PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 17, 2024

New Issue - Book-Entry Only

Ratings:
Moody's: **Aa3**
(See "RATINGS" herein)

In the opinion of Bond Counsel, under existing law, and assuming compliance with the tax covenants described herein, interest on the Series 2024 Bonds (i) will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code except as provided herein. Under existing law, the Series 2024 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "LEGAL MATTERS – Tax Matters" herein).

$7,590,000*
PARIS UTILITY AUTHORITY
(TENNESSEE)
ELECTRIC SYSTEM REVENUE BONDS, SERIES 2024

Dated: Date of Delivery **Due: June 1 as shown on the inside cover***

The $7,590,000* Electric System Revenue Bonds, Series 2024 (the "Series 2024 Bonds") of the Paris Utility Authority (the "Authority") will be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2024 Bonds. Individual purchases of the Series 2024 Bonds will be made in book-entry form only. See "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry-Only System" herein.

Interest on the Series 2024 Bonds is payable semi-annually from the date thereof on each June 1 and December 1, commencing on June 1, 2025, by check or draft mailed to the owners thereof as shown on the books and records of U.S. Bank Trust Company, National Association, Nashville, Tennessee, the registration and paying agent (the "Registration Agent"). In the event of discontinuation of the book-entry system, principal of and interest on the Series 2024 Bonds are payable at the designated corporate trust office of the Registration Agent.

The Series 2024 Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption" herein.

MATURITIES, AMOUNTS, INTEREST RATES, PRICE OR YIELD AND CUSIP NUMBERS – SEE INSIDE COVER

The Series 2024 Bonds are being issued to finance the costs of acquisition, expansion and improvement of the Authority's electrical power transmission and distribution system (the "System") and to pay costs of issuance of the Series 2024 Bonds. See "PLAN OF FINANCING" and "SOURCES AND USES" herein.

The Series 2024 Bonds shall be payable solely from and secured by a pledge of the Net Revenues, on parity with the pledge thereof in favor of the Outstanding Parity Lien Obligations (defined herein). The punctual payment of principal of and premium, if any, and interest on the Series 2024 Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due. **The Series 2024 Bonds do not constitute a debt of the State of Tennessee, or any political subdivision, agency or instrumentality thereof, other than the Authority, and no owner or holder of any of the Series 2024 Bonds shall have recourse to the taxing power of any such entities. The Authority has no taxing power.** See "SECURITY FOR THE BONDS" and "Appendix D: SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" herein.

The Series 2024 Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Series 2024 Bonds. Certain legal matters will be passed upon for the Authority by its counsel, Greer, Greer & Whitfield, Attorneys, PLLC, Paris, Tennessee. It is expected that the Series 2024 Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, N.Y. on or about October 10, 2024.*

RAYMOND JAMES®

Municipal Advisor

Dated September 17, 2024

$7,590,000[*] ELECTRIC SYSTEM REVENUE BONDS, SERIES 2024

Maturity[*]	Principal Amount[*]	Interest Rate	Yield	CUSIP No.[**]
6/1/2025	$80,000			
6/1/2026	120,000			
6/1/2027	125,000			
6/1/2028	135,000			
6/1/2029	140,000			
6/1/2030	145,000			
6/1/2031	155,000			
6/1/2032	160,000			
6/1/2033	170,000			
6/1/2034	180,000			
6/1/2035	185,000			
6/1/2036	195,000			
6/1/2037	205,000			
6/1/2038	215,000			
6/1/2039	225,000			
6/1/2040	240,000			
6/1/2041	250,000			
6/1/2042	265,000			
6/1/2043	275,000			
6/1/2044	290,000			
6/1/2045	305,000			
6/1/2046	320,000			
6/1/2047	335,000			
6/1/2048	350,000			
6/1/2049	370,000			
6/1/2050	390,000			
6/1/2051	410,000			
6/1/2052	430,000			
6/1/2053	450,000			
6/1/2054	475,000			

$X[*] ____% Term Bond Due June _, 20XX, Yield ____% CUSIP No.[**] __________

---

[*] Preliminary, subject to change.

[**] Copyright, American Bankers Association (the "ABA"). Initial CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of purchasers of the Series 2024 Bonds only at the time of issuance of the Series 2024 Bonds, and neither the Underwriters nor the Authority makes any representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2024 Bonds.

PARIS UTILITY AUTHORITY
(TENNESSEE)

BOARD OF DIRECTORS

David Flowers, Chairman

Michael Murphey   Ralph Anderson   Jill Coker
Terry Fuller   Butch Powers

AUTHORITY OFFICIALS

Terry Wimberley	*President and Chief Executive Officer*
Bethany Edwards	*Vice President, Administration and Finance, Secretary*
Tony Brown	*Vice President, Water and Wastewater Operations*
Brian Horton	*Vice President, Electric Operations*
Cole Edwards	*Vice President, Engineering and Metering*
Steve Greer, Esq.	*Legal Counsel*

REGISTRATION AND PAYING AGENT

U.S. Bank Trust Company, National Association
Nashville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Nashville, Tennessee

MUNICIPAL ADVISOR

Raymond James & Associates, Inc.
Nashville, Tennessee

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the " Preliminary Official Statement") from time to time, is an Official Statement with respect to the Series 2024 Bonds described herein that is deemed final by the Authority as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Series 2024 Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

This “Preliminary Official Statement” speaks only as of its date, and the information contained herein is subject to change.

This “Preliminary Official Statement” may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this “Preliminary Official Statement”, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this “Preliminary Official Statement”. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Authority’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This “Preliminary Official Statement” and the Appendices hereto contain brief descriptions of, among other matters, the Authority, the Series 2024 Bonds, the Master Resolution and the Series 2024 Resolution (as defined herein), the Disclosure Certificate, and the security and sources of payment for the Series 2024 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Master Resolution and the Series 2024 Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Series 2024 Bonds are qualified in their entirety to the forms thereof included in the Master Resolution and the Series 2024 Resolution.

The Series 2024 Bonds have not been registered under the Securities Act of 1933 and the Master Resolution and the Series 2024 Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts. This “Preliminary Official Statement” does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Authority or the Municipal Advisor to give any information or to make any representations other than those contained in this “Preliminary Official Statement”, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Authority or Municipal Advisor. Except where otherwise indicated, all information contained in this “Preliminary Official Statement” has been provided by the Authority. The information set forth herein has been obtained by the Authority from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation of, the Municipal Advisor. The information contained herein is subject to change without notice, and neither the delivery of this “Preliminary Official Statement” nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Authority, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Series 2024 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

TABLE OF CONTENTS

SUMMARY STATEMENT i

SECURITIES OFFERED
Introduction 1
Qualified Tax-Exempt Obligations 2
The Board 2
Defined Terms 2
Description of the Series 2024 Bonds 2
Security and Source of Payment 3
Plan of Finance 3
Sources and Uses of Funds 3
Redemption
Optional Redemption 3
Mandatory Redemption 3
Notice of Call for Redemption 4

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS
Pledge of Net Revenue 6
Flow of Funds 6
Rate Covenant 6
Debt Service Sinking Fund and Debt Service Reserve Fund 6
Parity Bonds 7
Payments in Lieu of Taxes 7
Subordinate Indebtedness 7

BASIC DOCUMENTATION
Registration Agent 8
Book-Entry-Only System
DTC and Its Participants 8
Purchase of Ownership Interests 9
Payments of Principal and Interest 9
Notices 9
Transfers of Series 2024 Bonds 10
Discontinuation of Book-Entry-Only System 10
No Assurance Regarding DTC Practices 10
Certain Other Covenants with Respect to the Series 2024 Bonds 11
Discharge and Satisfaction of Series 2024 Bonds 11

BONDHOLDERS' RISKS
General 13
Enforceability of Remedies 13
Additional Bonds 13
Early Payment Prior to Maturity 13
Loss of Tax Exemption 13
COVID-19 Pandemic 14
Cybersecurity 15
Climate Change 16
Other Risk Factors 16

LEGAL MATTERS

Litigation....18
Remedies of Bondholders....18
Tax Matters
Federal
General....19
Bond Premium....20
Original Issue Discount....20
Information Reporting and Backup Withholding....20
Qualified Tax-Exempt Obligations....21
State Taxes....21
Changes in Federal and State Tax Law....21
Closing Certificates....22
Approval of Legal Proceedings....22

MISCELLANEOUS

Rating....24
Competitive Public Sale....24
Financial Professionals
Registration Agent....24
Bond Counsel....25
Investments....25
Dissemination Agent....25
Additional Debt Obligations....25
Official Statement....25
Continuing Disclosure....25
Additional Information....26
Certification of the Authority....27

APPENDIX A: PROPOSED FORM OF LEGAL OPINION....A-1

APPENDIX B: SUPPLEMENTAL INFORMATION STATEMENT

Paris Utility Authority

History and Organization....B-1
Description of the System....B-1
The Tennessee Valley Authority....B-2
Source of Power....B-3
Factors Affecting the Electric Utility Industry and TVA....
General....B-4
Transmission Access to Wholesale Power....B-5
Federal Energy Policy Act of 2005....B-5
NERC Electric Reliability Standards Compliance....B-6
TVA and General Industry Risk Factors....B-6

Financial and Operating Information

Introduction....B-8
Investment and Cash Management Practices....B-8
Electric Rates....B-8
Residential and General Power Resale Rates of the Authority....B-9
Discussion of Operations
Number of Meters....B-9

Kilowatt Hours of Electric Power Purchased and Sold........B-10
Kilowatt Hours of Electric Power Sold........B-10
Ten Largest Electric Customers........B-11
System Rates........B-11
Retirement Plans........B-11
Other Post-Employment Benefits........B-12
Summary of Indebtedness........B-13
Debt Service Requirements........B-14
Summary of Revenues, Expenditures and Changes in Net Position........B-15
Debt Service Coverages........B-16

The City of Paris and Henry County
Introduction........B-17
Transportation........B-18
Governmental Structure........B-18
Educational Opportunities
Public Education........B-19
Bethel University........B-19
The Tennessee College of Applied Technology at Paris........B-19
Medical Facilities........B-19
Manufacturing and Commerce........B-20
Employment - General........B-21

APPENDIX C: SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS........C-1

APPENDIX D: FORM OF CONTINUING DISCLOSURE CERTIFICATE........D-1

APPENDIX E: ELECTRIC SYSTEM RATES........E-1

APPENDIX F: FINANCIAL STATEMENT WITH SUPPLEMENTARY INFORMATION FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022........F-1

SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this "Preliminary Official Statement". This Summary Statement shall not be reproduced, distributed or otherwise used except in conjunction with the remainder of this "Preliminary Official Statement".

The Issuer .... Paris Utility Authority (Tennessee) (the "Authority"). See the section entitled "Appendix B: Supplemental Information Statement" for more information.

Securities Offered .... $7,590,000* Electric System Revenue Bonds, Series 2024 (the "Series 2024 Bonds") of the Authority, dated the date of their delivery which is estimated to be on or about October 10, 2024*. The Series 2024 Bonds will mature on June 1, 2025 through June 1, 2054, inclusive*. See the section entitled "SECURITIES OFFERED – Authority and Purpose".

Security and Source of Payment .... The Series 2024 Bonds shall be payable solely from and secured by a pledge of the Net Revenues, on parity with the pledge thereof in favor of the Outstanding Parity Lien Obligations (defined herein). The punctual payment of principal of and premium, if any, and interest on the Series 2024 Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due. **The Series 2024 Bonds do not constitute a debt of the State of Tennessee, or any political subdivision, agency or instrumentality thereof, other than the Authority, and no owner or holder of any of the Series 2024 Bonds shall have recourse to the taxing power of any such entities. The Authority has no taxing power.** See the section entitled "SECURITIES OFFERED – Security and Source of Payment" and "Appendix C: Summary of Certain Provisions of the Resolutions".

Purpose .... The Series 2024 Bonds are being issued for the purpose of providing funds for the acquisition, construction, improvement and equipping of capital improvements to the electrical power transmission and distribution system (the "System"), to reimburse the Authority for prior expenditures for the foregoing, and to pay the costs of issuance of the Bonds Series 2024 Bonds. See the section entitled "SECURITIES OFFERED – Introduction" for additional information.

Optional Redemption .... Series 2024 Bonds maturing on or before June 1, 2032 shall mature without option of prior redemption. The Series 2024 Bonds maturing June 1, 2033 shall be subject to redemption prior to maturity at the option of the Authority on June 1, 2032 and thereafter, as a whole or in part, at any time, at the redemption price of par, plus interest accrued to the redemption date. See "SECURITIES OFFERED – Redemption - *Optional*" for additional information.

* Subject to reduction and adjustment as set forth in the "Official Notice of Sale" which is an integral part of the "Preliminary Official Statement" and is incorporated herein by reference.

Mandatory Redemption	[To Be Determined. See the "Official Notice of Sale" for Bidding Option. See "SECURITIES OFFERED – Redemption - *Mandatory*" for additional information.]
Rating	Moody's "__". See the section entitled "MISCELLANEOUS – Rating" for more information.
Underwriter	____ (the "Underwriter"). Also see the section entitled "MISCELLANEOUS – Competitive Public Sale".
Municipal Advisor	Raymond James & Associates, Inc., Nashville, Tennessee, (the "Municipal Advisor" or "Raymond James"). Also see the section entitled "MISCELLANEOUS - Financial Professionals; Related Parties; Other".
Bond Counsel	Bass, Berry & Sims PLC, Nashville, Tennessee (the "Bond Counsel"). Also see the section entitled "MISCELLANEOUS - Financial Professionals; Related Parties; Other".
Registration and Paying Agent	U.S. Bank Trust Company, National Association, Nashville, Tennessee (the "Registration Agent"). Also see the section entitled "MISCELLANEOUS - Financial Professionals".
Book Entry Only	The Series 2024 Bonds will be issued under the Book Entry System except as otherwise described herein. For additional information, see the section entitled "BASIC DOCUMENTATION – Book Entry System".
Tax Matters	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Authority, interest on the Bonds (i) will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code except as provided herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "LEGAL MATTERS – Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "LEGAL MATTERS – Tax Matters" herein). See also "Appendix A: Proposed Form of Legal Opinion" included herein.
General	The Series 2024 Bonds are being issued in full compliance with Title 7, Chapter 36, Section 101 <u>et</u> <u>seq</u>., <u>Tennessee Code Annotated</u>, as amended and the Master Resolution adopted on May 18, 2020 as supplemented by the Series 2024 Resolution adopted on July 30, 2024 (collectively, the "Resolutions"). The Series 2024 Bonds will be issued with CUSIP numbers through the facilities of The Depository Trust Company, New York, New York. See the section entitled "SECURITIES OFFERED – Introduction" for more information.

Disclosure	In accordance with Rule 15c2-12 of the Securities and Exchange Commission as amended (the "Rule"), the Authority will provide the Municipal Securities Rulemaking Board ("MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and the State information depository ("SID"), if any, annual financial reports and notice of certain enumerated events. See the section entitled "MISCELLANEOUS - Continuing Disclosure".
Other Information	The information in the "Preliminary Official Statement" is deemed "final" within the meaning of Rule 15c2-12(b)(5) (the "Rule") of the SEC as of the date which appears on the cover hereof except for the omission of certain information allowed to be excluded under the Rule. For more information concerning the Authority or the "Preliminary Official Statement", contact the President & Chief Executive Officer, Paris Utility Authority, 117 East Washington Street, Paris, Tennessee 38242, Telephone: 731-642-1322 or the Authority's Municipal Advisor, Raymond James & Associates, Inc., One Burton Hills Blvd., Suite 225, Nashville, Tennessee 37215, Telephone: 615-665-6920 or 800-764-1002.

[Balance of Page Left Blank Intentionally]

$7,590,000*
PARIS UTILITY AUTHORITY
(TENNESSEE)
Electric System Revenue Bonds, Series 2024

SECURITIES OFFERED

INTRODUCTION

This "Preliminary Official Statement" (including the cover page and inside cover page hereof, the Summary Statement and the Appendices hereto) is furnished by the Paris Utility Authority (the "Authority") to provide information concerning the offering by the Authority of its Electric System Revenue Bonds, Series 2024 (the "Series 2024 Bonds").

The Authority has been created as a governmental authority and public corporation pursuant to the Municipal Energy Authority Act, Sections 7-36-101 et seq., Tennessee Code Annotated, as amended (the "Act").

The Master Resolution adopted on May 18, 2020 by the Board of Directors of the Authority (the "Board") as supplemented by the Series 2024 Resolution adopted by the Board on July 30, 2024 (the "Series 2024 Resolution") (the Master Resolution together therewith are collectively referred to as the "Resolutions"). The Resolutions set forth the terms of the Series 2024 Bonds, govern the Authority's application of the Net Revenues (as defined in Appendix C) of the Authority's electrical power transmission and distribution system (the "System"), and includes covenants regarding the operation of the System. The Resolutions require that the Authority to set rates in each year sufficient to provide for 120% of the debt service on the Outstanding Parity Lien Obligations (defined in Appendix C), the Series 2024 Bonds and any parity bonds and 100% of the payment of operating costs, subordinate lien debt service and payments in lieu of taxes. The Resolutions require that the Authority establish a debt service reserve fund in the event that Net Revenues are less than 200% of annual debt service requirements. No debt service reserve fund has been established for the Outstanding Parity Lien Obligations nor will one will be established upon the initial issuance of the Series 2024 Bonds. The Resolutions prohibit the issuance of additional bonds on parity with the Outstanding Parity Lien Obligations and the Series 2024 Bonds unless the System's revenues, after providing for the payment of operating costs, are at least 120% of the maximum annual debt service on then outstanding bonds and any proposed bonds. For a description of the terms, see "Security and Source of Payment for the Series 2024 Bonds" herein, and "Appendix C: Summary of Certain Provisions of the Resolutions".

The Series 2024 Bonds shall be payable solely from and secured by a pledge of the Net Revenues, on parity with the pledge thereof in favor of the Outstanding Parity Lien Obligations. For a discussion of the sources of payment and security for the Series 2024 Bonds, see "Security and Source of Payment for the Series 2024 Bonds" herein.

---
* Subject to reduction and adjustment as set forth in the "Official Notice of Sale" which is an integral part of the "Preliminary Official Statement" and is incorporated herein by reference.

THE BOARD

The Board, located in the City of Paris, Tennessee (the "City"), provides retail electric service through its System to ratepayers in the City and in Henry County, Tennessee. The Board has the exclusive authority and responsibility for the ownership and operation of the System. The Board does not own any generation facilities and presently purchases its entire power supply requirements under a wholesale power contract (the "Power Contract") with the Tennessee Valley Authority ("TVA"), a federal governmental instrumentality created by Congress pursuant to the Tennessee Valley Authority Act of 1933, as amended (the "TVA Act"). The Power Contract provides that the Board may sell power to all customers in its service area, except certain federal installations and large customers, which TVA may serve directly. The Power Contract establishes the rates and terms and conditions under which power is to be purchased from TVA and distributed to the customers of the Board. The Board's customer rates are set at levels sufficient to cover the cost of power supplied by TVA under the Power Contract and the Board's costs of operation.

The Authority, the System and the Board are further described in the Authority's Supplemental Information Statement, which is included herein as Appendix B.

DEFINED TERMS

Capitalized terms used but not defined herein shall have the meanings ascribed in "Appendix C: Summary of Certain Provisions of the Resolutions".

DESCRIPTION OF THE SERIES 2024 BONDS

The Series 2024 Bonds initially will be dated the date of their issuance estimated to be October 10, 2024*. Interest on the Series 2024 Bonds will be payable semiannually as applicable on June 1 and December 1, commencing June 1, 2025. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Series 2024 Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2024 Bonds. See the section entitled "BASIC DOCUMENTATION" for additional information.

SECURITY AND SOURCE OF PAYMENT

The Series 2024 Bonds shall be payable solely from and secured by a pledge of the Net Revenues, on parity with the pledge thereof in favor of the Outstanding Parity Lien Obligations. The punctual payment of principal of and premium, if any, and interest on the Series 2024 Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due. **The Series 2024 Bonds do not constitute a debt of the State of Tennessee, or any political subdivision, agency or instrumentality thereof, other than the Authority, and no owner or holder of any of the Series 2024 Bonds shall have recourse to the taxing power of any such entities. The**

---

* Preliminary, subject to adjustment and revision. Also, see the "Official Notice of Sale".

Authority has no taxing power. See “Appendix C: Summary of Certain Provisions of the Resolutions”.

PLAN OF FINANCE

The Series 2024 Bonds are being issued for the purpose of providing funds for (i) the acquisition, construction, improvement and equipping of capital improvements to the System; (ii) to reimburse the Authority for prior expenditures for the foregoing; and (iii) to pay the costs of issuance of the Series 2024 Bonds.

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds relating to the proceeds from the Series 2024 Bonds:

Sources of Funds:
Par Amount
Net Original Issue Premium [Discount]
TOTAL SOURCES:

Uses of Funds:
Deposit to Series 2024 Construction Fund
Underwriter’s Discount
Costs of Issuance
TOTAL USES:

REDEMPTION

Optional Redemption. The Series 2024 Bonds maturing on or before June 1, 2032 shall not be subject to optional redemption. The Series 2024 Bonds maturing on or after June 1, 2033 shall be subject to redemption at the option of the Authority at any time on or after June 1, 2032, in whole or part, at price of par plus interest accrued to the redemption date.

[*Mandatory Redemption*. In the event any or all the Series 2024 Bonds are sold as Term Bonds, the Authority shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth below, in aggregate principal amounts equal to the maturity at a price of par plus accrued interest thereon to the date of redemption. Any Term Bonds to be redeemed within a single maturity shall be selected as follows:

a) if the Series 2024 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2024 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

b) if the Series 2024 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2024 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

At its option, to be exercised on or before the 45th day next preceding any such mandatory redemption date, the Authority may (i) deliver to the Registration Agent for cancellation Series 2024 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2024 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2024 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100.0% of the principal amount thereof on the obligation of the Authority on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2024 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Authority shall on or before the 45th day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Final Maturity	Redemption Date	Principal Amount of Series 2024 Bonds Redeemed

*Final Maturity

Notice of Call for Redemption. Notice of any call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent on behalf of the Authority not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2024 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Series 2024 Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series 2024 Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series 2024 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2024 Bonds, as and when above provided, and neither the Authority nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Authority pursuant to written instructions from an authorized representative of the Authority (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series 2024 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Series 2024 Bondholders that the redemption did not occur and that the Series 2024 Bonds called for redemption and not so paid remain outstanding.

[Balance of Page Left Blank Intentionally]

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS

PLEDGE OF NET REVENUE

The Series 2024 Bonds are payable solely from and secured solely by a pledge of the Net Revenues of the System, on parity with the pledge thereof in favor of the Outstanding Parity Lien Obligations. The punctual payment of principal of and premium, if any, and interest on the Series 2024 Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale or delivery. The Net Revenues of the System are irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due, see "Appendix C: Summary of Certain Provisions of the Resolutions".

FLOW OF FUNDS

Pursuant to the Resolutions, the Authority has agreed to deposit all revenues derived from the operation of the System into the Revenue Fund and to apply such moneys in accordance with the Resolutions. See "Appendix C: Summary of Certain Provisions of the Resolutions" for a description of the flow of funds.

RATE COVENANT

The Authority shall continuously own, control, operate, and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times prescribe, fix, maintain, and collect rates, fees, and other charges for the services and facilities furnished by the System fully sufficient at all times, such that Net Revenues in each Fiscal Year: (a) will equal at least 120% of the Debt Service Requirement on all Bonds, and 100% of the Debt Service Requirement on all other bonds or other obligations then outstanding for such Fiscal Year; (b) will enable the Authority to make all required payments, if any, into the Reserve Fund and on any Credit Facility; (c) will enable the Authority to accumulate an amount, which, in the judgment of the Board, is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System; and (d) will remedy all deficiencies in required payments into any of the funds and accounts mentioned in the Resolutions from prior Fiscal Years.

DEBT SERVICE SINKING FUND AND DEBT SERVICE RESERVE FUND

The Resolutions establish a Debt Service Sinking Fund to be held by the Authority. The Resolutions require the Authority fund monthly accruals of principal and interest to the Debt Service Sinking Fund for the Outstanding Parity Lien Obligations and the Series 2024 Bonds. Money on deposit in the Debt Service Sinking Fund will be used to pay debt service on the Outstanding Parity Lien Obligations and the Series 2024 Bonds as they become due. See "Appendix C: Summary of Certain Provisions of the Resolutions" for a further description of the Debt Service Sinking Fund.

No Debt Service Reserve Fund will be funded by the Authority upon issuance of the Series 2024 Bonds. In the event that the Authority's audited financial statements reflects that Net

Revenues for two consecutive Fiscal Years are less than 200% of the Debt Service requirements, on all outstanding bonds, Resolutions require the Authority to fund the Reserve Fund for the benefit of the Outstanding Parity Lien Obligations and the Series 2024 Bonds, in the amounts and in the manner described in "Appendix C: Summary of Certain Provisions of the Resolutions – Debt Service Reserve Fund". Any amounts on deposit in the Reserve Fund may be used solely for the purpose of curing deficiencies in the Revenue Fund for the payment when due of the principal of and interest on the Outstanding Parity Lien Obligations and the Series 2024 Bonds. If funds on deposit in the Reserve Fund or the available amount under a Reserve Fund Credit Facility on deposit in the Reserve Fund exceed in the aggregate the Reserve Requirement, the excess cash shall be deposited into the Revenue Fund. Upon the initial delivery of the Series 2024 Bonds, the Reserve Fund shall be unfunded, and the Authority shall only be required to fund the Reserve Fund upon the occurrence of the condition described above.

If at any time the Authority is required to fund the Reserve Fund, the amount may be funded in up to twenty-four substantially equal, consecutive monthly deposits commencing not later than the month following occurrence of the deficiency.

The Reserve Requirement may be funded with funds of the Authority, or one or more Reserve Fund Credit Facilities, or a combination thereof, all as described in the Resolutions. See "Appendix C: Summary of Certain Provisions of the Resolutions" for a further description of the Debt Service Reserve Fund.

PARITY BONDS

The Authority may, from time to time, issue Parity Bonds under the terms of the Resolutions. Such Parity Bonds will have a lien on the Net Revenues of the System securing the Outstanding Parity Lien Obligations and the Series 2024 Bonds. See "Appendix C: Summary of Certain Provisions of the Resolutions" for the conditions under which such Parity Bonds may be issued.

PAYMENTS IN LIEU OF TAXES

The Authority is required by Tennessee law to make annual payments in lieu of taxes to the City and other jurisdictions in which it has property and customers. The State of Tennessee has a specific formula for the calculation of payments in lieu of taxes for municipal electric systems, based generally on a percentage of electric plant value and a percentage of net operating revenue. Under the terms of the Resolutions, payments in lieu of taxes are paid only from funds available after the payment of operating expenses and debt service.

SUBORDINATE INDEBTEDNESS

The Resolutions do not limit the Authority's ability to incur indebtedness on an unsecured or subordinate basis relative to the pledge of Net Revenues in favor of the Series 2024 Bonds, the Outstanding Parity Lien Obligations and any other Parity Bonds.

BASIC DOCUMENTATION

REGISTRATION AGENT

The Registration Agent for the Authority will make all interest payments with respect to the Series 2024 Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at its address shown on said registration records, without, except for final payment, the presentation or surrender of such registered Series 2024 Bonds, and all such payments shall discharge the obligations of the Authority in respect of such Series 2024 Bonds to the extent of the payments so made. Payment of principal of the Series 2024 Bonds shall be made upon presentation and surrender of such Series 2024 Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Series 2024 Bonds, as nominee of DTC, references herein to the Holders or Registered Owners of the Series 2024 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Series 2024 Bonds. For additional information, see the following section.

BOOK-ENTRY-ONLY SYSTEM

The Series 2024 Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee, except as described above. When the Series 2024 Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by DTC (the "Book-Entry-Only System"). One or more fully-registered Bond certificates will be issued for each maturity, in the entire aggregate principal amount of the Series 2024 Bonds and will be deposited with DTC.

DTC and its Participants. DTC is a limited-purpose trust company organized under the New York Bank Law, a "**banking organization**" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code, and a "**clearing agency**" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for securities that its participants (the "**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry-only changes in DTC Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of its Direct Participants and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (the "NSCC", **"GSCC", "MBSCC",** and **"EMCC"**, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc. (the "**NYSE**"), the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly (the **"Indirect Participants"** and, together with the Direct Participants, the **"Participants"**). DTC has S&P's highest Ratings: **"AAA."** The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtc.com.

Purchase of Ownership Interests. Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a **"beneficial owner"**) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through whom such beneficial owners entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except as specifically provided in the Series 2024 Bonds in the event that use of the book-entry-only system is discontinued.

Payments of Principal and Interest. Principal and interest payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in **"street name"**, and will be the responsibility of such Participant and not of DTC, the Authority or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Series 2024 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. Beneficial owners of the Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to beneficial owners, or in the alternative, beneficial owners may wish to provide their names and addresses to the Registration Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE AUTHORITY, THE UNDERWRITER, THE BOND COUNSEL, THE MUNICIPAL ADVISOR OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of Series 2024 Bonds. To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the beneficial owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Discontinuance of Book-Entry-Only System. In the event that (i) DTC determines not to continue to act as securities depository for the Series 2024 Bonds or (ii) to the extent permitted by the rules of DTC, the Authority determines to discontinue the Book-Entry System, the Book-Entry System shall be discontinued. Upon the occurrence of the event described above, the Authority will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to beneficial owners.

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority, the Bond Counsel, the Registration Agent, the Municipal Advisor and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Series 2024 Bonds as nominee of DTC, references herein to the holders or registered owners of the Series 2024 Bonds will mean Cede & Co. and will not mean the beneficial owners of the Series 2024 Bonds. None of the Authority, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the beneficial owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Series 2024 Bonds.

For more information on the duties of the Registration Agent, please refer to the Master Resolution. Also, please see the section entitled "SECURITIES OFFERED – Redemption."

CERTAIN OTHER COVENANTS WITH RESPECT TO THE SERIES 2024 BONDS

See "Appendix C: Summary of Certain Provisions of the Resolutions".

DISCHARGE AND SATISFACTION OF SERIES 2024 BONDS

If the Authority shall pay and discharge the indebtedness evidenced by all or any portion of the Series 2024 Bonds in any one or more of the following ways:

a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Series 2024 Bonds as and when the same become due and payable;

b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Series 2024 Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Series 2024 Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

c) By delivering such Series 2024 Bonds to the Registration Agent, for cancellation by it; and if the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority with respect to such Series 2024 Bonds, or make adequate provision therefor, and by resolution of the Board instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Series 2024 Bonds when due, then and in that case the indebtedness evidenced by such Series 2024 Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Authority to the holders of such Series 2024 Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

d) If the Authority shall pay and discharge the indebtedness evidenced by any of the Series 2024 Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

e) Except as otherwise provided, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant hereto nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Series 2024 Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (i) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Registration Agent and (ii) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Series 2024 Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Registration Agent.

[Balance of Page Left Blank Intentionally]

BONDHOLDERS' RISKS

GENERAL

Set forth below are certain risks purchasers of the Series 2024 Bonds should consider when making an investment decision. All potential risks are not included, and the discussion is not intended to be exhaustive.

ENFORCEABILITIY OF REMEDIES

The remedies available to the owners of the Series 2024 Bonds upon an event of default under the Resolutions are in many respects dependent upon judicial actions, which are often subject to discretion and delay. The enforceability of remedies or rights with respect to the Series 2024 Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing constitutional and statutory law and judicial decisions, certain remedies specified by the Resolutions may not be readily available or may be limited. The legal opinion to be delivered concurrently with the delivery of the Series 2024 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

ADDITIONAL BONDS

The Authority may issue additional bonds in accordance with the provisions of the Resolutions. The issuance of additional bonds would increase the debt service requirements and could adversely affect debt service coverage on the Series 2024 Bonds.

