NEW ISSUE
Book-Entry-Only

Ratings: S&P: "AA" (BAM)
Underlying: "BBB"

PRELIMINARY OFFICIAL STATEMENT

$8,250,000*
HUMBOLDT UTILITIES AUTHORITY (TENNESSEE)

Electric System Revenue Bonds, Series 2025
(Bank-Qualified)

OFFERED FOR SALE NOT SOONER THAN

Thursday, September 18, 2025 at 10:15 A.M. E.D.T. / 9:15 A.M. C.D.T.
Through the Facilities of ***PARITY®***

SINCE 1931

CUMBERLAND SECURITIES
INDEPENDENT FINANCIAL ADVISOR

September 9, 2025

*Preliminary, subject to change.

This *Preliminary Official Statement* and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the *Official Statement* is delivered in final form. Under no circumstances shall this *Preliminary Official Statement* constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 9, 2025

<u>NEW ISSUE</u> Ratings: S&P: "AA" (BAM)
Book-Entry-Only Underlying: "BBB"
(See "MISCELLANEOUS – RATINGS" herein.)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, 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 an item of tax preference for purposes of the federal alternative minimum tax, except as described under the heading "LEGAL MATTERS-Tax Matters" herein.

$8,250,000*
HUMBOLDT UTILITIES AUTHORITY (TENNESSEE)
Electric System Revenue Bonds, Series 2025

Dated: Date of Issuance (assume October 9, 2025). Due: June 1 (as indicated below)

The $8,250,000* Electric System Revenue Bonds, Series 2025 (the "Bonds") issued by the Humboldt Utilities Authority (Tennessee) (the "Authority") are issuable in fully registered form in denominations of $5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and 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 Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of $5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on December 1, 2025 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the "Registration Agent"). In the event of discontinuation of the book-entry-only system, principal of and interest on the Bonds are payable at the designated trust office of the Registration Agent.

The Bonds are payable solely from and secured by a lien on the Net Revenues (as defined herein) to be derived from the operation of the Authority's electric power distribution system (the "System") on parity and equality of lien with the Authority's remaining outstanding Electric System Revenue Bonds, Series 2024A, dated July 1, 2024, and Electric System Revenue Bonds, Series 2024B, dated July 1, 2024, and any bonds hereafter issued on parity therewith. The Authority has no taxing authority. See section entitled "SECURITIES OFFERED – Security".

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.

The Bonds maturing June 1, 2033 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2032.

Due (June 1)	Amount*	Interest Rate	Yield	CUSIP**	Due (June 1)	Amount*	Interest Rate	Yield	CUSIP**
2028	$100,000				2042	$280,000			
2029	150,000				2043	295,000			
2030	155,000				2044	310,000			
2031	165,000				2045	325,000			
2032	175,000				2046	340,000			
2033	180,000				2047	360,000			
2034	190,000				2048	375,000			
2035	200,000				2049	395,000			
2036	210,000				2050	415,000			
2037	220,000				2051	435,000			
2038	230,000				2052	460,000			
2039	245,000				2053	480,000			
2040	255,000				2054	505,000			
2041	270,000				2055	530,000			

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire *Preliminary Official Statement* to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued by the Authority, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Nashville, Tennessee, bond counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon from Floyd Flippin, Esq., counsel to the Authority. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York, on or about October__, 2025.

Cumberland Securities Company, Inc.
Municipal Advisor

September __, 2025

*Preliminary, subject to change.

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 Bonds, the Resolution, the Disclosure Certificate (as defined herein), and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the 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 Bonds are qualified in their entirety to the forms thereof included in the Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the 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 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 Underwriter 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 the Underwriter. 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 Underwriter. 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.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Preliminary Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading **"APPENDIX E – BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY".**

**Copyright, American Bankers Association (the "ABA"). 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 Bondholders only at the time of issuance of the Bonds and the Authority makes no 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 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 Bonds.

HUMBOLDT UTILITIES AUTHORITY (TENNESSEE)

BOARD OF DIRECTORS

Mike Barker, Chairman
Calvin Campbell
Terry Drumwright
Monte Johnson
Kathleen Smith

AUTHORITY OFFICIALS

Floyd Flippin	Board Attorney
Alex Smith	President & Chief Executive Officer

REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Nashville, Tennessee

MUNICIPAL ADVISOR

Cumberland Securities Company, Inc.

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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 Authority .... Humboldt Utilities Authority (Tennessee) (the "Authority" or "Issuer"). See APPENDIX B contained herein.

Securities Offered .... $8,250,000* Electric System Revenue Bonds, Series 2025, maturing June 1, 2028 through June 1, 2055, inclusive, (the "Bonds") of the Authority. The Bonds will be dated the date of issuance (assume October 9, 2025). See the section entitled "SECURITIES OFFERED" for additional information.

Security .... The Bonds are payable solely from and secured by a lien on the revenues to be derived from the operation of the Authority's electric power distribution system (the "System"), on parity and equality of lien with the Authority's remaining outstanding Electric System Revenue Bonds, Series 2024A, dated July 1, 2024, and Electric System Revenue Bonds, Series 2024B, dated July 1, 2024, (the "Outstanding Parity Bonds") and any bonds hereafter issued on parity therewith under the Resolution (as herein defined), subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System. **The Bonds shall be payable solely from and secured by the Net Revenues of the System, subject to the payment of certain costs. The Authority has no taxing authority**. The Bonds do not constitute a debt of the State of Tennessee or any city or county thereof. For the definition of Net Revenues of the System, see APPENDIX C – "Summary of Certain Provisions of the Resolution".

Purpose .... The Bonds are being issued for the purpose of providing funds for the (i) acquisition, construction, improvement and equipping of capital improvements to the electrical power distribution system (the "System"), (ii) reimburse the Authority for prior expenditures for the foregoing, (iii) the acquisition of all property real or personal appurtenant thereto, (iv) the payment of legal, fiscal, engineering, architectural and administrative fees in connection therewith and (v) financing the costs of issuing the Bonds.

Optional Redemption .... The Bonds are subject to optional redemption prior to maturity on or after June 1, 2032, at the redemption price of par plus accrued interest. See section entitled "SECURITIES OFFERED - Optional Redemption".

Rates .... Rates and fees for electric service provided by the System are established by the Board of Directors of the Authority (the "Board") and are subject to review and approval by the Tennessee Valley Authority, as more fully described herein. The System is not otherwise subject to rate regulation, and the Board is not aware of any pending legislation which would make its rates and fees subject to additional regulations.

