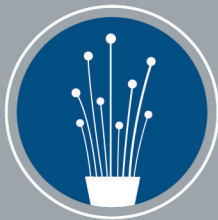
Actuarial Cost Method:	Entry Age Normal with 30-year closed amortization period for initial unfunded and 20-year closed amortization period for subsequent actuarial gains/losses and assumption/plan changes.
Asset Valuation Method:	Fair Market Value
Salary Increases:	4.50%
Investment Rate of Return:	5.75%, net of OPEB plan investment expense, including inflation.
Mortality:	PUBGH-2010 Fully Generational mortality tables, projected from 2010 with scale MP 2021.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Investment Returns
JUNE 30, 2023

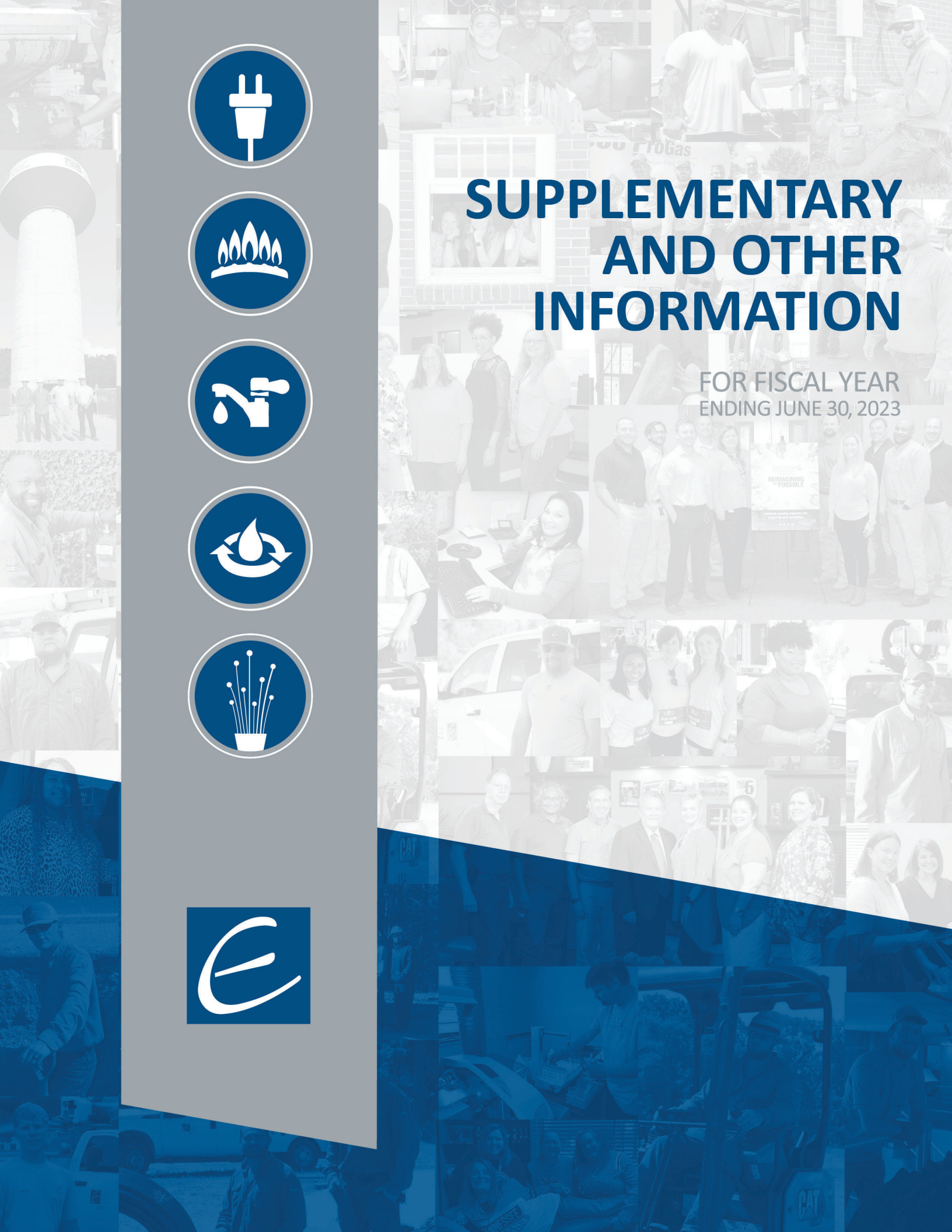
	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Annual money-weighted rate of return, net of investment expense	-16.94%	21.97%	7.34%	8.27%	5.64%	-0.40%

* Only six years are available from actuarial valuation.



SUPPLEMENTARY AND OTHER INFORMATION

FOR FISCAL YEAR
ENDING JUNE 30, 2023





JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Charges for sales and services:			
Residential sales	\$ 49,668,476	\$ 45,495,510	\$ 4,172,966
Small lighting and power sales	14,162,050	13,079,020	1,083,030
Large lighting and power sales	93,771,904	84,335,243	9,436,661
Street and athletic lighting sales	2,376,886	2,331,702	45,184
Outdoor lighting	2,166,822	2,080,633	86,189
Unbilled revenue	(751,759)	944,984	(1,696,743)
Uncollectible accounts	<u>(310,776)</u>	<u>(263,565)</u>	<u>(47,211)</u>
Total charges for sales and services (net)	<u>161,083,603</u>	<u>148,003,527</u>	<u>13,080,076</u>
Other revenues			
Forfeited discounts	1,163,825	856,494	307,331
Miscellaneous service revenue	394,654	322,561	72,093
Rent from electric property	2,611,314	2,535,143	76,171
Other electric revenue	<u>21,024</u>	<u>9,676</u>	<u>11,348</u>
Total other revenues	<u>4,190,817</u>	<u>3,723,874</u>	<u>466,943</u>
Total operating revenues (net)	<u>165,274,420</u>	<u>151,727,401</u>	<u>13,547,019</u>
Operating expenses:			
Cost of sales and services:			
Purchased power	<u>129,394,560</u>	<u>116,559,891</u>	<u>12,834,669</u>
Operations expenses:			
Transmission expenses:			
Load Dispatching	8,533	2,271	6,262
Overhead line expense	<u>14,085</u>	<u>21,561</u>	<u>(7,476)</u>
Total transmission expense	<u>22,618</u>	<u>23,832</u>	<u>(1,214)</u>
Distribution expenses:			
Load dispatching	334,855	335,150	(295)
Station expense	10,784	8,435	2,349
Overhead line expense	35,308	65,176	(29,868)
Underground line expense	342	416	(74)
Street lighting and signal system	3,688	6,952	(3,264)
Meter expense	283,919	71,887	212,032
Customer installations expense	691,803	609,155	82,648
Supervision and engineering	145,111	165,872	(20,761)
Miscellaneous	875,193	863,769	11,424
Rents	<u>168,118</u>	<u>155,829</u>	<u>12,289</u>
Total distribution expenses	<u>2,549,121</u>	<u>2,282,641</u>	<u>266,480</u>
Customer accounts expenses:			
Meter reading expense	24,710	11,052	13,658
Customer contracts and orders	551,759	433,235	118,524
Customer collections	119,816	267,779	(147,963)
Customer utility billing coordinator	77,776	70,218	7,558
Data processing	145,148	103,556	41,592
Stand-By time	<u>2,535</u>	<u>-</u>	<u>-</u>
Total customer accounts	<u>921,744</u>	<u>885,840</u>	<u>33,369</u>



