



JASON E. MUMPOWER  
*Comptroller*

April 17, 2026

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

Dear Mr. Carroll and Members of the Board:

Thank you for your request. We acknowledge receipt on April 15, 2026, of a request from the Jellico Utilities Authority (the "Authority") for a report on a plan of finance (the "Plan") for the Authority's proposed issuance of an estimated \$1,000,000 Electric System Revenue Bonds, Series 2026.

In accordance with 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 should be presented to each member of the governing board for review prior to the adoption of the authorizing bond resolution. Pursuant to Tenn. Code Ann. § 7-36-113, the enclosed report is required to be published on the Authority's website during the week following the report's receipt and must be made part of the bond transcript.

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.

**Balloon Indebtedness**

The proposed structure of the Series 2026 Bonds is not balloon indebtedness as defined in Tenn. Code Ann. § 9-21-133. If the structure is revised, the Authority should determine if the new structure complies with state law balloon indebtedness. If it is determined that the revised bond structure constitutes balloon indebtedness, the Authority must submit a Plan of Balloon Indebtedness to our office for approval prior to the Authority adopting the resolution authorizing the issuance of the debt.


**After Issuance**

Our website contains specific compliance requirements your local government will be responsible for once the bonds are issued: <http://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.

Jellico Utilities Authority  
April 17, 2026

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, Tara Bergfeld, at 615.401.7730 or [Tara.Bergfeld@cot.tn.gov](mailto:Tara.Bergfeld@cot.tn.gov).

Sincerely,



Sheila Reed, Director  
Division of Local Government Finance

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

Enclosure: Report on the Plan of Finance

SR: tb



**Report on Electric System Revenue Bonds, Series 2026  
The 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 April 15, 2026, 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, including the costs, prior to approving the issuance of the bonds 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 body prior to the adoption of a resolution authorizing the bonds.

**PROPOSED BORROWING AND PROJECT**

The Authority plans to issue an estimated \$1,000,000 in Electric System Revenue Bonds, Series 2026 to finance capital improvements to the electric system, including the acquisition of a building and to pay costs related to the sale and issuance of the Series 2026 Bonds. The plan presented amortization schedules for 10, 12, and 15 year bonds.

**COSTS**

Estimated costs of issuance for the Series 2026 Bonds are based on \$1,000,000 in bonds:

	<b>Amount</b>	<b>Price per \$1,000 Bond</b>
Municipal Advisor (Cumberland Securities)	\$ 15,000	\$ 15.00
Bond Counsel (Bass Berry & Sims)	12,000	12.00
Bank Counsel - TBD	5,000	5.00
<b>Total Cost of Issuance</b>	<b>\$ 32,000</b>	<b>\$ 32.00</b>

- Financial Advisor - Cumberland Securities: \$15,000 or \$15.00 per bond
- Bond Counsel - Bass, Berry, & Sims: \$12,000 or \$12.00 per bond
- Bank Counsel - TBD: \$5,000 or \$5.00 per bonds

Total: \$32,000 or \$32.00 per bond

**FINANCIAL POSITION**

For fiscal year 2025, the Authority's electric system increased its total net position by \$861,895 and reported current assets sufficient to pay its current liabilities. After the Series 2026 Bonds are issued the Authority has projected debt service coverage ratios of 4.03x and 4.19x for fiscal years 2027 and 2028, respectively, based upon a 10-year repayment schedule.

## **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, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the Authority's governing body to review prior to adopting a new authorizing resolution for the bonds.

*Sheila Reed*, Director  
Division of Local Government Finance  
Date: April 17, 2026