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 an item of tax preference for purposes of the federal alternative minimum tax, except as described under the heading "LEGAL MATTERS-Tax Matters" 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

* Preliminary, subject to change.

therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except certain Tennessee franchise and excise taxes. (See "LEGAL MATTERS - Tax Matters" herein).

Municipal Bond Insurance	The scheduled payment of the principal of, and interest on, the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued simultaneously with the delivery of the Bonds by Build America Mutual Assurance Company. ("BAM"). See "APPENDIX D - BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY."
Bank Qualification	The Bonds will be treated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled "LEGAL MATTERS - Tax Matters" for additional information.
Rating	S&P: "AA" BAM Insurance, "BBB" Underlying. See the section entitled "MISCELLANEOUS - Rating" for more information.
Registration and Paying Agent	Regions Bank, Nashville, Tennessee. (the "Registration Agent").
Bond Counsel	Bass, Berry & Sims PLC, Nashville, Tennessee.
Municipal Advisor	Cumberland Securities Company, Inc. See the section entitled "MISCELLANEOUS - Municipal Advisor; Related Parities; Others", herein.
Underwriter	________________________________.
Book-Entry-Only	The Bonds will be issued under the Book-Entry-Only System except as otherwise described herein. For additional information, see the section entitled "BASIC DOCUMENTATION – Book–Entry-Only System".
General	The Bonds are being issued in full compliance with applicable provisions of the Title 7, Chapter 36, *Tennessee Code Annotated*, as supplemented and revised, and Chapter 41 of the Private Acts of 2023-2024. See the section entitled "SECURITIES OFFERED – Authority and Purpose." The Bonds will be issued with CUSIP numbers through the facilities of The Depository Trust Company, New York, New York.
Disclosure	In accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, 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 statements and other pertinent credit or event information, including audited financial statements, see the section entitled "MISCELLANEOUS-Continuing Disclosure."
Other Information	The information in this *Preliminary Official Statement* is deemed "final" within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as of the date which appears on the cover hereof except for the omission of certain pricing and other information. For more information concerning the Authority or the *Preliminary Official Statement*, contact Alex Smith, President & Chief Executive Officer, 207 South 13th Avenue, Humboldt, Tennessee 38343, Telephone: (731) 784-9212 or the Authority's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663. Additional information regarding BiDCOMP™/PARITY® may be obtained from PARITY®, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422.

ELECTRIC SYSTEM
Summary of Changes In Net Positions
For the Fiscal Year Ended June 30

	2020	**2021**	**2022**	**2023**	**2024**
Beginning Net Position	$9,118,608	$9,384,382	$9,865,295	$10,862,109	$11,389,468
Revenues	13,861,154	13,916,646	17,594,706	19,273,329	18,268,311
Expenditures	13,300,631	13,075,353	16,228,123	18,359,090	17,599,341
Other Financing Sources:					
Interest Income	69,374	17,146	13,437	35,728	61,233
Gain/Loss Disposal of Assets	-	427	24,439	5,647	9,482
Interest Expense	(35,140)	(66,138)	(85,971)	(78,700)	(70,850)
Transfers Out – In Lieu of Tax Pymts	(328,983)	(311,815)	(321,674)	(349,555)	(319,881)
Adjustments	-	-	-	-	-
Ending Net Position	**$9,384,382**	**$9,865,295**	**$10,862,109**	**$11,389,468**	**$11,738,422**

Source: Annual Comprehensive Financial Reports of the City of Humboldt, Tennessee.

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SUMMARY NOTICE OF SALE

$8,250,000*
HUMBOLDT UTILITIES AUTHORITY (TENNESSEE)
Electric System Revenue Bonds, Series 2025

NOTICE IS HEREBY GIVEN that the President of the Humboldt Utilities Authority (Tennessee) (the "Authority" or "Issuer") will receive electronic or written sealed bids until **10:15 a.m. E.D.T. / 9:15 a.m. C.D.T.** on **Thursday, September 18, 2025** for the purchase of all, but not less than all, of the Authority's $8,250,000* Electric System Revenue Bonds, Series 2025 (the "Bonds"). Electronic bids must be submitted through ***PARITY®*** as described in the "Detailed Notice of Sale". In case of written bids, bids will be received by the Authority's Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the Authority reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY®*** System not later than 9:45 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours' notice via Bloomberg News Service and/or the ***PARITY®*** System.

Electronic bids must be submitted through ***PARITY®*** via the BiDComp Competitive Bidding Service as described in the Detailed Notice of Sale and no other provider of electronic bidding services will be accepted. For the purposes of the bidding process, both written and electronic, the time maintained by ***PARITY®*** shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in ***PARITY®*** conflict with the terms of the Detailed Notice of Sale and this Summary Notice of Sale, the Detailed Notice of Sale and this Summary Notice of Sale shall prevail.

The Bonds will be issued in book-entry-only form (except as otherwise described in the Detailed Notice of Sale) and dated the date of issuance (assume October 9, 2025). The Bonds will mature on June 1 in the years 2028 through 2055, inclusive, with term bonds optional, with interest payable on June 1 and December 1 of each year, commencing December 1, 2025, and will be subject to optional redemption prior to maturity on or after June 1, 2032. Bidders must bid not less than one hundred percent (100.00%) of par or more than one hundred and twenty-five percent (125%) of par for the Bonds. The approving opinion for the Bonds will be furnished at the expense of the Authority by Bass, Berry & Sims PLC, Bond Counsel, Nashville, Tennessee. **No rate or rates bid for the Bonds shall be less than four percent (4.00%) or exceed five percent (5.00%) per annum. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.** Unless bids are rejected, the Bonds will be awarded by the President of the Authority on the sale date to the bidder whose bid results in the lowest true interest rate on the Bonds.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the Authority will require bidders to comply with the "hold-the-offering-price rule" for purposes of determining the issue price of the Bonds as described in the Detailed Notice of Sale. Bids will not be subject to cancellation in the event that the competitive sale requirements of applicable Treasury Regulations are not satisfied.

* Preliminary, subject to change.

Additional information, including the *Preliminary Official Statement* in near final form and the Detailed Notice of Sale, may be obtained through www.prospectushub.com or from the Authority's Municipal Advisor, Cumberland Securities Company, Inc., (865) 988-2663. Further information regarding ***PARITY***® may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: 212-849-5000.

