



JASON E. MUMPOWER  
*Comptroller*

November 13, 2024

Mr. Terry Wimberley, President  
and Board of Commissioners  
Paris Utility Authority  
P.O. Box 460  
Paris, TN 38242

Dear President Wimberley and Board of Commissioners:

Thank you for your request. We acknowledge receipt on October 30, 2024, of a request from the Paris Utility Authority (the "Authority") for a report on a plan of finance (the "Plan") for the Authority's proposed issuance of an estimated \$17,350,000 of Taxable Electric System Revenue Bonds, Series 2025 with a not to exceed amount of \$17,500,000.

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 2025 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. 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.

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If you should have questions or need assistance, please refer to our online resources or feel free to contact your interim financial analyst, Adam Tschida, at 615.747.5340 or [Adam.Tschida@cot.tn.gov](mailto:Adam.Tschida@cot.tn.gov).

Your regular financial analyst, Benjamin Johnson, will be out of the office until January 2025. However, when he returns he may be contacted at 615.747.8831 or [Benjamin.S.Johnson@cot.tn.gov](mailto:Benjamin.S.Johnson@cot.tn.gov).

Sincerely,



Steve Osborne, Assistant Director  
Division of Local Government Finance

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

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

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**Report on Taxable Electric System Revenue Bonds, Series 2025  
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 October 30, 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 \$17,350,000 in Taxable Electric System Revenue Bonds, Series 2025 with a not to exceed amount of \$17,500,000 to finance electrical power transmission and distribution system capital improvements including fiber infrastructure related costs.

**COSTS:**

Estimated costs of issuance for the Series 2025 Bonds are based on a par amount of \$17,350,000:

Underwriter's Discount	\$ 216,875	\$	12.50
Municipal Advisor (Raymond James)	66,815		3.85
Rating Agency Fee (Moody's)	32,000		1.84
Bond Counsel (Bass, Berry, and Sims)	30,000		1.73
Misc (Prospectus, Paying Agent, etc.)	3,350		0.19
Total Cost of Issuance:	\$ 349,040	\$	20.11

**FINANCIAL POSITION:**

For fiscal year 2023, the Authority increased its Electric System total net position by \$2,027,503. The Authority's audit report reflected that the Electric 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 years 2023 and 2024 the Authority reported and forecasted a debt service coverage ratio of 5.6x and 7.6x respectively prior to the issuance of the Series 2025 Bonds and estimates that after the debt is issued the debt service coverage ratio will be 3.4 and 2.3 for fiscal years 2025 and 2026, respectively.

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**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.



Steve Osborne  
Assistant Director of the Division of Local Government Finance  
Date: November 13, 2024