EARLY PAYMENT PRIOR TO MATURITY

The Series 2024 Bonds are subject to optional redemption prior to maturity. A prospective investor should consider these rights when making any investment decision. Following any redemption, owners of the Series 2024 Bonds many not be able to reinvest their funds at a comparable interest rate.

LOSS OF TAX EXEMPTION

There is no provision for the redemption of the Series 2024 Bonds or for the payment of additional interest on the Series 2024 Bonds in the event that interest on the Series 2024 Bonds becomes includable in gross income for federal income tax purposes. In the event that interest on the Series 2024 Bonds becomes includable in gross income for federal income tax purposes, the value and marketability of the Series 2024 Bonds would likely be adversely affected. The

Authority has covenanted not to do anything that would adversely affect the tax-exempt status of the Series 2024 Bonds.

See “LEGAL MATTERS – Tax Matters” herein.

FUTURE LEGISLATION COULD AFFECT TAX-EXEMPT OBLIGATIONS

The federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt obligations is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would completely eliminate the exemption for interest on all tax-exempt obligations. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on all tax-exempt obligations. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption.

Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt obligations already outstanding, including the Series 2024 Bonds offered pursuant to this Official Statement, as well as obligations issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the Series 2024 Bonds. Investors should consult their own tax advisors about the prospects and possible results of future legislation that could affect the exemption for interest on tax-exempt obligations.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Paris Utility Authority’s location in the southern United States and proximity to several waterways increases its vulnerability to flooding and extreme heat. In addition to flooding and extreme heat, the Authority faces other threats due to climate change, including the possibility of drought conditions that could become increasingly severe and frequent.

As required by federal law, the Tennessee Emergency Management Agency (“TEMA”), has prepared and adopted the “State of Tennessee Standard Hazard Mitigation Plan 2023” which includes among other things a climate risk and vulnerability assessment for all counties and regions of the State, including the Authority’s service area. Further information including the plan may be obtained as follows: https://www.tn.gov/tema/emergency-community/mitigation/state-mitigation-planning.html.

It is not possible for the Authority to predict the intensity, duration or impact of any weather related events, whether known or unknown, but the Authority has considered and addressed additional operational and safety measures and practices to offset and respond to future climate related issues similar to those which have occurred in the past. The Authority also believes it maintains adequate reserves to offset in part many financial risks associated with weather related operational disruptions, if they occur. Insurance coverage is also available for substations and buildings but does not cover transmission and distribution lines.

CYBERSECURITY

Paris Utility Authority utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information. As a result, Paris Utility Authority may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt municipal services and operations and subject the Authority to legal action. The Authority has no knowledge of, nor historical record of, any successful material cyber-security breach or related attack. Attempted cyber security attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or entities similar to the Authority. To mitigate against such risks, the Authority has instituted various technical controls, policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber-security training and awareness for all employees. The Authority is subject to the requirements of NERC and complies with federal rules applicable to utilities owning certain types of assets on the bulk electric system. The Authority undergoes regular monitoring and compliance audits in this regard. The Authority also maintains insurance against cyber security incidents. Despite the Authority's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

PUBLIC HEALTH EMERGENCIES AND GLOBAL CONFLICTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has affected and continues to affect the entire world, including Paris Utility Authority. In March 2020, in response to the COVID-19 outbreak, the Governor of the State of Tennessee issued a state of emergency and the World Health Organization declared the COVID-19 outbreak to be a global health emergency. The spread of COVID-19 led, from time to time, to quarantine and other "social distancing" measures. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers. The Governor of the State of Tennessee lifted the state of emergency in April 2021. The World Health Organization declared an end to the global health emergency in May 2023. The Authority is unable to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations or financial condition of the Authority or the System.

Historical data on the financial performance of the System and as well as employment, income trends, and business activity in the Authority are detailed in this Official Statement, including historical data collected both before and during the COVID-19 pandemic. See also "Appendix B: Supplemental Information Statement" for historical economic and demographic information for the Authority. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers and ratepayers in the area may have been forced to reduce their business activities during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information and historical data on the System, see "Appendix B: Supplemental Information Statement".

In February 2022, the Russian military invaded and attacked Ukraine. In October 2023, a conflict began in the Gaza strip between Israel and the Islamic Resistance Movement, also known as Hamas. Both conflicts are ongoing and may have adverse global economic impacts that could affect the Authority. The war between Russia and Ukraine and the after-effects of the COVID-19 pandemic have led to continued global labor shortages and supply chain disruptions. The Authority will continue to monitor and respond to developments affecting its workforce, customers and suppliers and intends to take additional steps to mitigate negative business impacts if and when appropriate.

OTHER RISK FACTORS

In the future, the following additional factors, among others, may adversely affect the operations of energy providers, including the Authority and the System, to an extent that cannot be determined at this time:

a) The ability of the Authority and the System to insure or otherwise protect itself against property damage and general liability claims due to cost or other unknown factors.

b) The TVA's inability to provide electricity and other risk factors relating to the System's relationship with TVA. See the section included in "Appendix B: Supplemental Information Statement - Factors Affecting the Electric Utility Industry".

c) Proposals to eliminate the tax-exempt status of debt obligations issued by the Authority, or to limit the use of such tax-exempt obligations, which have been made in the past, and which may be made again in the future. The adoption of such proposals would increase the cost to the Authority of financing future capital needs.

LEGAL MATTERS

LITIGATION

There are no pending, nor to the knowledge of the Authority are there any threatened, legal proceedings questioning, or seeking to restrain, enjoin, or adversely affect the issuance or delivery of the Series 2024 Bonds, the fixing or collecting of rates and charges for the services of the System, the pledge of the Net Revenues of the System to secure the payment of the Series 2024 Bonds, the proceedings and authority under which the Series 2024 Bonds are to be issued, the validity of the Series 2024 Bonds, the right of the Authority to acquire and operate the System, or the application of the proceeds of the Series 2024 Bonds for the purposes described herein.

The Board and the Authority, like other similar public bodies, are subject to a variety of other lawsuits and proceedings arising in the ordinary conduct of its affairs. The Authority will assume liabilities, if any, associated with these matters in connection with the transfer of the assets of the Board.

After reviewing the current status of all pending and threatened litigation involving the System with its litigation counsel, the Authority believes that, while the outcome of such litigation and proceedings cannot be predicted, the final resolution of these pending and threatened lawsuits, proceedings and claims against the Authority and its officials in such capacity are not expected to have a material adverse effect upon the financial position or results of operations of the System after taking into consideration the Authority's insurance and self-insurance arrangements for unemployment.

REMEDIES OF BONDHOLDERS

Any registered owner of any of the Series 2024 Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Authority by the provisions of the Resolutions, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms of the Resolutions.

If any default be made in the payment of principal of, premium, if any, or interest on the Series 2024 Bonds, then upon the filing of suit by any registered owner of the Series 2024 Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Authority with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Operating Expenses, and to apply the income and revenues thereof in conformity with the provisions of the Resolutions.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Series 2024 Bonds. Their opinion under existing law, relying on certain statements by the Authority and assuming compliance by the Authority with certain covenants, is that interest on the Series 2024 Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986 (the "Code"), and

- is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code ; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The Code imposes requirements on the Series 2024 Bonds that the Authority must continue to meet after the Series 2024 Bonds are issued. These requirements generally involve the way that the Series 2024 Bond proceeds must be invested and ultimately used. If the Authority does not meet these requirements, it is possible that a bondholder may have to include interest on the Series 2024 Bonds in its federal gross income on a retroactive basis to the date of issue. The Authority has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2024 Bonds. This is possible if a bondholder is:

- an S corporation,

- a United States branch of a foreign corporation,

- a financial institution,

- a property and casualty or a life insurance company,

- an individual receiving Social Security or railroad retirement benefits,

- an individual claiming the earned income credit or

- a borrower of money to purchase or carry the Series 2024 Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Series 2024 Bonds or affect the market price of the Series 2024 Bonds. See also "Changes in

Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2024 Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Series 2024 Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Series 2024 Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Series 2024 Bond will be reduced. The holder of a Series 2024 Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Series 2024 Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Series 2024 Bond with bond premium, even though the Series 2024 Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Series 2024 Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Series 2024 Bond will have "original issue discount" if the price paid by the original purchaser of such Series 2024 Bond is less than the principal amount of such Series 2024 Bond. Bond Counsel's opinion is that any original issue discount on these Series 2024 Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Series 2024 Bonds will be increased. If a bondholder owns one of these Series 2024 Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Series 2024 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2024 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2024 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes.

Under existing law, the Series 2024 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Series 2024 Bonds during the period the Series 2024 Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2024 Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

Changes In Federal And State Tax Law.

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2024 Bonds or otherwise prevent holders of the Series 2024 Bonds from realizing the full benefit of the tax exemption of interest on the Series 2024 Bonds. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Series 2024 Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Series 2024 Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2024 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2024 Bonds would be impacted. Purchasers of the Series 2024 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2024 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors regarding the foregoing matters.

The form of the opinion of Bond Counsel is attached as “Appendix A: Proposed Form of Opinion”. Copies of the opinion will be available at the time of the initial delivery of the Series 2024 Bonds.

CLOSING CERTIFICATES

Upon delivery of the Series 2024 Bonds, the Authority will execute certain closing certificates including the following: (i) a certificate as to the "Official Statement", in final form (as defined herein), signed by the President and Chief Executive Officer and other officials acting in their official capacities to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the "Official Statement", in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, not misleading, (b) since the date of the "Official Statement", in final form, no event has occurred which should have been set forth in such a memo or supplement, and (c) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Series 2024 Bonds, or contesting the validity of the Series 2024 Bonds or any proceeding taken pursuant to which the Series 2024 Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the officials acting in their official capacities evidencing delivery of and payment for the Series 2024 Bonds; (iii) a signature identification and incumbency certificate, signed by the President and Chief Executive Officer and other officials of the Authority acting in their official capacities certifying as to the due execution of the Series 2024 Bonds; and (iv) a Continuing Disclosure Certificate regarding certain covenants of the Authority concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

For additional information, see the section entitled "MISCELLANEOUS – Competitive Public Sale"; "MISCELLANEOUS – Financial Professionals"; "MISCELLANEOUS – Additional Information", "MISCELLANEOUS - Continuing Disclosure" and "Appendix A: Proposed Form of the Legal Opinion".

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Series 2024 Bonds are subject to the approval of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Bond Counsel did not prepare the "Preliminary Official Statement" or the "Official Statement", in final form, or verify their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the "Preliminary Official Statement" or "Official Statement", in final form, except for the information under the section entitled "LEGAL MATTERS – Tax Matters". The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Series 2024 Bonds and to the tax exemption of interest on the Series 2024 Bonds under present federal income tax laws, both described above. Reference is made to the "Preliminary Official Statement" and the form of the opinion contained in Appendix A.

Certain other matters will be passed upon for the Authority by Greer, Greer & Whitfield, Attorneys, PLLC, Paris, Tennessee.

MISCELLANEOUS

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned the Series 2024 Bonds the credit rating of "Aa3" which appears on the cover of this "Preliminary Official Statement".

The Authority furnished Moody's certain information and materials and had a "due diligence" meeting with the rating agency concerning the Series 2024 Bonds and the Authority. Generally, Moody's bases its ratings on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that any rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. The Authority undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the rating or other actions by a rating agency may have an adverse effect on the market price of the Series 2024 Bonds.

Any explanation of the significance of the ratings may be obtained only from Moody's.

COMPETITIVE PUBLIC SALE

The Series 2024 Bonds were offered for sale at competitive public bidding on September _, 2024 *. Details concerning the public sale were provided to potential bidders and others in the "Preliminary Official Statement" that was dated September __, 2024*. Through IHS Markit's IPREO's BiDCOMP®/Parity® system ("IPREO"), __ of the original __ firms which indicated an interest in bidding for the Series 2024 Bonds submitted proposals ranging from the best bid of ____ % on a true interest cost basis ("TIC") to ____ %.

The successful bidder for the Series 2024 Bonds was an account led by ____________________, _______, _________ (the "Underwriters") who contracted with the Authority, subject to the conditions set forth in the "Official Notice of Sale" (including permitted adjustments) to purchase the Series 2024 Bonds at an adjusted purchase price of $____________ (consisting of the par amount of the Series 2024 Bonds, plus a premium of $___________, less an original issue discount of $________, less an underwriter's discount of $_________) or a bid price of ______ % of par.

FINANCIAL PROFESSIONALS

Registration Agent. The Registration Agent provides commercial banking, investments and corporate trust services to private parties and State and local jurisdictions and may have provided one or more such services to the Authority on other occasions. As registration and paying

---

* Subject to adjustment and revision as outlined in the "Official Notice of Sale" which is an integral part of the "Preliminary Official Statement" and is incorporated herein by reference.

agent in this transaction, the Registration Agent will receive separate compensation for such services as it would if it were to serve the Authority in other normal commercial banking capacities.

Bond Counsel. Bass, Berry & Sims PLC presently represents the Municipal Advisor on legal matters unrelated to the Authority and may continue to do so in the future.

Investments. Among other services, Raymond James assists local jurisdictions in the investment of idle funds. If the Authority chooses to use these services, then Raymond James is entitled to separate compensation which may be shared with other divisions of the firm including Public Finance. Whether such fees are shared or not, the standard fees will be the same. On prior occasions, Raymond James has provided the Authority with investment services and may do so again in the future.

Dissemination Agent. Raymond James may be employed to serve the Authority as its dissemination agent with respect to its continuing disclosure undertakings for the Bonds and other debt obligations. For such services, Raymond James will receive a separate annual fee.

ADDITIONAL DEBT OBLIGATIONS

The Authority has not authorized the sale or issuance of any additional debt obligations at this time. On an annual basis, the Authority considers capital improvement plans which include certain projects that may be funded with debt obligations for funded from internal resources.

OFFICIAL STATEMENT

Certain information relative to the location, economy and finances of the Authority is found in the “Preliminary Official Statement” and the “Official Statement”. While not guaranteed as to completeness or accuracy, the “Preliminary Official Statement” and the “Official Statement” are believed to be correct as of their respective dates based on information supplied by the Authority and other reliable sources and by the certification by the Authority as to the “Official Statement”.

Raymond James has not been engaged by the Authority to provide or validate any information in this “Official Statement” relating to Authority, including (without limitation) any of Authority’s financial and operating data, whether historical or projected. Raymond James is not a public accounting or auditing firm and has not been engaged by Authority to review or audit any information in this “Official Statement” in accordance with accounting standards.

CONTINUING DISCLOSURE

At the time the Series 2024 Bonds are delivered, the Authority will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Series 2024 Bonds to provide certain financial information relating to the Authority by not later than twelve months after each of the Authority’s fiscal years (the “Annual Report”), commencing with the fiscal year ending June 30, 2024, and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board ("MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and with any State Information Depository established in the State of Tennessee (the "SID"). If the Authority is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of events will be filed by the Authority with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report and the notices of events is set forth in "Appendix D: Form of Continuing Disclosure Certificate". These covenants have been made in order to assist the underwriters in complying with SEC Rule 15c2-12(b) (the "Continuing Disclosure Rule"). The Authority has not failed to comply, in any material respect, in the last five years with any previous undertakings with regard to said Continuing Disclosure Rule to provide Annual Reports or notices of events.

See "Appendix D: Form of Continuing Disclosure Certificate" for additional information.

ADDITIONAL INFORMATION

References, excerpts and summaries contained herein of certain provisions of the laws of the State and any documents referred to herein do not purport to be complete statements of the provisions for such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Series 2024 Bonds, the security for the payment of the Series 2024 Bonds and the rights of the holders thereof. The "Preliminary Official Statement" and the "Official Statement" in final forms, and any advertisement of the Series 2024 Bonds are not to be construed as a contract or agreement between the Authority and the purchasers of any of the Series 2024 Bonds. Any statements or information printed in the "Preliminary Official Statement" and the "Official Statement", in final forms, involving matters of opinion or of estimates, whether or not expressly so identified, is intended merely as such and not representations of fact.

The Authority has deemed this "Preliminary Official Statement" as "final" as of its date within the meaning of Rule 15c2-12(b)(5) (the "Rule") of the Securities and Exchange Commission (the "SEC") except for certain information allowed to be omitted by the Rule.

[Balance of Page Left Blank Intentionally]

CERTIFICATION OF THE AUTHORITY

At the time of payment for and delivery of the Series 2024 Bonds, the Authority will furnish the purchaser a certificate, signed by the Chairman and the President and Chief Executive Officer, to the effect that (a) the descriptions and statements of or pertaining to the Authority contained in its "Official Statement" and any addendum thereto, for its Series 2024 Bonds, on the date of such "Official Statement", on the date of sale of the Series 2024 Bonds and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the Authority and its affairs, including its financial affairs, are concerned, such "Official Statement" did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data of or pertaining to entities other than the Authority, and their activities contained in such "Official Statement" are concerned, such statements and data have been obtained from sources which the Authority believes to be reliable and that the Authority has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the System of the Authority since June 30, 2023, the date of the last audited financial statements of the System of the Authority, the electronic link to which appears in "Appendix E: Financial Statements with Supplementary Information – Fiscal Years Ended June 30, 2023 and June 30, 2022".

/s/______________________________

Chairman

ATTEST:

/s/______________________________

President and Chief Executive Officer

/s/______________________________

Recording Secretary

APPENDIX A

PROPOSED FORM OF LEGAL OPINION

150 Third Avenue South, Suite 2800
Nashville, TN 37201
(615) 742-6200

(Closing Date)

Board of Directors
Paris Utility Authority

[Underwriter]

Re: $________ Paris Utility Authority Electric System Revenue Bonds, Series 2024

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Paris Utility Authority (the "Issuer") of $_______ Electric System Revenue Bonds, Series 2024, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.

2. The resolution of the Board of Directors of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The principal of and interest on the Bonds are payable solely from and secured by a pledge of revenues to be derived from the operation of the electrical power transmission and distribution system of the Issuer, subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring said system, on parity and equality of lien with the District's outstanding Electric System Revenue Bonds, Series 2020, dated June 30, 2020, Electric System Revenue Bonds, Series 2021, dated December 1, 2021, and any bonds hereafter issued on parity therewith. We express no opinion as to the sufficiency of such revenues for the payment of principal of and interest on the Bonds.

4. Interest on the Bonds (including any original issue discount properly allocable to

an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"); however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

PARIS UTILITY AUTHORITY

HISTORY AND ORGANIZATION

The Paris Utility Authority (the "Authority") has been created as a governmental authority and public corporation of the State of Tennessee pursuant to the Municipal Energy Authority Act, Sections 7-36-101 et seq., Tennessee Code Annotated, as amended (the "Act"). The Authority was created for the purpose of planning, acquiring, constructing, improving, furnishing, equipping, financing, owning, operating, and maintaining an electrical power and distribution system and water and sewer collection, distribution and treatment systems within or outside the corporate limits of the City of Paris, Tennessee (the "City") and Henry County, Tennessee and to exercise all powers granted to energy authorities by the Act.

The Authority was previously constituted as the Board of Public Utilities of the City under the Municipal Electric Plant Act of 1935 (Title 7, Chapter 52, Tennessee Code Annotated) through which it operated the City's electric, water and sewer systems enterprise activities from 1938 until their acquisition by the Authority on June 30, 2020.

Pursuant to the provisions of the Act, the five members of the Board of Directors of the Board of Public Utilities of the City of Paris were appointed as the initial Board of Directors of the Authority (the "Board") when it was created. When a term expires, the appointment/reappointment is made by the Board and the City's Board of Commissioners is required to confirm such appointment. The Board appoints the President and Chief Executive Officer who along with the professional staff of the Authority is responsible for executing policy as directed by the Board and managing the day-to-day operations and other activities of the Authority. Currently, there are approximately 70 full-time employees who work in all service areas offered by Authority.

Electric service is provided to the City and Henry County. As of June 30, 2023, there were 16,125 residential and 6,296 other customers.

The Authority also provides water treatment and distribution services and wastewater collection and treatment services.

DESCRIPTION OF THE SYSTEM

The System has no generating capacity and receives all of its power from the Tennessee Valley Authority (TVA) at 161 kV at one primary substation (Paris Primary). Power is transported from Paris Primary to 12 69:12.5 kV substations (Baily Fork, District, Henry, India Road, Industrial, Lone Oak, McKenzie, Paris Landing, Puryear, Springville, North Paris and Tecumseh). The 12.5 kV distribution system consists of 1,628 miles of line averaging about 13.5 consumers per mile as of June 2011. The total transformer capacity is 150,000 kVA. In 2010 and 2011, the System experienced summer peak demands of 120,057 kW NC and 117,868 kW NV, respectively.

THE TENNESSEE VALLEY AUTHORITY

TVA is a wholly-owned corporate agency and instrumentality of the United States. TVA was created by the U.S. Congress in 1933 by virtue of the Tennessee Valley Authority Act of 1933, as amended , 16 U.S.C. §§ 831-831ee (2000 & Supp. IV 2004) (as amended, the "TVA Act").

TVA was created to improve navigation on the Tennessee River, reduce flood damage, provide agricultural and industrial development, and provide electric power to the Tennessee Valley region. TVA manages the Tennessee River and its tributaries for multiple river-system purposes, such as navigation; flood damage reduction; power generation; environmental stewardship; shoreline use; and water supply for power plant operations, consumer use, recreation, industry, and other stewardship purposes. TVA's power system operations, however, constitute the majority of its activities and provide virtually all of its revenues.

TVA provides electric power to most of Tennessee, northern Alabama, northeastern Mississippi, and southwestern Kentucky. It also supplies power to small areas of Georgia, North Carolina and Virginia. TVA is the nation's largest public power company, providing power to approximately 10 million residents. TVA also maintains a navigable channel for the Tennessee River, performs flood control on the same river along with assistance to flood control on two other rivers, develops and introduces improved soil fertilizers, and encourages agricultural and industrial development and better forestry in the region. TVA's operations fall into two classes: power and non-power. Most of its revenues and assets are provided by the power program. TVA is a self-supporting entity.

The Power Contract provides that the Authority may sell power to all customers in its service area, except federal installations having contract demands greater than 5,000 kW and large customers as determined by a calculation outlined in TVA's Industrial Service Policy whom TVA may serve directly. At the present time, TVA does not directly serve any customer located within the service area of the Authority.

The Power Contract contains provisions that establish the wholesale rates, retail rates and terms and conditions under which power is to be purchased by TVA and distributed to the customers of the Authority. Under the Power Contract, TVA, on a monthly basis, may determine and make adjustments in the wholesale rate schedule with corresponding adjustments in retail rate schedules necessary to enable TVA to meet all requirements of the TVA Act, and the tests and provisions of TVA's bond resolutions.

TVA generates much of the electrical power and energy distributed to its distributors, but also purchases some of its electrical power and energy from third parties. The TVA system includes nuclear plants, fossil plants, hydroelectric plants, combustion-turbine plants, solar sites, a wind-energy site, and a methane gas facility. TVA transmits the electrical power and energy over its transmission system and sells such power and energy at wholesale rates to its distributors, of which the Authority is one. TVA also directly serves a limited number of large customers and federal installations.   The power sold to the Authority is not supplied by one specific generating facility but from the entire TVA system.

The Power Contract provides that TVA shall make every reasonable effort to increase the generating capacity of its system and to provide the transmission facilities required to deliver output thereof so as to be in a position to supply additional power when and to the extent needed by the Authority. Neither TVA nor the Authority is liable for breach of contract if the availability or use of power is interrupted or curtailed or either is prevented from performing under the Power Contract by circumstances reasonably beyond their control. The amount of power supplied by TVA and the contractual obligation to supply such power are limited by the capacity of TVA's generating and transmission facilities and the availability of power purchased from other generating facilities. The cost and availability of power to the Authority may be affected by, among other things, factors relating to TVA's nuclear program, fuel supply, environmental considerations such as stricter emissions standards and future legislation regulating the use of fossil fuel, changes in TVA's wholesale rate design, the construction and financing of future generating and transmission facilities, weather conditions and other factors relating to TVA's ability to supply the power demands of its customers. The Authority cannot determine with any precision its future cost of wholesale power purchased from TVA, and the Authority's wholesale power costs could be impacted by any combination of the above or other factors.

For more information concerning TVA, its generation capacity and its financial condition, including some of those factors discussed above, see the annual, quarterly and current reports filed by TVA with the Securities and Exchange Commission ("SEC"). Annual financial information about TVA can be found in TVA's Annual Report filed on Form 10-K. Interim financial information can be found in TVA's Quarterly Reports filed on Form 10-Q. Additional information may be found from time to time on TVA's Current Reports filed on Form 8-K. You may read and copy any of these documents at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. In addition, TVA's SEC filings are available to the public from the SEC's website at www.sec.gov and from TVA's website at www.tva.gov. **Information contained in these reports and on TVA's website shall not be deemed to be incorporated into, or to be a part of, this "Official Statement".**

SOURCE OF POWER

The System purchases all of it power from TVA pursuant to a Power Contract dated February 25, 1987 and effective on April 22, 1987 (the "Power Contract"). The Power Contract with TVA is a rolling 20-year agreement. Under the Power Contract, TVA agrees to supply the amount of electric power required for service to the System's customers, and the System agrees to purchase all of its electric power from TVA, but was recently amended to allow up to 5.0% to be purchased from other sources. When completed, the Authority intends to purchase up to 5.0% of its power from a privately owned and operated solar installation currently under development in the Authority's service area. This source of solar power is expected to reduce overall power costs and result in savings to the Authority. The Power Contract with TVA has not been terminated by either party.

The Power Contract establishes the retail rates all distributors charge the ultimate power consumers. These rates are revised from time to time to reflect changes in costs, including changes in the wholesale cost of power and distribution costs. While the wholesale rates are uniformly applicable to all distributors of TVA power under the present power contracts with distributors, the retail rates will vary among distributors of TVA power depending upon the respective distributor's retail customer distribution costs. The rates of TVA for the sale of electric power in the TVA region and its contracts with distributors are structured with the intent to achieve the TVA Act's objective of the distributors of TVA power to operate the respective distribution systems on a nonprofit basis and to provide a wide and ample supply of power at the lowest feasible rates.

The Power Contract provides that the Authority will use its gross revenues from its electric operations to pay for, in the following order, (1) current operating expenses; (2) current payment of interest and debt, including sinking fund payments, when due; (3) reasonable reserves for renewals, replacements, contingencies, and working capital; and (4) payments-in-lieu-of-taxes. Any revenues remaining over and above the preceding requirements are considered to be surplus, under the terms of the Power Contract, and may be used for construction or retirement of indebtedness before maturity. Within certain parameters of discretion concerning various factors affecting the earnings of the Authority and its future financial needs, rates and charges are to be reduced to practicable levels.

The Authority's retail rates are subject to TVA's review and approval under the provisions, terms and conditions of the Power Contract. The Power Contract provides for revisions to the retail rates that may be charged when necessary to permit the Authority to operate on a self-supporting and financially sound basis. The Authority is not aware of any pending legislation that would propose to make its retail electric rates subject to regulation by any third party or agency other than TVA. The Power Contract further provides that if the retail rates set forth therein do not provide sufficient revenues for the operation and maintenance of the System on a self-supporting, financially-sound basis, including debt service, TVA and the Authority shall agree to changes in rates to provide increased revenues. Similarly, if the rates and charges produce excess revenues, the Power Contract provides that the parties will agree to appropriate reductions. Since the date of the Power Contract, the wholesale and retail rates have been adjusted from time to time.

In October 2018, TVA approved a wholesale rate change that the Authority passed on to its retail customers which resulted in approximately 2.4% increase. The Authority also had a local rate increase that resulted in an impact of 0.51% on retail rates. In October 2019, the Authority imposed a 0.35% retail rate increase to pass along the impact of TVA's Grid Access Charge. The Grid Access Charge changed $.005 of variable cost related to the kWh rate and moved it to a fixed charged based on wholesale kWh purchases over the preceding five year period. There have been no further base rate increases since October 2019. The Authority does not anticipate any TVA or local rate increases in fiscal years 2022 or 2023.

Also see "Appendix E: Electric System Rates" for the schedule of current power rates of the Board and "Appendix F: Financial Statements with Supplementary Information – Fiscal Years Ended June 30, 2023 and June 30, 2022" for more information on the System.

FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY AND TVA

General. The electric utility industry has been and will continue to be affected by a number of factors that will have an impact on the business, operations and financial conditions of both public and private electric utilities. These include deregulation, compliance with NERC's electric reliability standards and Smart Grid initiatives. The following information is not exhaustive so investors are encouraged to supplement this information with their own research.

In the past, one of these factors was the efforts at both the national and local levels to restructure the electric utility industry from a heavily regulated monopoly to an industry in which there is more (or open) competition for power supply service at both the wholesale and retail level. Historically, electric utilities have operated as monopolies within their service territories, subject to certain exceptions. Under this arrangement, utilities have generally been able to charge rates primarily determined by their costs of service, rather than by competitive forces. There has been little activity regarding deregulation in recent years due to the perception of rapid escalation of electric rates in areas that have been deregulated. There can be no assurance that this arrangement will continue but the Authority is already subject to certain competitive forces and other factors.

In the late 1990s and early 2000s, various regulatory and legislative bodies in the State considered a wide range of issues associated with the advisability of retail competition in the electric utility industry. None of these groups recommended that the State actively pursue full retail competition at that time, and there are no currently pending State legislative or regulatory initiatives to provide for retail competition in the State at this time.

Transmission Access to Wholesale Power. The Authority's ability to access the wholesale power markets is limited and TVA currently enjoys substantial insulation from wholesale competition. Under the TVA Act, subject to certain minor exceptions, TVA may not currently enter into contracts that would have the effect of making it or its distributors a source of TVA power supply outside a statutorily-specified area. However, under a special provision of the Energy Policy Act of 1992 (the "anti-cherry-picking provision"), TVA is not required to provide its competitors with access to its transmission system to transmit power for consumption within the area that TVA or other distributors of TVA's power may serve. Thus, while TVA may not sell power outside its current service area, except for certain pre-existing arrangements, its competitors are not allowed to obtain transmission service from TVA to sell power within TVA's service areas under present law. Pending and future legislative and regulatory actions could impact the ability to access the wholesale market, and modification of TVA's historically protected service area could adversely affect TVA's financial and operating condition.

Federal Energy Policy Act of 2005. The Energy Policy Act of 2005 authorizes the FERC to require "unregulated transmitting utilities" to provide open access to their transmission systems on comparable terms and conditions as those "unregulated transmitting utilities" provide transmission service to themselves. While the Authority meets the minimum kilowatt-hour sales threshold to be an "unregulated transmission utility" under Section 201(f) of the Federal Power Act, it is unclear the extent to which, if any, the Authority's facilities would be considered subject to these requirements. The Authority is unable to predict at this time the impact of these requirements on the Authority's operations and finances.

The Energy Policy Act of 2005 provides certain "load serving entities" holding firm transmission rights the ability to continue to use those rights to serve their customers, and one provision of the Energy Policy Act of 2005 purports to provide these rights to wholesale customers of TVA. It is currently unclear whether these or other provisions of the Energy Policy Act of 2005 will fundamentally change the Authority's power supply arrangements with TVA or its ability to access the wholesale generation markets at a future point in time.