HUMBOLDT UTILITIES AUTHORITY
(TENNESSEE)
By: Alex Smith, President & CEO

DETAILED NOTICE OF SALE

$8,250,000*

HUMBOLDT UTILITIES AUTHORITY (TENNESSEE)

Electric System Revenue Bonds, Series 2025

NOTICE IS HEREBY GIVEN that the President of the Humboldt Utilities Authority (Tennessee) (the "Authority" or "Issuer") will receive electronic or written sealed bids until **10:15 a.m. E.D.T. / 9:15 a.m. C.D.T. on Thursday, September18, 2025** for the purchase of all, but not less than all, of the Authority's $8,250,000* Electric System Revenue Bonds, Series 2025 (the "Bonds"). Electronic bids must be submitted through ***PARITY®*** as described in this "Detailed Notice of Sale". In case of written bids, bids will be received by the Authority's Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the Authority reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth in this Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY®*** System not later than 9:45 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours' notice via Bloomberg News Service and/or the ***PARITY®*** System.

Description of the Bonds. The Bonds will be issued in book-entry-only form without coupons and will be issued or reissued upon transfer, in $5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2025. The Bonds will mature and be payable on June 1 of each year as follows:

YEAR (June 1)	AMOUNT*	YEAR (June 1)	AMOUNT*
2028	$100,000	2042	$280,000
2029	150,000	2043	295,000
2030	155,000	2044	310,000
2031	165,000	2045	325,000
2032	175,000	2046	340,000
2033	180,000	2047	360,000
2034	190,000	2048	375,000
2035	200,000	2049	395,000
2036	210,000	2050	415,000
2037	220,000	2051	435,000
2038	230,000	2052	460,000
2039	245,000	2053	480,000
2040	255,000	2054	505,000
2041	270,000	2055	530,000

Bank Qualification. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

* Preliminary, subject to change.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the "Book-Entry-Only System"). One fully-registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The Book-Entry-Only System will evidence beneficial ownership interests of the Bonds in the principal amount of $5,000 for the Bonds and any integral multiple of $5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity or upon earlier redemption to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The Authority will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Notwithstanding the foregoing, if the successful bidder for the Bonds certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, the use the Book-Entry-Only System is not required.

In the event that the Book-Entry-Only System for the Bonds is discontinued and a successor securities depository is not appointed by the Authority, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of $5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) and the Authority and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Security Pledged. The Bonds are payable solely from and secured by a lien on the revenues to be derived from the operation of the Authority's electric power distribution system (the "System"), on parity and equality of lien with the Authority's remaining outstanding Electric System Revenue Bonds, Series 2024A, dated July 1, 2024, and Electric System Revenue Bonds, Series 2024B, dated July 1, 2024, (the "Outstanding Parity Bonds") and any bonds hereafter issued on parity therewith under the Resolution (as herein defined), subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System. **The Bonds shall be payable solely from and secured by the Net Revenues of the System, subject to the payment of certain costs. The Authority has no taxing authority**. The Bonds do not constitute a debt of the State of Tennessee or any city or county thereof. For the definition of Net Revenues of the System, see APPENDIX C – "Summary of Certain Provisions of the Resolution".

Purpose. The Bonds are being issued for the purpose of providing funds for the (i) acquisition, construction, improvement and equipping of capital improvements to the electrical power distribution system (the "System"), (ii) reimburse the Authority for prior expenditures for the foregoing, (iii) the acquisition of all property real or personal appurtenant thereto, (iv) the payment of legal, fiscal, engineering, architectural and administrative fees in connection therewith and (v) financing the costs of issuing the Bonds.

Optional Redemption. The Bonds maturing on June 1, 2033 and thereafter are subject to optional redemption prior to maturity at the option of the Authority on or after June 1, 2032, at any time at the redemption price of par plus accrued interest.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as one or more term bonds ("Term Bonds") bearing a single interest rate. If a successful bidder for the Bonds designates certain consecutive serial maturities of such Bonds to be combined as one or more Term Bonds as allowed herein, then each Term Bond shall be subject to mandatory sinking fund redemption by the Authority at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the bid of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date.

Bidding Instructions. The Authority will receive electronic or written bids for the purchase of all, but not less than all, of the Bonds. **Bidders for the Bonds are required to bid as to each maturity of the Bonds an interest rate of not less than four percent (4.00%) or more than five percent (5.00%) per annum. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par. A single interest rate shall apply to each single maturity of the Bonds. Bidders must bid not less than one hundred percent (100.00%) of par or no more than one hundred and twenty-five percent (125%) of par.**

Electronic bids must be submitted through ***PARITY®*** via BiDCOMP Competitive Bidding System and no other provider of electronic bidding services will be accepted. Subscription to the i-Deal LLC Dalcomp Division's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid. The Authority will not confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. For the purposes of the bidding process, the time as maintained by ***PARITY®*** shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in ***PARITY®*** conflict with the terms of this Detailed Notice of Sale, this Notice shall prevail. An electronic bid made through the facilities of ***PARITY®*** shall be deemed an offer to purchase in response to this Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, written bid delivered to the Authority. The Authority shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by ***PARITY®***. The use of ***PARITY®*** facilities are at the sole risk of the prospective bidders.

For further information regarding ***PARITY®***, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, Telephone: 212-849-5000.

In the event of a system malfunction in the electronic bidding process bidders may submit bids prior to the established date and time by FACSIMILE transmission sent to the Authority's Municipal Advisor, Cumberland Securities Company, Inc. at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. The Authority and the Municipal Advisor shall not be responsible for confirming receipt of any facsimile bid or for any malfunction relating to the transmission and receipt of such bids.

Any written bids should be submitted by facsimile to the Authority's Municipal Advisor at 865-988-1863. Written bids must be submitted on the Bid Forms included with the *Preliminary Official Statement.*

The Authority reserves the right to reject all bids for the Bonds and to waive any informalities in the bids accepted.

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the President to the bidder whose bid complies with this notice and results in the lowest true interest rate on the Bonds to be calculated as that rate that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds. For purposes of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the President shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

After receipt of the bids, the Authority reserves the right to adjust and/or revisions to the Bonds, as described below.

Adjustment and/or Revision. While it is the Authority's intention to sell and issue the approximate par amounts of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size the Bonds. Accordingly, the President reserves the right, in his sole discretion, to adjust down the original par amount of the Bonds by up to twenty-five percent (25%). The principal factor to be considered in making any adjustments is the amount of premium bid for particular maturities. Among other factors the President may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds is the size of individual maturities or sinking fund installments and/or other preferences of the Authority. Additionally, the President reserves the right to change the dated date of the Bonds.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid for the Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Bonds bears to the original par amount of such Bonds offered for sale.