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022	Increase (Decrease)
Operating expenses (continued):			
Customer information and sales expense:			
Assistance	334,153	271,055	63,098
Demonstrations and advertising	26,310	32,017	(5,707)
Service guarantees	455	263	192
Miscellaneous	41,583	37,838	3,745
Total customer information and sales expense	402,501	341,173	61,328
Administrative expenses:			
Office salaries	2,187,282	1,750,448	436,834
Employee training	-	-	-
Office supplies and expense	499,231	1,301,252	(802,021)
Professional services	172,043	222,549	(50,506)
Insurance	419,263	404,140	15,123
Employee pension and benefits	4,673,014	1,159,537	3,513,477
Miscellaneous and penalties	210,085	174,232	35,853
Total administrative expenses	8,160,918	5,012,158	3,148,760
Total operations expense	12,056,902	8,545,644	3,508,723
Maintenance expenses:			
Transmission expenses:			
Supervision and engineering	7,643	-	7,643
Station equipment	-	-	-
Overhead lines	114,020	44,560	69,460
Total transmission expenses	121,663	44,560	77,103
Distribution expenses:			
Supervision and engineering	40,207	125,986	(85,779)
Station equipment	385,538	467,981	(82,443)
Poles	-	840	(840)
Lines	3,044,001	2,578,969	465,032
Transformers	169,370	109,519	59,851
Street lighting and signals	110,800	119,367	(8,567)
Meters	83,952	257,607	(173,655)
Total distribution expenses	3,833,868	3,660,269	173,599
Administrative and general expenses:			
Structures and improvements	290,663	264,005	26,658
Office furniture and fixtures	95,559	129,504	(33,945)
Communications equipment	381,451	321,072	60,379
Total administrative and general expenses	767,673	714,581	53,092
Total maintenance expenses	4,723,204	4,419,410	303,794
Depreciation and amortization	9,392,944	9,282,126	110,818
Taxes	471,863	442,203	29,660
In lieu of taxes	3,897,050	4,193,266	(296,216)
	13,761,857	13,917,595	(155,738)
Total operating expenses	\$ 159,936,523	\$ 143,442,540	\$ 16,491,448



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 42,819,030	\$ 42,824,758	\$ (5,728)
Uncollectible accounts	(60,002)	66,995	(126,997)
Total operating revenues (net)	42,759,028	42,891,753	(132,725)
Operating expenses:			
Cost of sales and services:			
Gas purchased	22,662,060	22,548,997	113,063
Total cost of sales and services expense	22,662,060	22,548,997	113,063
Operations expense:			
Distribution expenses:			
Production	2,429	2,713	(284)
Mains and services	297,533	345,244	(47,711)
Gas leak surveying	6,662	9,612	(2,950)
Measuring and regulating	306,758	253,199	53,559
Meter house and regulation	240,719	191,269	49,450
Customer installations expense	385,628	286,583	99,045
Gas light and grills	19,283	19,991	(708)
Supervision and engineering	392,045	427,351	(35,306)
Maps and records	2,598	1,634	964
Office expense	457,104	396,035	61,069
Rents	-	-	-
Propane delivery	167,140	199,748	(32,608)
Total distribution expenses	2,277,899	2,133,379	144,804
Customer accounts expenses:			
Meter reading expense	319,859	263,748	56,111
Customer contracts and orders	250,805	185,087	65,718
Customer collections	133,133	162,513	(29,380)
Customer utility billing coordinator	58,819	52,817	6,002
Customer account stand-by time	33,396	1,592	31,804
Data processing	85,662	67,009	18,653
Total customer accounts expenses	881,674	732,766	148,908
Customer information and sales expense:			
Assistance	118,311	108,134	10,177
Demonstrations and advertising	26,310	35,092	(8,782)
Miscellaneous	35,213	31,427	3,786
Total customer information and sales expense	179,834	174,653	5,181



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Operations expenses (continued):			
Administrative expenses:			
Office salaries	1,881,605	1,563,231	318,374
Office supplies and expense	332,456	1,051,652	(719,196)
Special services	199,840	147,956	51,884
Insurance	196,287	222,105	(25,818)
Employee pension and benefits	3,434,035	899,667	2,534,368
Miscellaneous and penalties	48,443	145,073	(96,630)
Total administrative expenses	<u>6,092,666</u>	<u>4,029,684</u>	<u>2,062,982</u>
Total operations expense	<u>9,432,073</u>	<u>7,070,482</u>	<u>2,361,875</u>
Total operations and cost of sales and services	<u>32,094,133</u>	<u>29,619,479</u>	<u>2,474,938</u>
Maintenance expenses:			
Production	<u>2,701</u>	<u>4,908</u>	<u>(2,207)</u>
Total production expenses	<u>2,701</u>	<u>4,908</u>	<u>(2,207)</u>
Distribution expenses:			
Supervision and engineering	167,457	206,813	(39,356)
Structures and improvements	-	-	-
Mains	496,032	285,021	211,011
Measuring and regulating	14,967	11,986	2,981
Services	222,268	142,003	80,265
Meters and regulators	64,540	91,446	(26,906)
Other equipment	107,728	134,104	(26,376)
Total distribution expenses	<u>1,072,992</u>	<u>871,373</u>	<u>201,619</u>
Administrative and general expenses:			
Administrative and general expenses:	<u>498,288</u>	<u>487,260</u>	<u>11,028</u>
Total administrative and general expenses	<u>498,288</u>	<u>487,260</u>	<u>11,028</u>
Total maintenance expenses	<u>1,573,981</u>	<u>1,363,541</u>	<u>210,440</u>
Depreciation and amortization	4,704,629	4,573,312	131,317
Taxes	348,072	306,145	41,927
In lieu of taxes	<u>1,626,990</u>	<u>1,598,423</u>	<u>28,567</u>
	<u>6,679,691</u>	<u>6,477,880</u>	<u>201,811</u>
Total operating expenses	<u>\$ 40,347,805</u>	<u>\$ 37,460,900</u>	<u>\$ 2,887,189</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 19,482,578	\$ 18,837,634	\$ 644,944
Uncollectible accounts	<u>(62,178)</u>	<u>(1,768)</u>	<u>(60,410)</u>
Total operating revenues (net)	<u>19,420,400</u>	<u>18,835,866</u>	<u>584,534</u>
Operating expenses:			
Operations expense			
Source of supply:			
Labor	3,619	4,216	(597)
Miscellaneous	<u>630,093</u>	<u>552,096</u>	<u>77,997</u>
Total source of supply expense	<u>633,712</u>	<u>556,312</u>	<u>77,400</u>
Pumping			
Supervision and engineering	-	-	-
Purchased power	631,974	558,405	73,569
Miscellaneous	<u>1,201</u>	<u>240</u>	<u>961</u>
Total pumping expense	<u>633,175</u>	<u>558,645</u>	<u>74,530</u>
Treatment and disposal			
Supervision and engineering	22,093	6,527	15,566
Labor	507,973	450,619	57,354
Chemicals	478,726	334,054	144,672
Miscellaneous	<u>189,501</u>	<u>171,255</u>	<u>18,246</u>
Total treatment and disposal expense	<u>1,198,293</u>	<u>962,455</u>	<u>235,838</u>
Transmission and distribution			
Supervision and engineering	416,932	415,073	1,859
Storage facilities expense	5,639	5,113	526
Line expense	445,686	408,650	37,036
Meter expense	53,337	11,403	41,934
Miscellaneous	426,340	430,956	(4,616)
Customer installation	<u>338,779</u>	<u>233,209</u>	<u>105,570</u>
Total transmission and distribution expense	<u>1,686,713</u>	<u>1,504,404</u>	<u>182,309</u>
Customer accounts expenses:			
Meter reading expense	179,212	162,121	17,091
Customer billing and collecting	414,875	366,273	48,602
Data processing	70,568	54,043	16,525
Assistance expense	114,391	97,387	17,004
Demonstrations and advertising	13,155	16,533	(3,378)
Standy-By time	14,979	-	14,979
Miscellaneous	<u>29,542</u>	<u>28,228</u>	<u>1,314</u>
Total customer accounts expense	<u>836,722</u>	<u>724,585</u>	<u>112,137</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Operating expenses (continued):			
Administrative and general expense:			
Salaries	1,223,316	1,050,306	173,010
Office supplies and expense	237,502	294,967	(57,465)
Professional service	89,848	112,432	(22,584)
Insurance	213,278	219,636	(6,358)
Employee pension and benefits	2,903,033	676,369	2,226,664
Miscellaneous	50,669	50,455	214
Total administrative and general expense	<u>4,717,646</u>	<u>2,404,165</u>	<u>2,313,481</u>
Total operations expense	<u>9,706,261</u>	<u>6,710,566</u>	<u>2,995,695</u>
Maintenance expenses:			
Source of supply			
Wells and springs	36,244	57,548	(21,304)
Total source of supply	<u>36,244</u>	<u>57,548</u>	<u>(21,304)</u>
Pumping			
Supervision and engineering	1,638	1,398	240
Pumping equipment	69,039	68,875	164
Total pumping expenses	<u>70,677</u>	<u>70,273</u>	<u>404</u>
Treatment and disposal			
Structures and improvements	1,616	5,511	(3,895)
Treatment and disposal equipment	315,294	280,290	35,004
Total treatment and disposal	<u>316,910</u>	<u>285,801</u>	<u>31,109</u>
Transmission and distribution			
Supervision and engineering	17,624	15,740	1,884
Distribution reservoirs and standpipes	70,836	42,031	28,805
Mains and services	964,685	611,836	352,849
Service meters and hydrants	368,526	216,286	152,240
Total transmission and distribution	<u>1,421,671</u>	<u>885,893</u>	<u>535,778</u>
Administrative and general expenses:			
Administrative and general expenses	477,979	482,931	(4,952)
Total administrative and general expenses	<u>477,979</u>	<u>482,931</u>	<u>(4,952)</u>
Total maintenance expenses	<u>2,323,481</u>	<u>1,782,446</u>	<u>541,035</u>
Depreciation and amortization	3,656,463	3,501,825	154,638
Taxes	321,435	280,244	41,191
In lieu of taxes	197,622	193,684	3,938
	<u>4,175,520</u>	<u>3,975,753</u>	<u>199,767</u>
Total operating expenses	<u>\$ 16,205,262</u>	<u>\$ 12,468,765</u>	<u>\$ 3,736,497</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 21,289,582	\$ 21,138,142	\$ 151,440
Uncollectible accounts	(42,229)	12,554	(54,783)
Total operating revenues (net)	21,247,353	21,150,696	96,657
Operating expenses:			
Operations expense:			
Pumping			
Purchased power	131,890	124,225	7,665
Miscellaneous	10,654	18,578	(7,924)
Total pumping expense	142,544	142,803	(259)
Treatment and disposal			
Supervision and engineering	41,034	11,454	29,580
Labor	1,407,712	1,289,868	117,844
Chemicals	200,445	171,606	28,839
Miscellaneous	873,591	861,699	11,892
Total treatment and disposal expense	2,522,782	2,334,627	188,155
Transmission and distribution			
Supervision and engineering	166,895	154,921	11,974
Line expense	357,521	365,318	(7,797)
Meter expense	64,692	45,492	19,200
Miscellaneous	291,081	317,464	(26,383)
Customer installation	64,761	44,291	20,470
Total transmission and distribution expense	944,950	927,486	17,464
Customer accounts expenses			
Supervision	11,789	17,132	(5,343)
Meter reading expense	148,574	119,679	28,895
Customer billing and collecting	329,757	303,490	26,267
Data processing	58,764	44,691	14,073
Assistance expense	244,860	238,342	6,518
Demonstrations and advertising	13,155	16,009	(2,854)
Stand-By time	11,698	-	11,698
Miscellaneous	30,023	29,129	894
Total customer accounts expense	848,620	768,472	80,148