The Energy Policy Act of 2005 also subjected electric utilities to certain amendments to the Public Utility Regulatory Policies Act of 1978 ("PURPA"). The purposes of PURPA in 1978 were, and continue to be, to help the nation facilitate the conservation of energy, optimize efficiency, and provide for the establishment of equitable rates. As originally enacted, PURPA required certain utilities to consider and, if appropriate, adopt certain service practice and rate standards. As amended, PURPA now requires consideration of five new standards: (i) Net Metering; (ii) Fuel Source Diversity; (iii) Fossil Fuel Generation Efficiency; (iv) Smart Metering (time-based metering and communications); and (v) Interconnection Standards for Independent Power Producers. Under the revised PURPA standards, TVA is the Authority's regulatory authority for purposes of PURPA.

NERC Electric Reliability Standards Compliance. With the passage of the Energy Policy Act of 2005, Congress authorized FERC to establish an Electric Reliability Organization ("ERO") to protect the reliability of the bulk electric power system in the United States. NERC was certified by FERC as the ERO. NERC intends to comprehensively and thoroughly protect the reliability of the U.S. power grid, and certain owners, operators, and users of the bulk power system are required to register in their respective roles and to comply with certain "Reliability Standards." Since the NERC Reliability Standards became mandatory and enforceable on June 18, 2007, TVA has served as the NERC Registered Entity for all applicable NERC functions applicable to TVA and its distributors in the TVA service area, pursuant to an arrangement presented by TVA and approved by the SERC Reliability Corporation on March 8, 2007. On July 1, 2016, the Authority's predecessor entered into a Reliability Standards Memorandum of Understanding with TVA to document the policies and procedures used by TVA and the Authority to ensure full compliance with all applicable Reliability Standards, to delineate reliability-related tasks between TVA and the Authority resulting from recent changes to the reliability regulatory structure, and to establish certain reporting and documentation protocols.

TVA and General Industry Risk Factors. Because the Authority purchases all of its power from TVA, any risk factors affecting or potentially affecting the business operations of TVA may also affect the Authority. TVA may mitigate some of these risks by increasing the rates it charges for its power. A discussion of the risk factors affecting TVA's operations can be found in "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in TVA's Annual Report. TVA's Annual Report is available to the public from the SEC's website at www.sec.gov and from the TVA's website at www.tva.gov.

In addition to the risks discussed above, the electric utility industry in general has been, or in the future may be, affected by a number of other factors which could impact the financial condition of the Authority. Such factors include, among others, the following: (a) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements other than those described elsewhere in this “Official Statement”; (b) changes resulting from conservation and load management programs on the timing and use of electric energy; (c) changes in national, regional or state energy policy; (d) competition from other utilities, independent power producers, marketers and brokers; (e) competition with customer- owned generation, such as "self-generation" or "distributed generation," which might include micro-turbines, fuel cells, and other generation resources; (f) shifts in the availability and relative costs of different fuels, whether such fuels are competitive alternatives to electricity or are used in the generation of electricity; (g) other federal, state or local legislative or regulatory changes; (h) loss of large industrial or commercial customers; and (i) changes in the economy. Any of these factors (as well as other factors) could have an adverse effect on the financial condition of any electric utility and will likely affect individual utilities in different ways.

The Authority is unable to predict what impact any of the foregoing factors will have on its operations and financial conditions, but the impact could be significant. This “Official Statement” includes a brief discussion of certain of these factors. This discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date of this “Official Statement”. Extensive information on the electric utility industry is available in the public domain, and potential purchasers of the Series 2024 Bonds should obtain and review such information.

[Balance of Page Left Blank Intentionally]

FINANCIAL AND OPERATING INFORMATION

INTRODUCTION

Proprietary funds are accounted for using the accrual basis of accounting. Revenues of such funds are recognized when they are earned and expenses when they are incurred regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing connections. The principal operating revenues of the Authority are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, amortization and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operation revenues and expenses.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of the Authority's idle operating funds is controlled by State statute and local policies. Generally, such policies limit investment instruments to direct U.S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. Unless deposited in a financial institution participating in the State Consolidated Collateral Pool, all demand deposits or Certificates of Deposit must be secured by similar grade collateral (i.e. to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit) pledged at 105.0% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing bonds secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150.0% of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the Authority. For reporting purposes, all investments are stated at cost, which approximates market value.

ELECTRIC RATES

Pursuant to the Power Contract, the Authority has agreed to adhere to the resale rates set forth in certain schedules established by the TVA. The schedules include the provision that customer billings will be adjusted in accordance with the Adjustment Addendum published by TVA. The Authority is not otherwise subject to rate regulation under existing law and there is no known legislation pending to make its electric rates subject to regulation. The Power Contract provides further that if the resale rates set forth therein do not provide sufficient revenues for the operation and maintenance of the Authority on a self-supporting, financially sound basis, including debt service, the Authority and TVA shall agree to changes in rates to provide increased revenues. In like manner, if the rates and changes produce excess revenues, the parties shall agree to rate reductions. Since the date of the Power Contract, the wholesale and resale rates have been adjusted from time to time through TVA's publication of Adjustment Addenda. See the sections entitled "Source of Power" and "Appendix E: Electric System Rates" for additional information.

RESIDENTIAL AND GENERAL POWER RESALE RATES OF THE AUTHORITY

The resale electric rates that the Authority charges to commercial, industrial, governmental and general residential power customers are determined in accordance with the provisions of the Power Contract. All rates are subject to change. Amendments and supplements to the Power Contract have been made since that time. All rate changes are considered an amendments to the Power Contract with the last rate change amendment effective August 1, 2024.

TVA's Fuel Cost Adjustment ("FCA") changes monthly and is a passed through to customers by the Authority. The FCA is in addition to the base rates reflected in the Authority's retail rate schedule. The Authority implemented a rate item to residential and small commercial rates called the Demand Cost Recovery Adjustment ("DCRA"). The DCRA changes monthly and results in a charge or a credit depending the Authority's load factor.

Based on information available, the Authority expects TVA to hold rates constant for the next five years.

The Authority's current rate schedules which were effective in August 1, 2024 may be found in "Appendix E: Electric System Rates".

DISCUSSION OF OPERATIONS

Management believes The Authority's financial condition is strong. The Authority is well within its debt covenants and the more stringent financial policies and guidelines set by the Board and management. The following are key financial highlights. Total assets and deferred outflows of resources at year-end were $118.08 million and exceeded liabilities and deferred inflows by $67.66 million (i.e. net position), due primarily to an increase in capital assets.

The System's net position increased $2.028 million in 2023. Net investment in capital assets increased by $3.8 million due primarily to a significant increase in capital assets and a smaller increase in debt. During fiscal year 2023, The Authority delivered 470.96 million kWh of electricity. Operating revenues were $54.936 million, an increase from 2022 in the amount of $49.44 million or 11.11%. Operating expenses were $52.95 million, an increase from 2022 in the amount of $7.2 million or 15.78%.

Number of Meters. The following table shows by type, the number of meters for the most recent five fiscal years as reported to TVA.

Class of Service	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Residential	15,495	15,642	15,891	16,013	16,125
General Power 50 kW & Under (1)	5,400	5,470	5,613	5,692	5,776
General Power over 50 kW	289	286	299	306	312
Street & Outdoor Lighting / Other (1)	208	210	216	5,691	5,657
Total Meters	**22,421**	**22,221**	**22,019**	**27,089**	**26,841**

Source: TVA Annual Reports of the Board.
(1) Excludes outdoor lighting Codes 75 and 77.

Kilowatt Hours of Electric Power Purchased and Sold. The following table depicts Kilowatt Hours of Electric Power Purchased and Sold for the most recent five fiscal years as reported to TVA.

Fiscal Year	Power Purchased (kWH)	Cost	Power Used/ Sold (kWH)	Percentage Power Lost	Sales	Wholesale Cost Percentage of Sales
2019	483,290,523	$37,563,480	461,805,623	4.45%	$ 46,555,869	80.68%
2020	466,794,080	$35,087,769	442,265,060	5.26%	$ 44,667,453	78.55%
2021	473,231,386	$33,935,621	447,744,438	5.39%	$ 44,789,834	75.77%
2022	474,797,465	$37,018,374	450,369,264	5.15%	$48,193,946	82.88%
2023	503,754,339	$42,894,332	470,957,211	6.51%	$53,687,501	95.77%

Source: TVA Annual Reports of the Board.

Kilowatt Hours of Electric Power Sold. The following table depicts Kilowatt Hours of Electric Power Sold for the most recent five fiscal years as reported to TVA.

Fiscal Year	Residential	General Power – 50 kW & Under	General Power – Over 50 kW	Street & Outdoor Lighting	Internal Use	Total
2019	227,489,662	57,165,090	169,643,619	7,507,252	-	461,805,623
2020	217,581,697	56,042,953	161,424,796	7,215,614	-	442,265,060
2021	219,369,953	57,439,651	163,929,405	7,005,429	-	447,744,438
2022	218,851,084	59,094,521	165,670,926	6,752,733	-	450,369,264
2023	213,913,562	57,228,606	193,296,004	6,519,039	-	470,957,211

Source: TVA Annual Reports of Paris Utilities

TEN LARGEST ELECTRIC CUSTOMERS

For the twelve months ended June 30, 2023, the ten largest customers of the System in order of total kWh sales are listed below. Also depicted on the following chart are the percentages of total Power Board kWh sales and estimated percentage of total System revenues for the most recent fiscal year represented by each customer:

Top 10 Customers by Usage

Customer	Business Type	Usage	Revenue	Est. % of Total Revenue
Newrays Two LLC	Bitcoin	119,274,119	$ 5,839,534	10.88%
Dana Sealing Products LLC	Automotive Rubber Products	27,046,737	1,916,161	3.57%
Tosh Pork LLC	Pork Producer	20,560,888	1,717,079	3.20%
Henry County Medical Center	Hospital	10,882,459	1,037,811	1.93%
Eurotranciatura USA LLC	Steel Laminate Stamping	6,992,687	696,840	1.30%
PML INC	Automotive Rubber Products	6,700,800	664,673	1.24%
Henry County Board of Education	Education	5,347,878	605,180	1.13%
Republic Doors and Frames, LLC	Steel doors and frame	4,300,525	449,099	0.84%
CFCM LLC	Ham Producer	4,049,100	396,590	0.74%
Henry County Hardwoods	Lumber Producer	3,777,480	423,970	0.79%
	Total	208,932,673	$ 13,746,938	
	System Total	470,957,211	$ 53,687,501	

Source: The Authority

SYSTEM RATES

Pursuant to the Power Contract, the Board has agreed to adhere to the resale rates set forth in certain schedules established by the TVA. The schedules include the provision that customer billings will be adjusted in accordance with the Adjustment Addenda published by the TVA. The System is not otherwise subject to rate regulation under existing law and there is no known legislation pending to make its electric rates subject to regulation. The Power Contract provides further that if the resale rates set forth therein do not provide sufficient revenues for the operation and maintenance of the Board on a self-supporting, financially sound basis, including debt service, the System and TVA shall agree to changes in rates to provide increased revenues. In like manner, if the rates and changes produce excess revenues, the parties shall agree to rate reductions. Since the date of the Power Contract, the wholesale and resale rates have been adjusted from time to time through TVA's publication of Adjustment Addenda.

See "Appendix E: Electric System Rates" for additional information.

RETIREMENT PLANS

For information on the Board's retirement plans, see "Appendix F: Financial Statement with Supplementary Information - Fiscal Years Ended June 30, 2023 and June 30, 2022".

OTHER POST-EMPLOYMENT BENEFITS

The Authority provides additional post-employment benefits ("OPEB") to its retirees. The OPEB obligation is disclosed in the annual financial statements. See "Appendix F: Financial Statement with Supplementary Information - Fiscal Years Ended June 30, 2023 and June 30, 2022".

[Balance of Page Left Blank Intentionally]

SUMMARY OF INDEBTEDNESS

PARIS UTILITY AUTHORITY
Electric System Revenue Bonds
Summary of Indebtedness
As of June 30, 2024 Plus the Series 2024 Bonds

Amount Issued [1]	Purpose	Due Date	Interest Rates	Outstanding
$ 6,910,000	Electric System Revenue Bonds, Series 2020	6/1/2034	Fixed	$ 4,650,000
2,430,000	Electric System Revenue Bonds, Series 2021	6/1/2042	Fixed	2,335,000
$ 9,340,000	**TOTAL EXISTING ELECTRIC SYSTEM DEBT**			$ 6,985,000
7,590,000.00	Plus: Electric System Revenue Bonds, Series 2024			7,590,000
$17,440,000.00	**NET DIRECT BONDED DEBT**			$15,085,000

(1) Prior to fiscal year 2020, the Electric System was owned and operated by the City of Paris, Tennessee and was treated as an enterprise activity of the City. On June 30, 2020, the Authority was created and acquired the Electric System. For additional information, see the section entitled "SECURITIES OFFERED - Introduction".

PARIS UTILITY AUTHORITY

Electric System Revenue Bonds

Debt Service Requirements

As of June 30, 2024 Plus the Series 2024 Bonds

	PRINCIPAL REQUIREMENTS				INTEREST REQUIREMENTS			
FYE 6/30	Existing Principal	Series 2024 Bonds	Total Principal	% Total Debt Retired	Existing Interest	Series 2024 Interest	Total Interest	Total Debt Service
2025	$ 505,000	$ 80,000	$ 585,000		$ 185,763	$ 259,325	$ 445,088	$ 1,030,088
2026	520,000	120,000	640,000		161,513	375,500	537,013	1,177,013
2027	545,000	125,000	670,000		140,713	369,500	510,213	1,180,213
2028	565,000	135,000	700,000		118,913	363,250	482,163	1,182,163
2029	580,000	140,000	720,000		105,413	356,500	461,913	1,181,913
2030	595,000	145,000	740,000	28.39%	91,513	349,500	441,013	1,181,013
2031	605,000	155,000	760,000		78,413	342,250	420,663	1,180,663
2032	620,000	160,000	780,000		65,113	334,500	399,613	1,179,613
2033	635,000	170,000	805,000		51,463	326,500	377,963	1,182,963
2034	640,000	180,000	820,000		37,463	318,000	355,463	1,175,463
2035	135,000	185,000	320,000	52.41%	24,663	309,000	333,663	653,663
2036	140,000	195,000	335,000		21,963	299,750	321,713	656,713
2037	140,000	205,000	345,000		19,163	290,000	309,163	654,163
2038	145,000	215,000	360,000		16,363	279,750	296,113	656,113
2039	150,000	225,000	375,000		13,463	269,000	282,463	657,463
2040	150,000	240,000	390,000	64.73%	10,463	257,750	268,213	658,213
2041	155,000	250,000	405,000		7,088	245,750	252,838	657,838
2042	160,000	265,000	425,000		3,600	233,250	236,850	661,850
2043	-	275,000	275,000		-	220,000	220,000	495,000
2044	-	290,000	290,000		-	206,250	206,250	496,250
2045	-	305,000	305,000		-	191,750	191,750	496,750
2046	-	320,000	320,000	78.41%	-	176,500	176,500	496,500
2047	-	335,000	335,000		-	160,500	160,500	495,500
2048	-	350,000	350,000		-	143,750	143,750	493,750
2049	-	370,000	370,000		-	126,250	126,250	496,250
2050	-	390,000	390,000		-	107,750	107,750	497,750
2051	-	410,000	410,000	90.91%	-	88,250	88,250	498,250
2052	-	430,000	430,000		-	67,750	67,750	497,750
2053	-	450,000	450,000		-	46,250	46,250	496,250
2054	-	475,000	475,000	100.00%	-	23,750	23,750	498,750
	$ 6,985,000	$ 7,590,000	$ 14,575,000		$ 1,153,038	$ 7,137,825	$ 8,290,871	$ 22,865,871

(1) For additional information of the Series 2024 Bonds, see the section entitled "SECURITIES OFFERED - Introduction".

PARIS UTILITY AUTHORITY
Electric System
Summary of Revenues, Expenditures and Changes in Net Position

	2019	2020	2021	2022	2023
Revenues:					
Total Operating Revenues	$ 47,693,783	$ 45,820,983	$ 45,960,278	$ 49,439,908	$ 54,936,318
Total Operating Revenues	$ 47,693,783	$ 45,820,983	$ 45,960,278	$ 49,439,908	$ 54,936,318
Operating Expenses:					
Cost of Sales and Services	37,563,480	35,087,769	33,935,621	37,018,374	42,894,332
Operations Expense	3,357,381	3,040,256	2,956,991	2,652,703	3,290,947
Maintenance Expense	1,816,367	2,507,489	2,640,680	2,252,943	3,043,354
Provision for Depreciation	2,580,403	2,535,698	2,746,633	2,832,413	2,835,546
Taxes and Tax Equivalent - Other Government	224,752	221,092	945,292	977,740	889,690
Total Operating Expenses	$ 45,542,383	$ 43,392,304	$ 43,225,217	$ 45,734,173	$ 52,953,869
Operating Income	$ 2,151,400	$ 2,428,679	$ 2,735,061	$ 3,705,735	$ 1,982,449
Non-Operating Revenues (Expenses):					
Interest Income	$ 211,299	$ 270,712	$ 205,741	$ 172,070	$ 313,189
Interest Expense	(297,025)	(364,612)	(248,616)	(257,696)	(248,161)
Net Increase (Decrease) In the Fair Value of Investments	-	-	-	-	-
Other Revenue	10,716	4,361	2,445	-	653
Other Expense	(2)	(14,278)	(65,226)	(34,637)	(20,627)
Total Non-Operating Rev. (Exp.)	$ (75,012)	$ (103,817)	$ (105,656)	$ (120,263)	$ 45,054
Operating Income Before Other	$ 2,076,388	$ 2,324,862	$ 2,629,405	$ 3,585,472	$ 2,027,503
Other:					
Operating Transfers - Tax Equivalents	$ (731,869)	$ (725,721)	$ -	$ -	$ -
Total Other	$ (731,869)	$ (725,721)	$ -	$ -	$ -
Change in Net Position	$ 1,344,519	$ 1,599,141	$ 2,629,405	$ 3,585,472	$ 2,027,503
Net Position - PY	$ 33,934,259	$ 35,278,778	$ 36,877,919	$ 39,507,324	$ 43,092,796
Net Assets (Equity) - PY (Restated)	-	-	-	-	-
Net Assets (Equity) (Loss)	$ 35,278,778	$ 36,877,919	$ 39,507,324	$ 43,092,796	$ 45,120,299

IMPORTANT NOTE: Prior to its creation on June 30, 2020, ownership and operations of the System were part of the City of Paris, Tennessee and were treated as enterprise activities of the City. Accordingly information provided for years prior to fiscal year 2020 is included for informational and comparative purposes only.

Source: Financial Statements and Supplementary Information of the Paris Board of Public Utilities

PARIS UTILITY AUTHORITY

Historical Coverage of Proforma Maximum Annual Debt Service Requirements

As of June 30, 2023 Plus the Series 2024 Bonds*

	2019	2020	2021	2022	2023
Operating Revenues	$ 47,693,783	$ 45,820,983	$ 45,960,278	$ 49,439,908	$ 54,936,318
Costs of Sale and Services	(37,563,480)	(35,087,769)	(33,935,621)	(37,018,374)	(42,894,332)
Operations Expense	(3,357,381)	(3,040,256)	(2,956,991)	(2,652,703)	(3,290,947)
Maintenance Expense	(1,816,367)	(2,507,489)	(2,640,680)	(2,252,943)	(3,043,354)
Provision for Depreciation	(2,580,403)	(2,535,698)	(2,746,633)	(2,832,413)	(2,835,546)
Taxes and Tax Equivalents - Other Governments	(224,752)	(221,092)	(945,292)	(977,740)	(889,690)
Operating Income	$ 2,151,400	$ 2,428,679	$ 2,735,061	$ 3,705,735	$ 1,982,449
Non-Operating Revenues (Expenses):					
Interest Income	$ 211,299	$ 270,712	$ 205,741	$ 172,070	$ 313,189
Interest Expense	(297,025)	(364,612)	(248,616)	(257,696)	(248,161)
Other Revenue	10,716	4,361	2,445	-	653
Other Expense	(2)	(14,278)	(65,226)	(34,637)	(20,627)
Total Non-Operating Rev. (Exp.)	$ (75,012)	$ (103,817)	$ (105,656)	$ (120,263)	$ 45,054
Operating Income Before Other	$ 2,076,388	$ 2,324,862	$ 2,629,405	$ 3,585,472	$ 2,027,503
Other:					
Operating Transfers - Tax Equivalents	$ (731,869)	$ (725,721)			
Total Other	$ (731,869)	$ (725,721)	$ -	$ -	$ -
Add Back					
Depreciation	$ 2,580,403	$ 2,535,698	$ 2,746,633	$ 2,832,413	$ 2,835,546
PILOT Payments - All Jurisdictions	956,621	946,813			
Interest Expense	297,025	364,612	248,616	257,696	248,161
Total Additional	$ 3,834,049	$ 3,847,123	$ 2,995,249	$ 3,090,109	$ 3,083,707
Income Available for Debt Service	$ 5,178,568	$ 5,446,264	$ 5,624,654	$ 6,675,581	$ 5,111,210
Prior Maximum Debt Service[(1)]	$ 1,291,818	$ 869,850	$ 869,850	$ 869,850	$ 690,763
Historical Coverage Ratio	400.87%	626.12%	646.62%	767.44%	739.94%
Projected Debt Service Coverage - MADS[(2)]					
Existing Debt Plus Estimated Series 2024 Bonds					$ 1,182,963
Coverage					432.07%

IMPORTANT NOTE: Prior to its creation on June 30, 2020, ownership and operations of the Electric System were part of the City of Paris, Tennessee and were treated as enterprise activities of the City. Accordingly information provided for years prior to fiscal year 2020 is included for informational and comparative purposes only.

(1) The Authority's Series 2020 Bonds defeased all outstanding electric system enterprise debt when the Electric System was acquired from the City in 2020.

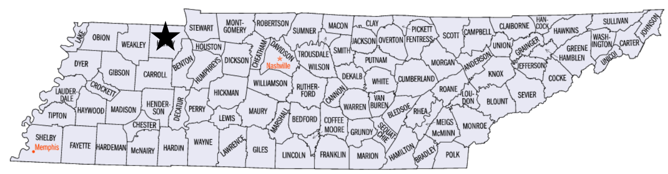
(2) Maximum annual debt service ("MADS") occurs in FY 2030

* Audited financials for FY 2023 are not available as of the date of the "Official Statement".

THE CITY OF PARIS AND HENRY COUNTY

INTRODUCTION

The Tennessee General Assembly created Henry County on November 7, 1821, and named in honor of Patrick Henry (1736-1799), Virginia statesman, patriot and Revolutionary leader, member of the Virginia colonial and state legislatures and the Continental Congress, governor of Virginia. Henry County became the gateway for the settlement of West Tennessee and beyond. The Henry County Courthouse was erected in 1823 in Paris and became West Tennessee's oldest incorporated County. The County seat is Paris.



Henry County is bordered by Calloway County, Kentucky (north), Stewart County (northeast), Kentucky Lake (Tennessee River) (east), Benton County (southeast), Carroll County (south), Weakley County (west) and Graves County, Kentucky (northwest). Cities and towns include Cottage Grove, Henry, Paris, and Puryear.

The Tennessee Valley Authority's Kentucky Lake (Tennessee River) is the largest man-made lake in the United States and the second largest in the world. After the creation of Paris Landing State Park in 1945, the lake soon became a popular recreation destination. Paris acquired the name "Capital City of Kentucky Lake," and tourism took an important role in the area's economy. The World's Biggest Fish Fry at Paris emerged as one of Tennessee's premier festivals and draws tens of thousands of visitors, and politicians, into Paris and Henry County during the last full week of April.

Located mid-way between Nashville and Memphis, Tennessee, Paris is the Southern Gateway to the Land-Between-the-Lakes National Outdoor Area. Paris is a growing city with a four-phased economy of agriculture, industry, tourism and retail trade.

The County has a diversified economy. Farms located in the county produce corn, soybeans, wheat, tobacco, beef cattle, hogs and dairy products. A large portion of the County's area is classed as farmland.

Industry is a major factor in the growth of Paris and the County. Principal industrial products are: extruded molded rubber, school laboratory furniture, food products, molded plastics, power tools and brakes, manufactured housing, steal door frames, clay and mineral products, small electric motors and compressors for refrigeration equipment.

Source: The Tennessee Encyclopedia of History and Culture © Tennessee Historical Society and the official website of Henry County Government.

Census Population	City of Paris	% Change	Henry County	% Change	Tennessee	% Change
2024*	10,360	0.01%	32,726	0.02%	6,997,493	0.01%
2020	10,316	1.58%	32,199	(0.10%)	6,910,840	8.90%
2010	10,156	4.03%	32,230	3.62%	6,346,105	11.5%
2000	9,763	4.62%	31,103	11.53%	5,689,283	16.7%
1990	9,332	(13.01%)	27,888	(2.68%)	4,877,185	6.2%
1980	10,728	8.45%	28,656	20.66%	4,591,120	16.9%

Source: U.S. Census Bureau

TRANSPORTATION

The County is served by two federal highways, U.S. 79 and 641, and four State highways, 64, 69, 76 and 77. The City is 32 miles north of Interstate 40 and connects to I-24 20 miles north by a four-lane highway. Local railways are served by KWT. General Aviation is provided by the Henry County Airport with a 5,000-foot asphalt runway and a 2,500-foot runway. The closet commercial air service is located 60 miles away in Jackson at the McKellar-Sipes Regional Airport.

The nearest navigable port is located 16 miles east in the Kentucky Lake. The channel depth is about 60 feet. The Kentucky Lake is part of the Tennessee River System. Channelization of the Tennessee River to a nine-foot minimum navigable depth from its junction with the Ohio River at Paducah, Kentucky to Knoxville, Tennessee gives the County the benefits of year round, low cost water transportation and a port on the nation's 10,000 mile-inland waterway system. This system formed largely by the Mississippi River and its tributaries, effectively links the area with the Great Lakes to the north and the Gulf of Mexico to the south. The Tennessee River borders Knox, Blount, Roane, Loudon, Meigs, Rhea, Marion, Hamilton, Hardin, Wayne, Decatur, Perry, Benton, Humphreys, Henry, Houston and Stewart Counties in the State.

GOVERNMENTAL STRUCTURE

The City operates pursuant to the uniform City Manager-Commission Charter, Title 6, Chapter 18, Tennessee Code Annotated, as supplemented and amended. The governing body of the City is the Board of Commissioners which consists of five members who serve four year terms of office. The Commission elects one of its members as Mayor to serve for a two year period as ceremonial head of the City and presiding officer of the Commission. The Commission appoints a City Manager who is chief administrative officer of the City. The City Manager appoints all other City employees who serve at the will of the City Manager. The Commission also approves members of the Board of Directors of the Authority.

The City provides a wide range of services characteristic of similar jurisdictions in the State including public safety (police and fire protection), building inspection, street maintenance, sanitation, parks, and recreation, public improvements, planning and zoning and general administrative services.

EDUCATIONAL OPPORTUNITIES

Public Education. Public education is provided to County residents by the Paris Special School District (K-8, generally, but not completely, inside the City of Paris) and the Henry County School System. The Paris Special School District operates three elementary schools (K-8). The County currently operates four elementary schools, one middle school and one high school (grades 9 through 12). Henry County High School serves all residents of Henry County including students who attended K-8 in the Paris Special School District.

All County residents are conveniently located near three colleges, including Bethel University in McKenzie, The University of Tennessee at Martin and Murray State University in Murray, Kentucky. Within an hour or so drive of the County are several other institutions of higher learning, including: Austin Peay State University in Clarksville and Jackson State Community College, Lane College, University of Memphis in Jackson (formerly Lambuth University) and Union University in Jackson.

Bethel University. Bethel is a private, four-year liberal arts institution founded by the Cumberland Presbyterian Church. Bethel was founded in 1842 and the 100-acre campus is located in McKenzie. Total undergraduate enrollment in McKenzie in fall 2020 was approximately 2,710 although overall enrollment is much larger when other locations are included. Bethel's Master of Business Administration (MBA) is the second largest in Tennessee. Bethel's Physician Assistant Studies master's degree program is one of only three in Tennessee and is situated in a facility in Paris adjacent to the Henry County Medical Center.

Source: Bethel University

The Tennessee College of Applied Technology at Paris. The Tennessee College of Applied Technology at Paris is part of a statewide system of 26 vocational-technical schools. The College meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The College serves the northwest region of the state including Henry, Weakley and Stewart Counties. The Paris facility began operations in 1970 and the main campus is located in Henry County.

Source: Tennessee College of Applied Technology at Paris

MEDICAL FACILITIES

The Henry County Medical Center (the "Medical Center" or the "HCMC"), is a progressive, integrated health care organization committed to serving the health care needs of Henry County and the adjoining region.

Comprised of a 142-bed hospital, the 174-bed Henry County Healthcare Center (providing residential care and the Plumley Rehabilitation Unit), an Emergency Medical Service, an off-site Center for Wellness & Rehabilitation and a home health and hospice service, the Medical Center provides a variety of outpatient services as well as inpatient care, and serves Henry and the surrounding counties. The Cancer Care Center of Henry County offers outpatient radiation and chemotherapy.

Located in Paris, Tennessee, the Medical Center provides affordable, high-quality, patient-centered care. HCMC is a county-owned and it is operated as non-profit institution.

Source: For more information on the Henry County Medical Center, please visit the official website at www.hcmc-tn.org

MANUFACTURING AND COMMERCE

Various types of information regarding employment and income trends within the Authority's service area, but some information may reflect data prior to the COVID-19 outbreak and may not be reflective of current conditions. For example, unemployment rates throughout the United States, including the City and Henry County, increased significantly during the COVID-19 pandemic. Furthermore, the largest employers in the City and Henry County may have been affected. The COVID-19 pandemic affected businesses throughout the United States, including businesses in the Authority's service area and around the region and some of the employers listed herein may have been forced to reduce their employment from the levels described. Given the fluidity of the current economic environment, it is not able to provide sufficiently accurate updates to this information.

The following includes the largest employers in the County, their product, and the approximate level of employment:

Major Employers in Henry County

Organization	Service/Product	Estimated Employees
Henry County Medical Center	Hospital and Related Health Care Facilities	900
Dana Corporation	Rubber tubing	616
Henry County Schools	Education	550
Tosh Farms	Pork processing	488
Walmart	Retail	305
Paris Special School District	Education	260
County of Henry	Government	235
City of Paris	Government	193
Eurotranciatura	Steel	178
Lowes	Retail	150
PML	Rubber Products	150

Source: Paris-Henry County Industrial Committee, September 3, 2024

EMPLOYMENT - GENERAL

The chart below depicts the average annual employment and unemployment trends (on a seasonally adjusted basis) for the most recent five years:

Average Annual Employment Trends*

Location	2024	2023	2022	2021	2020
United States	4.3%	3.8%	3.6%	5.4%	6.9%
Tennessee	3.0%	3.3%	3.4%	4.5%	7.4%
Henry County	3.7%	3.8%	4.0%	4.3%	7.1%
✓ **Workforce**	13,872	13,629	13,603	13,846	14,133
✓ **Employment**	13,358	13,113	13,060	13,255	13,136
✓ **Unemployment**	514	516	543	591	583

Source: TN Dept. of Labor & Workforce Development, "Labor Force and Nonfarm Employment Estimates (2019-2023)" (July 2024) and "Labor Force Estimates – United States & Tennessee"

[Balance of Page Left Blank Intentionally]

* Adjusted to annual benchmarks computed in the prior year

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS

The following briefly summarizes certain terms and provisions of the Master Resolution adopted on May 18, 2020 (the "Master Resolution") and the supplemental resolution authorizing the Series 2024 Bonds adopted on July 30, 2024 (the "Series 2024 Resolution"). This summary is not a complete explanation of the terms and conditions of the Master Resolution and of the Series 2024 Resolution (collectively, the "Resolutions"). Investors should refer to the Resolutions for a complete statement of the terms, provisions and conditions thereof.

