



JASON E. MUMPOWER
Comptroller

September 22, 2023

Mr. Joe Carroll, Jr., President
and Board of Directors
Jellico Utilities Authority
P.O. Box 510
Jellico, TN 37762

Dear Mr. Carroll and Members of the Board:

Thank you for your request. We acknowledge receipt on September 20, 2023, of a request from the President of the Jellico Utilities Authority (the "Authority") for a report on a plan of finance (the "Plan") for the Authority's proposed issuance of a maximum \$1,575,000 Electric System Revenue Bonds, Series 2023.

Pursuant to the provisions of Tenn. Code Ann. Title 7 Chapter 36, enclosed is a report based upon our review of the Authority's Plan. The Plan, this letter, and the enclosed report must be published on the Authority's website and must be presented to each member of the governing board for review prior to the adoption of the bond authorizing resolution.

This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The Authority should discuss these issues with bond counsel.

Debt Management Policy

We understand that the Authority plans to adopt its debt management policy prior to the adoption of the resolution authorizing the issuance of the Series 2023 bonds. Please make sure to submit a signed and dated copy to our office at LGF@cot.tn.gov upon its adoption.

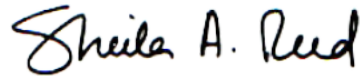
After Issuance

Our website contains specific compliance requirements you will be responsible for once the bonds are issued: <https://tncot.cc/debt>. The listing is not all inclusive and you should work with your financial advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed indebtedness.

Letter to Jellico Utilities Authority
September 22, 2023

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, Lori Barnard, at 615.747.5347 or Lori.Barnard@cot.tn.gov.

Sincerely,



Sheila Reed, Director
Division of Local Government Finance

cc: Scott Gibson, Cumberland Securities Company, Inc.
Betsy Knotts, Bass, Berry & Sims
Mark Mamantov, Bass, Berry & Sims

Encl: Report of the Director of the Division of Local Government Finance

SR:lb



**Report on Electric System Revenue Bonds, Series 2023
Jellico Utilities Authority, Jellico, Tennessee**

This report is being issued pursuant to Tenn. Code Ann. Title 7, Chapter 36, and is based upon information as presented in a plan of finance (the “Plan”) received by our office on September 20, 2023, from the Jellico Utilities Authority (the “Authority”). Our report provides information to assist the governing body in its responsibility to understand the nature of the transaction and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan. This report and the Authority’s Plan must be presented to the governing board prior to the adoption of a resolution authorizing the bonds.

PROPOSED DEBT: The Authority plans to issue an estimated \$1,575,000 Electric System Revenue Bonds, Series 2023, to finance capital improvements to the electric system.

COSTS: Estimated costs of issuance are summarized below, are based upon the par amount of the bonds being issued, and will be paid from the proceeds of the bond issue:

	<u>Amount</u>	<u>Price per \$1,000 Bond</u>
Financial Advisor (CSC)	\$ 15,000.00	\$ 9.52
Bond Counsel (BBS)	13,000.00	8.25
Bank Counsel	4,500.00	2.86
Miscellaneous	2,500.00	1.59
Total Cost of Issuance	<u>\$ 35,000.00</u>	<u>\$ 22.22</u>

FINANCIAL POSITION: For fiscal year 2022, the Electric System increased its total net position by \$1,012,591 and reported current assets sufficient to pay its current liabilities. The system projects positive changes in net position for fiscal years 2024-2026. Debt service coverage after the issuance of the bonds is estimated to be between 6.37x and 6.47x in fiscal years 2024 to 2026.

Effective Date for this Report: This report is effective for a period of ninety (90) days from the date of the report. If the transaction has not been priced during this ninety (90) day period, a new plan based on market conditions at that time, must be submitted to our office.

A handwritten signature in black ink that reads "Sheila A. Reed".

Sheila Reed
Director of the Division of Local Government Finance
Date: September 22, 2023