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Operating expenses (continued):			
Administrative and general expense			
Salaries	1,333,953	1,109,790	224,163
Office supplies and expense	192,117	238,679	(46,562)
Professional service	78,489	98,400	(19,911)
Insurance	381,141	393,466	(12,325)
Employee pension and benefits	2,640,063	693,036	1,947,027
Miscellaneous	48,766	110,868	(62,102)
Total administrative and general expense	<u>4,674,529</u>	<u>2,644,239</u>	<u>2,030,290</u>
Total operations expense	<u>9,133,425</u>	<u>6,817,627</u>	<u>2,315,798</u>
Maintenance expenses:			
Pumping			
Supervision and engineering	-	1,610	-
Structures and improvements	1,817	497	1,320
Pumping equipment	450,696	334,871	115,825
Total pumping	<u>452,513</u>	<u>336,978</u>	<u>117,145</u>
Treatment and disposal			
Structures and improvements	35	471	(436)
Treatment and disposal equipment	651,509	626,916	24,593
Total treatment and disposal	<u>651,544</u>	<u>627,387</u>	<u>24,157</u>
Transmission and distribution			
Supervision and engineering	4,103	3,597	506
Mains and services	1,120,772	837,614	283,158
Service meters and hydrants	16,437	8,699	7,738
Total transmission and distribution	<u>1,141,312</u>	<u>849,910</u>	<u>291,402</u>
Administrative and general			
Administrative and general expenses	402,127	375,832	26,295
Total administrative and general expenses	<u>402,127</u>	<u>375,832</u>	<u>26,295</u>
Total maintenance expenses	<u>2,647,496</u>	<u>2,190,107</u>	<u>458,999</u>
Depreciation and amortization	5,311,126	4,841,021	470,105
Taxes	300,950	267,217	33,733
In lieu of taxes	221,568	216,235	5,333
	<u>5,833,644</u>	<u>5,324,473</u>	<u>509,171</u>
Total operating expenses	<u>\$ 17,614,565</u>	<u>\$ 14,332,207</u>	<u>\$ 3,283,968</u>



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Operating revenues	\$ 35,276,872	\$ 34,805,964	\$ 470,908
Uncollectible accounts	<u>(112,660)</u>	<u>57,108</u>	<u>(169,768)</u>
Total operating revenues (net)	<u>35,164,212</u>	<u>34,863,072</u>	<u>301,140</u>
Operating expenses:			
Programming and services costs	<u>13,961,351</u>	<u>13,292,944</u>	<u>301,140</u>
Operations expenses			
Plant specific			
Network support	62,236	54,995	7,241
General support	386,793	308,856	77,937
Headend	15,777	12,559	3,218
Headend transmission	14,369	12,185	2,184
Cable and wire facilities	<u>573,016</u>	<u>646,682</u>	<u>(73,666)</u>
Total plant specific	<u>1,052,191</u>	<u>1,035,277</u>	<u>16,914</u>
Plant non-specific			
Other property and equipment	11,577	11,377	200
Network operations	<u>796,970</u>	<u>603,651</u>	<u>193,319</u>
Total plant non-specific	<u>808,547</u>	<u>615,028</u>	<u>193,519</u>
Customer operations			
Marketing	454,925	436,487	18,438
Services	3,943,223	3,530,319	412,904
Stand-by Time	<u>48,200</u>	<u>45,146</u>	<u>3,054</u>
Total customer operations	<u>4,446,348</u>	<u>4,011,952</u>	<u>434,396</u>
Corporate operations			
Executive and planning	983,558	828,732	154,826
General and administrative	<u>4,067,712</u>	<u>2,235,585</u>	<u>1,832,127</u>
Total corporate operations	<u>5,051,270</u>	<u>3,064,317</u>	<u>1,986,953</u>
Total operations expenses	<u>11,358,356</u>	<u>8,726,574</u>	<u>2,631,782</u>
Depreciation and amortization	6,891,463	7,067,037	(175,574)
Taxes	298,210	277,014	21,196
In lieu of taxes	<u>926,480</u>	<u>1,061,815</u>	<u>(135,335)</u>
	<u>8,116,153</u>	<u>8,405,866</u>	<u>(289,713)</u>
Total operating expenses	<u>\$ 33,435,860</u>	<u>\$ 30,425,384</u>	<u>\$ 3,010,476</u>