The successful bidder for the Bonds will be tentatively notified by not later than 5:00 p.m. (Eastern Daylight Time), on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the Authority's Municipal Advisor (by wire transfer) the amount of up to two percent (2%) of the aggregate principal amount of the Bonds offered for sale which will secure the faithful performance of the terms of the bid. A wire transfer must be received by the Authority's Municipal Advisor no later than the close of business on the day following the competitive sale. The wire instructions will be sent to the winning bidder after all bids are received.

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the Authority as liquidated damages.

In the event of the failure of the Authority to deliver the Bonds to the purchaser in accordance with the terms of this Notice within forty-five (45) days after the date of the sale, the good-faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

Establishment of Issue Price

Undertakings of the Successful Bidder. The successful bidder for the Bonds shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the Authority in writing (via facsimile transmission or electronic mail) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by the Authority within 24 hours after award, furnish the following information to the Authority to complete the *Official Statement* in final form, as described below:

A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the successful bidder advised the Authority that the Bonds were initially offered to the public).
B. The identity of the other underwriters if the successful bidder is part of a group or syndicate.

C. Any other material information that the Authority determines is necessary to complete the *Official Statement* in final form.

After the award of the Bonds, the Authority will prepare copies of the final *Official Statement* and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Authority will not include in the final *Official Statement* a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Authority in all aspects for the accuracy and completeness of information provided by such successful bidders with respect to such reoffering.

The Authority expects the successful bidder to deliver copies of such *Official Statement* in final form (the "Final Official Statement") to persons to whom such bidder initially sells the Bonds and the Municipal Securities Rulemaking Board ("MSRB") via the MSRB's Electronic Municipal Market Access System ("EMMA"). The successful bidder will be required to acknowledge receipt of the Final Official Statement, to certify that each has made delivery of the Final Official Statement to the MSRB, to acknowledge that the Authority expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

<u>Method for Establishment of Issue Price</u>

a. The successful bidder shall assist the Authority in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the Authority under this Detailed Notice of Bond Sale to establish the issue price of the Bonds may be taken on behalf of the Authority by the Municipal Advisor, and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

b. The Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements") because:

   1. the Authority shall disseminate this Detailed Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

   2. all bidders shall have an equal opportunity to bid;

   3. the Authority expects to receive bids for the Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

   4. the Authority anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Detailed Notice of Bond Sale.

Any bid submitted pursuant to this Detailed Notice of Bond Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

c. In the event that the Competitive Sale Requirements are not satisfied as to the Bonds, the Authority shall so advise the successful bidder. In such event, the Authority intends to treat the (i) the first price at which 10% of a maturity of the Bonds (the "10% Test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "Hold-the-Offering-Price Rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Authority promptly after the award of the Bonds if any maturities of the Bonds satisfy the 10% Test as of the date and time of the award of the Bonds. The Hold-the-Offering-Price Rule shall apply to all maturities that do not satisfy the 10% Test as of the sale date. Bids will not be subject to cancellation in the event that the Authority determines to apply the Hold-the-Offering-Price Rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.

d. By submitting a bid, in the event of application of the Hold-the-Offering-Price Rule, the successful bidder for the Bonds shall deemed to have (i) confirmed that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "Initial Offering Price"), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

   1. the close of the fifth (5th) business day after the sale date; or

   2. the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

   In the event of application of the Hold-the-Offering-Price Rule to any maturity of the Bonds, any successful bidder will advise the Authority promptly after the close of the fifth (5^{th}) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

e. By submitting a bid, each bidder confirms that:

   (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

   (A) (1) to report the prices at which it sells to the public any unsold Bonds of each maturity allocated to it to which the Hold-the-Offering-Price Rule applies until the close of the fifth (5^{th}) business day after the sale date and (2) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder and as set forth in the related pricing wires,

   (B) to promptly notify the successful bidder of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and

   (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

   (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity to which the Hold-the-Offering-Price Rule applies allocated to it until the close of the fifth (5^{th}) business day after the sale date and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder or the underwriter and as set forth in the related pricing wires.

f. The Authority acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds.

g. Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this Detailed Notice of Bond Sale. Further, for purposes of this Detailed Notice of Bond Sale:

   1. "public" means any person other than an underwriter or a related party;

   2. "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

   3. a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. “sale date” means the date that the Bonds are awarded by the Authority to the successful bidder.

Issue Price Certificate. The winning bidder will be required to provide the Authority, at closing, with an issue price certificate consistent with the foregoing and meeting the requirements of bond counsel. The form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A if the Competitive Sale Requirements are met, and the form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit B if the Competitive Sale Requirements are not met.

Legal Opinion. The approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the Authority. As set forth in the *Preliminary Official Statement*, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes; is not an item of tax preference for purposes of the federal law alternative minimum tax. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion contained in Appendix A.

Continuing Disclosure. At the time the 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 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”), 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 (the “MSRB”) through the operation of the Electronic Municipal Market Access system (the “EMMA”) and 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 material events will be filed by the Authority either with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events are summarized in the *Preliminary Official Statement*.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days notice will be given to the successful bidder of such delivery. Delivery will be made in Book-Entry-Only form through the facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in *Federal Funds* or other immediately available funds.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the Authority. The Authority will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds.

Official Statements; Other. The Authority has deemed the *Preliminary Official Statement* to be final as of its date within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the “SEC”) except for the omission of certain pricing and other information. The Authority will furnish the successful bidder at the expense of the Authority a reasonable number of copies of the *Official Statement* in final form, containing the pricing and other information to be supplied by the successful bidder and to be dated the date of the sale, to be delivered by the successful bidder to the persons to whom each such bidder and members of its bidding group initially sell the Bonds within seven (7) business days. Acceptance of a bid of the Bonds will constitute a contract between the Authority and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement*, this Detailed Notice of Sale and the Official Bid Form, may be obtained from the Authority's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: 865-988-2663. Further information regarding ***PARITY***® may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Alex Smith, President & CEO

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EXHIBIT A

HUMBOLDT UTILITIES AUTHORITY (TENNESSEE)
[$_________ Electric System Revenue Bonds, Series 2025]

ISSUE PRICE CERTIFICATE
(if Hold-The-Offering-Price Rule does not apply)

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds") of the Humboldt Utilities Authority (Tennessee) (the "Issuer").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms***.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(c) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 18, 2025.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: ____________________

[NAME OF UNDERWRITER]

By: ______________________________

Name: ____________________________

Title: _____________________________

EXHIBIT B

HUMBOLDT UTILITIES AUTHORITY (TENNESSEE)
[$_________ Electric System Revenue Bonds, Series 2025]