Definitions of Certain Terms

"Acquired System" shall mean any electrical power generation, transmission and/or distribution system acquired by the Authority and/or any such facilities hereafter constructed or otherwise established by the Authority pursuant to the Act.

"Act" shall mean Sections 7-36-101 et seq., Tennessee Code Annotated, as amended.

"Assignment and Assumption Agreement" means that certain Assignment and Assumption Agreement (the "Assignment and Assumption Agreement") pursuant to which the City and the Board have agreed to sell the assets comprising the System to the Authority.

"Authority" means the Paris Utility Authority.

"Balloon Indebtedness" shall mean any bonds, notes or other indebtedness, other than Short-Term Indebtedness, 25% or more of the initial principal amount of which matures (or must be redeemed at the option of the holder) during any twelve month period, if such 25% or more is not to be amortized to below 25% by mandatory redemption prior to the beginning of such twelve month period.

"Board" means the Board of Public Utilities of the City of Paris, a board of public utilities of the City.

"Board of Directors" means the Board of Directors of the Authority.

"Bonds" means the Outstanding Parity Lien Obligations, Series 2024 Bonds and any Parity Bonds.

"Bond Proceeds Fund" means the Bond Proceeds Fund established pursuant to the Master Resolution.

"Capital Appreciation Bonds" shall mean bonds which bear interest at a stated interest rate of 0.0% per annum, have a value on any applicable date equal to the Compound Accreted Value thereof on that date, and are payable only at maturity or earlier redemption.

"Compound Accreted Value" shall mean the value at any applicable date of any Capital Appreciation Bonds computed as the original principal amount thereof for each maturity date plus an amount equal to interest on said principal amount (computed on the basis of a 360-day year of twelve 30-day months) compounded semiannually on such dates as shall be established by the resolution authorizing Capital Appreciation Bonds, from the dated date to said applicable date at an interest rate which will produce at maturity the Maturity Amount for such maturity date.

"Consulting Engineer" means (i) an engineering firm or individual engineer employed by the Authority with substantial experience in advising municipal electric power systems as to the construction and maintenance of such systems and in the projection of costs of expansion of such systems or (ii) an engineer or engineers who are employees of the Authority whose reports or projections are certified by a Financial Adviser.

"Credit Facility" means any municipal bond insurance policy, letter of credit, surety bond, line of credit, guarantee, or other agreement under which any person other than the Authority provides additional security for any Series 2024 Bonds and guarantees timely payment of or purchase price equal to the principal of and interest on all or a portion of any Bond and shall include any Reserve Fund Credit Facility.

"Debt Service Requirement" means the total principal, Maturity Amounts and interest coming due, whether at maturity or upon mandatory redemption (less any amount of interest that is capitalized and payable with the proceeds of debt on deposit with the Authority or any paying agent for the or other obligations of the Authority payable from all or some portion of Gross Earnings), for any period of 12 consecutive calendar months for which such a determination is made, provided:

The Debt Service Requirement with respect to Variable Rate Indebtedness shall be determined as if the variable rate in effect at all times during future periods equaled, at the option of the Authority, either (A) the average of the actual variable rate which was in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (B) the current average annual fixed rate of interest on securities of similar quality having a similar maturity date, as certified by a Financial Adviser ("Municipal Advisor").

For the purpose of calculating the Debt Service Requirement on Balloon Indebtedness and Short-Term Indebtedness, at the option of the Authority, (i) the actual principal and interest on such Balloon Indebtedness and Short Term Indebtedness shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or (ii) such Balloon Indebtedness and Short Term Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Financial Adviser to be the interest rate at which the Authority could reasonably expect to borrow the same amount by issuing bonds with the same priority of lien as such Balloon Indebtedness and Short Term Indebtedness and with a 20-year term); provided, however, that if the maturity of such Balloon Indebtedness is in excess of 20 years from the date of issuance, then such Balloon Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Indebtedness to maturity and at the interest rate applicable to such Balloon Indebtedness; provided further that this paragraph shall not be applicable for purposes of determining the Debt Service Requirement for purposes of "Covenants Regarding the Operation of the System – Rate Covenant" unless the Authority has expressly resolved prior to the commencement of the relevant Fiscal Year to refinance, or retire from available System funds, such Balloon Indebtedness or Short-Term Indebtedness coming due in such Fiscal Year.

"Debt Service Sinking Fund" shall mean the Debt Service Sinking Fund established pursuant to the Master Resolution and described herein.

"Defeasance Obligations" shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, or obligations of any agency or instrumentality of the United States, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

"Financial Adviser" means an investment banking or financial advisory firm, commercial bank, or any other person who or which is retained by the Authority for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of the Authority, has a favorable reputation for skill and experience in providing financial advisory services of the type with respect to which the Financial Adviser has been retained.

"Financial Guaranty Agreement" shall mean any Financial Guaranty Agreement authorized herein to be executed in connection with a Reserve Fund Credit Facility.

"Fiscal Year" means each fiscal year of the Authority, which initially is the twelve-month period commencing July 1st of each year and ending June 30th of the following year.

"Gross Earnings" means all revenues, rentals, earnings and income of the System from whatever source, determined in accordance with generally accepted accounting principles; proceeds from the sale of System property; proceeds of System-related insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and improvements; and all amounts realized from the investment of funds of the System, including money in any accounts and funds created by this Master Resolution, and resolutions authorizing any Parity Bonds or subordinate lien bonds (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the System); provided, however, at the election of the Board of Directors, the term "Gross Earnings" as used herein shall not include any revenues, rentals, earnings or other income received from the operation of an Acquired System, and any bonds or other obligations issued in connection with such Acquired System shall not be payable from or secured by Net Revenues or be deemed to be Parity Bonds.

"Loan Agreement" shall mean any agreement or contract entered into by the Authority whereby a third party agrees to advance funds to the Authority and the Authority agrees to repay those funds with interest from all or a portion of Gross Earnings.

"Maturity Amount" shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond.

"Maximum Annual Debt Service Requirement" means the maximum annual Debt Service Requirement for any Fiscal Year.

“Municipal Advisor” means Raymond James & Associates, Inc.

"Net Revenues" shall mean (i) Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets and further excluding non-cash or non-recurring items, including but not limited to, contributions in aid of construction, less (ii) Operating Expenses.

"Operating Expenses" means and shall include but not be limited to, expenses for ordinary repairs, removals and replacements of the System, salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses (including legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting or technical services not funded with proceeds of bonds, notes or other debt obligations), insurance expenses, taxes and other governmental charges, the imposition or amount of which is not subject to control of the Board of Directors, any payments made by the Authority during any Fiscal Year to purchase electrical power for distribution and sale during or after the end of that Fiscal Year, and other payments made under any electrical power supply contract or commodity swap or other hedging mechanism, and any principal or interest payments made by the Authority during any Fiscal Year on bonds, notes or other obligations, including loan agreements, issued or entered into for the purpose of financing the purchase of electrical power, and to the extent so provided by the resolution authorizing such bonds, notes or obligations and to the extent not inconsistent with generally accepted accounting principles. Operating Expenses do not include depreciation or obsolescence charges or reserves therefore, amortization of intangibles or other bookkeeping entries of a similar nature, on bonds, notes or other debt obligations of the System payable from Net Revenues of the System, costs or charges made therefor, capital additions, replacements, betterments, extensions or improvements to or retirement from the System which under generally accepted accounting principles are properly chargeable to the capital account or the reserve for depreciation, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System, nor such property items, including taxes and fuels, which are capitalized pursuant to the then existing accounting practices of the Authority or expenses of an Acquired System if revenues of the Acquired System are not included in Gross Earnings at the election of the Board of Directors, nor payments in lieu of taxes.

“Outstanding Parity Lien Obligations” means bonds shall be issued on a parity of lien with the Authority's outstanding Electric System Revenue Bonds, Series 2020, dated June 30, 2020 and Electric System Revenue Bonds, Series 2021, dated December 1, 2021.

"Parity Bonds" means bonds, notes, Loan Agreements, and other debt obligations, including Balloon Indebtedness, Short-Term Indebtedness and Variable Rate Indebtedness, issued or entered into by the Authority on a parity with the Series 2024 Bonds herein authorized in accordance with the restrictive provisions of the Master Resolution, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being operated separately from the System as is permitted herein or the revenues from such Acquired System are not excluded from Gross Earnings.

"President" means the duly appointed President of the Authority or such person as may be lawfully acting in his or her place.

“Project” means the acquisition, construction, improvement and equipping of capital improvements to the System.

"Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

"Rating Agencies" or "Rating Agency" means Fitch Ratings, Inc., Moody's Investors Service, Inc., and S&P Global Ratings, or any successors thereto and any other nationally recognized credit rating agency.

"Registration Agent" means the registration and paying agent selected by the President or any successor designated by the Board of Directors.

"Reserve Fund" shall mean the Debt Service Reserve Fund established pursuant to the Master Resolution and described herein.

"Reserve Fund Credit Facility" means a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement provided by a Reserve Fund Credit Facility which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement in the event of an insufficiency of moneys in the Debt Service Sinking Fund to pay when due principal of and interest on all or a portion of the Series 2024 Bonds.

"Reserve Fund Credit Facility Issuer" means, at the time at which such Reserve Fund Credit Facility is purchased, an issuer of a Reserve Fund Credit Facility that has a credit rating not lower than the rating on any Series 2024 Bonds to be secured thereby from each Rating Agency that rates both such issuer and such Series 2024 Bonds.

"Reserve Fund Requirement" means an amount determined from time to time by the Authority as a reasonable reserve, if any, for the payment of principal of and interest on a series of bonds pursuant to the resolution authorizing such bonds. With respect to the Series 2024 Bonds authorized herein, there shall be no Reserve Fund Requirement until such time as the Authority shall have failed, for two consecutive Fiscal Years and as reflected on the audited financial statements of the System, to produce Net Revenues sufficient to provide 200% coverage of the

Debt Service Requirement on all outstanding bonds. At such time, the Reserve Fund Requirement with respect to the Series 2024 Bonds shall be the least of (a) 10% of the original stated principal amount of the Series 2024 Bonds; (b) the remaining Maximum Annual Debt Service Requirement on the Series 2024 Bonds, on a Fiscal Year basis; or (c) 125% of the remaining average Debt Service Requirement on the Series 2024 Bonds, on a Fiscal Year basis; and shall be funded over a 24-month period in the same manner described under "Application of Revenues and Creation of Funds – Reserve Fund", commencing with the first month following receipt of the relevant audited financial statements. Thereafter, if the Authority in any Fiscal Year produces Net Revenues sufficient to provide at least 200% coverage of the Debt Service Requirement on all outstanding bonds, as reflected on the audited financial statements of the System, then the Reserve Fund Requirement shall immediately cease to be in effect (until such further subsequent time, if any, that the Reserve Fund Requirement is triggered in the manner described above), and all funds in the Reserved Fund may be immediately released from any restriction hereunder.

"Resolutions" means the Master Resolution and the Series 2024 Resolution.

"Revenue Fund" shall mean the revenue Fund established pursuant to the Master Resolution and described herein.

"Series 2024 Bonds" means the electric system revenue bonds authorized to be issued by the Series 2024 Resolution.

"Short-Term Indebtedness" means bonds, notes, Loan Agreements or other debt obligations, including Variable Rate Indebtedness, maturing five years or less from their date of issuance, issued by the Authority as Parity Bonds in accordance with the restrictive provisions of Article IX of the Master Resolution.

"State" means the State of Tennessee.

"System" means the electrical power distribution system of the Authority and any electrical power distribution and/or transmission system hereafter acquired, constructed or otherwise established, including all improvements and extensions made by the Authority while the Series 2024 Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Board of Directors, an Acquired System may be included within the System and become a part thereof or, at the election of the Board of Directors, not become a part of the System but be operated as a separate and independent system by the Authority with the continuing right, upon the election of the Board of Directors, to incorporate such separately Acquired System within the System.

"Variable Rate Indebtedness" means any Parity Bonds, the interest rate on which is subject to periodic adjustment, at intervals, at such times and in such manner as shall be determined by resolution authorizing such Parity Bonds; provided that if the interest rate shall have been fixed for the remainder of the term thereof, it shall no longer be Variable Rate Indebtedness.

Source of Payment and Equality of Lien

The Series 2024 Bonds shall be payable solely from and secured solely by a pledge of the Net Revenues. The punctual payment of principal of and premium, if any, and interest on the Series 2024 Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due.

Application of Revenues and Creation of Funds

From and after the delivery of any of the Series 2024 Bonds hereunder, and as long as any of the Series 2024 Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Series 2024 Bonds, the Gross Earnings of the System shall be deposited as collected by the Authority to the Revenue Fund hereby established (the "Revenue Fund"), administered and controlled by the Board of Directors. The funds so deposited in the Revenue Fund created under the Master Resolution shall be used only as follows:

a) Operating Expenses. The money in the Revenue Fund shall be used first from month to month for the payment of Operating Expenses.

b) Debt Service Sinking Fund. The money thereafter remaining in the Revenue Fund shall next be used to make deposits into a separate and special fund, to be known as the "Debt Service Sinking Fund" (the "Debt Service Sinking Fund") to be kept separate and apart from all other funds of the Authority and used to pay principal of and interest on the Series 2024 Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Series 2024 Bonds are paid in full or discharged and satisfied, beginning in the month next following delivery of the Series 2024 Bonds.

   For the period commencing with the month next following the delivery of any Series 2024 Bonds, to and including the month of the next interest payment date for such Series 2024 Bonds, each monthly deposit as to interest shall be an amount that, together with all other monthly deposits of approximately equal amounts during such period and amounts otherwise in said Fund, will be equal to interest due on such Series 2024 Bonds on the next interest payment date, and for each six month period thereafter, each monthly deposit as to interest for such Series 2024 Bonds shall be an equal to not less than one-sixth ($1/6^{th}$) of the interest coming due on such Series 2024 Bonds on the next interest payment date net of any interest earnings on such amounts.

   For the period commencing with the month next following the delivery of any bonds to and including the month of the next principal payment for such bonds, each monthly deposit as to principal shall be an amount that, together with all other monthly deposits during such period and amounts otherwise in said Fund, will be equal to the principal due on such bonds on the next principal payment date (provided that, in the event that the next principal payment date is more than 12 months following the month next following delivery of such bonds, monthly deposits to the Debt Service Sinking Fund in respect of principal shall begin in the month which is 12 months prior to the month of the next principal payment date), and for each twelve-month period thereafter, each monthly deposit as to principal for such bonds shall be an amount equal to not less than one-twelfth ($1/12^{th}$) of the principal amount or Maturity Amount, as the case may be, coming due on such bonds, whether by maturity or mandatory redemption, on the next principal payment date net of any interest earnings on such amounts. No further deposit shall be required as to any bonds when the Debt Service Sinking Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date, the total of the principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as set forth in the resolution authorizing such Variable Rate Indebtedness, and if interest is not paid semi-annually and/or principal is not paid annually with respect to any bonds, the deposits may be adjusted by the Authority as provided in the resolution authorizing the issuance of such bonds. Money in the Debt Service Sinking Fund shall be used and is hereby expressly pledged for the purpose of paying principal of and interest on the bonds.

c) Repayment of Reserve Fund Credit Facility Issuers. The next available money in the Revenue Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement, together with reasonable related expenses incurred by the Reserve Fund Credit Facility Issuer and interest as provided in the Financial Guaranty Agreement.

d) Reserve Fund. To the extent the Reserve Fund Requirement for the Series 2024 Bonds, if any, is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the Authority, or a combination thereof, the next available money in the Revenue Fund shall be used to make deposits into a separate and special fund, to be known and designated as the "Debt Service Reserve Fund" (the "Reserve Fund") to be kept separate and apart from all other funds of the Authority. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than the Reserve Fund Requirement, if any.

In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as hereafter provided and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in said Fund shall be replenished over a period of not greater than twenty-four (24) consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments.

Any deposits required to be made hereunder shall be made monthly at the same time as deposits are made to the Debt Service Sinking Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund Requirement. All deposits to the Reserve Fund shall be made from the first money in the Revenue Fund thereafter received which shall not then be required to pay Operating Expenses, be transferred into the Debt Service Sinking Fund, or to be paid to the Reserve Fund Credit Facility Issuer or Issuers as above provided. Money in the Reserve Fund shall be used solely for the purpose of paying principal of or interest on the Series 2024 Bonds for the payment of which funds are not available in the Debt Service Sinking Fund. Funds in excess of the Reserve Fund Requirement may be released to be used by the Authority for legally permissible purposes.

At the option of the Authority, it may satisfy the Reserve Fund Requirement, or a portion thereof, by providing for the benefit of owners of the Series 2024 Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to the Series 2024 Bonds and release an equal amount of funds on deposit in the Reserve Fund to be used by the Authority for legally permissible purposes. At any time during the term hereof, the Authority shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor.

In the event of the issuance of Parity Bonds pursuant to the restrictive provisions of the Master Resolution or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the Authority shall satisfy the Reserve Fund Requirement, if any, by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the Reserve Fund Requirement for the Series 2024 Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the Authority, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the Authority, from Revenues after payment of Operating Expenses and satisfaction of the required deposits to the Debt Service Sinking Fund, shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided in the Master Resolution.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the defeasance provisions of the resolution, the terms, covenants, liability and liens provided or created herein or in any resolution supplemental hereto shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full. If the Authority (as applicable) shall fail to pay when due all amounts payable under any Financial Guaranty Agreement, the Reserve Fund Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under this resolution other than remedies that would adversely affect owners of Series 2024 Bonds.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement and to provide notice to the Reserve Fund Credit Facility Issuer at least two days before any payment is due. The Reserve Fund Credit Facility Issuer shall receive notice of the resignation or removal of the Registration Agent and the appointment of a successor thereto.

If the Authority is ever required to fund the Reserve Fund Requirement for the Series 2024 Bonds, the President is hereby authorized and directed to either (1) cause to be deposited to the Reserve Fund funds of the Authority in an amount sufficient to cause the amount being held in the Reserve Fund to be equal to the Reserve Fund Requirement for the Series 2024 Bonds or (2) purchase a Reserve Fund Credit Facility in the amount of the Reserve Fund Requirement for the Series 2024 Bonds and to pay the premium therefor from the Authority funds. In the event the President elects to fund the Reserve Fund with a Reserve Fund Credit Facility, he is authorized to execute a Financial Guaranty Agreement and any associated certificates and agreements, as may be required by the Reserve Fund Credit Facility Issuer.

e) Surplus Funds. The next available money in the Revenue Fund shall be used for the purpose of the payment of principal of and interest on (including reasonable reserves therefor) any bonds or other obligations payable from revenues of the System, but junior and subordinate to the Series 2024 Bonds, and payments in lieu of taxes and may thereafter be used by the Authority for any legally permissible purpose, as the Board of Directors shall determine.

Covenants Regarding the Operation of the System

Charges for Services Supplied by the System. While the Series 2024 Bonds remain outstanding and unpaid, the Authority covenants and agrees that the charges for all services supplied through the medium of the System to all consumers and users shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining, operating, repairing and insuring the System, a proper and necessary allowance for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on all obligations payable from revenues of the System; and that there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to comply with the covenants of Master Resolution. The Authority covenants that the System will be operated on a fully metered basis and that the Authority will bill customers of the System on a monthly basis and will establish and maintain policies and procedures for discontinuing service to customers with delinquent bills.

Insurance. The Authority shall maintain insurance on the properties of the System of a kind and in an amount which would normally be carried by private companies engaged in a similar type and size of business; provided, the Authority shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, or other applicable law. The proceeds of any such insurance, except public liability insurance, shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund.

Books and Accounts; Audits. The Authority will cause to be kept proper books and accounts adapted to the System, will cause the books and accounts to be audited at the end of each Fiscal Year by a recognized independent certified public accountant or a firm of such accountant or accountants, which such audit shall be prepared in accordance with generally accepted accounting practices.

Rate Covenant. The Authority shall continuously own, control, operate, and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times prescribe, fix, maintain, and collect rates, fees, and other charges for the services and facilities furnished by the System fully sufficient at all times, such that Net Revenues in each Fiscal Year:

a) will equal at least 120% of the Debt Service Requirement on all Series 2024 Bonds, and 100% of the Debt Service Requirement on all other bonds or other obligations then outstanding for such Fiscal Year;

b) will enable the Authority to make all required payments, if any, into the Reserve Fund and on any Credit Facility;

c) will enable the Authority to accumulate an amount, which, in the judgment of the Board of Directors, is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System; and

d) will remedy all deficiencies in required payments into any of the funds and accounts mentioned in Master Resolution from prior Fiscal Years.

Sale or Disposal of System. The Authority will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or otherwise disposed of or any of the System facilities sold at fair market value, provided that:

a) The Authority is in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;

b) Any sale proceeds will be applied either (A) to redemption of Series 2024 Bonds in accordance with the provisions governing repayment of Series 2024 Bonds in advance of maturity, or (B) to the purchase of Series 2024 Bonds at the market price thereof so long as such price does not exceed the amount at which the Series 2024 Bonds could be redeemed on such date or the next optional redemption date as set forth herein or in the resolutions authorizing the Parity Bonds, or (C) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;

c) (i) The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System or (ii) the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and

d) If the facilities are being sold or disposed to an entity that is not a state or local government and the facilities were financed with the proceeds of Series 2024 Bonds the interest on which is excludable from gross income for federal income tax purposes, the Authority shall have received an opinion of nationally recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not jeopardize the exclusion from federal income taxation of interest on any Series 2024 Bonds then outstanding intended to be excludable from gross income for federal income tax purposes.

Nothing herein is intended to prohibit the lease purchase of equipment or facilities of the System hereafter to be put in service or to prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Authority is in full compliance with the covenants set forth herein immediately following such transfer or exchange. Notwithstanding the foregoing provisions to the contrary, the Authority may secure the repayment of that certain $1,000,000 Loan Agreement with the Tennessee Valley Authority by providing the Tennessee Valley Authority a deed of trust and security interest the Authority’s garage and warehouse facility.

Budgets. Prior to the beginning of each Fiscal Year, the Board of Directors shall prepare, or cause to be prepared, and adopted an annual budget of estimated revenues, Operating Expenses, and capital expenditures for the System for the ensuing Fiscal Year in compliance with the rate covenant set forth herein, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request.

Franchises. The Authority will not construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently or hereafter served by the Authority by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; provided, nothing herein contained shall prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Authority is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

Remedies of Bond Owners

Any registered owner of any of the Series 2024 Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Authority by the provisions of Master Resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof.

If any default be made in the payment of principal of, premium, if any, or interest on the Series 2024 Bonds, then upon the filing of suit by any registered owner of said Series 2024 Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Authority or the Authority with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Operating Expenses, and to apply the income and revenues thereof in conformity with the provisions of the Master Resolution.

Modification of Master Resolution

The Master Resolution may be amended without the consent of or notice to the registered owners of the Series 2024 Bonds for the purpose of curing any ambiguity or formal defect or omission in the Master Resolution; provided such amendment shall not adversely affect the registered owners, without taking into account any bond insurance policy.

In addition to the amendments to this Master Resolution without the consent of registered owners as referred to above, the registered owners of a majority in aggregate principal amount of the Series 2024 Bonds at any time outstanding (not including in any case any Series 2024 Bonds which may then be held or owned by or for the account of the Authority but including such refunding bonds as may have been issued for the purpose of refunding any of such Series 2024 Bonds if such refunding bonds shall not then be owned by the Authority) shall have the right from time to time to consent to and approve the adoption by the Board of Directors of a resolution or resolutions modifying any of the terms or provisions contained in this resolution; provided, however, that this resolution may not be so modified or amended in such manner, without the consent of 100% of the registered owners of the Series 2024 Bonds, as to:

(i) Make any change in the maturities or redemption dates of the Series 2024 Bonds;

(ii) Make any change in the rates of interest borne by the Series 2024 Bonds;

(iii) Reduce the amount of the principal payments or redemption premiums payable on the Series 2024 Bonds;

(iv) Modify the terms of payment of principal of or interest on the Series 2024 Bonds or impose any conditions with respect to such payments;

(v) Affect the rights of the registered owners of less than all of the Series 2024

Bonds then outstanding;

(vi) Reduce the percentage of the principal amount of the Series 2024 Bonds, the consent of the registered owners of which is required to effect a further modification.

Whenever the Authority shall propose to amend or modify this resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be mailed by first-class mail, postage prepaid, to the owner of each Series 2024 Bond then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the Authority for public inspection.

Whenever at any time within one year from the date of mailing of said notice there shall be filed with the Secretary of the Board of Directors an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Series 2024 Bonds then outstanding, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Authority may adopt such amendatory resolution and such resolution shall become effective and binding upon the owners of all Series 2024 Bonds.

If the registered owners of at least a majority in aggregate principal amount of the Series 2024 Bonds outstanding as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no registered owner of any Series 2024 Bonds, whether or not such owner shall have consented to or shall have revoked any consent as provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Authority from taking any action pursuant to the provisions thereof.

Any consent given by the registered owner of a Series 2024 Bond pursuant to the provisions hereof shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future registered owners of the same Series 2024 Bond during such period. Such consent may be revoked at any time after six months from the date of publication of such notice by the registered owner who gave such consent or by a successor in title by filing notice of such revocation at the Authority office, but such revocation shall not be effective if the registered owners of a majority in aggregate principal amount of the Series 2024 Bonds outstanding as defined herein shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

The fact and date of the execution of any instrument under the provisions hereof may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount (number(s)) of the Series 2024 Bonds owned by any person executing such instrument and the date of the ownership of the same shall be proved by reference to the Series

2024 Bond registration records maintained by the Registration Agent, which records shall constitute conclusive proof of the ownership thereof.

Notwithstanding the foregoing, if any Series 2024 Bonds are insured by a bond insurance policy, the bond insurer issuing such bond insurance policy shall be entitled to consent to any modifications to this Master Resolution on behalf of the owners of the Series 2024 Bonds insured by such bond insurer, provided that no bond insurer shall be entitled to consent to any modifications to this Master Resolution that require the unanimous consent of the owners of the Series 2024 Bonds as described above.

Prohibition of Prior Lien; Parity Obligations.

The Authority will issue any other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Series 2024 Bonds without the prior written consent of the holders of the Series 2024 Bonds.

Additional bonds, notes, loan agreements or obligations may hereafter be issued on a parity with the Series 2024 Bonds under the following conditions but not otherwise:

(a) Any portion (including any maturities or portions thereof whether or not in chronological order and any amounts subject to mandatory redemption) or all of a series of the Series 2024 Bonds may be refunded at maturity, upon redemption in accordance with their terms, or upon payment, prepayment or redemption with the consent of the owners of such bonds, and the refunding bonds so issued shall constitute Parity Bonds secured on a parity with the Series 2024 Bonds thereafter outstanding, if all of the following conditions are satisfied:

   (i) the Authority shall have obtained a report from a Financial Adviser or the Chief Financial Officer of the Authority demonstrating that the refunding is expected to reduce the total debt service payments on the Series 2024 Bonds, including payments on related Credit Facilities; and

   (ii) the requirements of subsections (b)(ii) and (iv) below are met with respect to such refunding.

(b) Parity Bonds (including refunding Parity Bonds which do not meet the requirements of (a)) may also be issued on a parity with Series 2024 Bonds, and the Parity Bonds so issued shall be secured on a parity with such Series 2024 Bonds, if all of the following conditions are satisfied:

   (i) There shall have been procured and filed with the Authority a report by a Financial Adviser or a certificate by the Chief Financial Officer of the Authority, or his designee, to the effect that the historical Net Revenues for either (i) a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds or (ii) the most recent audited Fiscal Year, were equal to at least 120% of the Maximum Annual Debt Service Requirement on all bonds which will be outstanding immediately after the issuance of the proposed Parity Bonds, in the then current and each succeeding Fiscal Year, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the delivery of the proposed Parity Bonds and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of delivery of the proposed Parity Bonds and not fully reflected in the historical related Net Revenues actually received during such historical period used; (y) if the Authority has a contract to purchase or otherwise acquire an Acquired System that will become part of the System, the historical Net Revenues may be adjusted to include the anticipated Net Revenues from the Acquired System; and (z) if the Authority has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) the Authority shall have received, at or before issuance of the Parity Bonds, a report from a Financial Adviser or a certificate of the Chief Financial Officer of the Authority, or his designee, to the effect that (x) the payments required to be made into the Debt Service Sinking Fund have been made and the balance in the Debt Service Sinking Fund is not less than the balance required hereby as of the date of issuance of the proposed Parity Bonds; and (y) the Reserve Fund is funded to the Reserve Fund Requirement, if any, and will be funded to the Reserve Fund Requirement, if any, immediately following the issuance of the proposed Parity Bonds.

(iii) The resolution authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used to make capital improvements to or capital acquisitions for the System, to pre-purchase supplies of electrical power, to fund interest on the proposed Parity Bonds, to refund other obligations issued for such purposes (whether or not such refunding Parity Bonds satisfy the requirements of (a)), for any other legal purpose under applicable law as evidenced by an opinion of Bond Counsel, and/or to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.

(iv) The President shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds that the Authority is in compliance with all requirements of the Master Resolution.

c) Upon the determination of the Authority to combine an Acquired System into the System, any bonds, notes and other obligations of the Acquired System outstanding upon such combination may, at the election of the Authority, be payable from Net Revenues of the combined System on a parity and equality of lien with each other, provided that there shall be filed with the Authority:

(i) a report by a Financial Advisor or a certificate by the Chief Financial Officer of the Authority, or his designee the Net Revenues of such combined System for a period of 12 consecutive months of the most recent 18 consecutive months prior to such combination were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Series 2024 Bonds and any bonds, notes and other obligations of the Acquired System which will be outstanding immediately after the combination, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the combination and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of the combination and not fully reflected in the historical related Net Revenues actually received during such historical period used; and (y) if the Authority has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) A certificate of the President, as of the date of the combination that the Authority is in compliance with all requirements of the Master Resolution.

Applicability of Master Resolution to Parity Bonds. All the provisions and covenants of the Master Resolution relating to negotiability and registration of Series 2024 Bonds, creation and investment of funds and the application of revenues, the operation of the System and charges for services of the System, the remedies of owners of the Series 2024 Bonds, the issuance of additional bonds, modification of the Master Resolution, the defeasance of Series 2024 Bonds, and such other provisions hereof as are appropriate may be incorporated by reference into supplemental resolutions authorizing additional bonds, and said provisions, when so incorporated, shall be equally applicable to the additional bonds issued or assumed pursuant to the terms of the Master Resolution in all respects and with like force and effect as though said provisions were recited in full in said supplemental resolutions and shall continue to be applicable so long as any such bonds remain outstanding.

[Balance of Page Left Blank Intentionally]

FORM OF CONTINUING DISCLOSURE CERTIFICATE

PARIS UTILITY AUTHORITY (TENNESSEE)

$__________ ELECTRIC SYSTEM REVENUE BONDS, SERIES 2024

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered this ____ day of _____________, 2024 by the Paris Utility Authority (Tennessee) (the "Issuer") in connection with the issuance of its $__________ Electric System Revenue Bonds, Series 2024 (the "Bonds"). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the "Rule") of the Securities and Exchange Commission (the "SEC"). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolutions.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

"Master Resolution" shall mean the bond resolution adopted by the Board of Directors of the Issuer on May 18, 2020.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement of the Issuer, dated _________, 2024, relating to the Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Registered Owner" means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

"Resolutions" shall mean the Master Resolution as supplemented by the Series 2024

Resolution.

"Series 2024 Resolution" shall mean the supplemental bond resolution adopted by the Board of Directors of the Issuer on July 30, 2024.