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2023

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2023
Notes Payable:									
Southwest Electric	Various	0%	Various	Various	\$ 117,482	\$ 70,551	\$ 52,752	\$ -	\$ 135,281
Total Notes Payable					<u>\$ 117,482</u>	<u>\$ 70,551</u>	<u>\$ 52,752</u>	<u>\$ -</u>	<u>\$ 135,281</u>
Bonds Payable:									
Revenue Bonds - Series 2014	27,120,000	3.00 to 5.00%	12/5/14	5/1/33	\$ 20,030,000	\$ -	\$ 1,450,000	\$ -	\$ 18,580,000
Revenue Bonds - Series 2020	7,995,000	1.40%	5/1/20	5/1/26	5,230,000	-	1,365,000	-	3,865,000
Total Bonds Payable					<u>\$ 25,260,000</u>	<u>\$ -</u>	<u>\$ 2,815,000</u>	<u>\$ -</u>	<u>\$ 22,445,000</u>

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



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2023

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2023
Bonds Payable:									
Revenue Bonds - Series 2015	21,240,000	3.00 to 5.00%	12/22/15	6/1/35	\$ 16,715,000	\$ -	\$ 940,000	\$ -	\$ 15,775,000
Total Bonds Payable					<u>\$ 16,715,000</u>	<u>\$ -</u>	<u>\$ 940,000</u>	<u>\$ -</u>	<u>\$ 15,775,000</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2023

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2023
Bonds Payable:									
Revenue Bonds - Series 2017	15,285,000	5.00%	12/7/17	12/1/26	\$ 7,900,000	\$ -	\$ 2,090,000	\$ -	\$ 5,810,000
Total Bonds Payable					<u>\$ 7,900,000</u>	<u>\$ -</u>	<u>\$ 2,090,000</u>	<u>\$ -</u>	<u>\$ 5,810,000</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2023

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2023
Notes Payable:									
State Revolving Loans - CW0 2013-313	2,150,000	0.34%	9/27/12	1/20/35	\$ 1,031,354	\$ -	\$80,364	\$ -	\$ 950,990
State Revolving Loans - SRF 2013-314 ¹	8,953,352	0.34%	9/27/12	3/20/37	6,660,821	-	441,108	-	6,219,713
State Revolving Loans - CG3 2016-361	4,000,000	1.17%	4/7/16	2/20/38	3,050,340	-	178,452	-	2,871,888
State Revolving Loans - CG2 2016-363 ²	2,000,000	1.43%	10/29/15	5/20/37	1,538,330	-	93,192	-	1,445,138
State Revolving Loans - CG4 2016-362	4,000,000	1.17%	4/7/16	6/20/40	3,385,678	-	170,004	-	3,215,674
State Revolving Loans - SRF 2016-368 ³	2,000,000	1.25%	4/7/16	9/20/40	1,221,138	-	57,864	-	1,163,274
State Revolving Loans - SRF 2017-383 ⁴	1,400,000	1.55%	3/21/17	11/20/38	1,092,519	-	58,908	-	1,033,611
Total Notes Payable ⁵					<u>\$ 17,980,180</u>	<u>\$ -</u>	<u>\$ 1,079,892</u>	<u>\$ -</u>	<u>\$ 16,900,288</u>
Bonds Payable:									
Revenue Bonds - Series 2017	7,680,000	5.00%	12/7/17	12/1/22	\$ 1,695,000	\$ -	\$ 1,695,000	\$ -	\$ -
Revenue Bonds - Series 2020	16,220,000	0.20 to 1.60%	12/17/20	6/1/32	15,725,000	-	335,000	-	15,390,000
Total Bonds Payable					<u>\$ 17,420,000</u>	<u>\$ -</u>	<u>\$ 2,030,000</u>	<u>\$ -</u>	<u>\$ 15,390,000</u>

Notes to Schedule:

- ¹ Includes two issue amounts of \$5,000,000 in September 2012 and \$3,953,352 in October 2013 for a new total issue amount of \$8,953,352, of which \$1,026 was not used.
- ² Total amount approved was \$2,000,000, of which \$7,620 was not used.
- ³ Total amount approved was \$2,000,000, of which \$712,262 was not used.
- ⁴ Total amount approved was \$1,400,000, of which \$103,742 was not used.
- ⁵ Original amount of issue includes \$1,011,050 of total principal forgiveness.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2023

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2023
Bonds Payable:									
Revenue Bonds - Series 2013	58,800,000	0.60 to 3.40%	5/22/13	4/1/26	\$ 20,000,000	\$ -	\$ 4,770,000	\$ -	\$ 15,230,000
Total Bonds Payable					<u>\$ 20,000,000</u>	<u>\$ -</u>	<u>\$ 4,770,000</u>	<u>\$ -</u>	<u>\$ 15,230,000</u>



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF LONG-TERM DEBT
JUNE 30, 2023

Years Ended June 30,	Electric Revenue Bonds				Notes Payable		Total		
	Series 2014		Series 2020		Principal	Interest	Principal	Interest	Debt Service
	Principal	Interest	Principal	Interest					
2024	\$ 1,630,000	\$ 767,975	\$ 1,285,000	\$ 54,110	\$ 63,982	\$ -	\$ 2,978,982	\$ 822,085	\$ 3,801,067
2025	1,660,000	686,475	1,355,000	36,120	34,612	-	3,049,612	722,595	3,772,207
2026	1,900,000	603,475	1,225,000	17,150	5,241	-	3,130,241	620,625	3,750,866
2027	3,230,000	508,475	-	-	5,241	-	3,235,241	508,475	3,743,716
2028	3,400,000	346,975	-	-	5,241	-	3,405,241	346,975	3,752,216
2029	3,500,000	244,975	-	-	20,964	-	3,520,964	244,975	3,765,939
2030	780,000	104,975	-	-	-	-	780,000	104,975	884,975
2031	800,000	80,600	-	-	-	-	800,000	80,600	880,600
2032	830,000	54,600	-	-	-	-	830,000	54,600	884,600
2033	850,000	27,625	-	-	-	-	850,000	27,625	877,625
	<u>\$18,580,000</u>	<u>\$3,426,150</u>	<u>\$ 3,865,000</u>	<u>\$ 107,380</u>	<u>\$ 135,281</u>	<u>\$ -</u>	<u>\$ 22,580,281</u>	<u>\$ 3,533,530</u>	<u>\$ 26,113,811</u>



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF LONG-TERM DEBT
JUNE 30, 2023

Years Ended June 30,	Series 2015 Bonds		Debt Service
	Principal	Interest	
2024	\$ 970,000	\$ 630,481	\$ 1,600,481
2025	1,000,000	601,381	1,601,381
2026	1,050,000	551,381	1,601,381
2027	1,100,000	498,881	1,598,881
2028	1,505,000	443,881	1,948,881
2029	1,590,000	368,631	1,958,631
2030	1,300,000	289,131	1,589,131
2031	1,360,000	237,131	1,597,131
2032	1,410,000	182,731	1,592,731
2033	1,450,000	140,431	1,590,431
2034	1,495,000	96,931	1,591,931
2035	<u>1,545,000</u>	<u>50,213</u>	<u>1,595,213</u>
	<u>\$ 15,775,000</u>	<u>\$ 4,091,204</u>	<u>\$ 19,866,204</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2023

Years Ended <u>June 30,</u>	<u>Series 2017 Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2024	\$ 2,195,000	\$ 235,625	\$ 2,430,625
2025	1,145,000	152,125	1,297,125
2026	1,205,000	93,375	1,298,375
2027	<u>1,265,000</u>	<u>31,625</u>	<u>1,296,625</u>
	<u>\$ 5,810,000</u>	<u>\$ 512,750</u>	<u>\$ 6,322,750</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2023