ISSUE PRICE CERTIFICATE
(if Hold-The-Offering-Price Rule applies)

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]") [and the other members of the underwriting syndicate (together, the "Underwriting Group")], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") of the Humboldt Utilities Authority (Tennessee) (the "Issuer").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) [SHORT NAME OF UNDERWRITER] offered the Hold-The-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the [Detailed Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-the-Offering-Price Rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-The-Offering-Price Rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-The-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule B hereto as the "Hold-The-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER] sold at least 10% of such Hold-The-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-The-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(f) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 18, 2025.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated:____________________

[NAME OF UNDERWRITER]

By:____________________________________

Name: _________________________________

Title: __________________________________

BID FORM

Alex Smith, President & CEO
1085 S. Second Street
Humboldt, TN 38358

September 18, 2025

Dear President Smith:

For your legally issued, properly executed $8,250,000* Electric System Revenue Bonds, Series 2025 (the "Bonds") of the Humboldt Utilities Authority (Tennessee), in all respects as more fully outlined in your Detailed Notice of Sale, which by reference are made a part hereof, we will pay you a sum of ______________________ ($________________).

The Bonds shall be dated the date of issuance (assume October 9, 2025) and shall be callable in accordance with the Detailed Notice of Sale. The Bonds shall mature on June 1 and bear interest at the following rates:

Maturity (June 1)	Amount*	Rate	Maturity (June 1)	Amount*	Rate
2028	$100,000	___	2042	$280,000	___
2029	150,000	___	2043	295,000	___
2030	155,000	___	2044	310,000	___
2031	165,000	___	2045	325,000	___
2032	175,000	___	2046	340,000	___
2033	180,000	___	2047	360,000	___
2034	190,000	___	2048	375,000	___
2035	200,000	___	2049	395,000	___
2036	210,000	___	2050	415,000	___
2037	220,000	___	2051	435,000	___
2038	230,000	___	2052	460,000	___
2039	245,000	___	2053	480,000	___
2040	255,000	___	2054	505,000	___
2041	270,000	___	2055	530,000	___

We have elected the option to designate two or more consecutive serial maturities as term bond maturities as indicated:

Term Bond 1: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.
Term Bond 2: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.
Term Bond 3: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.
Term Bond 4: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.
Term Bond 5: Maturities from June 1, 20_______ through June 1, 20_______ @ _______%.

It is our understanding that the Bonds are offered for sale as "qualified tax-exempt obligations" subject to the final approving opinion of Bass, Berry & Sims PLC, Bond Counsel, Nashville, Tennessee, whose opinion together with the executed Bonds, will be furnished by the Authority without cost to us.

If our bid is accepted, we agree to provide a good faith deposit for up to 2% of the Bonds on which we have bid by the close of business on the date following the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

Accepted for and on behalf of the
Humboldt Utilities Authority (Tennessee), this
18th day of September, 2025.

____
Alex Smith, President & CEO

Respectfully submitted,

____

Total interest cost from
October 9, 2025 to final maturity $_________
Less: Premium /plus discount, if any $_____________
Net Interest Cost $_____________________________
True Interest Rate.............................. _______%

The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.

*Preliminary, subject to change.

$8,250,000*
HUMBOLDT UTILITIES AUTHORITY (TENNESSEE)
Electric System Revenue Bonds, Series 2025

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This *Preliminary Official Statement*, which includes the "Summary Statement" and appendices, is furnished in connection with the offering by the Humboldt Utilities Authority (Tennessee) (the "Authority" or "Issuer") of its $8,250,000* Electric System Revenue Bonds, Series 2025 (the "Bonds").

The Bonds are authorized to be issued pursuant to the provisions of Title 7, Chapter 36, *Tennessee Code Annotated*, as amended and other applicable provisions of law and pursuant to a bond resolution (the "Resolution") duly adopted by the Board of the Authority on July 30, 2025.

The Bonds are being issued for the purpose of providing funds for the (i) acquisition, construction, improvement and equipping of capital improvements to the electrical power distribution system (the "System"), (ii) reimburse the Authority for prior expenditures for the foregoing, (iii) the acquisition of all property real or personal appurtenant thereto, (iv) the payment of legal, fiscal, engineering, architectural and administrative fees in connection therewith and (v) financing the costs of issuing the Bonds.

DESCRIPTION OF THE BONDS

The Bonds will be initially dated and bear interest from the date of issuance (assume October 9, 2025). Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing December 1, 2025. The Bonds are issuable in registered form only and in $5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the President, shall be attested by the Secretary. No Bond shall be valid until it has been authorized by the manual signature of an authorized officer or employee of the Registration Agent and the date of authentication noted thereon.

SECURITY

The Bonds are payable solely from and secured by a lien on the revenues to be derived from the operation of the Authority's electric power distribution system (the "System"), on parity and equality of lien with the Authority's remaining outstanding Electric System Revenue Bonds, Series 2024A, dated July 1, 2024, and Electric System Revenue Bonds, Series 2024B, dated July 1, 2024, (the "Outstanding Parity Bonds") and any bonds hereafter issued on parity therewith under the Resolution (as herein defined), subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System. **The Bonds shall be payable solely from and secured by the Net Revenues of the System, subject to the payment of certain costs. The Authority has no taxing authority**. The Bonds do not constitute a debt of the State of Tennessee or any city or county thereof.

* Preliminary, subject to change.

For the definition of Net Revenues of the System, see APPENDIX C – "Summary of Certain Provisions of the Resolution".

FLOW OF FUNDS

Pursuant to the Resolution, the Authority has agreed to deposit all revenues derived from the operation of the System into the Revenue Fund and to apply such moneys as follows:

- First, to pay operating expenses
- Next, to pay debt service on the Outstanding Parity Bonds, the Bonds and any Parity Bonds, if applicable
- Next, to fund debt service reserves for the Bonds and any Parity Bonds, if applicable (the Authority has not established a debt service reserve for the Bonds)
- Last, to make payments in lieu of taxes, pay debt service on any subordinate lien indebtedness and to pay any other legal purpose. See APPENDIX C for a more detailed description of the flow of funds.

RATE COVENANT

"Rate Covenant Requirement" means an amount of Net Revenues which is equal to the sum of (a) 120% of the Debt Service Requirement for the forthcoming Fiscal Year on the Bonds and (b) 100% of (i) the amounts, if any, required by this resolution or any subsequent resolution to be deposited by the Authority into the Reserve Fund during the forthcoming Fiscal Year, (ii) debt service payable on, or reserve fund funding requirements for, any subordinate lien indebtedness, and (iii) any required payments in lieu of taxes to the Authority or other governmental entities.