"State" shall mean the State of Tennessee.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2024, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include (i) the Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements, and (ii) any other publicly available financial information related to the Issuer.

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2024, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices*. The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bondholders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

* As used in subsections (xv) and (xvi), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information*. The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement*. The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolutions at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolutions, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Dissemination Agent. The Issuer may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement, and the Issuer may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the Issuer shall be the dissemination agent.

SECTION 11. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 12. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

PARIS UTILITY AUTHORITY (TENNESSEE)

By: ____
President and Chief Executive Officer

APPENDIX E

ELECTRIC SYSTEM RATES

PARIS BOARD OF PUBLIC UTILITIES

MONTH:	SEPTEMBER	2024

ELECTRIC:					
	SERVICE AVAILABILITY CHARGE	TVA GRID ACCESS CHARGE	KWH/DEMAND BLOCKS	KWH RATE	DEMAND RATE
RESIDENTIAL:	$ 17.71	$ 0.53	ALL KWH	0.10235	N/A
SMALL COMMERCIAL:	$ 19.25	$ 0.53	ALL KWH	0.11306	N/A
LARGE COMMERCIAL:					
DEMAND 50 - 1,000	$ 30.00	N/A	KWH - 1st 15,000	0.11585	
			KWH - Additional	0.07224	
			KW - 51 - 1,000		$ 13.30
DEMAND > 1,000	$ 205.00	N/A	ALL KWH	0.07398	
			KW - 0 - 1,000		$ 12.65
			KW - 1,001 - 5,000		$ 12.79

ELECTRIC:					
	SERVICE AVAILABILITY CHARGE	TVA GRID ACCESS CHARGE	KWH/DEMAND BLOCKS	KWH RATE	DEMAND RATE
LARGE COMMERCIAL TIME OF USE:					
DEMAND > 1,000	$ 205.00	N/A	ON PEAK KWH	0.08912	
			OFF PEAK KWH	0.06712	
			MAXIMUM DEMAND		$ 3.56
			COINCIDENT DEMAND		$ 12.23

Source: https://www.parisbpu.com/rates/

APPENDIX F

FINANCIAL STATEMENT WITH SUPPLEMENTARY INFORMATION

FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

PARIS UTILITY AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

PARIS UTILITY AUTHORITY
TABLE OF CONTENTS

Introductory Section
Directory 1

Financial Section
Independent Auditor's Report 2
Management's Discussion and Analysis 5
Financial Statements
Statements of Net Position 13
Statements of Revenues, Expenses, and Changes in Net Position 15
Statements of Cash Flows 16
Statements of Fiduciary Net Position 18
Statements of Changes in Fiduciary Net Position 19
Notes to Financial Statements 20
Required Supplementary Information
Schedule of Changes in the Plan's Net Pension Liability (Asset) and Related Ratios Based on Participation in the Single Employer Defined Benefit Pension Plan 48
Schedule of Contributions Based on Participation in the Single Employer Defined Benefit Pension Plan 49
Schedule of Investment Returns 50
Notes to Pension Required Supplementary Information 51
Schedule of Changes in the Net OPEB Liability and Related Ratios 52
Schedule of Notes to OPEB Required Supplementary Information 53

Supplementary and Other Information Section
Schedules of Operating Revenues and Expenses - Electric Department 54
Schedules of Operating Revenues and Expenses - Water Department 56
Schedules of Operating Revenues and Expenses - Sewer Department 58
Schedule of Long-Term Debt 60
Schedule of Changes in Long-Term Debt by Individual Issue 61
Electric Rates in Force 62
Water Rates in Force 63
Sewer Rates in Force 64
Supplementary Information - Electric Department - Unaudited 65
Supplementary Information - Water Department - Unaudited 66
Supplementary Information - Sewer Department - Unaudited 67
Schedule of Expenditures of Federal Awards 68

Internal Control and Compliance Section
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* 69
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 71
Schedule of Findings and Questioned Costs 74
Schedule of Findings and Questioned Costs – Current Year 75
Schedule of Findings and Questioned Costs – Prior Year 76

INTRODUCTORY SECTION

PARIS UTILITY AUTHORITY
DIRECTORY
June 30, 2023

BOARD MEMBERS

Terry Fuller
David Flowers
Butch Powers
Michael Murphey
Jill Coker

MANAGEMENT TEAM

Terry Wimberley, President/CEO
Cole Edwards, Vice President - Engineering and Metering
Tony Brown, Vice President - Water and Wastewater Operations
Brian Horton, Vice President – Electric Operations
Bethany Edwards, Vice President-Administration & Finance

COUNSEL

Steve Greer, Attorney

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ATA CPA's + Advisors, PLLC
Jackson, Tennessee

FINANCIAL SECTION

ATA CPAs + Advisors PLLC
227 Oil Well Road Jackson, TN 38305
P 731.427.8571 F 731.424.5701
www.atacpa.net

Independent Auditor's Report

Board of Directors
Paris Utility Authority
Paris, Tennessee

Opinions

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Paris Utility Authority (the Authority), a component unit of the City of Paris, Tennessee, as of and for the years ended June 30, 2023 and 2022, 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 the Authority, as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards* (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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the 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 the management's discussion and analysis, pension schedules, and OPEB schedules 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* Part 200, *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 section including the schedule of expenditures of federal awards, 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 the introductory and supplementary and other information sections, which have been marked unaudited, 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 *Governmental Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report October 30, 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 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 *Governmental Auditing Standards* in considering the System's internal control over financial reporting and compliance.

ATA CPAs + Advisors PLLC

Jackson, Tennessee
October 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Paris Utility Authority (The Authority), we offer readers of The Authority's financial statements this narrative and analysis of the financial activities of The Authority for the fiscal years ended June 30, 2023 and 2022. All amounts, unless otherwise indicated, are expressed in actual dollars. The reader will note that the Board of Public Utilities transitioned its legal status to the Paris Utility Authority effective July 1, 2020, under the Tennessee Municipal Authority Act, Tennessee Code Annotated 7-36-101.

Financial Highlights

Management believes The Authority's financial condition is strong. The Authority is well within its debt covenants and the more stringent financial policies and guidelines set by the Board and management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end were $118.08 million and exceeded liabilities and deferred inflows by $67.66 million (i.e. net position), due primarily to an increase in capital assets.
- Net position increased $2.41 million during the current year due to an operating profit. Net investment in capital assets increased by $4.37 million due primarily to a significant increase in capital assets and a smaller increase in debt.
- During fiscal year 2023, The Authority delivered 470.96 million kWh of electricity and 544.89 million gallons of water.
- Operating revenues were $60.66 million, an increase from 2022 in the amount of $5.62 million or 10.22%.
- Operating expenses were $58.00 million, an increase from 2022 in the amount of $8.12 million or 16.27%.
- Total expenses were $58.57 million, an increase from 2022 in the amount of $8.07 million or 15.99%.

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 and other 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 and other information is made up of four sections: 1) the introductory section, 2) the financial section, 3) the supplementary and other information section, 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 Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* and the report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance. 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. The Authority presents the Electric, Water, and Sewer funds as major funds. The financial statements report information about The Authority, using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

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 Authority maintains one fiduciary fund used to report resources held related to The Authority's single employer defined benefit pension plan.

The *Statement of Net Position* presents the financial position of The Authority on a full accrual historical cost basis. The statement of net position includes all of The Authority's assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. 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 accounting 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 compared to the previous fiscal year. Assets less liabilities results in net position restricted for pensions held in trust at year-end.

The *Statement of Changes in Fiduciary Net Position* reports all additions and deductions of the plan for the current fiscal year compared to the previous fiscal year. Additions consist of employer contributions and investment earnings. Deductions include benefits paid to plan participants and administrative expenses. Total additions minus total deductions provide the net increase in net position for the current fiscal year compared to the previous fiscal year. The increase in net position plus the beginning net position restricted for pensions results in the ending net position restricted for pensions for the current year compared to the previous 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 Analysis

One of the most important questions asked about The Authority's finances is "Is The Authority, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about The Authority's activities in a way that will help answer this question. These two statements report the net position of The Authority and the changes in the net position. Net position is one way to measure the financial health or financial position of The Authority. Over time, increases or decreases in The Authority's net position is an indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

The Authority's total net position increased by $2.41 million for the fiscal year ended June 30, 2023. The analysis focuses on The Authority's net position (Table 1) and changes in net position (Table 2) during the year.

TABLE 1A

CONDENSED STATEMENT OF NET POSITION

			Increase (Decrease)	
	June 30, 2023	June 30, 2022	Amount	Percent
Current and other assets	$ 19,447,132	$ 19,742,148	$ (295,016)	-1.49%
Capital assets	94,477,391	90,372,414	4,104,977	4.54%
Total assets	113,924,523	110,114,562	3,809,961	3.46%
Deferred outflows of resources	4,153,137	2,539,532	1,613,605	63.54%
Long-term liabilities	36,620,820	25,844,010	10,776,810	41.70%
Other liabilities	13,303,084	18,487,714	(5,184,630)	-28.04%
Total liabilities	49,923,904	44,331,724	5,592,180	12.61%
Deferred inflows of resources	490,030	3,067,803	(2,577,773)	-84.03%
Net investment in capital assets	63,244,432	58,875,718	4,368,714	7.42%
Restricted	10,173,596	8,386,578	1,787,018	21.31%
Unrestricted	(5,754,302)	(2,007,729)	(3,746,573)	186.61%
Total net position	$ 67,663,726	$ 65,254,567	$ 2,409,159	3.69%

The increase in capital assets over the period was due to the fact that there are ongoing water Utility projects to upgrade the system. The increase in deferred outflows of resources was primarily due to the increase in The Authority's change of assumptions on the pension plan. Together these both contributed to the increase in total net position.

Changes in The Authority's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses and Changes in Net Position for the year.

TABLE 1B
CONDENSED STATEMENT OF NET POSITION

			Increase (Decrease)	
	June 30, 2022	June 30, 2021	Amount	Percent
Current and other assets	$ 19,742,148	$ 17,930,321	$ 1,811,827	10.10%
Capital assets	90,372,414	83,759,463	6,612,951	7.90%
Total assets	110,114,562	101,689,784	8,424,778	8.28%
Deferred outflows of resources	2,539,532	4,136,813	(1,597,281)	-38.61%
Long-term liabilities	25,844,010	29,697,446	(3,853,436)	-12.98%
Other liabilities	18,487,714	15,479,047	3,008,667	19.44%
Total liabilities	44,331,724	45,176,493	(844,769)	-1.87%
Deferred inflows of resources	3,067,803	153,100	2,914,703	1903.79%
Net investment in capital assets	58,875,718	56,856,783	2,018,935	3.55%
Restricted	8,386,578	6,702,117	1,684,461	25.13%
Unrestricted	(2,007,729)	(3,061,896)	1,054,167	-34.43%
Total net position	$ 65,254,567	$ 60,497,004	$ 4,757,563	7.86%

The increase in capital assets over the period was due to the fact that there are ongoing water Utility projects to upgrade the system. The decrease in deferred outflows of resources was primarily due to the decrease in The Authority's net difference between projected and actual earnings on pension plan investments. Together these both contributed to the increase in total net position.

Changes in The Authority's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses, and Changes in Net Position for the year.

TABLE 2A

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

			Increase (Decrease)	
	June 30, 2023	June 30, 2022	Amount	Percent
Operating revenues	$ 60,659,123	$ 55,036,444	$ 5,622,679	10.22%
Non-operating revenues	320,239	219,002	101,237	46.23%
Total revenues	60,979,362	55,255,446	5,723,916	10.36%
Cost of sales and services	42,894,332	37,018,374	5,875,958	15.87%
Operations expense	6,154,571	5,029,634	1,124,937	22.37%
Maintenance expense	4,228,371	3,197,122	1,031,249	32.26%
Depreciation expense	3,836,241	3,662,179	174,062	4.75%
Taxes and tax equivalents	889,690	977,740	(88,050)	-9.01%
Non-operating expenses	566,998	612,834	(45,836)	-7.48%
Total expenses	58,570,203	50,497,883	8,072,320	15.99%
Changes in net position	**2,409,159**	**4,757,563**	**(2,348,404)**	-49.36%
Total net position - beginning	65,254,567	60,497,004	4,757,563	7.86%
Total net position - ending	$ 67,663,726	$ 65,254,567	$ 2,409,159	3.69%

Operating revenues showed a 10.22% increase from 2022 to 2023. Expenses showed a 15.99% increase from 2022 to 2023 due mainly to increased cost of sales and services. Ending net position showed an increase of $2.41 million or 3.69% as a result of an operating profit in the current year.

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

	June 30, 2022	June 30, 2021	Increase (Decrease) Amount	Increase (Decrease) Percent
Operating revenues	$ 55,036,444	$ 51,482,962	$ 3,553,482	6.90%
Non-operating revenues	219,002	216,929	2,073	0.96%
Total revenues	55,255,446	51,699,891	3,555,555	6.88%
Cost of sales and services	37,018,374	33,935,621	3,082,753	9.08%
Operations expense	5,029,634	5,467,539	(437,905)	-8.01%
Maintenance expense	3,197,122	3,621,808	(424,686)	-11.73%
Depreciation expense	3,662,179	3,567,029	95,150	2.67%
Taxes and tax equivalents	977,740	945,292	32,448	3.43%
Non-operating expenses	612,834	603,371	9,463	1.57%
Total expenses	50,497,883	48,140,660	2,357,223	4.90%
Capital contributions - City	-	1,000,000	(1,000,000)	100.00%
Total transfers and capital contributions	-	1,000,000	(1,000,000)	-100.00%
Changes in net position	**4,757,563**	**4,559,231**	**198,332**	4.35%
Total net position - beginning	60,497,004	55,937,773	4,559,231	8.15%
Total net position - ending	$ 65,254,567	$ 60,497,004	$ 4,757,563	7.86%

Operating revenues showed a 6.90% increase from 2021 to 2022. Expenses showed a 4.90% increase from 2021 to 2022 due to increased cost of sales and services. Ending net position showed an increase of $4.76 million or 7.86% as a result of an operating profit in the current year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, The Authority had $94.48 million (net of accumulated depreciation) invested in a broad range of Utility capital assets. This investment includes land, land rights, distribution, transmission, treatment Authorities and their related equipment, and various other types of equipment. Based on the uses of the aforementioned assets, they are classified for financial purposes as treatment plant, distribution plant, and general plant. This investment represents an overall increase (net of increases and decreases) of $4.10 million or 4.54% when compared to the 2022 fiscal year.

The following tables summarize The Authority's capital assets, net of accumulated depreciation, and changes therein, for the years ended June 30, 2023 and 2022. These changes are presented in detail in Note 2D to the financial statements.

TABLE 3A
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	June 30, 2023	June 30, 2022	Increase (Decrease) Amount	Percent
Treatment plant	$ 18,950,955	$ 10,440,919	$ 8,510,036	81.51%
Distribution plant	43,381,177	40,053,021	3,328,156	8.31%
General plant	7,866,580	7,810,417	56,163	0.72%
Construction in progress	24,278,679	32,068,057	(7,789,378)	-24.29%
Total capital assets	**$ 94,477,391**	**$ 90,372,414**	**$ 4,104,977**	**4.54%**

A major portion of the additions took place in treatment plant, which represents projects on the water treatment plant being completed. The Authority is currently in process of making major improvements to its Water and Wastewater systems.

TABLE 3B
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	June 30, 2022	June 30, 2021	Increase (Decrease) Amount	Percent
Treatment plant	$ 10,440,919	$ 10,695,243	$ (254,324)	-2.38%
Distribution plant	40,053,021	40,480,960	(427,939)	-1.06%
General plant	7,810,417	7,928,957	(118,540)	-1.50%
Construction in progress	32,068,057	24,654,303	7,413,754	30.07%
Total capital assets	**$ 90,372,414**	**$ 83,759,463**	**$ 6,612,951**	**7.90%**

A major portion of the additions took place in construction in progress, which represents the ongoing additions to the water treatment plant. The Authority is currently in process of making major improvements to its Water and Wastewater system. The Authority plans on using existing financial resources to keep upgrading existing Authorities and adding new systems where it sees fit.

Debt Administration

The Authority has outstanding revenue bonds of $8.23 million and outstanding notes payable of $21.57 million as of June 30, 2023. Principal payments are due in the upcoming fiscal year in the amount of $1.33 million with interest payments totaling approximately $516 thousand also due. Details relating to the outstanding debt can be found in Note 2F. The Authority is well within its debt covenants and foresees no problems in the future relating to outstanding debt.

Economic Factors and Next Year's Budget and Rates

As proposed for fiscal year 2024, rate increases or decreases will be made as reflected by TVA's monthly fuel cost adjustments which are revenue neutral to The Authority. This rate is set by the supplier and passed on to the customer. Water rates and sewer rates are expected to increase within the next fiscal year. Management will do everything possible to keep the customer costs as low as possible and continue to maintain The Authority's financial position. Also, the fiscal year 2024 budget was approved unanimously at the June 2023 Board meeting.

Contacting The Authority's Financial Management

This financial report is designed to provide a general overview of The Authority's finances for all 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 Business Manager of Paris Utility Authority, P.O. Box 460, 117 East Washington, Paris, TN 38242.

PARIS UTILITY AUTHORITY
STATEMENTS OF NET POSITION
June 30, 2023 and 2022

ASSETS	Electric Fund 2023	Electric Fund 2022	Water Fund 2023	Water Fund 2022	Sewer Fund 2023	Sewer Fund 2022	Total Business-Type Activities 2023	Total Business-Type Activities 2022
Capital assets								
Treatment plant	$ -	$ -	$ 16,686,044	$ 8,216,084	$ 8,062,355	$ 7,548,100	$ 24,748,399	$ 15,764,184
Distribution plant	75,633,300	70,543,635	8,858,139	8,593,625	12,762,109	12,546,790	97,253,548	91,684,050
General plant	11,041,133	10,480,386	848,639	733,664	707,081	688,008	12,596,853	11,902,058
Construction in progress	7,674,631	7,876,240	1,017,273	9,429,976	15,586,775	14,761,841	24,278,679	32,068,057
Less: Accumulated depreciation	(45,805,888)	(43,490,248)	(8,122,909)	(7,495,747)	(10,471,291)	(10,059,940)	(64,400,088)	(61,045,935)
Total capital assets (net of accumulated depreciation)	48,543,176	45,410,013	19,287,186	19,477,602	26,647,029	25,484,799	94,477,391	90,372,414
Current assets								
Cash on hand	5,900	5,900	-	-	-	-	5,900	5,900
Cash and cash equivalents - general	768,244	2,846,354	474,392	725,291	314,885	561,009	1,557,521	4,132,654
Investments - CSA	23,967	24,862	-	-	-	-	23,967	24,862
Investments - other	375,000	375,000	-	-	-	-	375,000	375,000
Accounts receivable - trade (net of allowance for uncollectibles)	1,158,816	1,270,133	63,102	93,001	26,586	43,663	1,248,504	1,406,797
Accounts receivable - other	906,828	833,931	31,925	83,178	13,716	234,997	952,469	1,152,106
Due from other funds	554,283	374,513	434,107	280,124	397,376	265,959	1,385,766	920,596
Materials and supplies	607,064	580,032	255,780	184,925	93,764	62,900	956,608	827,857
Prepayments and other current assets	115,407	139,508	11,288	10,850	6,403	6,324	133,098	156,682
Total current assets	4,515,509	6,450,233	1,270,594	1,377,369	852,730	1,174,852	6,638,833	9,002,454
Noncurrent assets								
Restricted cash, cash equivalents, and investments								
Cash and cash equivalents	9,099,938	7,364,014	285,408	280,416	253,510	246,992	9,638,856	7,891,422
Investments	211,878	204,400	-	-	-	-	211,878	204,400
Total restricted assets	9,311,816	7,568,414	285,408	280,416	253,510	246,992	9,850,734	8,095,822
Other assets								
BPU heat pump loans-net of loss reserve	2,234,456	1,915,071	-	-	-	-	2,234,456	1,915,071
Rural development loan receivable	-	20,394	-	-	-	-	-	20,394
Generator loan program	430,172	275,678	-	-	-	-	430,172	275,678
Other loan program	292,937	432,729	-	-	-	-	292,937	432,729
Total other assets	2,957,565	2,643,872	-	-	-	-	2,957,565	2,643,872
Total noncurrent assets	12,269,381	10,212,286	285,408	280,416	253,510	246,992	12,808,299	10,739,694
Total assets	**$ 65,328,066**	**$ 62,072,532**	**$ 20,843,188**	**$ 21,135,387**	**$27,753,269**	**$26,906,643**	**$ 113,924,523**	**$ 110,114,562**
Deferred outflows of resources								
Related to pensions	2,923,922	1,749,165	568,540	340,115	568,540	340,115	4,061,002	2,429,395
Related to OPEB	60,294	72,074	17,340	20,728	14,501	17,335	92,135	110,137
Total deferred outflows of resources	**$ 2,984,216**	**$ 1,821,239**	**$ 585,880**	**$ 360,843**	**$ 583,041**	**$ 357,450**	**$ 4,153,137**	**$ 2,539,532**

The accompanying notes are an integral part of these financial statements.

PARIS UTILITY AUTHORITY
STATEMENTS OF NET POSITION
June 30, 2023 and 2022

LIABILITIES	Electric Fund 2023	Electric Fund 2022	Water Fund 2023	Water Fund 2022	Sewer Fund 2023	Sewer Fund 2022	Total Business-Type Activities 2023	Total Business-Type Activities 2022
Current liabilities								
Accounts payable	$ 5,006,958	$ 4,542,065	$ 36,687	$ 46,164	$ 70,360	$ 523,456	$ 5,114,005	$ 5,111,685
Due to other funds	810,947	537,579	289,512	191,069	285,307	191,948	1,385,766	920,596
Due to City	-	-	-	-	(6,427)	(6,427)	(6,427)	(6,427)
Other accrued expense	230,070	206,217	35,103	33,066	13,829	12,490	279,002	251,773
Compensated absences	49,754	38,995	25,923	19,843	31,091	27,412	106,768	86,250
RD Advances	-	-	-	-	1,563,410	8,147,011	1,563,410	8,147,011
Total current liabilities	6,097,729	5,324,856	387,225	290,142	1,957,570	8,895,890	8,442,524	14,510,888
Current liabilities payable from restricted assets								
Consumers' deposits	3,389,124	2,279,171	55,776	50,784	52,176	45,658	3,497,076	2,375,613
Accrued interest	34,644	40,185	332	10,918	2,162	18,141	37,138	69,244
Current maturities of long-term debt (net of discount of $14,426 and $15,594 and premiums of $8,033 and and $8,033 for the years ended June 30, 2023 and 2022)	473,607	673,961	414,148	507,081	438,591	350,927	1,326,346	1,531,969
Total current liabilities payable from restricted assets	3,897,375	2,993,317	470,256	568,783	492,929	414,726	4,860,560	3,976,826
Noncurrent liabilities								
Compensated absences	562,671	509,933	161,374	145,031	178,081	166,080	902,126	821,044
Net OPEB Liability	318,892	318,871	91,711	91,705	76,702	76,697	487,305	487,273
Notes payable (less current maturities, net of discount of $33,596 and $31,497 for the years ended June 30, 2023 and 2022	-	-	9,472,238	9,806,226	11,431,047	4,398,077	20,903,285	14,204,303
Net pension liability	4,959,494	1,956,943	964,346	380,517	964,346	380,517	6,888,186	2,717,977
Bonds payable (less current maturities, net of discount of $225,013 and $243,551 and premium of $143,931 and $151,964 for the years ended June 30, 2023 and 2022)	6,903,918	7,373,413	80,000	162,077	456,000	77,923	7,439,918	7,613,413
Total noncurrent liabilities	12,744,975	10,159,160	10,769,669	10,585,556	13,106,176	5,099,294	36,620,820	25,844,010
Total liabilities	**22,740,079**	**18,477,333**	**11,627,150**	**11,444,481**	**15,556,675**	**14,409,910**	**49,923,904**	**44,331,724**
Deferred inflows of resources								
Related to leases	370,633	423,973	-	-	-	-	370,633	423,973
Related to pensions	34,438	1,860,885	6,696	361,839	6,696	361,839	47,830	2,584,563
Related to OPEB	46,833	38,784	13,469	11,154	11,265	9,329	71,567	59,267
Total deferred inflows of resources	**451,904**	**2,323,642**	**20,165**	**372,993**	**17,961**	**371,168**	**490,030**	**3,067,803**
NET POSITION								
Net investment in capital assets	41,165,651	37,362,639	9,320,800	9,002,218	12,757,981	12,510,861	63,244,432	58,875,718
Restricted for debt service	9,277,172	7,528,229	285,076	269,498	251,348	228,851	9,813,596	8,026,578
Restricted for economic development	360,000	360,000	-	-	-	-	360,000	360,000
Unrestricted	(5,682,524)	(2,158,072)	175,877	407,040	(247,655)	(256,697)	(5,754,302)	(2,007,729)
Total net position	**$ 45,120,299**	**$43,092,796**	**$9,781,753**	**$9,678,756**	**$ 12,761,674**	**$12,483,015**	**$67,663,726**	**$65,254,567**

The accompanying notes are an integral part of these financial statements.

PARIS UTILITY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30, 2023 and 2022

	Electric Fund		Water Fund		Sewer Fund		Total Business-Type Activities	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Operating revenues								
Charges for sales and services	$ 53,687,501	$ 48,193,946	$ 2,716,315	$ 2,681,391	$ 2,749,787	$ 2,649,451	$ 59,153,603	$ 53,524,788
Uncollectible accounts	(13,288)	(5,417)	(1,271)	(2,015)	(1,661)	(1,334)	(16,220)	(8,766)
Other operating revenue	1,262,105	1,251,379	163,163	160,757	96,472	108,286	1,521,740	1,520,422
Total operating revenues	54,936,318	49,439,908	2,878,207	2,840,133	2,844,598	2,756,403	60,659,123	55,036,444
Operating expenses								
Cost of sales and services	42,894,332	37,018,374	-	-	-	-	42,894,332	37,018,374
Operations expense	3,290,947	2,652,703	1,553,635	1,300,353	1,309,989	1,076,578	6,154,571	5,029,634
Maintenance expense	3,043,354	2,252,943	498,374	398,937	686,643	545,242	4,228,371	3,197,122
Taxes and tax equivalent - other government	889,690	977,740	-	-	-	-	889,690	977,740
Provision for depreciation	2,835,546	2,832,413	592,772	428,198	407,923	401,568	3,836,241	3,662,179
Total operating expenses	52,953,869	45,734,173	2,644,781	2,127,488	2,404,555	2,023,388	58,003,205	49,885,049
Operating income (loss)	1,982,449	3,705,735	233,426	712,645	440,043	733,015	2,655,918	5,151,395
Nonoperating revenues (expenses)								
Interest income	313,189	172,070	4,053	1,895	1,036	1,461	318,278	175,426
Other revenue	653	-	519	1,664	789	41,912	1,961	43,576
Interest expense	(248,161)	(257,696)	(134,327)	(154,423)	(162,176)	(164,317)	(544,664)	(576,436)
Other expense	(20,627)	(34,637)	(674)	(1,658)	(1,033)	(103)	(22,334)	(36,398)
Total nonoperating revenues (expenses)	45,054	(120,263)	(130,429)	(152,522)	(161,384)	(121,047)	(246,759)	(393,832)
Change in net position	**2,027,503**	**3,585,472**	**102,997**	**560,123**	**278,659**	**611,968**	**2,409,159**	**4,757,563**
Total net position - beginning	43,092,796	39,507,324	9,678,756	9,118,633	12,483,015	11,871,047	65,254,567	60,497,004
Total net position - ending	$ 45,120,299	$ 43,092,796	$ 9,781,753	$ 9,678,756	$ 12,761,674	$ 12,483,015	$ 67,663,726	$ 65,254,567

The accompanying notes are an integral part of these financial statements.

PARIS UTILITY AUTHORITY
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	Electric Fund		Water Fund		Sewer Fund		Total Business-Type Activities	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash flows from operating activities								
Cash received from consumers	$ 54,974,738	$49,003,597	$ 2,959,359	$2,813,594	$ 3,082,956	$3,572,819	$ 61,017,053	$ 55,390,010
Cash paid to suppliers of goods and services	(47,398,351)	(40,715,118)	(1,475,251)	(1,290,470)	(1,653,271)	(1,603,516)	(50,526,873)	(43,609,104)
Cash paid to employees for services	(1,466,712)	(1,128,004)	(627,098)	(530,885)	(805,345)	(593,616)	(2,899,155)	(2,252,505)
Payroll and property taxes	(889,690)	(977,740)	-	-	-	-	(889,690)	(977,740)
Customer deposits received	1,323,613	303,293	4,992	6,758	6,518	6,308	1,335,123	316,359
Customer deposits refunded	(213,660)	(218,625)	-	(814)	-	-	(213,660)	(219,439)
Cash received from (paid) to others	93,598	(21,174)	(55,540)	23,826	(38,058)	(9,079)	-	(6,427)
Net cash provided (used) by operating activities	6,423,536	6,246,229	806,462	1,022,009	592,800	1,372,916	7,822,798	8,641,154
Cash flows from capital and related financing activities								
Construction and acquisition of plant	(5,843,415)	(5,315,348)	(391,353)	(319,975)	(1,545,788)	(4,479,145)	(7,780,556)	(10,114,468)
Plant removal cost	(125,395)	(125,395)	(11,003)	(11,003)	(24,365)	(24,365)	(160,763)	(160,763)
Materials salvaged from retirements	101	101	-	-	-	-	101	101
Proceeds from issue of long-term debt	-	2,430,000	-	(136,931)	1,436,399	(149,127)	1,436,399	2,143,942
Proceeds from RD advances	-	-	-	-	-	3,661,952	-	3,661,952
Principal paid on bonds and notes	(669,849)	(637,806)	(508,998)	(364,813)	(521,289)	(209,259)	(1,700,136)	(1,211,878)
Interest paid on bonds	(253,702)	(254,720)	(144,913)	(155,421)	(178,155)	(164,383)	(576,770)	(574,524)
Net cash provided (used) by capital and related financing activities	(6,892,260)	(3,903,168)	(1,056,267)	(988,143)	(833,198)	(1,364,327)	(8,781,725)	(6,255,638)
Cash flows from investing activities								
(Purchases) Proceeds from sale of investments	(7,478)	6,436	-	-	-	-	(7,478)	6,436
Collections and payments on conservation loans	(319,385)	734	-	-	-	-	(319,385)	734
Principal received on rural development loans	20,394	140,023	-	-	-	-	20,394	140,023
Advances and payments received from customers	139,792	(85,699)	-	-	-	-	139,792	(85,699)
Interest and other non-operating income (expenses)	293,215	137,433	3,898	1,901	792	43,270	297,905	182,604
Net cash provided (used) by investing activities	126,538	198,927	3,898	1,901	792	43,270	131,228	244,098
Net increase (decrease) in cash and cash equivalents	**(342,186)**	**2,541,988**	**(245,907)**	**35,767**	**(239,606)**	**51,859**	**(827,699)**	**2,629,614**
Cash and cash equivalents - beginning of year	10,216,268	7,674,280	1,005,707	969,940	808,001	756,142	12,029,976	9,400,362
Cash and cash equivalents - end of year	$ 9,874,082	$10,216,268	$ 759,800	$1,005,707	$ 568,395	$ 808,001	$ 11,202,277	$ 12,029,976

The accompanying notes are an integral part of these financial statements.