Years Ended June 30,	Series 2020 Bonds		Total
	Principal	Interest	Debt Service
2024	\$ 1,650,000	\$ 169,903	\$ 1,819,903
2025	1,665,000	161,652	1,826,652
2026	1,670,000	150,830	1,820,830
2027	1,680,000	136,635	1,816,635
2028	1,700,000	119,835	1,819,835
2029	1,720,000	101,135	1,821,135
2030	1,740,000	79,635	1,819,635
2031	1,765,000	55,275	1,820,275
2032	<u>1,800,000</u>	<u>28,800</u>	<u>1,828,800</u>
	<u>\$ 15,390,000</u>	<u>\$ 1,003,700</u>	<u>\$ 16,393,700</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT - NOTES PAYABLE
JUNE 30, 2023

Years Ended	CWO 2013-313		SRF 2013-314		CG2 16-363		CG3 16-361		CG4 16-362		SRF 2016-368		SRF 17-383		Total		
	Principal	Interest	Principal ¹	Interest	Principal ²	Interest	Principal	Interest	Principal	Interest	Principal ³	Interest	Principal ⁴	Interest	Principal	Interest	Debt Service
2024	\$ 80,640	\$ 3,840	\$ 442,608	\$ 25,272	\$ 94,524	\$ 21,168	\$ 180,552	\$ 34,872	\$ 171,996	\$ 39,216	\$ 58,596	\$ 15,120	\$ 59,820	\$ 16,404	\$ 1,088,736	\$ 155,892	\$ 1,244,628
2025	80,916	3,504	444,120	23,412	95,892	19,728	182,676	32,604	174,024	37,056	59,340	14,328	60,756	15,420	1,097,724	146,052	1,243,776
2026	81,192	3,156	445,632	21,540	97,272	18,276	184,824	30,312	176,064	34,872	60,084	13,536	61,704	14,424	1,106,772	136,116	1,242,888
2027	81,468	2,820	447,144	19,668	98,664	16,800	187,008	27,972	178,140	32,652	60,840	12,732	62,664	13,416	1,115,928	126,060	1,241,988
2028	81,744	2,472	448,668	17,784	100,092	15,300	189,204	25,632	180,240	30,408	61,596	11,928	63,648	12,384	1,125,192	115,908	1,241,100
2029	82,020	2,136	450,192	15,900	101,532	13,776	191,424	23,256	182,352	28,152	62,376	11,100	64,644	11,328	1,134,540	105,648	1,240,188
2030	82,296	1,788	451,728	14,004	102,996	12,228	193,680	20,844	184,500	25,860	63,156	10,260	65,652	10,272	1,144,008	95,256	1,239,264
2031	82,584	1,440	453,264	12,108	104,472	10,668	195,960	18,408	186,672	23,544	63,948	9,420	66,672	9,204	1,153,572	84,792	1,238,364
2032	82,860	1,092	454,812	10,200	105,972	9,084	198,264	15,948	188,868	21,192	64,752	8,568	67,716	8,100	1,163,244	74,184	1,237,428
2033	83,148	744	456,360	8,280	107,508	7,464	200,592	13,464	191,088	18,816	65,568	7,704	68,772	6,996	1,173,036	63,468	1,236,504
2034	83,424	396	457,920	6,360	109,056	5,832	202,956	10,932	193,332	16,428	66,396	6,816	69,840	5,868	1,182,924	52,632	1,235,556
2035	48,698	56	459,480	4,428	110,616	4,176	205,344	8,388	195,612	13,992	67,236	5,928	70,932	4,716	1,157,918	41,684	1,199,602
2036	-	-	461,040	2,508	112,212	2,496	207,756	5,808	197,904	11,544	68,076	5,028	72,048	3,552	1,119,036	30,936	1,149,972
2037	-	-	346,745	606	104,330	792	210,204	3,192	200,232	9,048	68,928	4,128	73,164	2,376	1,003,603	20,142	1,023,745
2038	-	-	-	-	-	-	141,444	662	202,596	6,528	69,792	3,204	74,304	1,176	488,136	11,570	499,706
2039	-	-	-	-	-	-	-	-	204,972	3,984	70,680	2,256	31,275	124	306,927	6,364	313,291
2040	-	-	-	-	-	-	-	-	207,082	1,404	71,568	1,320	-	-	278,650	2,724	281,374
2041	-	-	-	-	-	-	-	-	-	-	60,342	380	-	-	60,342	380	60,722
	<u>\$ 950,990</u>	<u>\$ 23,444</u>	<u>\$ 6,219,713</u>	<u>\$ 182,070</u>	<u>\$ 1,445,138</u>	<u>\$ 157,788</u>	<u>\$ 2,871,888</u>	<u>\$ 272,294</u>	<u>\$ 3,215,674</u>	<u>\$ 354,696</u>	<u>\$ 1,163,274</u>	<u>\$ 143,756</u>	<u>\$ 1,033,611</u>	<u>\$ 135,760</u>	<u>\$ 16,900,288</u>	<u>\$ 1,269,808</u>	<u>\$ 18,170,096</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, 2023

Years Ended	Series 2013 Bonds		Total
June 30,	Principal	Interest	Debt Service
2024	\$ 4,915,000	\$ 502,915	\$ 5,417,915
2025	5,075,000	345,635	5,420,635
2026	5,240,000	178,160	5,418,160
	<u>\$ 15,230,000</u>	<u>\$ 1,026,710</u>	<u>\$ 16,256,710</u>

The Electric Fund Debt Service Reserve loan in the amount of \$5,500,000 is not listed above.
The Telecommunications Fund pays interest only and no repayment schedule was agreed upon at June 30, 2023.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE
 JUNE 30, 2023

Residential rate schedule RS

Customer charge - per delivery point per month	\$	20.02
Energy charge - cents per kWh		9.911¢

General power schedule

GSA1

Customer charge - per delivery point per month	\$	30.83
Energy charge - cents per kWh		11.196¢

GSA2

Customer charge per delivery point per month	\$	92.49
Demand charges - per kW per month over 51 kW	\$	13.96
Energy charge - cents per kWh		
First 15,000 kWh per month		11.189¢
Additional kWh per month		6.663¢

GSA3

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month		
First 1,000 kW	\$	12.81
Excess over 1,000 kW	\$	12.70
Energy charge - cents per kWh		7.009¢

GSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.87
Excess demand - ON PEAK	\$	10.87
Demand charges - per kW per month - Max		4.60¢
Energy charge - cents per kWh Onpeak		9.073¢
Energy charge - cents per kWh Offpeak 1		6.582¢
Energy charge - cents per kWh Offpeak 2		3.124¢
Energy charge - cents per kWh Offpeak 3		2.783¢
Facilities charge-cents below 161 KV to 46 KV		48.00¢
below 46 KV to first 10,000 kW	\$	1.23
cents for all additional kW per month		97.00¢

Outdoor lighting rate schedule

LS

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



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE (Continued)
 JUNE 30, 2023

Manufacturing rate schedule

MSA

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month	\$	11.76
Additional Kw per month	\$	11.63
Energy charge - cents per kWh		7.009¢

MSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.24
Excess demand - ON PEAK	\$	10.24
Demand charges - per kW per month - Max	\$	1.65
Energy charge - cents per kWh Onpeak		8.139¢
Energy charge - cents per kWh Offpeak 1		5.639¢
Energy charge - cents per kWh Offpeak 2		2.670¢
Energy charge - cents per kWh Offpeak 3		2.415¢
Facilities charge-cents below 161 KV to 46 KV		48.00¢
below 46 KV to first 10,000 kW	\$	1.23
cents for all additional kW per month		97.00¢

MSD

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.24
Excess demand - ON PEAK	\$	10.24
Demand charges - per kW per month - Max	\$	1.64
Energy charge - cents per kWh Onpeak		7.800¢
Energy charge - cents per kWh Offpeak 1		5.299¢
Energy charge - cents per kWh Offpeak 2		2.642¢
Energy charge - cents per kWh Offpeak 3		2.583¢
Facilities charge - cents below 161 to 46 KV		48.00¢
below 46 KV to first 10,000 KW	\$	1.23
cents for all additional KW per month		97.00¢

TGSA - Time-of-Use

Customer charge per delivery point per month	\$	477.88
Demand Charges - per Kw -ON PEAK	\$	8.40
Demand charges - per kW per month - Max	\$	5.75
Energy charge - cents per kWh Onpeak		9.098¢
Energy charge - cents per kWh Offpeak 1		6.790¢

The Electric Fund served 36,507 and 37,395 customers as of June 30, 2022, and June 30, 2023 respectively. There are no customers without meters.



JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE
 JUNE 30, 2023

RATE SCHEDULE R-1

Monthly Rates	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 5 Ccf	108.37¢ per therm	2.61¢ per therm	(3.17)¢ per therm	107.81¢ per therm
Next 5 Ccf	97.68¢ per therm	2.61¢ per therm	(3.17)¢ per therm	97.12¢ per therm
Next 20 Ccf	86.97¢ per therm	2.61¢ per therm	(3.17)¢ per therm	86.41¢ per therm
Excess over 30 Ccf	76.25¢ per therm	2.61¢ per therm	(3.17)¢ per therm	75.69¢ 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	2.61¢ per therm	(3.17)¢ per therm	103.85 ¢ per therm
Next 40 Ccf	94.70¢ per therm	2.61¢ per therm	(3.17)¢ per therm	94.14 ¢ per therm
Next 50 Ccf	84.97¢ per therm	2.61¢ per therm	(3.17)¢ per therm	84.41 ¢ per therm
Excess over 100 Ccf	75.28¢ per therm	2.61¢ per therm	(3.17)¢ per therm	74.72 ¢ per therm

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

RATE SCHEDULE G-2

Monthly Rates	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 1,000 therms	72.38 ¢ per therm	2.61¢ per therm	(3.17)¢ per therm	71.82 ¢ per therm
Next 4,000 therms	62.92 ¢ per therm	2.61¢ per therm	(3.17)¢ per therm	62.36 ¢ per therm
Next 10,000 therms	56.9 ¢ per therm	2.61¢ per therm	(3.17)¢ per therm	56.34 ¢ per therm
Over 15,000 therms	55.04 ¢ per therm	2.61¢ per therm	(3.17)¢ per therm	54.48 ¢ per therm

Maximum Daily Demand

75 ¢ 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	0.30¢ per therm	3.14¢ per therm	70.32¢ per therm
Next 4,000 Ccf	63.70¢ per therm	0.30¢ per therm	3.14¢ per therm	60.86¢ per therm
Next 10,000 Ccf	57.68¢ per therm	0.30¢ per therm	3.14¢ per therm	54.84¢ per therm
Excess over 15,000 Ccf	55.82¢ per therm	0.30¢ per therm	3.14¢ per therm	52.98¢ per therm



JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE (Continued)
 JUNE 30, 2023

Interruptible Gas Transportation Rate Schedule T-1
 Monthly Rate

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

Customer charge: \$200.00 per meter

Firm Gas Transportation Rate Schedule T-2
 Monthly Rate

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

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

Index Gas Rate Schedule I-1

Customer Charge - \$200.00 per meter

Commodity Charge: Index price plus \$0.51 per MMBtu

Commodity Discount Rider: minus \$0.10 per MMBtu

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

The Gas Fund served 31,242 and 31,348 natural gas customers as of June 30, 2022 and 2023, respectively. There are no customers without meters.

The Gas Fund served 2,733 and 2,689 propane customers as of June 30, 2022 and 2023, respectively.

Firm Propane Rate Schedule

Monthly Rate

Metered Service - \$2.65 per gallon

Customer charge of \$4.00 per month

Bulk Service - \$2.63 per gallon - propane tank, with an annual tank rental fee of \$42.00

Rate fluctuates with market



JACKSON ENERGY AUTHORITY - WATER FUND
WATER RATES IN FORCE
 JUNE 30, 2023

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

	Minimum Monthly Bill			
	Meter Size			
	<u>5/8"</u>	<u>1"</u>	<u>1 1/2"</u>	<u>2"</u>
Urban	\$ 11.93	\$ 16.59	\$ 21.60	\$ 38.71

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

	Minimum Monthly Bill							
	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>
	\$ 18.48	\$ 23.22	\$ 29.44	\$ 43.60	\$ 78.19	\$ 121.98	\$ 162.35	\$ 414.82

The Water Fund served 38,287 and 38,597 water customers as of June 30, 2022 and 2023, 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, 2023

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

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

The Wastewater Fund served 30,973 and 31,244 customers as of June 30, 2022 and 2023, respectively.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE
 JUNE 30, 2023

RESIDENTIAL CABLE RATE - SCHEDULE R-1

Programming Service Categories

Analog Basic Service (Lifetime Service)	\$ 50.00	per month
Analog Expanded Service	\$ 70.50	per month
Analog Standard Service (Basic & Expanded)	\$ 120.00	per month
Digital Basic Service - Included with analog lifetime service, requires digital converter or digital television		
Digital Plus Service Tier	\$ 19.50	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	\$ 22.50	per month
Starz Super Pack - Digital Premium Service	\$ 17.75	per month
TV Japan - Digital Premium Service	\$ 25.00	per month
MoviePlex	\$ 1.00	per month
IndiePlex	\$ 1.00	per month
RetroPlex	\$ 1.00	per month
Starz Encore Espanol	\$ 1.00	per month
IP STB	\$ 7.50	per month
EPlus TV Technology Fee	\$ 7.50	per month
 <u>Customer Premise Equipment</u>		
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

GENERAL CABLE RATE - SCHEDULE G-1

Programming Service Categories

Analog Basic Service (Lifetime Service)	\$ 59.00	per month
Analog Expanded Service (Basic and Expanded)	\$ 120.00	per month
Fox Sports Net (requires Expanded Service)	\$ 60.00	per month
SportsSouth (requires Expanded Service)	\$ 60.00	per month
Digital High Definition Service Tier	\$ 28.00	per month
Digital Surcharge for Galaxie Music and Interactive Program Guide	\$ 27.00	per month
TV Japan - Digital Premium Service	\$ 50.00	per month
Digital Pay-Per-View Events		Event units charged times fire code occupancy rating or other terms of the program supplier.

Customer Premise Equipment

Standard Digital Converter	\$ 6.50	per month each
High Definition/DVR Digital Converter	\$ 22.00	per month each
High Definition Digital Converter	\$ 10.00	per month each
Cable Card	\$ 6.00	per month each
TiVo	\$ 23.00	per month each
TiVo Mini	\$ 10.00	per month each



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

JUNE 30, 2023

GENERAL CABLE RATE SCHEDULE G-2

Programming Service Categories

Analog Basic Service	\$ 59.00	per month
Analog Standard Service (Basic & Expanded)	\$ 120.00	per month
Digital Basic Service - Included with analog lifetime service, requires digital converter or digital television		
Digital Service Tier	\$ 19.50	per month
Digital High Definition Service Tier	\$ 9.00	per month

Customer Premise Equipment

Standard Digital Converter	\$ 6.50	per month each
High Definition/DVR Converter	\$ 22.00	per month each
Cable Card	\$ 6.00	per month each
High Definition Digital Converter	\$ 10.00	per month each
TiVo	\$ 23.00	per month each
TiVo Mini	\$ 10.00	per month each

GENERAL BULK CABLE RATE - SCHEDULE B-1

Residential Bulk Analog Cable Television service, single unit

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

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

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

Telephone Service Levels

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

Optional Features and Per Use Charges

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

RESIDENTIAL OUTSIDE CITY TELEPHONE RATE

Telephone Service Levels

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

JUNE 30, 2023

RESIDENTIAL TELEPHONE RATE - SCHEDULE R-1

Optional Features and Per Use Charges

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

COMMERCIAL TELEPHONE RATE - SCHEDULE G-1

POTS Telephone Service Levels

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

A la carte Features

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

Directory Listings

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

COMMERCIAL OUTSIDE CITY TELEPHONE RATE

Telephone Service Levels

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



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

JUNE 30, 2023

COMMERCIAL TELEPHONE RATE - SCHEDULE G-1

Directory and Operator Assistance

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

Long Distance Per Minute and Packages

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

RESIDENTIAL INTERNET RATE - SCHEDULE R-1

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

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



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
 JUNE 30, 2023

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, 2023

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	<u>1</u>	<u>1</u>	\$ 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 20,360 and 20,249 customers as of June 30, 2022 and 2023, respectively.