The meanings of the capitalized terms used in this paragraph and not otherwise defined are summarized in APPENDIX C – "Summary of Certain Provisions of the Resolution".

BOND FUND AND DEBT SERVICE RESERVE FUND

The Resolution establishes a Bond Fund for the Bonds, and any Parity Bonds. The Resolution requires the Authority to make monthly deposits to the Bond Fund sufficient to accumulate funds necessary to pay scheduled debt service on the Bonds and any Parity Bonds. The money on deposit in the Bond Fund will be used to pay the principal of and interest on the Bonds and any Parity Bonds as the same become due.

The Resolution does not require that the Authority to fund a Reserve Fund for the Bonds.

PARITY OF PLEDGE AND ADDITIONAL BONDS

The Authority may, from time to time, issue Parity Bonds under the terms of the Resolution. Parity Bonds will have a lien on the Net Revenues of the System on a parity with the lien on the Net Revenues of the System securing the Bonds and the Outstanding Parity Bonds. The Authority may not issue bonds payable from or secured by a lien on the Net Revenues senior to that securing the payment of the Bonds and Parity Bonds. For a description of the requirements for issuing bonds or other obligations on a parity of lien with the Bonds see APPENDIX C – "Summary of Certain Provisions of the Resolution".

SUBORDINATE LIEN BONDS AND OTHER SYSTEM INDEBTEDNESS

The Authority may, from time to time, issue subordinate lien indebtedness under the terms of the Resolution. Subordinate lien indebtedness will either (i) have a lien on the Net Revenues of the System subordinate to the lien on the Net Revenues of the System securing the Bonds, or (ii) be payable from, but not have a lien on the Net Revenues of the System.

ADDITIONAL BORROWING PLANS

The Board annually reviews and prepares a five-year capital improvement plan for the System. Over the past five years, most of the capital improvements to the System were funded with operating earnings. Over the next five years, it is projected that some additional capital improvements could be made to the System with bond proceeds.

OPTIONAL REDEMPTION

Bonds maturing June 1, 2033, and thereafter, shall be subject to optional 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 accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of the Authority, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry-Only System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the 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

(ii) if the Bonds are not being held under a Book-Entry-Only System by DTC, or a successor Depository, the 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.

MANDATORY REDEMPTION

The bidders have the option of creating term bonds pursuant to the Detailed Notice of Sale. If term bonds are created, then the following provisions will apply. Subject to the credit hereinafter provided, the Authority shall redeem Bonds maturing June 1, 20__, and June 1, 20__ on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The Bonds within a maturity to be so redeemed shall be selected in the same manner as is described above relating to optional redemption.

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The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the Authority may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% 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 Bonds to be redeemed by operation shall be accordingly reduced. The Authority shall on or before the forty-fifth (45) 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.

NOTICE OF REDEMPTION

Notice of 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 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the 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 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 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the 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 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 or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

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REGISTRATION AGENT

The Registration Agent (named herein) will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond 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 Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Authority in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Authority to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Authority shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Authority shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Authority of such Special Record Date and, in the name and at the expense of the Authority, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Authority to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

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

BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the Authority will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond 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 Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Authority in respect of such Bonds to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

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

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking 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 over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized Book-Entry-Only transfers and pledges between Direct Participants' accounts. This eliminates 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("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. Beneficial Owners are, however, 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 which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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 Bonds, except in the event that use of the Book-Entry-Only System for the Bonds is discontinued.

Payments of Principal and Interest. Principal and interest payments on the 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds or their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registration Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 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 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 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 Bonds. To facilitate subsequent transfers, all 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 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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.

None of the Authority, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the Authority determines to discontinue the Book-Entry-Only System, the Book-Entry-Only 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-Only 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 Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the 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 Bonds.

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

DISPOSITION OF BOND PROCEEDS

General. The proceeds of the Bonds will be used to (i) to finance capital improvements to the System so acquired more fully described below (the "Project"); and (ii) financing the costs of issuing the Bonds.

The Project. The Project will be used primarily to finance the purchase and installation of fiber optic infrastructure for the System (the "Fiber Infrastructure"). The Fiber Infrastructure will primarily benefit the System and will be recorded as an asset of the System. The Fiber Infrastructure will connect, directly and indirectly, to each electric meter of the System within the footprint of the Fiber Infrastructure, and will enhance the quality and efficiency of the System's electric service by, among other things, (i) allowing the System to read electric meters remotely, (ii) allowing the System to remotely connect and disconnect meters, (iii) providing real-time outage reports, thereby enabling the System to respond more quickly to power outages, (iv) providing real-time usage reports that will allow the System's customers to tailor their electric power needs more effectively; (v) allow the System to design and implement a grid modernization project, thus allowing automated procedures and equipment to reduce outage times and improve reliability and (vi) allowing the System to better manage its peak power load, thereby reducing the demand for additional electric generation facilities and reducing costs to the System's customers.

The Authority expects that the Fiber Infrastructure will also be used by the Authority's broadband division (the "Broadband Division") to provide broadband and telecommunications services within the service area of the System. The Broadband Division and its assets, liabilities, revenues and expenses are separate and distinct from the System.

The Authority has committed to loan up to $2,250,000 of System (or Electric Division) funds to the Broadband Division for the purpose of funding certain start-up capital and working capital costs of the Broadband Division. The interdivision loan will bear interest at a rate of 4.00%, and is required to be repaid by the Broadband Division to the Electric Division over a period of twenty (20) years.

In addition to repayment of the interdivision loan, applicable Tennessee law and Tennessee Valley Authority regulations require the Broadband Division to make a monthly use charge to the System in exchange for its use of the Fiber Infrastructure. The amount of the monthly use charge will depend on the number of customers subscribing for the services of the Broadband Division (i.e. as the number of Broadband Division customers increases, so too does the monthly use charge payable to the System). The Broadband Division will also be allocated its proportionate share of any operating costs jointly incurred by the System and the Broadband Division.

Any monthly use charges and any interdivision loan interest payable to the System by the Broadband Division will be treated as revenues of the System. However, revenues derived from sales of the services of the Broadband Division will not constitute revenues of the System and will not be available for the payment of or the security for the Bonds.

The Authority cannot predict or guarantee the future success of the Broadband Division. The Authority cannot guarantee the magnitude of any monthly use payments. In addition, if the Broadband Division is unsuccessful, it may have difficulty making interdivision loan payments.