PARIS UTILITY AUTHORITY
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	Electric Fund		Water Fund		Sewer Fund		Total Business-Type Activities	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash and cash equivalents								
Unrestricted cash on hand	$ 5,900	$ 5,900	$ -	$ -	$ -	$ -	$ 5,900	$ 5,900
Unrestricted cash and cash equivalents on deposit	768,244	2,846,354	474,392	725,291	314,885	561,009	1,557,521	4,132,654
Restricted cash and cash equivalents on deposit	9,099,938	7,364,014	285,408	280,416	253,510	246,992	9,638,856	7,891,422
Total cash and cash equivalents	$ 9,874,082	$ 10,216,268	$ 759,800	$1,005,707	$ 568,395	$ 808,001	$11,202,277	$ 12,029,976
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)	$ 1,982,449	$ 3,705,735	$ 233,426	$ 712,645	$ 440,043	$ 733,015	$ 2,655,918	$ 5,151,395
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	2,835,546	2,832,413	592,772	428,198	407,923	401,568	3,836,241	3,662,179
Pension related deferred outflows/inflows and								
Net pension liability	(198,438)	(183,155)	2,576	(102,236)	5,031	(101,227)	(190,831)	(386,618)
Net OPEB liability	11,801	(20,496)	3,394	(5,894)	5	(7,763)	15,200	(34,153)
(Increase)/Decrease in accounts receivable	38,420	(436,311)	81,152	(26,539)	238,358	816,416	357,930	353,566
(Increase)/Decrease in due from other funds	(179,770)	294,179	(153,983)	304,190	(131,417)	11,995	(465,170)	610,364
(Increase)/Decrease in materials and supplies	(27,032)	(109,990)	(70,855)	(10,397)	(30,864)	(10,959)	(128,751)	(131,346)
(Increase)/Decrease in prepayments and other current assets	24,996	(16,725)	(438)	2,052	(79)	1,145	24,479	(13,528)
Increase/(Decrease) in accounts payable and accrued expenses	552,243	411,264	14,983	(5,590)	(436,077)	(456,508)	131,149	(50,834)
Increase/(Decrease) in due to other funds	273,368	(315,353)	98,443	(280,364)	93,359	(14,647)	465,170	(610,364)
Increase/(Decrease) in due to City	-	-	-	-	-	(6,427)	-	(6,427)
Increase/(Decrease) in customer deposits	1,109,953	84,668	4,992	5,944	6,518	6,308	1,121,463	96,920
Net cash provided (used) by operating activities	$ 6,423,536	$ 6,246,229	$ 806,462	$1,022,009	$ 592,800	$ 1,372,916	$ 7,822,798	$ 8,641,154

The accompanying notes are an integral part of these financial statements.

PARIS UTILITY AUTHORITY
STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 469,079	$ 554,885
Accounts receivable - claim settlement	267,195	-
Investments		
Equity	13,370,060	12,015,791
Balanced	777,259	792,898
Fixed	5,249,627	5,178,105
Total investments	19,396,946	17,986,794
Total Assets	**$ 20,133,220**	**$ 18,541,679**
Liabilities	-	-
Net assets available for benefits	**$ 20,133,220**	**$ 18,541,679**

The accompanying notes are an integral part of these financial statements.

PARIS UTILITY AUTHORITY
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended June 30, 2023 and 2022

	2023	2022
Additions		
Contributions		
Employer	$ 1,396,310	$ 1,398,180
Investment income		
Dividend income	367,567	339,776
Net appreciation (depreciation) in fair value of investments	1,712,951	(3,475,220)
Total investment income (loss)	2,080,518	(3,135,444)
Total additions	3,476,828	(1,737,264)
Deductions		
Benefit payments	1,868,977	1,958,351
Administrative and other expenses	16,310	18,180
Total deductions	1,885,287	1,976,531
Net increase (decrease) in fiduciary net position	**1,591,541**	**(3,713,795)**
Net position restricted for pensions		
Beginning of year	18,541,679	22,255,474
End of year	$ 20,133,220	$ 18,541,679

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Paris Utility Authority was formed to own and operate an electric, water, and wastewater utility within or outside the corporate limits of the City of Paris and to exercise all powers granted to energy authorities by the Municipal Energy Authority Act enacted by Public Chapter No. 995 of the 2016 Public Acts of the State of Tennessee, as amended, with respect to electric, water, and wastewater services. This act authorizes the authority, effective immediately upon the effective date of its formation, and upon proper action by the associated municipality, to commence operating the systems and to exercise exclusive control and direction of the systems and to accept title to the assets and assume the liabilities of the systems, and upon such action to hold all the rights as existed with the municipal utility system without diminution.

The Paris Utility Authority is a component unit of the City of Paris, Tennessee, based on the criteria for inclusion in the City's financial report as defined by the Governmental Accounting Standards Board (GASB). The Mayor and City Council of the City of Paris appoint all five members of the Energy Authority's board of directors. The Mayor and City Council may also remove appointed members of the Energy Authority's board at will by a two-thirds vote of the City Council. In addition, the Energy Authority does not have any power to dispose of all or substantially all of the plant without consent of the Mayor and City Council and approval of a majority of those voting in a referendum in accordance with Tennessee Code Annotated 7-52-132. Management has determined that both of these conditions qualify as the ability of the primary government (City of Paris) to impose its will on the component unit (Paris Utility Authority) as defined in GASB Statement No. 14. Therefore, the Energy Authority should be included in the financial reporting entity of City of Paris as a discretely-presented component unit.

As a public utility, Paris Utility Authority is under the regulatory authority of the Tennessee Valley Authority (TVA). TVA requires that a twelve-month financial report be issued that includes the operations of Paris Utility Authority from July 1, 2022, through June 30, 2023.

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

Paris Utility Authority is a business-type component unit of the City, which presents the same financial statements required for enterprise funds. Enterprise funds are a type of proprietary fund and, as such, are reported in accordance with generally accepted accounting principles for proprietary funds as defined by GASB. Proprietary fund types are reported using the economic resources measurement focus and the accrual basis of accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entity's net position. The accrual basis of accounting recognizes income as it is earned and expenses as they are incurred, whether or not cash is received or paid out at that time.

Proprietary 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 proprietary fund's principal ongoing operations. The principal operating revenues of the System are charges to customers for sales and service. Operating expenses for the System include the cost of purchased power, operation expenses, maintenance expenses, payroll taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is The Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets, Liabilities, Deferred Outflows/Inflows, 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.

State statutes authorize The Authority to invest in certificates of deposit, obligations of the U. S. Treasury, agencies, instrumentalities and obligations guaranteed as to principal and interest by the United States or any of its agencies, repurchase agreements, and the Tennessee local government investment pool. Investments for proprietary funds are stated at fair market value.

The Authority's defined benefit 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 though the prudent diversification of the portfolio across a broad selection of distinct asset classes. Investments are stated at fair market value. The Plan's investments consist of a money market account and mutual funds. Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on the trade-date basis. Realized gains and losses from security transactions are reported on the average cost method.

Receivables and payables
During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the statement of net position.

Trade receivables result from unpaid billings for electric, water, and sewer services 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.

Inventories and prepaid items
All inventories are valued at the lower of average cost or market, using the first-in/first-out (FIFO) method.

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

Restricted assets
Certain proceeds of the bond issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The Authority elects to use restricted assets before unrestricted assets when the situation arises where either can be used.

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 $1,000 and an estimated useful life in excess of five years. 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	6.25 - 50 years
Treatment plant	12.5 - 50 years
Distribution plant	12.5 - 50 years

Compensated absences
The Authority's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay has been accrued, and the amount estimated to be paid within one year is reflected as a current liability with the remainder shown as a noncurrent liability on the financial statements. All sick leave has been accrued, and the amount estimated to be paid within one year is reflected as a current liability with the remainder shown as a noncurrent liability on the financial statements.

Long-term obligations
Bond premiums and discounts, as well as issuance costs (when applicable), are amortized over the life of the bonds using the effective interest method. The Authority will continue to report bond cost as an asset and amortize those over the life of the bonds instead of expensing those costs in the current year in accordance with certain provisions included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This regulatory option as part of GASB Statement No. 65 is available due to the above mentioned cost being used for rate setting by The Authority.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Paris Utility Authority' participation in their single employer defined benefit pension plan, and additions to/deductions from Paris Utility Authority' fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purposes, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the retirement plan. Investments are reported at fair value.

Other Post-Employment Benefits
Information about The Authority's participation in their single employer post-employment benefits plan have been determined on the same basis as they are reported by the other post-employment benefits plan. For this purpose, benefits are recognized when due and payable in accordance with the benefit terms of the other post-employment benefits plan.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority currently has pension and OPEB-related items that qualify for reporting in this category.

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 acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority currently has pension, OPEB, and lease related items that qualify for reporting in this category.

Net position flow assumption
Sometimes The Authority will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is The Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Impact of Recently Issued Accounting Pronouncements
In May of 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96 related to Subscription-Based Information Technology Arrangements. This Statement improves accounting and financial reporting by state and local governments for SBITAs and is effective for fiscal years beginning after June 15, 2022. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain SBITA assets and liabilities for SBITA that previously were recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for SBITA accounting based on the foundational principle that SBITA are financings of the right to use an underlying subscription based asset. This implementation resulted in no impact on the current year or prior year financial statements.

Net position
Net position 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 do not meet the description of the above categories.

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, deferred inflows/outflows of resources, and liabilities, the

disclosure of contingent amounts and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

The Authority's defined benefit plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported and disclosed.

NOTE 2 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of June 30, 2023 and 2022, The Authority had the following investments.

	June 30, 2023	
	Cost	Fair Value
Investments - CSA	$ 20	$ 23,967
Total	$ 20	$ 23,967

	June 30, 2022	
	Cost	Fair Value
Investments - CSA	$ 20	$ 24,862
Total	$ 20	$ 24,862

The Authority also has various certificates of deposit, which total $586,878 and $579,400 for the years ended June 30, 2023 and 2022. These are listed in the financial statements as current investments – other and noncurrent investments. The amounts shown as noncurrent investments are considered to be restricted due to the money being set aside as a bond reserve to cover related debt.

The asset allocations as well as their market values for the pension plan are summarized in the following table:

	June 30, 2023		June 30, 2022		June 30, 2021	
	Market Value	Percentage of Total	Market Value	Percentage of Total	Market Value	Percentage of Total
Cash equivalents	$ 469,079	2.36%	$ 554,885	2.99%	$ 644,663	2.90%
Equities	13,370,060	67.30%	12,015,791	64.80%	16,250,161	73.02%
Balanced	777,259	3.91%	792,898	4.28%	-	0.00%
Fixed Income	5,249,627	26.43%	5,178,105	27.93%	5,360,650	24.09%
Total	$ 19,866,025	100.00%	$ 18,541,679	100.00%	$ 22,255,474	100.00%

The following investments represent more than 5% of the fiduciary net position as of June 30, 2023, 2022, and 2021 and are not issued or explicitly guaranteed by the U.S. government:

	2023	2022	2021
John Hancock Disciplined Value R2	$ 2,438,299	$ 2,248,711	$ 2,528,804
Franklin Low Duration Total Return Class A	1,150,899	1,004,490	-
John Hancock Disciplined Value Mid Cap Fund CL R2	1,246,269	1,093,242	1,254,619
JP Morgan Large Cap Growth	1,454,419	1,236,714	1,545,001
Merger Investor	-	-	1,258,824
American Funds New Perspective R2	1,416,791	1,252,997	1,540,238
Virtus Real Estate Opportunities	-	-	1,354,715
Alliance Bernstein Global Government	-	-	1,276,112
AB Discovery Growth A	-	-	1,234,417
Delaware Small Cap Value	1,244,855	1,068,853	1,229,898
Eaton Vance High Income FD Cl A	-	-	1,262,334
Eaton Vance Floating Rate A	980,586	976,386	1,280,206
Alliance Bernstein Growth A	-	-	1,070,653
MFS Ser TR X Intl Divsf R2	1,380,656	1,318,341	1,506,296
Aim Intl Mut Fds	1,361,861	1,333,990	1,523,237

For the years ended June 30, 2023, 2022, and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.44, -15.37, and 31.77 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2023, June 30, 2022, and June 30, 2021, respectively:

June 30, 2023		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
Mutual funds - fixed	$ 4,478,000	$ 4,478,000	$ -	$ -
Mutual funds - U.S. government	771,627	771,627	-	-
Mutual funds - Balanced	777,259	777,259	-	-
Total debt securities	6,026,886	6,026,886	-	-
Equity securities				
Mutual funds	13,370,060	13,370,060	-	-
Total investment measured at fair value	$ 19,396,946	$ 19,396,946	$ -	$ -

June 30, 2022	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
Mutual funds - fixed	$ 4,414,460	$ 4,414,460	$ -	$ -
Mutual funds - U.S. government	763,645	763,645	-	-
Mutual funds - Balanced	792,898	792,898	-	-
Total debt securities	5,971,003	5,971,003	-	-
Equity securities				
Mutual funds	12,015,791	12,015,791	-	-
Total investment measured at fair value	$ 17,986,794	$ 17,986,794	$ -	$ -

June 30, 2021	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
Mutual funds - fixed	$ 4,545,583	$ 4,545,583	$ -	$ -
Mutual funds - U.S. government	815,067	815,067	-	-
Total debt securities	5,360,650	5,360,650	-	-
Equity securities				
Mutual funds	16,250,161	16,250,161	-	-
Total investment measured at fair value	$ 21,610,811	$ 21,610,811	$ -	$ -

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Credit risk

The investments in the above companies are authorized under TCA 7-39-101 et seq. The act authorizes a public corporation to own, finance, and operate gas and electrical facilities for the purchase, drilling, extraction, production, storage, transportation, distribution, and transmission of natural gas or electrical energy, both inside and outside the State of Tennessee. The act also allows for the contracting of the purchase of supplies of electric power and natural gas.

Custodial risk

The Authority's policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note 1. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by The Authority's agent in The Authority's name, or by the Federal Reserve Banks acting as third party agents. State statutes also 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 of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2023 and 2022, all bank deposits were fully collateralized or insured.

B. Receivables

Receivables as of the fiscal years ended June 30, 2023 and 2022 were made up of the following:

	June 30, 2023	June 30, 2022
Billed services for utility customers	$ 1,266,557	$ 1,424,850
Other receivables for utility services	952,469	1,152,106
Allowance for doubtful accounts	(18,053)	(18,053)
Total	$ 2,200,973	$ 2,558,903

C. Restricted Assets

All deposits required by the applicable debt reserve requirements have been made. Transactions in funds, other than the debt reserve requirements are at the discretion of the Board of Directors, and there are no applicable legal requirements or restrictions on these funds.

	June 30, 2023	June 30, 2022
The restricted assets consist of the following:		
Customer deposits	$ 3,497,076	$ 2,375,613
Debt reserve requirements		
Interest and sinking fund	6,141,780	5,515,809
Reserve fund	211,878	204,400
	$ 9,850,734	$ 8,095,822
The total of these funds is represented by:		
Cash and cash equivalents	$ 9,638,856	$ 7,891,422
Certificate of deposit and savings accounts	211,878	204,400
	$ 9,850,734	$ 8,095,822

PARIS UTILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

D. Capital Assets

Capital asset activity during the years ended June 30, 2023 and 2022 was as follows:

Description	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets, not being depreciated				
Treatment plant	$ 557,085	$ -	$ -	$ 557,085
Distribution plant	490,451	-	-	490,451
General plant	407,649	-	-	407,649
Construction in progress	32,068,057	1,160,517	8,949,895	24,278,679
Total capital assets, not being depreciated	33,523,242	1,160,517	8,949,895	25,733,864
Capital assets, being depreciated				
Treatment plant	15,207,099	8,988,773	4,558	24,191,314
Distribution plant	91,193,599	6,528,300	958,802	96,763,097
General plant	11,494,409	763,039	68,244	12,189,204
Total capital assets, being depreciated	117,895,107	16,280,112	1,031,604	133,143,615
Less accumulated depreciation for:				
Treatment plant	5,323,265	474,394	215	5,797,444
Distribution plant	51,631,029	3,089,127	847,785	53,872,371
General plant	4,091,641	672,914	34,282	4,730,273
Total accumulated depreciation	61,045,935	4,236,435	882,282	64,400,088
Total capital assets, being depreciated, net	56,849,172	12,043,677	149,322	68,743,527
Total capital assets, net	$ 90,372,414	$13,204,194	$ 9,099,217	$ 94,477,391

Depreciation expense was charged to departments as follows:

	June 30, 2023
Electric	$ 2,835,546
Water	592,772
Sewer	407,923
	3,836,241
Charges to transportation clearing	400,194
Total	$ 4,236,435

Description	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets, not being depreciated				
Treatment plant	$ 557,085	$ -	$ -	$ 557,085
Distribution plant	490,451	-	-	490,451
General plant	407,649	-	-	407,649
Construction in progress	24,654,303	13,141,945	5,728,191	32,068,057
Total capital assets, not being depreciated	26,109,488	13,141,945	5,728,191	33,523,242
Capital assets, being depreciated				
Treatment plant	15,151,049	56,050	-	15,207,099
Distribution plant	89,189,186	2,405,143	400,730	91,193,599
General plant	11,247,041	663,402	416,034	11,494,409
Total capital assets, being depreciated	115,587,276	3,124,595	816,764	117,895,107
Less accumulated depreciation for:				
Treatment plant	5,012,891	310,410	36	5,323,265
Distribution plant	49,198,677	3,098,607	666,255	51,631,029
General plant	3,725,733	677,192	311,284	4,091,641
Total accumulated depreciation	57,937,301	4,086,209	977,575	61,045,935
Total capital assets, being depreciated, net	57,649,975	(961,614)	(160,811)	56,849,172
Total capital assets, net	$ 83,759,463	$12,180,331	$ 5,567,380	$ 90,372,414

Depreciation expense was charged to departments as follows:

	June 30, 2022
Electric	$ 2,832,413
Water	428,198
Sewer	401,568
	3,662,179
Charges to transportation clearing	424,030
Total	$ 4,086,209

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances consists of Utility billings (all runs through the electric department), payroll reimbursements (all payroll checks are written by the electric department), and accounts payable checks (paid by the department incurring the largest part of the bill). Each month the net of these transactions is settled between the departments. Also, the Sewer fund has a balance owed to the City of Paris, Tennessee for payments in lieu of taxes of $0 and $0 for the years ended June 30, 2023 and 2022, respectively.

	June 30, 2023				June 30, 2022			
	Due from				Due from			
	Electric	Water	Sewer	Total	Electric	Water	Sewer	Total
Due to								
Electric	$ -	$ 287,289	$ 266,994	$ 554,283	$ -	$ 189,626	$ 184,887	$ 374,513
Water	415,794	-	18,313	434,107	273,063	-	7,061	280,124
Sewer	395,153	2,223	-	397,376	264,516	1,443	-	265,959
	$ 810,947	$ 289,512	$ 285,307	$ 1,385,766	$ 537,579	$ 191,069	$ 191,948	$ 920,596

The Electric, Water, and Sewer funds transfer monies out to the City for payments in lieu of taxes which amounted to $682,799, $0, and $43,712 for the year ended June 30, 2023 and $748,651, $0, and $37,626 for the year ended June 30, 2022.

F. Long Term Debt

The Authority complied with all significant debt covenants and restrictions as set forth in the bond and note agreements across all Authorities.

The notes payable contain provisions that in the event of default, the lender can exercise one or more of the following options: (1) Make all or any of the outstanding notes payable balance immediately due and accrued interest at highest post maturity interest rate, (2) Take possession of the collateralized properties, (3) Gain access to other assets of The Authority to protect the lender's interest, and (4) Use any remedy allowed by state or federal law. The notes payable also contain a subjective clause that causes The Authority to be in default if an event occurs that causes the lender to reasonably believe that the lender will have difficulty in collecting the notes payable, or significantly impairs the value of the collateralized properties.

The bonds payable for all Authorities contain provisions that in the event of default, the lender can exercise one or more of the following options: (1) Make all or any of the outstanding bonds payable balance immediately due and accrued interest at highest post maturity interest rate, (2) Use any remedy allowed by state or federal law.

Long-term debt consisted of the following as June 30, 2023 and 2022:

	Electric Department	
Bonds payable at June 30, are as follows:	2023	2022
Electric System Revenue Refunding Bonds, Series 2020, 1.29%, due annualy through 2034, secured	$ 5,035,000	$ 5,700,000
Electric System Revenue Bonds, Series 2021, variable interest rate, due serially through 2042, secured	2,430,000	2,430,000
Total bonds payables	7,465,000	8,130,000
Current portion bonds payables	480,000	665,000
Total long-term portion bonds payables	$ 6,985,000	$ 7,465,000
Rural Development Loan, 0%, due serially through 2023, unsecured	$ -	$ 15,354
Total notes payable	-	15,354
Current portion notes payables	-	15,354
Total long-term portion notes payables	$ -	$ -

	Water Department	
	2023	2022
Bonds payable at June 30, are as follows:		
Water and Wastewater Revenue Refunding Bonds, Series 2020A, 3.29%, due annualy through 2023, secured	-	49,880
Water and Wastewater Revenue Refunding Bonds, Series 2020B, 3.29%, due annualy through 2023, secured	-	49,403
Water Revenue Refunding Bonds, Series 2020C, 3.29%, due annualy through 2025, secured	160,000	240,000
Total bonds payables	160,000	339,283
Current portion bonds payables	80,000	177,206
Total long-term portion bonds payables	$ 80,000	$ 162,077
Notes payable at June 30, are as follows:		
State Revolving Fund Loan,1.29%, due serially through 2038, unsecured	6,786,789	6,926,418
State Revolving Fund Loan,1.29%, due serially through 2038, unsecured	570,006	605,178
State Revolving Fund Loan,1.29%, due serially through 2035, unsecured	1,377,632	1,465,664
State Revolving Fund Loan,1.29%, due serially through 2037, unsecured	683,023	727,819
State Revolving Fund Loan,0.85%, due serially through 2021, unsecured	404,434	428,062
Total notes payables	9,821,884	10,153,141
Current portion notes payables	335,690	331,417
Total long-term portion notes payables	$ 9,486,194	$ 9,821,724

	Sewer Department	
Bonds payable at June 30, are as follows:	2023	2022
Water and Wastewater Revenue Refunding Bonds, Series 2020A, 3.29%, due annualy through 2023, secured	-	87,000
Water and Wastewater Revenue Refunding Bonds, Series 2020B, 3.29%, due annualy through 2023, secured	520,000	86,922
Water Revenue Refunding Bonds, Series 2020C, 3.29%, due annualy through 2025, secured	80,000	120,000
Total bonds payables	600,000	293,922
Current portion bonds payables	144,000	215,999
Total long-term portion bonds payables	$ 456,000	$ 77,923
Rural Development Loan,1.25%, due serially through 2060, unsecured	7,331,561	-
State Revolving Fund Loan,1.29%, due serially through 2037, unsecured	1,081,662	1,118,022
State Revolving Fund Loan,1.38%, due serially through 2060, unsecured	3,332,415	3,430,983
Total notes payables	11,745,638	4,549,005
Current portion notes payables	294,591	134,928
Total long-term portion notes payables	$ 11,451,047	$ 4,414,077

The following is a summary of long-term debt transactions for the years ended June 30, 2023 and 2022:

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due within one year
Revenue bonds payable	$ 8,763,205	$ 520,000	$ 1,058,205	$ 8,225,000	$ 704,000
Premium	159,997	-	8,033	151,964	8,033
Discount	(257,977)	-	(18,538)	(239,439)	(14,426)
Total bonds payable	8,665,225	520,000	1,047,700	8,137,525	697,607
Notes payable	14,717,500	7,500,000	649,978	21,567,522	630,281
Discount	(33,040)	(4,000)	(1,542)	(35,498)	(1,542)
Total notes payable	14,684,460	7,496,000	648,436	21,532,024	628,739
Compensated absences	907,294	101,600	-	1,008,894	106,768
Total long-term debt	$ 24,256,979	$ 8,117,600	$ 1,696,136	$ 30,678,443	$1,433,114

	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Due within one year
Revenue bonds payable	$ 7,358,205	$ 2,430,000	$ 1,025,000	$ 8,763,205	$1,058,205
Premium	-	159,997	-	159,997	8,033
Discount	(182,682)	(89,721)	(14,426)	(257,977)	(14,426)
Total bonds payable	7,175,523	2,500,276	1,010,574	8,665,225	1,051,812
Notes payable	15,276,679	-	559,179	14,717,500	481,699
Discount	(34,581)	-	(1,541)	(33,040)	(1,542)
Total notes payable	15,242,098	-	557,638	14,684,460	480,157
Compensated absences	827,049	80,245	-	907,294	86,250
Total long-term debt	$ 23,244,670	$ 2,580,521	$ 1,568,212	$ 24,256,979	$1,618,219

Each major funds operating cash is used to liquidate compensated absences for the Authority.

The scheduled annual requirements of long-term debt transactions for the year ended June 30, 2023 are as follows:

	Principal			
Year Ending June 30,	Notes	Bonds	Total	Interest
2024	630,281	704,000	1,334,281	516,219
2025	638,652	729,000	1,367,652	484,312
2026	647,116	624,000	1,271,116	443,482
2027	655,682	649,000	1,304,682	408,921
2028	664,393	669,000	1,333,393	373,222
2029-2033	3,457,973	3,035,000	6,492,973	1,501,792
2034-2038	3,528,539	1,200,000	4,728,539	993,127
2039-2043	2,775,601	615,000	3,390,601	703,277
2044-2048	2,918,740	-	2,918,740	474,673
2049-2053	2,460,632	-	2,460,632	289,562
2054-2058	2,276,137	-	2,276,137	136,582
2059-2060	913,776	-	913,776	12,088
	$21,567,522	$ 8,225,000	$29,792,522	$ 6,337,257

G. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net position amounts were as follows:

	2023	2022
Net investment in capital assets:		
Net property, plant, and equipment in services	$94,477,391	$90,372,414
Less: RD advances	(1,563,410)	(8,147,011)
Less: debt as disclosed in Note 2F	(29,669,549)	(23,349,685)
	63,244,432	58,875,718
Restricted for debt service:		
Restricted cash and cash equivalents	9,638,856	7,891,422
Restricted investments	211,878	204,400
Less: Accrued interest payable from restricted assets	(37,138)	(69,244)
	9,813,596	8,026,578
Restricted for economic development	360,000	360,000
Unrestricted	(5,754,302)	(2,007,729)
Total net position	$67,663,726	$65,254,567

H. Leases

The Authority is the lessor of dark fiber to local businesses. These lease agreements are non-cancelable leases with fixed minimum rentals and non-cancelable lease agreements with annually adjusted rates.

Minimum guaranteed income on all Authority non-cancelable leases is as follows:

Year Ending June 30,	
2024	147,904
2025	81,771
2026	72,405
2027	58,858
2028	9,695
	$370,633

NOTE 3 – OTHER INFORMATION

A. Pension Plans

The Authority participates in three pension plans: a defined benefit plan, a deferred compensation plan, and a defined contribution profit sharing plan. Otherwise eligible employees may not participate in both the defined benefit plan and the deferred compensation and defined contribution plans. A copy of the stand-alone Actuarial Valuation Report can be obtained at The Authority's office.

Defined benefit plan
Plan Description: The Pension Plan for Employees of the Paris Utility Authority - Paris, Tennessee ("the Plan") is a single employer defined benefit retirement plan administered by Reliance Trust Company for the employees of Paris Utility Authority. The Plan was established by statute. With the exception of maximum contribution rates, which are set forth in the statutes, required contributions and benefit provisions are established and amended by the Board of Directors.

The Plan was established October 1, 2006 and restated and amended effective July 1, 2008. Effective July 1, 2009 entry into the Plan was frozen for any eligible employee who had not become a participant prior to July 1, 2009.

Benefits Provided. The Plan provides retirement, termination, disability, and death benefits to plan members and their beneficiaries.

Normal retirement benefit. The amount of retirement benefit to be provided for each Participant who retires on the Participant's Normal Retirement Date shall be equal to the Participant's Accrued Benefit (herein called the Participant's Normal Retirement Benefit). For Eligible Employees, a Participant's Accrued Benefit is based on a retirement benefit formula equal to 2.35% of such Participant's Average Annual Earnings multiplied by the Participant's years of Credited Service provided, however, that, solely with respect to any Employee who either 1) is hired by The Authority on or after January 1, 2008, or 2) is a Participant in the Plan on January 1, 2008, but is not yet Vested in his Employer Derived Benefit as of such date, Credited Service shall be limited to a maximum of 30 years.

The normal retirement Pension shall never be less than the greatest amount of reduced early retirement Pension that the Participant could have received under Section 5.2 before his Normal Retirement Date. In no event will the normal retirement Pension payable to a Participant be less than his Employee Derived Benefit.

Early retirement. Any Participant, who has attained his Early Retirement Age, may elect to retire on an Early Retirement Date after the Committee receives his written application to retire. In the event that a Participant makes such an election, he shall be entitled to receive an early retirement Pension equal to his Vested Accrued Benefit reduced by 4/10 of 1% for each full calendar month by which his Annuity Starting Date precedes his Normal Retirement Date. However, in the event a Participant is at least age 60 on his Annuity Starting Date and is credited with at least 20 years of Credited Service, his early retirement Pension shall not be subject to a reduction.

Late Retirement Pension. A Participant may continue in employment beyond his Normal Retirement Date. In such event, no retirement benefit will be paid to the Participant until he actually retires, subject to any required minimum distributions.

The amount of retirement benefit payable to the Participant at his Late Retirement Date is the amount determined for the Normal Retirement Pension, as in effect on the Participant's Retirement Date, subject to the adjustments in the following paragraph:

> On each Determination Date following the Participant's Normal Retirement Date, an amount will be determine equal to the greater of (1) or (2), below where:

(1) is the amount of annual Pension benefit accrued to the Determination Date, based on the Participant's Credited Service and Average Annual Earnings as of that date: and

(2) is the amount determined as of the previous Determination Date, adjusted by the appropriate late retirement adjustment factor; provided, however, that no further adjustments shall be made to a Participant's normal retirement benefit in accordance with this subparagraph after the earlier of (i) the Participant's Annuity Starting Date, or (ii) the actual date the Participant terminates employment with the Employer.

The Determination Date is the last day of the Plan Year following the Participant's Normal Retirement Date, except that the first Determination Date is the Participant's Normal Retirement Date.

However, each Plan Year during which a Participant is still an Employee following his Normal Retirement Date and receives retirement benefit payments as required by the provisions of this Plan, the calculation above shall be modified as follows. As of the date that the retirement benefit payments commence, no further late retirement adjustment factors shall be applied. Retirement benefits shall continue to accrue, based on certain provisions and the Participant's Credited Service and Average Annual Earnings as of the end of any such Plan Year, but such additional accruals shall be reduced (but not below zero) by the Actuarial Equivalent of total retirement benefit payments made under this Plan to such Participant by the end of the applicable Plan Year.

Normal form of distribution. The retirement benefit payable to a Participant shall be paid in the Normal Form; provided, however, a Participant may elect an optional form of payment pursuant to the provisions of the Plan.

Contributions. Required contributions are determined by the USI Consulting Group based on actuarial calculations performed by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Each Participant who is contributing to the Plan as of October 2006, and each other current and future Eligible Employee who becomes eligible for participating in the Plan shall contribute to the Plan 1.5 percent of his Earnings. Payment of such contributions shall be by regular payroll deduction, and shall begin as of the first day of the month the Participant enters the Plan. Except as otherwise provided by the Plan, payments of such contributions shall cease upon the Participant's retirement or other termination of employment.

Notwithstanding the provisions above, all mandatory contributions made by Participants with respect to Credited Service earned on and after October 1, 1992, shall be deemed to be made by the Employer as Pick-up Contributions. A Participant shall not be permitted to make any voluntary contributions to the Plan.