JACKSON ENERGY AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor	CFDA No.	Contract Number	Expenditures
Federal Awards:			
U.S. Department of Housing and Urban Development / Tennessee Department of Economic and Community Development - Wastewater - CDBG-NDR	14.228*	33004-24017	<u>\$ 772,880</u>
Total federal awards and state financial assistance			<u>\$ 772,880</u>
* - Denotes major program			
** - Loan program			

See Notes on page 120 related to the schedule above.



JACKSON ENERGY AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) includes the Federal and State award activity of Jackson Energy Authority under programs of the Federal and State government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jackson Energy Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jackson Energy Authority.

Note 2. Summary of Significant Accounting Policies

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



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2023

Number	Company	Revenue	Consumption (kWh)	Peak Demand (kW)
1	Owens Corning	\$ 10,553,561	167,787,923	21,842
2	Kellogg Company	9,092,939	148,697,018	22,522
3	West TN Healthcare	5,383,714	62,214,499	8,520
4	Berry Plastics	2,485,792	37,273,306	5,782
5	Bodine Aluminum	2,367,928	35,693,878	5,944
6	ConAgra (Pinnacle Foods)	2,022,829	33,336,511	6,538
7	Equistar (Lyondell Basell)	1,938,452	29,061,494	4,636
8	Carlstar (Carlisle Transportation)	1,802,596	23,736,080	4,680
9	Stanley Black & Decker	1,440,669	20,851,385	4,590
10	Pacific Manufacturing TN	<u>1,355,985</u>	<u>17,803,200</u>	<u>3,758</u>
Total		<u>\$ 38,444,465</u>	<u>576,455,294</u>	<u>88,812</u>



JACKSON ENERGY AUTHORITY - GAS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2023

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (ccf)</u>
1	West TN Healthcare (Main)	\$ 1,518,048	2,971,895
2	Carlstar (Carlisle Transportation)	868,604	1,281,446
3	Pace Industries (Jackson Die Casting)	574,512	960,029
4	Tennalum	454,562	728,349
5	Kellogg Company	423,407	13,677,872
6	Dement Construction	412,150	564,512
7	Gerdau Ameristeel	396,634	11,080,972
8	Stanley Black & Decker	380,239	535,342
9	Waste Management	315,108	474,203
10	West Tn Healthcare (North)	<u>299,052</u>	<u>375,009</u>
Total		<u>\$ 5,642,316</u>	<u>32,649,629</u>



JACKSON ENERGY AUTHORITY - WATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2023

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellogg Company	\$ 473,200	374,679,000
2	West TN Healthcare	378,983	243,300,400
3	Sunshine Corp. (Cherry Grove)	101,057	13,514,500
4	JHA	69,044	14,316,300
5	ConAgra (Pinnacle Foods)	68,110	45,145,200
6	Equistar (Lyondell Basell)	66,433	45,317,000
7	Delta Faucet Company	51,705	32,079,600
8	Bodine Aluminum	42,676	20,723,200
9	Carlstar (Carlisle Transportation)	33,293	16,200,100
10	Berry Plastics	<u>28,339</u>	<u>13,712,100</u>
Total		<u>\$ 1,312,840</u>	<u>818,987,400</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2023

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellogg Company	\$ 1,444,036	359,959,800
2	West TN Healthcare	634,599	147,582,500
3	Owens Corning	284,508	67,907,900
4	Union University	191,562	30,844,300
5	ConAgra (Pinnacle Foods)	171,183	37,106,300
6	Equistar (Lyondell Basell)	156,152	39,948,500
7	Delta Faucet Company	138,978	32,012,100
8	Gerdau Ameristeel	124,410	27,977,000
9	Sunshine Corp. (Cherry Grove)	107,823	13,514,500
10	Vorteq Coil Finishers	<u>104,824</u>	<u>21,906,500</u>
Total		<u>\$ 3,358,075</u>	<u>778,759,400</u>



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
JUNE 30, 2023

Number	Company	Revenue
1	Jackson Madison County Schools	\$ 558,643
2	Jackson Madison County General Hospital	419,327
3	Jackson Energy Authority	258,362
4	Lane College	108,700
5	Iris Networks	106,348
6	Windstream	100,100
7	City of Jackson	93,457
8	Cupples J & J Company	88,438
9	Union University	73,700
10	Kirklands Distribution Center	<u>60,060</u>
Total		<u>\$ 1,867,135</u>



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

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements	Bond Debt Service Coverage
2023	\$ 173,098,985	\$146,646,529	\$ 26,452,456	\$ 3,728,695	7.09
2022	152,569,867	129,967,148	22,602,719	3,813,065	5.93
2021	140,839,844	121,640,493	19,199,351	3,832,579	5.01
2020	142,818,999	122,384,312	20,434,687	3,834,829	5.33
2019	149,192,922	124,588,579	24,604,343	3,843,381	6.40
2018	147,981,222	126,951,637	21,029,585	3,845,858	5.47
2017	150,733,256	131,153,107	19,580,149	3,852,981	5.08
2016	143,976,091	127,302,979	16,673,112	3,849,806	4.33
2015	144,955,442	130,644,761	14,310,681	2,704,996	5.29
2014	148,380,900	132,246,070	16,134,830	2,723,563	5.92
2013	152,144,653	132,359,558	19,785,095	2,718,273	7.28



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
2023	\$ 43,604,309	\$ 34,022,557	\$ 9,581,752	\$ 1,598,681	5.99
2022	43,005,030	31,341,886	11,663,144	1,594,681	7.31
2021	36,445,785	25,995,973	10,449,812	1,599,481	6.53
2020	33,819,750	23,429,362	10,390,388	1,592,681	6.52
2019	37,620,832	23,400,241	14,220,591	1,596,982	8.90
2018	39,130,511	26,833,175	12,297,336	2,662,298	4.62
2017	33,398,799	23,753,565	9,645,234	2,973,780	3.24
2016	30,579,094	21,694,038	8,885,056	2,073,664	4.28
2015	40,196,022	29,564,497	10,631,525	1,772,590	6.00
2014	42,753,752	31,871,234	10,882,518	1,815,053	6.00
2013	36,296,080	28,274,573	8,021,507	1,834,490	4.37

*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
2023	\$ 20,061,598	\$ 12,351,177	\$ 7,710,421	\$ 2,432,750	3.17
2022	19,290,017	8,773,256	10,516,761	2,434,750	4.32
2021	19,344,413	10,767,973	8,576,440	2,431,750	3.53
2020	18,238,792	10,161,039	8,077,753	2,428,875	3.33
2019	18,191,841	7,510,855	10,680,986	2,431,500	4.39
2018	18,205,716	8,773,410	9,432,306	2,159,380	4.37
2017	17,374,105	8,969,063	8,405,042	2,399,885	3.50
2016	16,282,097	8,668,838	7,613,259	2,423,434	3.14
2015	15,668,748	8,227,527	7,441,221	2,406,026	3.09
2014	15,572,377	8,187,044	7,385,333	2,366,727	3.12
2013	15,688,563	8,346,977	7,341,586	2,362,853	3.11