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LEGAL MATTERS

LITIGATION

There are no claims against the Authority, including claims in litigation, which, in the opinion of the Authority, would have a material adverse effect on the Authority's financial position. There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the Authority to sell or issue the Bonds.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the 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 Bonds:

- is excluded from a bondholder's federal gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not a preference item for a bondholder under the federal alternative minimum tax; 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 corporation.

The Code imposes requirements on the Bonds that the Authority must continue to meet after the Bonds are issued. These requirements generally involve the way that 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 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 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
- a borrower of money to purchase or carry the Bonds or
- an applicable corporation, as defined in Section 59(k) of the Code.

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 Bonds or affect the market price of the Bonds. See also section "CHANGES IN FEDERAL AND STATE TAX LAW" below.

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 Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that 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 Bond will be reduced. The holder of a 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 Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these 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 Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the Authority as to the Bonds, Bond Counsel has determined that the Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the 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 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 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 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 Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or 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.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are Presidential proposals, proposals of various federal 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 Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued 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 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 Bonds would be impacted thereby. Purchasers of the 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 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 Bonds should consult their own tax advisors regarding the foregoing matters.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the Authority will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the *Official Statement*, in final form, signed by the President acting in his official capacity to the effect that to the best of his 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, 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, (c) there has been no material adverse change in the operation or the affairs of the Authority since the date of the *Official Statement,* in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the President acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the President and Authority's Secretary acting in their official capacities certifying as to the due execution of the 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.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Bond Counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified 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 in the section entitled "LEGAL MATTERS - Tax Matters." The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled "MISCELLANEOUS – "Competitive Public Sale", "Additional Information" and "Continuing Disclosure."

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MISCELLANEOUS

RATING

S&P Global Ratings ("S&P") has assigned its municipal bond rating of "AA" (Stable Outlook) to the Bonds with the understanding that upon delivery of the Bonds, a policy guaranteeing the payment when due of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company. Such rating reflects only the views of such organization and explanations of the significance of such rating should be obtained from such agency. Additionally, S&P Global Ratings ("S&P") has given the Bonds the underlying rating of "BBB".

There is no assurance that such rating will continue for any given period of time or that the rating may not be suspended, lowered or withdrawn entirely by S&P, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy and debt of the United States of America, including, without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for, and ratings, liquidity, and market value of Outstanding Bonds obligations, including the Bonds. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

The ratings reflect only the views of S&P and any explanation of the significance of such rating should be obtained from S&P.

COMPETITIVE PUBLIC SALE

The Bonds will be offered for sale at competitive public bidding on September 18, 2025. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated September 9, 2025.

The successful bidder for the 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 and Bid Form to purchase the Bonds at a purchase price of $__________ (consisting of the par amount of the Bonds, less an underwriter's discount of $_________ and less an original issue discount of $__________) or ____% of par.

MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

Municipal Advisor. Cumberland Securities Company, Inc., Knoxville, Tennessee, has served as Municipal Advisor (the "Municipal Advisor") to the Authority for purposes of assisting with the development and implementation of a bond structure in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged by the Authority to compile, create, or interpret any information in the *Preliminary Official Statement* and *Official Statement* relating to the Authority, including without limitation any of the Authority's financial and operating data, whether historical or projected. Any information contained in the *Preliminary Official Statement* and *Official Statement* concerning the Authority, any of its affiliated or contractors and any outside parties has not been independently verified by the Municipal Advisor, and inclusion of such information is not, and should not be construed as, a representation by the Municipal Advisor as to its accuracy or completeness or otherwise. The Municipal Advisor is not a public accounting firm and has not been engaged by the Authority to review or audit any information in the *Preliminary Official Statement* and *Official Statement* in accordance with accounting standards.

Regions Bank. Regions Bank (the "Bank") is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds. In instances where the Bank serves the Authority in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statements. Certain information relative to the location, economy and finances of the Authority is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. 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 or the Underwriter. 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.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement*, in final form, and the *Official Statement*, in final form on behalf of the Authority and will be compensated and/or reimbursed for such distribution and other such services.

Bond Counsel. From time to time, Bass, Berry & Sims PLC has represented the Bank on legal matters unrelated to the Authority and may do so again in the future.

Other. Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company's role as serving as the Authority's Dissemination Agent. If the Authority chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

DEBT RECORD

There is no record of default on principal or interest payments of the Authority. Additionally, no agreements or legal proceedings of the Authority relating to securities have been declared invalid or unenforceable.

CONTINUING DISCLOSURE

The Authority will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Authority by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2025 (the "Annual Reports"), and to provide notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the Authority. The Authority will provide notice in a timely manner to the MSRB of a failure by the Authority to provide the annual financial information on or before the date specified in the continuing disclosure agreement. The Annual Reports (and audited financial statements if filed separately) and notices described above will be filed by the Authority with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Reports or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Act Rule 15c2-12(b), as it may be amended from time to time (the "Rule 15c2-12").

Five-Year Filing History. The Authority has never been a party to any disclosure agreement.

Content of Annual Report. The Authority's Annual Report shall contain or incorporate by reference the Financial Statements of the System for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the Authority's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available.

The Annual Report may be incorporated by reference from other documents, including *Official Statements* in final form for debt issues of the Authority or related public entities, which have been submitted to each of the Repositories or the U.S. Securities and Exchange Commission. If the document incorporated by reference is a final *Official Statement*, in final form, it will be available from the Municipal Securities Rulemaking Board. The Authority shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The Authority will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the Authority shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any.

2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Authority shall determine the materiality of such event as soon as possible after learning of its occurrence.

3. The following are the Listed Events:

    a. Principal and interest payment delinquencies;

    b. Non-payment related defaults, if material;

    c. Unscheduled draws on debt service reserves reflecting financial difficulties;

    d. Unscheduled draws on credit enhancements reflecting financial difficulties;

    e. Substitution of credit or liquidity providers, or their failure to perform;

    f. 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;

    g. Modifications to rights of Bondholders, if material;

    h. Bond calls, if material, and tender offers;

    i. Defeasances;

    j. Release, substitution, or sale of property securing repayment of the securities, if material;

    k. Rating changes;

    l. Bankruptcy, insolvency, receivership or similar event of the obligated person;

    m. 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;

    n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

    o. Incurrence of a financial obligation (which includes a debt obligation, or a derivative instrument entered into connection with, or pledged as security or as a source of payment for, an existing or planned debt obligation, or a guarantee of debt obligation or derivative instrument) of the Authority, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material; and

    p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as described above) of the Authority, any of which reflect financial difficulties.