At July 1, 2023 and 2022, the following employees were covered by the Plan:

	July 1, 2023	July 1, 2022
Active vested and non-vested plan participants	22	24
Inactive retirees and beneficiaries currently receiving benefits	52	51
Inactive terminated and disabled employees entitled to deferred benefits	24	23
Total participants covered by the Plan	98	98

The Plan's policy provides for actuarially determined periodic contributions. Contributions to the Plan for the years ended June 30, 2023, 2022, and 2021 of $1,380,000, $1,380,000, and 1,380,000 were made in accordance with actuarially determined requirements computed through the actuarial valuations performed as of July 1, 2022, 2021, and 2020.

Funded status and funding progress. As of June 30, 2023 the actuarial accrued liability for benefits was $26,119,039 and the net pension liability was $5,985,819. Total covered payroll was $1,648,275 and the ratio of net pension liability to covered payroll was 363.16%. As of June 30, 2022 the actuarial accrued liability for benefits was $25,429,865 and the net pension liability was $6,888,186. Total covered payroll was $1,582,110 and the ratio of net pension liability to covered payroll was 435.38%. As of June 30, 2021, the actuarial accrued liability for benefits was $24,973,451 and the net pension liability was $2,717,977. Total covered payroll was $1,587,997 and the ratio of net pension liability to covered payroll was 171.16%.

Net Pension Liability: The Authority's net pension liability was measured as of June 30, 2023, 2022, and 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The total pension liability in the July 1, 2023 and 2022 actuarial valuations was determined using the following actuarial assumptions:

Methods and assumptions used to determine rates	
Actuarial cost method:	Individual entry age normal, level percent pay
Amortization method:	Level percent of pay, closed
Remaining amortization period:	30.0 years
Asset valuation method:	Five-year asset average spreading investment gains and losses
Salary increases:	4.00% per annum
Cost of living increases:	N/A
Investment rate of return:	7.25% oer annum
Retirement age:	100% at age 65
Mortality:	SOA RP-2014 Blue Collar Mortality Table adjusted to 2006 with Scale MP-2020

** This is a summary of the methods and assumptions for the 7/1/21 to 6/30/22 plan year. Please refer to prior funding valuations for the assumptions used to develop earlier contributions.*

The Authority uses the measurement date of June 30, 2022 and 2021 for reporting purposes for the fiscal years ended June 30, 2023 and 2022.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2021.The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

June 30, 2023

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity - Large Cap	24.00%	6.05%
US Equity - Small/Mid Cap	16.00%	7.08%
Non-US Equity - Developed	10.00%	6.74%
Non-US Equity - Emerging	5.00%	8.70%
US Corporate Bonds - Core	14.00%	2.40%
US Corporate Bonds - High Yield	5.00%	4.45%
Non-US Debt - Developed	8.00%	1.31%
US Treasuries (Cash Equivalents)	3.00%	0.74%
Real Estate	6.00%	4.89%
Hedge Funds	9.00%	3.97%

June 30, 2022

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity - Large Cap	24.00%	5.59%
US Equity - Small/Mid Cap	16.00%	6.62%
Non-US Equity - Developed	10.00%	6.41%
Non-US Equity - Emerging	5.00%	8.35%
US Corporate Bonds - Core	14.00%	1.12%
US Corporate Bonds - High Yield	5.00%	3.15%
Non-US Debt - Developed	8.00%	0.28%
US Treasuries (Cash Equivalents)	3.00%	-0.32%
Real Estate	6.00%	5.29%
Hedge Funds	9.00%	3.39%

June 30, 2021

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity - Large Cap	24.00%	6.10%
US Equity - Small/Mid Cap	16.00%	7.46%
Non-US Equity - Developed	10.00%	6.81%
Non-US Equity - Emerging	5.00%	9.23%
US Corporate Bonds - Core	14.00%	2.10%
US Corporate Bonds - High Yield	5.00%	3.86%
Non-US Debt - Developed	8.00%	1.05%
US Treasuries (Cash Equivalents)	3.00%	0.60%
Real Estate	6.00%	5.06%
Hedge Funds	9.00%	4.03%

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent as of the measurement dates ended June 30, 2023, 2022, 2021. The projection of cash flows used to determine the discount rate assumed that employees do not contribute to the plan and that contributions from the employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Authority's Net Pension Liability. Changes in The Authority's net pension liability measured at June 30, 2023, 2022, and 2021 are detailed in the following tables. Table 1 is required to be disclosed due to the inclusion of the fiduciary fund statements in The Authority's financial statements. Tables 2 and 3 show the net pension liability measured as of June 30, 2022 and 2021, which is what is reported in the proprietary financial statements in accordance with GASB Statement No. 68. Changes in The Authority's net pension liability measured as of June 30, 2022 and 2021 were as follows:

	Table 1 - Increase (Decrease)		
	Total pension liability (TPL) (a)	Plan fiduciary net position (b)	Net pension liability (NPL) (a)-(b)
Balances as of 6/30/2022	$ 25,429,865	$ 18,541,679	$ 6,888,186
Changes for the year:			
Service Cost	119,700	-	119,700
Interest	1,785,778	-	1,785,778
Changes of benefit terms	-	-	-
Difference between expected and actual experience	652,673	-	652,673
Changes in assumptions	-	-	-
Contributions - employer	-	1,380,000	(1,380,000)
Contributions - employee	-	-	-
Net investment income	-	2,080,518	(2,080,518)
Benefit payments, including refunds of ee contributions	(1,868,977)	(1,868,977)	-
Administrative expenses	-	-	-
Net changes	689,174	1,591,541	(902,367)
Balances as of 6/30/2023	26,119,039	20,133,220	5,985,819

	Table 2 - Increase (Decrease)		
	Total pension liability (TPL) (a)	Plan fiduciary net position (b)	Net pension liability (NPL) (a)-(b)
Balances as of 6/30/2021	$ 24,973,451	$ 22,255,474	$ 2,717,977
Changes for the year:			
Service Cost	124,122	-	124,122
Interest	1,752,730	-	1,752,730
Changes of benefit terms	-	-	-
Difference between expected and actual experience	414,408	-	414,408
Changes in assumptions	41,961	-	41,961
Contributions - employer	-	1,380,000	(1,380,000)
Contributions - employee	-	-	-
Net investment income	-	(3,216,988)	3,216,988
Benefit payments, including refunds of ee contributions	(1,876,807)	(1,876,807)	-
Administrative expenses	-	-	-
Net changes	456,414	(3,713,795)	4,170,209
Balances as of 6/30/2022	25,429,865	18,541,679	6,888,186

	Table 3 - Increase (Decrease)		
	Total pension liability (TPL) (a)	Plan fiduciary net position (b)	Net pension liability (NPL) (a)-(b)
Balances as of 6/30/2020	$ 24,779,709	$ 17,241,061	$ 7,538,648
Changes for the year:			
Service Cost	131,410	-	131,410
Interest	1,742,561	-	1,742,561
Difference between expected and actual experience	-	-	-
Changes in assumptions	203,066	-	203,066
Contributions - employer	(100,518)	-	(100,518)
Contributions - employee	-	1,380,000	(1,380,000)
Net investment income	-	-	-
Benefit payments, including refunds of ee contributions	-	5,417,190	(5,417,190)
Administrative expenses	(1,782,777)	(1,782,777)	-
Net changes	193,742	5,014,413	(4,820,671)
Balances as of 6/30/2021	24,973,451	22,255,474	2,717,977

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.25 for years ending in June 30, 2023, 2022, and 2021, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the rates documented below:

June 30, 2023

	1% Decrease	Current Rate	1% Increase
Interest Rate	6.25%	7.25%	8.25%
Net pension liability	9,027,392	5,985,819	3,431,356

June 30, 2022

	1% Decrease	Current Rate	1% Increase
Interest Rate	6.25%	7.25%	8.25%
Net pension liability	9,838,623	6,888,187	4,411,306

June 30, 2021

	1% Decrease	Current Rate	1% Increase
Interest Rate	6.25%	7.25%	8.25%
Net pension liability	5,636,482	2,717,977	268,669

Pension, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the years ended June 30, 2023 and 2022, The Authority recognized pension expense of $1,381,873 and $570,070. At June 30, 2023 and 2022, The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 507,992	$ -
Changes in assumptions	234,004	47,830
Net difference between projected and actual earnings on Plan investments	1,939,006	-
Contributions subsequent to the measurement date of June 30, 2022	1,380,000	-
Total	$ 4,061,002	$ 47,830

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 536,971	$ -
Changes in assumptions	512,424	97,288
Net difference between projected and actual earnings on Plan investments	-	2,487,275
Contributions subsequent to the measurement date of June 30, 2021	1,380,000	-
Total	$ 2,429,395	$ 2,584,563

The amounts shown above for "Contributions subsequent to the measurement date of June 30, 2022 and 2021" will be recognized as a reduction to net pension liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows as of the fiscal year ending June 30:

Year ending June 30,	Amortized
2024	840,589
2025	678,806
2026	151,211
2027	962,566
2028	-
Thereafter	-

Risk and Uncertainties. The Authority's defined benefit 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.

Payment of Benefits. Benefits are recorded when the participant has met all of the Plan requirements to receive a benefit. At June 30, 2023 and 2022, no benefits were payable and not paid.

Administrative Expenses. Qualified Plan administrative expenses are paid by the Plan. During the year ended June 30, 2023 and 2022, administrative expenses paid were $0 and $0, respectively. The plan sponsor pays other significant plan administration fees, including actuarial costs and audits fees, out of the plan sponsor's general fund.

Deferred compensation plan
Effective July 1, 2009, The Authority established a deferred compensation plan known as the Paris Utility Authority - Paris, Tennessee Deferred Compensation Plan in accordance with Internal Revenue Code Section 457. The deferred compensation plan is available to all Authority employees, except those participating in the defined benefit plan described above unless such employee's credited service has reached the maximum accrual limit under the defined benefit plan. Eligible employees may participate and defer compensation under this plan as of their hire date. Maximum amounts of annual deferrals to the deferred compensation plan are governed by the Internal Revenue Code Section 457(e)(15). The purpose of the Plan is to enable employees who become covered under the Plan to enhance their retirement security by permitting them to enter into agreements with The Authority to defer a portion of the compensation and receive benefits at retirement, separation from service, death, or in the event of financial hardship due to unforeseeable emergencies.

Defined contribution plan
Effective July 1, 2009, The Authority established a defined contribution profit sharing plan known as the Paris Utility Authority - Paris, Tennessee Defined Contribution Plan available to substantially all employees except those ineligible due to participation in the defined benefit plan described above unless such employee's credited service has reached the maximum accrual limit under the defined benefit pension plan. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries as established and amended by the Plan Administrator (The Authority). The establishment of the profit sharing plan resulted in the creation of a Trust Fund to hold and manage the assets of the plan and a Trustee, Commercial Bank and Trust Company. As required by the defined contribution plan document, The Authority must contribute 5% of the compensation of all participants eligible to share in allocations. In addition, The Authority is required to contribute 100% of the first 5% of compensation on behalf of each participant contributing to the deferred compensation plan described above. Employees are immediately vested in their own contributions and earnings on those contributions and become fully vested in Utility contributions and earnings on The Authority's contributions after the completion of 5 years of creditable service with The Authority. On or before each Anniversary Date, any forfeitures may be made available to reinstate previously forfeited account balances of Participants, if any, in accordance with Section *3.5(d),* and any remaining forfeitures may be used to satisfy any contribution that may be required pursuant to Section 3.8 or 6.10, or be used to pay any administrative expenses of the Plan. The remaining forfeitures, if any, shall be allocated to reduce the Employer contributions for the Plan year. As of June 30, 2023 and 2022, The Authority's pension expense related to Plan contributions was $264,136 and $220,958 (net of forfeitures of $0 and $0). The amount of The Authority's liability related to the Plan as of June 30, 2023 and 2022 was $0 and $0.

B. Power Contract

The Authority has a power contract with the Tennessee Valley Authority (TVA) whereby the electric Utility purchases all its electric power from TVA and is subject to certain restrictions and conditions as provided for in the power contract. Such restrictions include, but are not limited to, prohibitions against furnishings, advancing, lending, pledging or otherwise diverting Authority funds, revenues, or property to other operations of the county and the purchase or payment of, or providing security for indebtedness on other obligations applicable to such other operations.

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; and natural disasters. During the years ended June 30, 2023 and 2022, The Authority purchased commercial insurance for all of the above risks. Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in the amount of coverage provided.

D. Other Post Employment Benefits

Plan Description

The Authority sponsors a single-employer defined benefit post-retirement medical plan known as the Paris Board of Utilities Post-Employment Benefits Plan. The plan does not have a trust. The plan provides medical benefits to all eligible retirees. Eligibility is attained at age 60 with 20 years. The Authority pays 50% of the employee premium until Medicare eligible progressing to 100% if employee is age 65 with 20 years of service. Retirees under 60 are covered in the same plan as active employees until single retire is Medicare eligible or married the youngest spouse is eligible for medicate.

Funding policy

The Authority currently contributes to the plan as benefits are paid. There is no pre-funding of future obligations.

Annual OPEB Cost and Net OPEB Obligation

Changes in Utility's Net OPEB Liability. Changes in The Authority's net OPEB liability measured at June 30, 2023 and 2022 are detailed in the following tables. Table 1A shows the net OPEB liability as of June 30, 2023. Table 2A shows the net OPEB liability as of June 30, 2022, which is what is reported in the financial statements in accordance with GASB Statement No. 75. Total OPEB Liability was rolled forward to June 30, 2023 in order to be in compliance with GASB Statement No. 75.

Table 1A

	(a) Total OPEB Liability (TOL)	(b) Plan Fiduciary Net Position	(a) - (b) Net OPEB Liability
Total OPEB Liability (TOL) July 1, 2022	$ 487,273	$ -	$ 487,273
Service Cost	19,093	-	19,093
Interest	16,983	-	16,983
Difference Between Actual and Expected & actual experience	(20,849)	-	(20,849)
Assumption changes	-	-	-
Actual System Contributions	-	20,487	(20,487)
Benefit payments	(15,195)	(20,487)	5,292
Administrative Expense	-	-	-
Net Changes	32	-	32
Total OPEB Liability(TOL) July 1, 2023	$ 487,305	$ -	$ 487,305

Table 2A

	(a) Total OPEB Liability (TOL)	(b) Plan Fiduciary Net Position	(a) - (b) Net OPEB Liability
Total OPEB Liability (TOL) July 1, 2021	$ 536,594	$ -	$ 536,594
Service Cost	25,554	-	25,554
Interest	11,370	-	11,370
Difference Between Actual and Expected & actual experience	(37,189)	-	(37,189)
Assumption changes	(28,569)	-	(28,569)
Actual System Contributions	-	20,487	(20,487)
Benefit payments	(20,487)	(20,487)	-
Administrative Expense	-	-	-
Net Changes	(49,321)	-	(49,321)
Total OPEB Liability(TOL) July 1, 2022	$ 487,273	$ -	$ 487,273

Actuarial Methods and Assumptions

The valuation was based on information provided by Paris Utility Authority as of July 1, 2023 and 2022 and only those not frozen in the defined benefit plan.

Plan Membership

Number of Participants	June 30, 2023	June 30, 2022
Acitve	68	68
Retired members medical & vision	8	8
Retired members medical only	1	1
Retired members vision only	16	16
Retired spouses medical & vision	3	3
Retired spouses vision only	15	15
Total Participants	111	111
Annual Projected Payroll	$ 5,211,701	$ 3,787,930

Benefits Provided
Eligibility is attained at age 60 with 20 years. The Authority pays 50% of the employee premium until Medicare eligible. The Authority pays 100% of the premium if the employee retires at the age of 65. Retirees under 60 are covered in the same plan as active employees until single retire is Medicare eligible or married the youngest spouse is eligible for Medicare.

Actuarial assumptions
The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 and 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	4.00%
Heatlh Trend	Per-capita claims costs are projected to increase at aat the actual trend rate FY21 then an initial rate of 7.0% with annual declines of 0.50% until an ultimate rate of 4.50% is achieved.

Mortality rates were based on Pub-2010 general headcount-weighted mortality with MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period ending July 1, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period ending July 1, 2021.

Discount rate
The discount rate used to measure the total OPEB liability was 4.13 and 3.54 percent for years June 30, 2023 and 2022, respectively. The projection of cash flows used to determine the discount rate assumed that The Authority's contributions will made at rates equal to the actuarially determined contribution rates.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate
The following represents the Net OPEB Liability calculated using the stated health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1-percentage point higher than the assumed trend rate:

June 30, 2023	1% Decrease 6.0% decreasing to .25% until 3.5% is reached	Current 7.0% decreasing to .25% until 4.50% is reached	1% Increase 8.0% decreasing to .25% until 5.50% is reached
Total OPEB Liability	$ 441,162	$ 487,305	$ 542,830
Plan Fiduciary Net Positon	-	-	-
Net OBEB Liability	441,162	487,305	542,830

June 30, 2022	1% Decrease 6.0% decreasing to .25% until 3.5% is reached	Current 7.0% decreasing to .25% until 4.50% is reached	1% Increase 8.0% decreasing to .25% until 5.50% is reached
Total OPEB Liability	$ 442,526	$ 487,273	$ 541,110
Plan Fiduciary Net Positon	-	-	-
Net OBEB Liability	442,526	487,273	541,110

Sensitivity of Net OPEB Liability to Changes in the Discount Rate
The following represents the Net OPEB Liability calculated using the stated discount rate, as well as what the Net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1-percentage point higher than the current rate:

June 30, 2023	1% Decrease 3.13%	Current 4.13%	1% increase 5.13%
Net OPEB Liability	$ 523,343	$ 487,305	$ 454,651
Plan Fiduciary Net Positon	-	-	-
Net OPEB Liability	523,343	487,305	454,651

June 30, 2022	1% Decrease 2.54%	Current 3.54%	1% increase 4.54%
Net OPEB Liability	$ 525,303	$ 487,273	$ 452,658
Plan Fiduciary Net Positon	-	-	-
Net OPEB Liability	525,303	487,273	452,658

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources
For the years ended June 30, 2023 and 2022, The Authority recognized OPEB expense of $45,528 and $48,434. At June 30, 2023, The Authority reported deferred outflows and deferred inflows of resources as follows:

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 25,224	$ 29,847
Changes in assumptions	66,911	41,720
Total	$ 92,135	$ 71,567

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 29,409	$ 33,518
Change of assumptions	80,728	25,749
Total	$ 110,137	$ 59,267

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows as of the fiscal year ending June 30,

Year ending June 30,	Amortized
2024	9,452
2025	8,407
2026	5,583
2027	5,583
2028	5,583
Thereafter	(14,040)

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to discount, trend 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.

Payment of Benefits. Benefits are recorded when the participant has met all of the Plan requirements to receive a benefit. At June 30, 2023 and 2022 no benefits were payable and not paid.

Administrative Expenses. Qualified Plan administrative expenses are paid by the Plan. During the year ended June 30, 2023 and 2022 administrative expenses paid were $0 and $0.

REQUIRED SUPPLEMENTARY INFORMATION

PARIS UTILITY AUTHORITY
SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS BASED ON PARTICIPATION IN THE SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN
For the Years Ended June 30,

Measurement Period Ended	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability										
Service cost	$ 119,700	$ 124,122	$ 131,410	$ 139,861	$ 129,025	$ 140,022	$ 137,919	$ 146,348	$ 142,911	$ 158,013
Interest	1,785,778	1,752,730	1,742,561	1,712,535	1,633,368	1,628,571	1,584,718	1,566,651	1,494,543	1,461,917
Changes in benefit terms			-	-	-	288,294	-	-	-	-
Differences between actual & expected experience	652,673	414,408	203,066	407,762	472,120	94,507	394,895	81,800	446,827	136,793
Change of assumptions	-	41,961	(100,518)	(64,075)	1,283,559	(497,875)	2,577	2,610	965,111	-
Benefit payments, including refunds of employee contributions	(1,868,977)	(1,876,807)	(1,782,777)	(1,764,494)	(1,609,232)	(1,548,999)	(1,526,403)	(1,569,000)	(1,331,657)	(1,310,030)
Net change in total pension liability	689,174	456,414	193,742	431,589	1,908,840	104,520	593,706	228,409	1,717,735	446,693
Total pension liability - beginning	25,429,865	24,973,451	24,779,709	24,348,120	22,439,280	22,334,760	21,741,054	21,512,645	19,794,910	19,348,217
Total pension liability - ending (a)	$ 26,119,039	$ 25,429,865	$ 24,973,451	$ 24,779,709	$ 24,348,120	$ 22,439,280	$ 22,334,760	$ 21,741,054	$ 21,512,645	$ 19,794,910
Plan fiduciary net position										
Contributions - employer	$ 1,380,000	$ 1,380,000	$ 1,380,000	$ 1,440,000	$ 1,623,670	$ 1,633,347	$ 1,620,000	$ 1,592,000	$ 1,536,000	$ 1,461,000
Contributions - employee			-	-	-	-	-	-	-	-
Net investment income	2,080,518	(3,216,988)	5,417,190	(81,492)	961,158	1,474,222	1,801,679	(108,579)	454,018	1,627,896
Benefit payments, including refunds of employee contributions	(1,868,977)	(1,876,807)	(1,782,777)	(1,764,494)	(1,609,232)	(1,548,999)	(1,526,403)	(1,569,000)	(1,331,657)	(1,310,030)
Administrative expense	-	-	-	-	-	-	-	(3,351)	(29,822)	(2,576)
Net change in plan fiduciary net position	1,591,541	(3,713,795)	5,014,413	(405,986)	975,596	1,558,570	1,895,276	(88,930)	628,539	1,776,290
Plan fiduciary net position - beginning	18,541,679	22,255,474	17,241,061	17,647,047	16,671,451	15,112,881	13,217,605	13,306,535	12,677,996	10,901,706
Plan fiduciary net position - ending (b)	$ 20,133,220	$ 18,541,679	$ 22,255,474	$ 17,241,061	$ 17,647,047	$ 16,671,451	$ 15,112,881	$ 13,217,605	$ 13,306,535	$ 12,677,996
Net pension liability (asset) - ending (a) - (b)	$ 5,985,819	$ 6,888,186	$ 2,717,977	$ 7,538,648	$ 6,701,073	$ 5,767,829	$ 7,221,879	$ 8,523,449	$ 8,206,110	$ 7,116,914
Plan fiduciary net position as a percentage of the total pension liability	77.08%	72.91%	89.12%	69.58%	72.48%	74.30%	67.67%	60.80%	61.85%	64.05%
Covered payroll	$ 1,648,275	$ 1,582,110	$ 1,587,997	$ 1,600,949	$ 1,780,626	$ 1,829,610	$ 2,173,678	$ 2,119,775	$ 2,382,593	$ 2,630,497
Net pension liability as a percentage of covered payroll	363.16%	435.38%	171.16%	470.89%	376.33%	315.25%	332.24%	402.09%	344.42%	270.55%

These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years which are available.

PARIS UTILITY AUTHORITY
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN
Fiscal Years Ending June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 417,598	$ 460,913	$ 638,431	$ 504,477	$ 474,545	$ 634,062	$ 693,595	$ 771,154	$ 768,659	$ 917,556
Contributions in relation to the actuarially determined contribution	1,380,000	1,380,000	1,380,000	1,440,000	1,623,670	1,633,347	1,620,000	1,592,000	1,536,000	1,461,000
Contribution deficiency (excess)	$ (962,402)	$ (919,087)	$ (741,569)	$ (935,523)	$ (1,149,125)	$ (999,285)	$ (926,405)	$ (820,846)	$ (767,341)	$ (543,444)
Covered payroll	$ 1,648,275	$ 1,582,110	$ 1,587,997	$ 1,600,949	$ 1,780,626	$ 1,829,610	$ 2,173,678	$ 2,119,775	$ 2,382,593	$ 2,630,497
Contributions as a percentage of covered payroll	83.72%	87.23%	86.90%	89.95%	91.19%	89.27%	74.53%	75.10%	64.47%	55.54%

These schedules are presented to illustrate the requirement to show information for 10 years.

PARIS UTILITY AUTHORITY
SCHEDULE OF INVESTMENT RETURNS
For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	11.36%	-14.62%	31.77%	-0.46%	5.77%	9.71%	13.62%	-0.82%	3.33%	14.89%

These schedules are presented to illustrate the requirement to show information for 10 years.

PARIS UTILITY AUTHORITY
NOTES TO PENSION REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

Notes to Pension Required Supplementary Information

Valuation Date: The actuarially determined contribution for 2023, shown as the measurement period ending on 6/30/2022, is calculated using the following assumptions.

Methods and assumptions used to determine contribution rates*:

Actuarial cost method:	Individual entry age normal, level percentage of pay
Amortization method:	Level dollar amortization, closed
Remaining amortization period:	29.0 years
Asset valuation method:	Five-year asset average spreading investment gains and losses
Salary increases:	4.00% per annum
Cost of living increases:	N/A
Investment rate of return:	7.25% per annum
Retirement age:	100% at age 65
Mortality:	SOA RP-2014 Blue Collar Mortality Table, adjusted to 2006 with Scale MP-2020.

** This is a summary of the methods and assumptions for the 7/1/21 to 6/30/22 plan year. Please refer to prior funding valuations for the assumptions used to develop earlier contributions.*

PARIS UTILITY AUTHORITY
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
For the Years Ended June 30

Total OPEB Liability	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Service cost	$ 19,093	$ 25,554	$ 26,423	$ 12,389	$ 10,567	$ 10,173
Interest	16,983	11,370	11,235	12,696	12,715	12,408
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(20,849)	(37,189)	-	41,961	-	-
Changes of assumptions	-	(28,569)	2,323	97,455	26,038	-
Benefits Payments and Refunds	(15,195)	(20,487)	(23,370)	(14,405)	(15,826)	(13,499)
Net Change in Total OPEB Liability	32	(49,321)	16,611	150,096	33,494	9,082
Total OPEB Liability - beginning	**487,273**	**536,594**	**519,983**	**369,887**	**336,393**	**327,311**
Total OPEB Liability - ending (a)	**$ 487,305**	**$ 487,273**	**$ 536,594**	**$ 519,983**	**$ 369,887**	**$ 336,393**
Covered Employee Payroll	$ 5,211,701	$ 3,787,930	$ 4,113,329	$ 4,366,000	$ 3,347,321	$ 2,862,672
Net OPEB Liability as a % of covered-employee payroll	9.35%	12.86%	13.05%	11.91%	11.05%	11.75%

These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years which information is available.

PARIS UTILITY AUTHORITY
SCHEDULE OF NOTES TO OPEB REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

Notes to OPEB Required Supplementary Information

Valuation Date : Actuarially determined contribution rates for 2023 were calculated based on the July 1, 2023 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Trust:	Currently there are no assets accumulating in a trust for the OPEB plan
Actuarial cost method:	Entry Age Normal
Mortality:	Pub-2010 General Headcount-weighted mortality with MP-2021 as this table represents the most recently released table for governmental plans released by the Society of Actuaries.
Turnover:	T5
Salary Scale:	4.00%
Core inflation assumption:	2.00%
Retirement age:	50% at age 60 with 20 years of service. 20% a ages 61-4 with 20 years of service. 100% at age 65. The assumption is set based the plan provisions requiring 20 years of service for benefit eligibility.
Utilization:	75% based on historical election rates.
Discount rate:	The discount rate used to measure the total OPEB liability was 4.13 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to Aa 20-year municipal bonds. The GO Bond Buyer Index was used to qpproximate those yields as of June 30, 2022. The prior valuation used 3.54%.
Valuation of assets:	N/A
Per Capita Claims:	Claims were developed by adjusting the underlying medical and vision premiums for the ages of retirees compared to the underlying active populations. The adjustment was done using aging factors derived from the 2013 Society of Actuaries Study "Health Care Costs from Birth to Death". The active medical premium for 2022 was $336.54 per month and the vision premium was $6.29 per month.
Trend:	Per-capita claims costs are projected to increase at the actual trend rate in FY23 then an initial rate of 7.0% with annual declines of 0.50% until an ultimate rate of 4.50% is achieved.
Eligibility:	Retirees are eligible to coninue coverate under the City's health/vision plan until they are eligible for Medicare. Upon Medicare eligibility, a retiree can continue their their vision and dental coverage at their won expense, but not health coverage. At age 60 the City will cover half the current monthly premium. Spouses of retirees past Medicare eligibility age, can continue coverage if they pay the full active premium.
Benefits:	The City will pay 50% of individual coverage and 50% of dependent coverage before age 65. Spouses can continue after the retiree reaches Medicare eligibility, if they pay the active premium cost. Spousal coverage will cease at Medicare Eligibility.

