



JASON E. MUMPOWER
Comptroller

September 23, 2024

Mr. Terry Wimberley, President
Paris Utility Authority
P.O. Box 460
Paris, TN 38242

Dear Mr. Wimberley:

Thank you for your request. We acknowledge receipt on September 5, 2024, of a request from the President of the Paris Utility Authority (the "Authority") for a report on a plan of finance (the "Plan") for the Authority's proposed issuance of a maximum of \$8,100,000 Electric System Revenue Bond, Series 2024.

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 should be made available on the Authority's website and must be presented to each member of the Commission 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.

Publication Requirement

The enclosed report must be published once during the week following its receipt in a newspaper of general circulation in the county of the principal office of the Authority or the county the Authority primarily serves if its principal office is not also located in that county, and once on the Authority's website.

Balloon Indebtedness

The proposed structure of the Series 2024 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.

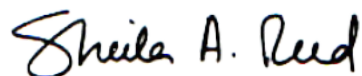
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Paris Utility Authority

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.

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, Benjamin Johnson, at 615.747.8831 or Benjamin.S.Johnson@cot.tn.gov.

Sincerely,



Sheila Reed, Director
Division of Local Government Finance

cc: Mr. Jeff Oldham, Bass Berry & Sims
Ms. Elizabeth Zuelke, Vice President, Raymond James

Enclosure: Report of the Director of the Division of Local Government Finance
SR:bj



**Report on Electric System Revenue Bonds, Series 2024
The Paris Utility Authority, Paris 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 5th, 2024, from the Paris Utility 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 \$7,590,000 in Electric System Revenue Bonds, Series 2024, at a premium of \$664,888 to finance capital improvements to the Authority's electrical power transmission and distribution system. The bonds will be sold by competitive public sale, issued at a fixed interest rate, and structured with level debt service payments.

COSTS:

Estimated costs of issuance for the Electric System Series 2024 Bonds are based on a par amount of \$7,590,000.

	Amount	Price per \$1,000 Bond
Underwriter's Discount	\$ 56,925	\$ 7.50
Municipal Advisor/Placement Agent (Raymond James)	49,500	6.52
Bond Counsel (Bass, Berry, and Sims)	20,000	2.63
Rating Agencu (Moody's)	22,000	2.90
Miscellaneous	3,250	0.43
Total Cost of Issuance:	\$ 151,675	\$ 19.98

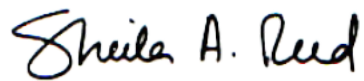
FINANCIAL POSITION AND OPERATIONS:

For fiscal year 2023, the Electric System increased its total net position by \$2,027,503. The Authority's audit report reflected that the System did not have current assets sufficient to pay its current liabilities at June 30, 2023; however, the Authority is working with it's auditor regarding reclassifications to balance sheet items that are anticipated to correct the issue. For fiscal year 2024 the Authority reported to our office a debt service coverage ratio of 7.57x prior to the issuance of the Series 2024 Bonds and estimates that after the debt is issued the debt service coverage ratio will be 5.16x, 4.61x, and 4.69x for fiscal years 2025, 2026, and 2027, respectively.

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Paris Utility Authority
Report on Planned Financing

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 of the Division of Local Government Finance
Date: September 23, 2024