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



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

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2023	\$ 22,172,613	\$ 12,081,871	\$ 10,090,742	\$ 3,488,967	2.89
2022	21,356,497	9,274,951	12,081,546	3,488,280	3.46
2021	21,390,299	10,541,525	10,848,774	3,178,315	3.41
2020	19,849,304	10,343,343	9,505,961	3,383,433	2.81
2019	20,013,671	7,943,542	12,070,129	3,348,995	3.60
2018	19,477,909	9,765,719	9,712,190	3,114,060	3.12
2017	18,609,493	10,255,522	8,353,971	3,091,008	2.70
2016	17,580,348	10,409,127	7,171,221	2,917,572	2.46
2015	16,522,508	9,626,966	6,895,542	2,822,641	2.44
2014	16,465,791	9,203,891	7,261,900	2,764,853	2.63
2013	16,361,448	9,271,032	7,090,416	2,750,209	2.58

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



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

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2023	\$ 35,535,621	\$ 26,162,106	\$ 9,373,515	\$ 5,738,892	1.63
2022	34,965,295	22,965,044	12,000,251	5,600,962	2.14
2021	33,204,247	23,139,422	10,064,825	5,600,699	1.80
2020	32,968,189	22,706,830	10,261,359	5,604,407	1.83
2019	32,999,028	20,488,259	12,510,769	5,602,242	2.23
2018	32,618,209	21,181,532	11,436,677	5,599,407	2.04
2017	31,886,223	20,091,045	11,795,178	5,602,227	2.11
2016	30,693,812	18,811,117	11,882,695	5,599,825	2.12
2015	29,308,109	17,292,347	12,015,762	5,592,500	2.15
2014	28,330,344	15,840,806	12,489,538	6,531,415	1.91
2013	27,030,689	14,499,956	12,530,733	5,762,603	2.17

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



**JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SALES AND DEMAND IN HOURS - UNAUDITED
JUNE 30, 2023**

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

The total distribution substation capacity of the Electric Fund is 575,000 KVA.
The maximum peak hour load was 380,812 kilowatts during August 2007.



**JACKSON ENERGY AUTHORITY - GAS FUND
SALES AND TRANSPORT IN MCF - UNAUDITED
JUNE 30, 2023**

Sales and Transport in MCF

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



JACKSON ENERGY AUTHORITY - WATER FUND
SALES IN MGAL - UNAUDITED
 JUNE 30, 2023

Sales in MGallons Sold

<u>Fiscal Year</u>	<u>Residential</u>	<u>General</u>	<u>Wholesale</u>	<u>Total MGal Sales</u>
2003	2,088,804	1,899,942	39,233	4,027,979
2004	2,094,432	1,895,104	30,658	4,020,194
2005	2,122,081	1,838,164	29,006	3,989,251
2006	2,151,896	1,830,454	88,228	4,070,578
2007	2,199,369	1,824,042	62,838	4,086,249
2008	2,296,623	1,919,336	87,122	4,303,081
2009	2,134,984	1,728,370	57,317	3,920,671
2010	2,085,807	1,673,666	45,163	3,804,636
2011	2,137,664	1,685,208	22,404	3,845,276
2012	2,122,564	1,861,137	20,533	4,004,234
2013	2,066,030	1,804,529	14,996	3,885,555
2014	1,978,628	1,803,269	14,469	3,796,366
2015	1,941,743	1,769,753	13,490	3,724,986
2016	1,984,253	1,785,974	12,945	3,783,172
2017	1,984,669	1,841,121	13,087	3,838,877
2018	2,054,161	1,860,941	12,538	3,927,640
2019	1,989,414	1,786,315	12,862	3,788,591
2020	2,055,315	1,746,955	26,100	3,828,370
2021	2,128,227	1,757,277	16,460	3,901,964
2022	2,100,784	1,843,211	14,044	3,958,039
2023	2,231,645	1,874,866	25,747	4,132,258



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SALES IN MGAL - UNAUDITED
JUNE 30, 2023

Sales in MGallons Sold

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total MGal Sales</u>
2003	1,514,570	1,540,459	3,055,029
2004	1,522,707	1,583,672	3,106,379
2005	1,542,271	1,551,917	3,094,188
2006	1,551,418	1,517,170	3,068,588
2007	1,579,025	1,511,976	3,091,001
2008	1,600,485	1,543,193	3,143,678
2009	1,548,879	1,425,165	2,974,044
2010	1,549,066	1,358,828	2,907,894
2011	1,558,260	1,403,100	2,961,360
2012	1,537,265	1,473,973	3,011,238
2013	1,520,525	1,439,529	2,960,054
2014	1,467,342	1,393,828	2,861,170
2015	1,450,459	1,364,855	2,815,314
2016	1,479,741	1,391,578	2,871,319
2017	1,482,059	1,383,279	2,865,338
2018	1,515,983	1,385,289	2,901,272
2019	1,470,908	1,373,265	2,844,173
2020	1,507,084	1,332,524	2,839,608
2021	1,541,476	1,494,867	3,036,343
2022	1,522,580	1,625,060	3,147,640
2023	1,570,669	1,583,240	3,153,909



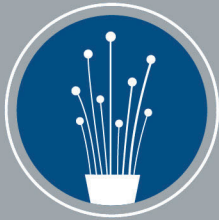
JACKSON ENERGY AUTHORITY
NUMBER OF CUSTOMERS - UNAUDITED
 JUNE 30, 2023

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



JACKSON ENERGY AUTHORITY
SCHEDULE OF TRANSFERS
 For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Electric Fund	Telecommunications Fund	Automated Metering Infrastructure Fees	\$ 250,000
Electric Fund	City of Jackson	In Lieu of Tax Payments	3,897,050
Gas Fund	City of Jackson	In Lieu of Tax Payments	1,626,990
Water Fund	City of Jackson	In Lieu of Tax Payments	197,622
Wastewater Fund	City of Jackson	In Lieu of Tax Payments	221,568
Telecommunications Fund	City of Jackson	In Lieu of Tax Payments	382,291
Telecommunications Fund	Electric Fund	Credit Enhancement Fees	16,542
Telecommunications Fund	Electric Fund	Interest on Debt Service Reserve Note	166,650
Telecommunications Fund	Electric Fund	Pole Attachments	546,350
Telecommunications Fund	Electric Fund	Rent	73,582
Telecommunications Fund	Gas Fund	Rent	64,663
Telecommunications Fund	Water Fund	Rent	49,055
Telecommunications Fund	Wastewater Fund	Rent	<u>35,676</u>
Total Transfers			<u>\$ 7,528,039</u>



INTERNAL CONTROL AND COMPLIANCE

FOR FISCAL YEAR
ENDING JUNE 30, 2023





**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, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 8, 2023.

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 CPAs + Advisors PLLC

Jackson, Tennessee
November 8, 2023



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

To the Board of Directors
Jackson Energy Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jackson Energy Authority’s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Jackson Energy Authority’s major federal programs for the year ended June 30, 2023. Jackson Energy Authority’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jackson Energy Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jackson Energy Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jackson Energy Authority’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable Jackson Energy Authority’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jackson Energy Authority’s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report

on compliance about Jackson Energy Authority's compliance with the requirements of each major federal program as a whole. In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Jackson Energy Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jackson Energy Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jackson Energy Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

ATA CPAs + Advisors PLLC

Jackson, Tennessee
November 8, 2023



JACKSON ENERGY AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes X no
- Significant deficiencies identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes X no
- Significant deficiencies identified? _____ yes X none reported

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

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

Identification of major programs:

<u>Program Name</u>	<u>CFDA No.</u>
Community Development Block Grants	14.228

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

Auditee qualified as low-risk auditee? _____ yes X no



JACKSON ENERGY AUTHORITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2023

FINANCIAL STATEMENT FINDINGS

None reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



JACKSON ENERGY AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

FINANCIAL STATEMENT FINDINGS

There were no prior year findings reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings reported.