SUPPLEMENTARY AND OTHER INFORMATION SECTION

PARIS UTILITY AUTHORITY
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2023 and 2022

ELECTRIC DEPARTMENT

	2023		2022	
	Actual	**Percent**	**Actual**	**Percent**
Operating revenues				
Charges for sales and services:				
Residential sales	$ 25,802,816	46.97	$ 23,985,335	48.51
Commercial	7,890,483	14.36	7,468,123	15.11
Industrial	18,848,187	34.31	15,656,549	31.67
Street and outdoor lighting	1,146,015	2.09	1,083,939	2.19
Uncollectible accounts	(13,288)	(0.02)	(5,417)	(0.01)
Total charges for sales and services	53,674,213	97.71	48,188,529	97.47
Other revenues:				
Forfeited discounts	146,677	0.27	147,606	0.30
Miscellaneous service revenue	93,323	0.17	96,173	0.19
Rent from electric property	949,357	1.73	935,302	1.89
Other electric revenue	72,748	0.12	72,298	0.15
Total other revenues	1,262,105	2.29	1,251,379	2.53
Total operating revenues	$ 54,936,318	100.00	$ 49,439,908	100.00
Operating expenses				
Cost of sales and services:				
Purchased power	$ 42,894,332	78.08	$ 37,018,374	74.88
Operations expenses:				
Distribution expenses:				
Supervision and engineering	115,642	0.21	100,417	0.20
Station expense	101,739	0.19	77,277	0.16
Underground lines	43,789	0.08	30,266	0.06
Overhead lines	244,861	0.45	177,267	0.36
Street lighting and signal system	(2,602)	-	5,484	0.01
Meter expense	270,595	0.49	214,991	0.43
Customer installations	565	-	4,033	0.01
Rents	59,823	0.11	51,079	0.10
Miscellaneous	370,020	0.67	285,539	0.58
Total distribution expenses	1,204,432	2.20	946,353	1.91
Customer accounts expenses:				
Supervision	72,419	0.13	34,052	0.07
Records and collection	666,543	1.21	540,622	1.09
Total customer accounts expenses	738,962	1.34	574,674	1.16
Customer service and information expenses				
Supervision	36,258	0.07	3,532	0.01
Customer assistance and advertising	68,417	0.12	60,637	0.12
Sales expense	85,954	0.16	86,797	0.18
Total customer service and information expenses	$ 190,629	0.35	$ 150,966	0.31

See independent auditor's report

PARIS UTILITY AUTHORITY
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2023 and 2022

ELECTRIC DEPARTMENT

	2023		2022	
	Actual	Percent	Actual	Percent
Administrative expenses:				
Office salaries	$ 578,151	1.05	$ 449,010	0.91
Office supplies and expense	108,113	0.20	83,916	0.17
Outside services employed	118,808	0.22	158,031	0.32
Property insurance	31,937	0.06	22,239	0.04
Injuries and damages	96,421	0.18	90,085	0.18
Employees' pensions and benefits	50,379	0.09	40,884	0.08
Miscellaneous	173,115	0.32	136,545	0.28
Total administrative expenses	1,156,924	2.12	980,710	1.98
Total operations expenses	3,290,947	6.01	2,652,703	5.36
Maintenance expenses:				
Distribution expenses:				
Supervision and engineering	61,196	0.11	50,727	0.10
Station equipment	88,724	0.16	47,578	0.10
Overhead lines	2,491,996	4.54	1,871,204	3.78
Underground lines	189,129	0.34	158,399	0.32
Line transformers	84,309	0.15	21,274	0.04
Street lighting and signal system	3,967	0.01	8,832	0.02
Meters	3,225	0.01	2,543	0.01
Miscellaneous	56,088	0.10	47,490	0.10
Total distribution expenses	2,978,634	5.42	2,208,047	4.47
Administrative expenses:				
General property	64,720	0.12	44,896	0.09
Total maintenance expenses	3,043,354	5.54	2,252,943	4.56
Depreciation and amortization	2,835,546	5.16	2,832,413	5.73
Taxes and tax equivalent - other government	889,690	1.62	977,740	1.98
Total operating expenses	$ 52,953,869	96.41	$ 45,734,173	92.51

PARIS UTILITY AUTHORITY
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2023 and 2022

WATER DEPARTMENT

	2023		2022	
	Actual	Percent	Actual	Percent
Operating revenues				
Charges for sales and services:				
Metered sales	$ 2,716,315	94.38	$ 2,681,391	94.41
Uncollectible accounts	(1,271)	(0.04)	(2,015)	(0.07)
Total charges for sales and services	2,715,044	94.34	2,679,376	94.34
Other revenue:				
Forfeited discounts	13,761	0.48	13,792	0.49
Other water revenue	149,402	5.18	146,965	5.17
Total other revenue	163,163	5.66	160,757	5.66
Total operating revenues	$ 2,878,207	100.00	$ 2,840,133	100.00
Operating expenses				
Operations expenses				
Production:				
Supervision and engineering	$ 119,967	4.17	$ 99,047	3.49
Plant labor	227,311	7.90	210,654	7.42
Laboratory labor and miscellaneous expense	35,745	1.24	29,372	1.03
Power	315,853	10.97	291,209	10.25
Purification supplies	127,911	4.44	91,743	3.23
Rents	250	0.01	250	0.01
Supplies	20,610	0.72	17,077	0.60
Total production	847,647	29.45	739,352	26.03
Distribution:				
Supervision	29,261	1.02	24,987	0.88
Maps and engineering records	17,394	0.60	16,249	0.57
Mains and service	24,471	0.85	17,025	0.60
Meter expense	216,737	7.53	159,263	5.61
Rent	2,811	0.10	1,997	0.07
Total distribution	290,674	10.10	219,521	7.73
Taxes	-	-	(943)	(0.03)
Consumers' accounting and collecting				
Supervision	8,116	0.28	3,751	0.13
Meter reading	9,910	0.34	6,841	0.24
Customer records and collection	96,553	3.35	79,616	2.80
Customer service and information	8,656	0.30	6,238	0.22
Distribution information	3,724	0.13	5,836	0.21
Total consumers' accounting and collecting	$ 126,959	4.40	$ 102,282	3.60

See independent auditor's report

PARIS UTILITY AUTHORITY
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2023 and 2022

WATER DEPARTMENT

	2023		2022	
	Actual	Percent	Actual	Percent
Administrative expense				
Office salaries	$ 105,833	3.68	$ 78,999	2.78
Office supplies and expense	24,203	0.84	18,639	0.66
Outside services employed	52,958	1.84	36,927	1.30
Property insurance	31,145	1.08	30,383	1.07
Injuries and damages	23,223	0.81	22,327	0.79
Employees' pensions and benefits	7,464	0.26	14,667	0.52
Rent	4,827	0.17	4,827	0.17
Miscellaneous	38,702	1.34	33,372	1.18
Total administrative expense	288,355	10.02	240,141	8.47
Total operations expenses	1,553,635	53.97	1,300,353	45.83
Maintenance expenses				
Production expenses:				
Structures	10,038	0.35	4,000	0.14
Equipment	10,981	0.38	6,446	0.23
Total production expenses	23,852	0.83	10,530	0.37
Distribution expenses				
Supervision and engineering	46,137	1.60	39,819	1.40
Mains and services	427,936	14.87	339,292	11.95
Meters	-	-	7,700	0.27
Total distribution expenses	474,073	16.47	386,811	13.62
Administrative expense				
Water department:				
Maintenance of communication and miscellaneous property	449	0.02	1,596	0.06
Total maintenance expenses	498,374	17.32	398,937	14.05
Provision for depreciation	592,772	20.60	428,198	15.08
Total operating expenses	$ 2,644,781	91.89	$ 2,127,488	74.96

PARIS UTILITY AUTHORITY
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2023 and 2022

SEWER DEPARTMENT

	2023		2022	
	Actual	Percent	Actual	Percent
Operating revenues				
Charges for sales and services:				
Metered sales	$ 2,749,787	96.67	$ 2,649,451	96.12
Uncollectible accounts	(1,661)	(0.06)	(1,334)	(0.05)
Total charges for sales and services	2,748,126	96.61	2,648,117	96.07
Other revenue:				
Forfeited discounts	16,772	0.59	16,288	0.59
Sewer taps	7,200	0.25	11,800	0.43
Farm leased program	20,638	0.73	20,638	0.75
Industrial surcharge	51,861	1.82	59,557	2.16
Total other revenue	96,472	3.39	108,286	3.93
Total operating revenues	$ 2,844,598	100.00	$ 2,756,403	100.00
Operating expenses				
Operations expenses:				
Treatment plant:				
Chemicals	$ 39,560	1.39	$ 21,966	0.80
Supervision and engineering	93,198	3.28	75,023	2.72
Labor	467,639	16.44	332,559	12.06
Power	134,557	4.73	134,982	4.90
Supplies and expense	10,215	0.36	5,835	0.21
Station	18,598	0.65	24,839	0.90
Total treatment plant	763,767	26.85	595,204	21.59
Taxes	43,712	1.54	37,626	1.37
Distribution:				
Rent	3,470	0.12	1,460	0.05
Supervision	27,314	0.96	22,980	0.83
Maps and records	14,931	0.52	13,168	0.48
Sewer lines and services	68,406	2.40	55,774	2.02
Total distribution	114,121	4.00	93,382	3.38
Consumers' accounting and collecting				
Supervision	8,209	0.29	3,846	0.14
Meter reading	5,590	0.20	5,550	0.20
Customer records and collection	84,122	2.96	69,332	2.52
Customer service and information	4,021	0.14	1,323	0.05
Information and instruction	7,586	0.27	11,014	0.40
Total consumers' accounting and collecting	$ 109,528	3.86	$ 91,065	3.31

PARIS UTILITY AUTHORITY
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2023 and 2022

SEWER DEPARTMENT

	2023		2022	
	Actual	**Percent**	**Actual**	**Percent**
Administrative expense:				
Office salaries	93,291	3.28	71,895	2.61
Office supplies and expense	21,140	0.74	17,921	0.65
Outside services employed	57,262	2.01	49,860	1.81
Property insurance	36,863	1.30	37,589	1.36
Injuries and damages	17,275	0.61	21,710	0.79
Employees' pensions and benefits	18,371	0.65	14,560	0.53
Rent	4,827	0.17	4,827	0.18
Miscellaneous	29,832	1.05	40,939	1.49
Total administrative expense	278,861	9.81	259,301	9.42
Total operations expenses	1,309,989	46.06	1,076,578	39.07
Maintenance expenses:				
Treatment plant:				
Structures	19,734	0.69	9,610	0.35
Equipment	222,106	7.81	176,878	6.42
Station	19,963	0.70	12,659	0.46
Total treatment plant	261,803	9.20	199,147	7.23
Distribution:				
Sewer lines and service	389,515	13.69	315,959	11.46
Supervision and engineering	35,251	1.24	23,814	0.86
Total distribution	424,766	14.93	339,773	12.32
Administrative expense:				
Maintenance of communication and miscellaneous property	74	-	6,322	0.23
Total maintenance expenses	686,643	24.13	545,242	19.78
Provision for depreciation	407,923	14.34	401,568	14.57
Total operating expenses	$ 2,404,555	84.53	$ 2,023,388	73.42

PARIS UTILITY AUTHORITY
SCHEDULE OF LONG-TERM DEBT
June 30, 2023

	Series 2020 Electric System Revenue Refunding Bonds Dated June 30, 2020		Series 2021 Electric System Revenue Bonds Dated June 1, 2021		Water Revenue Refunding Bonds 2020C		Wastewater Revenue Refunding Bonds 2020D		Wastewater Revenue Bond 15-Jul-05		State Revolving Loan SRF DW4 15-163 - Water		State Revolving Loan SRF DWF 15-164 - Water	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	385,000	141,600	95,000	67,213	80,000	3,984	40,000	1,880	104,000	25,948	89,172	17,244	45,372	8,544
2025	405,000	122,350	100,000	63,413	80,000	1,991	40,000	940	104,000	20,758	90,336	16,080	45,960	7,956
2026	420,000	102,100	100,000	59,413	-	-	-	-	104,000	15,569	91,512	14,904	46,560	7,356
2027	440,000	85,300	105,000	55,413	-	-	-	-	104,000	10,379	92,688	13,728	47,160	6,756
2028	455,000	67,700	110,000	51,213	-	-	-	-	104,000	5,190	93,900	12,516	47,772	6,144
2029	465,000	58,600	115,000	46,813	-	-	-	-	-	-	95,112	11,304	48,396	5,520
2030	475,000	49,300	120,000	42,213	-	-	-	-	-	-	96,348	10,068	49,020	4,896
2031	485,000	39,800	120,000	38,613	-	-	-	-	-	-	97,596	8,820	49,668	4,248
2032	495,000	30,100	125,000	35,013	-	-	-	-	-	-	98,868	7,548	50,304	3,612
2033	505,000	20,200	130,000	31,263	-	-	-	-	-	-	101,448	6,264	50,964	2,952
2034	505,000	10,100	135,000	27,363	-	-	-	-	-	-	102,768	4,968	51,624	2,292
2035	-	-	135,000	24,663	-	-	-	-	-	-	102,768	3,648	52,284	1,632
2036	-	-	140,000	21,963	-	-	-	-	-	-	104,100	2,316	52,968	948
2037	-	-	140,000	19,163	-	-	-	-	-	-	105,456	960	44,971	348
2038	-	-	145,000	16,363	-	-	-	-	-	-	15,560	28	-	-
2039	-	-	150,000	13,463	-	-	-	-	-	-	-	-	-	-
2040	-	-	150,000	10,463	-	-	-	-	-	-	-	-	-	-
2041	-	-	155,000	7,088	-	-	-	-	-	-	-	-	-	-
2042	-	-	160,000	3,600	-	-	-	-	-	-	-	-	-	-
	$ 5,035,000	$ 727,150	$ 2,430,000	$ 634,700	$ 160,000	$ 5,975	$ 80,000	$ 2,820	$ 520,000	$ 77,844	$ 1,377,632	$ 130,396	$ 683,023	$ 63,204

	State Revolving Loan SRF DWF 16-178 - Water		State Revolving Loan SRF DWF 16-195 - Water		State Revolving Loan SRF CW5 17-381 - Wastewater		State Revolving Loan SRF DWF 17-382 - Wastewater		2020 Rural Development Loan - Water		2023 Rural Development Loan - Wastewater		Total Business-Type Activities		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Totals
2024	23,832	3,348	35,592	6,528	36,900	15,756	100,032	48,648	141,722	92,422	157,659	83,104	1,334,281	516,219	1,850,500
2025	24,036	3,144	36,012	6,108	37,452	15,204	101,532	47,148	143,683	90,461	159,641	88,759	1,367,652	484,312	1,851,964
2026	24,240	2,940	36,432	5,688	38,004	14,652	103,044	45,636	145,672	88,472	161,652	86,752	1,271,116	443,482	1,714,598
2027	24,456	2,724	36,864	5,256	38,568	14,088	104,580	44,100	147,687	86,457	163,679	84,720	1,304,682	408,921	1,713,603
2028	24,660	2,520	37,308	4,812	39,144	13,512	106,140	42,540	149,731	84,413	165,738	82,662	1,333,393	373,222	1,706,615
2029	24,864	2,316	37,752	4,368	39,732	12,924	107,712	40,968	151,977	82,167	167,821	80,579	1,253,366	345,558	1,598,924
2030	25,080	2,100	38,196	3,924	40,320	12,336	109,320	39,360	153,904	80,240	169,931	78,469	1,277,119	322,905	1,600,024
2031	25,296	1,884	38,652	3,468	40,920	11,736	110,952	37,728	156,033	78,111	172,066	76,333	1,296,183	300,740	1,596,923
2032	25,512	1,668	39,108	3,012	41,532	11,124	112,608	36,072	158,193	75,951	174,230	73,169	1,320,355	277,269	1,597,624
2033	25,728	1,452	39,576	2,544	42,156	10,500	114,276	34,404	160,381	73,763	176,421	71,979	1,345,950	255,320	1,601,270
2034	25,944	1,236	40,044	2,076	42,780	9,876	115,980	32,700	162,601	71,543	178,638	66,761	1,360,379	228,914	1,589,293
2035	26,172	1,008	40,512	1,608	43,416	9,240	117,708	30,972	164,850	69,294	180,884	67,515	863,594	209,580	1,073,174
2036	26,388	792	40,992	1,128	44,064	8,592	119,460	29,220	167,131	67,013	183,159	65,241	878,262	197,213	1,075,475
2037	26,616	564	41,484	636	44,724	7,932	121,248	27,432	169,444	64,700	185,462	62,938	879,405	184,673	1,064,078
2038	26,844	336	31,482	155	45,384	7,272	123,048	25,632	171,789	62,355	187,792	60,607	746,899	172,747	919,646
2039	24,766	102	-	-	46,068	6,588	124,884	23,796	174,166	59,978	190,153	58,246	710,037	162,172	872,209
2040	-	-	-	-	46,752	5,904	126,744	21,936	176,576	57,568	192,545	55,855	692,617	151,726	844,343
2041	-	-	-	-	47,448	5,208	128,640	20,040	179,017	55,127	194,964	53,435	705,069	140,897	845,966
2042	-	-	-	-	48,156	4,500	130,548	18,132	181,497	52,647	197,416	50,984	717,617	129,863	847,480
2043	-	-	-	-	48,864	3,792	132,492	16,188	184,007	50,137	199,898	48,502	565,261	118,619	683,880
2044	-	-	-	-	49,596	3,060	134,472	14,208	186,553	47,591	202,411	45,989	573,032	110,848	683,880
2045	-	-	-	-	50,340	2,316	136,476	12,204	189,134	45,010	187,778	39,922	563,728	99,452	663,180
2046	-	-	-	-	51,084	1,572	138,504	10,176	191,752	42,392	224,708	44,390	606,048	98,530	704,578
2047	-	-	-	-	51,852	804	140,580	8,100	194,405	39,739	210,142	38,258	596,979	86,901	683,880
2048	-	-	-	-	26,406	264	142,668	6,012	197,094	37,050	212,785	35,616	578,953	78,942	657,895
2049	-	-	-	-	-	-	144,792	3,888	199,821	34,323	215,458	35,941	560,071	74,152	634,223
2050	-	-	-	-	-	-	146,952	1,728	202,587	31,557	218,168	30,233	567,707	63,518	631,225
2051	-	-	-	-	-	-	37,023	91	205,390	28,754	220,910	27,490	463,323	56,335	519,658
2052	-	-	-	-	-	-	-	-	208,231	25,913	223,688	24,713	431,919	50,626	482,545
2053	-	-	-	-	-	-	-	-	211,113	23,031	226,499	21,900	437,612	44,931	482,543
2054	-	-	-	-	-	-	-	-	214,034	20,110	229,347	19,053	443,381	39,163	482,544
2055	-	-	-	-	-	-	-	-	216,997	17,147	232,230	16,170	449,227	33,317	482,544
2056	-	-	-	-	-	-	-	-	220,002	14,142	235,150	13,250	455,152	27,392	482,544
2057	-	-	-	-	-	-	-	-	223,042	11,102	238,105	10,294	461,147	21,396	482,543
2058	-	-	-	-	-	-	-	-	226,130	8,014	241,100	7,300	467,230	15,314	482,544
2059	-	-	-	-	-	-	-	-	229,257	4,887	244,131	4,269	473,388	9,156	482,544
2060	-	-	-	-	-	-	-	-	231,186	1,714	209,202	1,218	440,388	2,932	443,320
	$ 404,434	$ 28,134	$ 570,006	$ 51,311	$ 1,081,662	$ 208,752	$ 3,332,415	$ 719,059	$ 6,786,789	$ 1,875,295	$ 7,331,561	$ 1,812,616	$ 29,792,522	$ 6,337,257	$ 36,129,779

See independent auditor's report

PARIS UTILITY AUTHORITY
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2023

Description of Indebtness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding 7/1/2022	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding 6/30/2023
Bonds Payable									
Electric Revenue Refunding Bonds - Series 2020	6,910,000	1.29%	June 30, 2020	June 30, 2034	5,700,000	-	665,000	-	5,035,000
Revenue Refunding Bonds 2020A - Water & Wastewater	410,000	3.29%	June 30, 2020	June 30, 2023	136,880	-	136,880	-	-
Revenue Refunding Bonds 2020B - Water & Wastewater	410,000	3.29%	June 30, 2020	June 30, 2023	136,325	-	136,325	-	-
Revenue Refunding Bonds 2020C - Water	395,000	3.29%	June 30, 2020	June 30, 2025	240,000	-	80,000	-	160,000
Revenue Refunding Bonds 2020D - Wastewater	200,000	3.29%	June 30, 2020	June 30, 2025	120,000	-	40,000	-	80,000
Water and Wastewater Revenue Bonds 2023	520,000	5.00%	April 20, 2023	May 1, 2028	-	520,000	-	-	520,000
Revenue Bonds Series 2021 - Electric	2,430,000	4.00%	December 1, 2021	June 1, 2042	2,430,000	-	-	-	2,430,000
Total Bonds Payable	$ 11,275,000				8,763,205	520,000	1,058,205	-	8,225,000
Notes Payable									
Rural Development Loan 2007 - Water & Wastewater	$ 740,000	0.00%	September 28, 2007	June 30, 2023	$ 15,354	$ -	$ 15,354	$ -	$ -
Rural Development Loan 2020 - Water	7,200,000	1.38%	June 30, 2020	June 30, 2060	6,926,418	-	139,629	-	6,786,789
Rural Development Loan 2023 - Wastewater	7,500,000	1.25%	July 1, 2022	June 30, 2059	-	7,500,000	168,439		7,331,561
SRF DWF 2015-164 - Water	950,000	1.29%	April 1, 2017	April 1, 2037	727,819	-	44,796	-	683,023
SRF DWF 2015-163 - Water	1,875,000	1.29%	August 1, 2017	August 1, 2037	1,465,664	-	88,032	-	1,377,632
SRF CW5 2017-381 Wastewater	1,275,000	1.48%	December 1, 2017	December 1, 2047	1,118,022	-	36,360	-	1,081,662
SRF DWF 2017-195 - Water	750,000	1.18%	March 1, 2018	March 1, 2038	605,178	-	35,172	-	570,006
SRF DWF 2016-178 - Water	499,654	0.85%	June 1, 2019	May 1, 2039	428,062	-	23,628	-	404,434
SRF DWF 2017-382 - Wastewater	2,674,410	1.48%	June 30, 2019	June 30, 2048	3,430,983	-	98,568	-	3,332,415
Total Notes Payable	$ 23,464,064				14,717,500	7,500,000	649,978	-	21,567,522
Total Long-Term Debt					23,480,705	8,020,000	1,708,183	-	29,792,522

PARIS UTILITY AUTHORITY
ELECTRIC RATES IN FORCE
June 30, 2023

Residential Rate Schedule			
Customer Charge	per delivery point per month	$	16.15
Energy Charges	per kWh		0.10122
General Power Rate Schedule - GSA			
GSA-1 (.5 kW)			
Customer Charge	per delivery point per month	$	17.75
Energy Charges	per kWh		0.11177
GSA-2 (.51-1000 kW)			
Customer Charge	per delivery point per month		25.00
Demand Charge	per kW per month - First 50 kW		No charge
	per kW per month - 51 kW - 1,000 kW		12.78
Energy Charges	per kWh - First 15,000 kWh		0.11347
	Additional kWh		0.07141
GSA-3 (1000-5000 kW)			
Customer Charge	per delivery point per month		200.00
Demand Charge	per kW per month - First 1000 kW		12.12
	per kW per month - 1001 kW - 5000 kW		12.25
Energy Charge	per kWh		0.73890

Note: The Utility does not serve any customers that use either GSB or GSC rates, so they have chosen to omit the rates from the above schedule.

PARIS UTILITY AUTHORITY
WATER RATES IN FORCE
June 30, 2023

Water Usage	Water Residential		Water Non-Residential	
Base charge	$	14.00	$	21.00
Cost per 1,000 gallons		2.75		4.13
Wholesale cost/1,000 gallons		3.00		

All users or customers residing outside of the corporate limits of the City of Paris shall be charged an additional fifty (50%) of the commodity charge.

	Water Residential		Water Non-Residential	
Minimum monthly bill:				
5/8" meter (based on 2,000 gallons)	$	14.00	$	21.00
1" meter (based on 6,000 gallons)		30.50		45.75
1 1/2" meter (based on 16,000 gallons)		58.00		87.00
2" meter (based on 28,000 gallons)		91.00		136.50

PARIS UTILITY AUTHORITY
SEWER RATES IN FORCE
June 30, 2023

Water Usage	Inside City			Outside City		
Cost per thousand gallons		$	4.75		$	7.13
Service Availability						
Residential	WW22	$	19.00	WW01	$	28.50
Commercial - 0-5 Units	WW35	$	21.00	WW14	$	31.50
Commercial - 6-100 Units	WW40	$	30.00	WW02	$	45.00
Large Commercial > 100 Units	WW50	$	30.00	WW15	$	45.00

All users or customers residing outside of the corporate limits of the City of Paris shall be charged an additional 50% of the sewer bill.

Any customer issued an industrial pretreatment discharge permit shall be charged an additional $500.00 per month.

	Surcharge		
Biochemical Oxygen Demand (BOD) over 250mg/l	$	0.26	per pound
Suspended Solids over 300mg/l		0.18	per pound
Ammonia Nitrogen over 15mg/l		1.14	per pound

Wastewater Tap Fees	Tap Size	Fee
	4"	$ 1,000.00
	6" or larger	$ 1,100.00

PARIS UTILITY AUTHORITY
SUPPLEMENTARY INFORMATION - UNAUDITED
For the Years Ended June 30,

ELECTRIC DEPARTMENT

	2023	2022	2021	2020	2019
Revenues					
Residential	$ 25,802,816	$ 23,985,335	$ 22,622,360	$ 22,539,079	$ 23,429,126
Commercial	7,890,483	7,468,123	6,906,682	6,763,921	6,827,207
Industria	18,848,187	15,656,549	14,224,752	14,323,490	15,241,287
Street and outdoor lighting	1,146,015	1,083,939	1,036,041	1,040,963	1,058,249
Other operating	1,262,105	1,251,379	1,174,919	1,153,486	1,137,235
Uncollectible accounts	(13,288)	(5,417)	(4,476)	44	679
Interest and other revenue	313,842	172,070	208,186	275,073	222,015
	55,250,160	49,611,978	46,168,464	46,096,056	47,915,798
Expenses					
Electric power costs	42,894,332	37,018,374	33,935,621	35,087,769	37,563,480
Other operating expenses	6,334,301	4,905,646	5,597,671	5,547,745	5,173,748
Provision for depreciation	2,835,546	2,832,413	2,746,633	2,535,698	2,580,403
Interest and other expense	268,788	292,333	313,842	378,890	297,027
Taxes and tax equivalen	889,690	977,740	977,740	946,813	956,621
	53,222,657	46,026,506	43,571,507	44,496,915	46,571,279
Net Income (Loss)	$ 2,027,503	$ 3,585,472	$ 2,596,957	$ 1,599,141	$ 1,344,519
Financial					
Plant in services (at original cost	$ 94,349,064	$ 88,900,261	$ 80,708,788	$ 78,468,640	$ 75,065,611
Bonds and notes outstanding	$ 7,377,525	$ 8,047,374	$ 6,913,636	$ 7,513,599	$ 8,558,310
Power in use - KWH					
Residential	213,913,562	218,851,084	219,369,953	217,581,697	227,489,662
Commercial	57,228,606	59,094,521	57,439,651	56,025,953	57,165,090
Industria	193,296,004	165,670,926	163,929,405	161,424,796	169,643,619
Other customers	6,519,039	6,752,733	7,003,429	7,209,617	7,507,252
Total	470,957,211	450,369,264	447,742,438	442,242,063	461,805,623
Peak KW demand	118,490	107,514	106,909	99,697	103,043
Number of customers					
Residential	16,125	16,013	15,891	15,642	15,495
Small commercial	5,776	5,692	5,613	5,470	5,400
Large commercial	312	306	299	286	289
Other	208	210	216	5,691	5,657
	22,421	22,221	22,019	27,089	26,841
Line Loss	0.81%	5.14%	4.08%	5.26%	4.45%

See independent auditor's report

PARIS UTILITY AUTHORITY
SUPPLEMENTARY INFORMATION - UNAUDITED
For the Years Ended June 30

WATER DEPARTMENT

	2023	2022	2021	2020	2019
Revenues					
Operating	$ 2,879,478	$ 2,842,148	$ 2,768,219	$ 2,766,239	$ 2,611,422
Uncollectible accounts	(1,271)	(2,015)	(3,754)	(2,560)	(2,399)
Capital contributions - City	-	-	1,000,000	-	-
Interest and other revenue	4,572	3,559	5,177	4,559	1,272
	2,882,779	2,843,692	3,769,642	2,768,238	2,610,295
Expenses					
Operating	2,052,009	1,699,290	1,820,291	1,745,321	1,643,921
Provision for depreciation	592,772	428,198	422,931	421,326	329,051
Interest and other expense	135,001	156,081	166,986	85,040	68,947
Taxes and tax equivalent	-	-	-	1,500	-
	2,779,782	2,283,569	2,410,208	2,253,187	2,041,919
Net Income (Loss)	$ 102,997	$ 560,123	$ 1,359,434	$ 515,051	$ 568,376
Financial					
Plant in services (at original cost)	$ 27,410,095	$ 26,973,349	$ 26,604,301	$ 24,957,403	$ 19,072,609
Bonds and notes outstanding	$ 9,966,386	$ 10,475,384	$ 10,977,128	$ 10,942,736	$ 4,621,769
Usage - Gallons	544,886,000	512,893,000	537,382,000	565,758,000	534,963,000
Number of customers	5,437	5,409	5,298	5,867	5,242
Line loss	5.90%	5.80%	19.41%	19.53%	21.77%

PARIS UTILITY AUTHORITY
SUPPLEMENTAL INFORMATION - UNAUDITED
For the Years Ended June 30

SEWER DEPARTMENT

	2023	2022	2021	2020	2019
Revenues					
Operating	$ 2,846,259	$ 2,757,737	$ 2,760,826	$ 2,572,866	$ 2,327,087
Uncollectible accounts	(1,661)	(1,334)	(2,607)	(1,279)	(2,743)
Capital contributions - City	-	-	-	-	162,717
Interest and other revenue	1,825	43,373	3,566	(342)	10,270
	2,846,423	2,799,776	2,761,785	2,571,245	2,497,331
Expenses					
Operating	1,996,632	1,621,820	1,671,385	1,592,721	1,486,356
Provision for depreciation	407,923	401,568	397,465	395,148	354,586
Interest expense	162,176	164,317	119,785	83,659	76,555
Other expense	1,033	103	2,758	81	2,789
Taxes and tax equivalent	-	-	-	42,225	42,458
	2,567,764	2,187,808	2,191,393	2,113,834	1,962,744
Net Income (Loss)	$ 278,659	$ 611,968	$ 570,392	$ 457,411	$ 534,587
Financial					
Plant in services (at original cost	$ 37,118,320	$ 35,544,739	$ 31,082,074	$ 27,917,980	$ 25,155,569
Bonds and notes outstanding	$ 12,325,638	$ 4,826,927	$ 5,185,313	$ 4,757,342	$ 3,898,194
Usage - Gallons	364,266,000	367,101,000	408,778,000	351,877,000	353,815,000
Number of customers	4,625	4,616	4,453	4,453	4,453

PARIS UTILITY AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023

Federal Agency / Pass-through Agency / Program	Grant Number	Federal CFDA No.		Expenditures
Federal Awards:				
United States Department of Agriculture				
Rural Economic Development Loan	UNKNOWN	10.854	$	288,545
Water and Waste Disposal Systems for Rural Communities	UNKNOWN	10.760*		903,661
				1,192,206
US Department of Homeland Security				
Federal Emergency Management Agency				
Passed through Tennessee Emergency Management Agency				
Disaster Grants - Public Assistance - 2023	FEMA-4550-DR-TN	97.036		308,118
				308,118
Total Expenditures of Federal Awards			**$**	**1,500,324**

* Denotes major program

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal 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 the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting whereby expenditures are recorded when the related liability is incurred. 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. The Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

** Explanation of rural economic development loans	**Beginning Balance 7/1/2022**	**Issued**	**Payments**	**Ending Balance 6/30/2023**
	$ 443,627	$ -	$ (155,082)	$ 288,545

INTERNAL CONTROL AND COMPLIANCE SECTION

ATA CPAs + Advisors PLLC
227 Oil Well Road Jackson, TN 38305
P 731.427.8571 F 731.424.5701
www.atacpa.net

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*

Board of Directors
Paris Utility Authority
Paris, Tennessee

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 the Paris Utility Authority (The Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 30, 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 opinion 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 The 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 entity'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 over financial reporting 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATA CPAs + Advisors PLLC

Jackson, Tennessee
October 30, 2023

ATA CPAs + Advisors PLLC
227 Oil Well Road Jackson, TN 38305
P 731.427.8571 F 731.424.5701
www.atacpa.net

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Paris Utility Authority
Paris, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Paris Utility 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 the Authority's major federal programs for the year ended June 30, 2023. Paris Utility 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, Paris Utility 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 Paris Utility 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 Paris Utility 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 to Paris Utility 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 Paris Utility 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 Paris Utility 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 Paris Utility 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 Paris Utility 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 Paris Utility 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 Auditor's Responsibilities for the Audit of Compliance section above 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 in internal control over compliance 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
October 30, 2023

PARIS UTILITY 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 weakness(es) identified?	____	yes	x	no
Significant deficiency(ies) identified?	____	yes	x	none reported
Noncompliance material to financial statements noted?	____	yes	x	no

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	____	yes	x	no
Significant deficiency(ies) identified?	____	yes	x	none reported
Type of auditor's report issued on compliance for major programs	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200.516(a)	____	yes	x	no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.760	Water and Waste Disposal System for Rural Communities

Dollar Threshold used to distinguish between Type A and Type B programs	$ 750,000			
Auditee qualified as a low-risk auditee	____	yes	x	no

PAIRS UTILITY AUTHORITY/BOARD OF PUBLIC UTILITIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CURRENT YEAR
June 30, 2023 and 2022

Section II – Financial Statement Findings

There are no financial statement findings to report in the current year.

Section III – Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report in the current year.

PARIS UTILITY AUTHORITY/BOARD OF PUBLIC UTILITIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – PRIOR YEAR
June 30, 2023 and 2022

Section II – Financial Statement Findings

There were no financial statement findings reported for the prior year.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings and questioned costs reported for the prior year.