Termination of Reporting Obligation. The Authority's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the Authority may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it 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 an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the Authority shall describe such amendment in the next Annual Report, 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 Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should 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.

Default. In the event of a failure of the Authority to comply with any provision of the Disclosure Certificate, any Bondholder or any beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the Authority to comply with the Disclosure Certificate shall be an action to compel performance.

BONDHOLDER RISK

CLIMATE CHANGE. Planning for climate change in the State and its impact on the Authority's operation is an unknown challenge. The State of Tennessee's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State of Tennessee indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts of climate change include changes in the length, intensity, and frequency of droughts and floods. The financial impact of climate change is not yet known, and therefore, its future impact on the Authority cannot be quantified reliably at this time.

CYBER-SECURITY. Computer networks and data transmission and collection are vital to the efficient operations of the Authority and the Board. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the Authority and the Board, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the Authority's and the Board's operations, which could materially affect the Authority's and Board's operations.

FORWARD LOOKING STATEMENTS

The statements contained in this *Preliminary Official Statement* and *Official Statement*, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this *Preliminary Official Statement* and *Official Statement* are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this *Preliminary Official Statement* and *Official Statement* would prove to be accurate.

ADDITIONAL INFORMATION

Use of the words "shall," "must," or "will" in the *Preliminary Official Statement* and *Official Statement* in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in the *Preliminary Official Statement* and *Official Statement* involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither the *Preliminary Official Statement* and *Official Statement* nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of 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 Bonds, the security for the payment of the Bonds, and the rights of the holders thereof.

The *Preliminary Official Statement* and *Official Statement*, in final form, and any advertisement of the Bonds, is not to be construed as a contract or agreement between the Authority and the purchasers of any of the Bonds. Any statements or information printed in the *Preliminary Official Statement* or the *Official Statement*, in final form, involving matters of opinions or of estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

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CERTIFICATION OF AUTHORITY

On behalf of the Authority and Board, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/______________________________
President & Chief Executive Officer

ATTEST:

/s/________________________
Secretary

APPENDIX A

LEGAL OPINION

(Proposed Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
21 Platform Way South, Suite 3500
Nashville, Tennessee 37203

(Dated Closing Date)

Board of Directors
Humboldt Utilities Authority

[Underwriter]

Re: Humboldt Utilities Authority, Electric System Revenue Bonds, Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to Humboldt Utilities Authority (the "Issuer") in connection with the issuance of $__________ Electric System Revenue Bonds, Series 2025, 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 the valid and binding agreement of the Issuer.

3. The principal of and interest on the Bonds are payable solely from and secured by a pledge of the income and revenues to be derived from the operation of the electrical power transmission and distribution system of the Issuer (the "System"), subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System and on parity and equality of lien with the Issuer's remaining outstanding Electric System Revenue Bonds, Series 2024A, dated July 1, 2024, and Series 2024B, dated July 1, 2024. We express no opinion as to the sufficiency of any of such revenues for the payment of principal of, premium, if any, or interest on the Bonds.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and

is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain 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, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

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.

6. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

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,

47905981.1

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT
HUMBOLDT ELECTRIC SYSTEM

THE HUMBOLDT ELECTRIC SYSTEM

HISTORY AND ORGANIZATION

In the early 1900's electric power was available in Humboldt from privately owned sources. In 1933 Congress created the Tennessee Valley Authority (TVA) and in 1939 the City of Humboldt purchased the electric system from West Tennessee Power and Light Company and became a publicly owned distributor of TVA power.

The Electric System purchases electricity on the basis of a wholesale contract from the Tennessee Valley Authority which offers some of the lowest electricity rates in the country.

UTILITY BOARD OF DIRECTORS

The Board members each serve a five-year term of office and meet monthly in formal board meetings. These citizen directors set policy and approve planning with input from the Board's staff and ratepayers. Members of the Board as of June 30, 2025, are as follows:

Member	Term Expires	Occupation
Mike Barker, Chairman	07-01-2027	Retired
Calvin Campbell	07-01-2026	Retired
Terry Drumwright	07-01-2025	Retired
Monte Johnson	12-31-2026	Retired
Kathleen Smith, Secretary/Treasurer	07-01-2028	Retired

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THE ELECTRIC DISTRIBUTION SYSTEM

SERVICE AREA

The Electric System currently provides electric power to over 4,600 total customers in Humboldt and parts of Gibson County in West Tennessee with over 161 miles of distribution lines.

TRANSMISSION SYSTEM

The Electric System is connected to the TVA transmission grid at 43 delivery points with a total infeed base capacity of 90 MVA. The current peak system demand is 43 MVA. During Fiscal Year 2025, the Electric System average load factor was 69%, and the Electric System losses were 5.65%. The Electric System operates 5 substations and over 161 miles of primary electric line throughout its service area.

DISTRIBUTION SYSTEM

The Electric System's distribution system serve approximately 4,600 residential, commercial, and industrial customers located within its service area. Electricity is supplied from a 161 kV substation and three 69 kV substations which are strategically located along a radial 69 kV feeder system which encircles the city. The Department also has a 69 kV back-up line, which connects to a new 161 station located six miles north of the city. The back-up source, which is sized to carry the entire load of the City of Humboldt, gives additional reliability in case of emergencies. The Humboldt Electric System includes approximately 161 miles of distribution lines. The peak demand for the Humboldt Electric System was 43 MW which occurred in July 2022.

SOURCE OF ELECTRIC POWER

The Electric System does not generate any electric power but purchases its entire supply from the Tennessee Valley Authority ("TVA") pursuant to a power contract dated as of July 1, 1986, (the "Power Contract"). Under the Power Contract, the City agrees to purchase all of its electric power from TVA.

On September 25, 2019, Humboldt Electric System signed a long-term supply agreement with TVA. The initial term of this agreement is for 20 years with an annual evergreen provision. The benefit to the local power company is a 3.1% credit on the distributor's monthly power invoice. As of June 2024, approximately 147 of TVA's 153 municipal and cooperative customers, including four of their five largest customers, signed a similar long-term contract with TVA.

The cost and availability of power to the Electric System may be affected by, among other things, factors relating to TVA's nuclear program, fuel supply, environmental considerations such as future legislation regulating the mining of coal, the construction and financing of future generating and transmission facilities and other factors relating to TVA's ability to supply the power demands of its customers, including the City. The power sold to the City is supplied from the entire TVA system and not one specific generating facility.

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 the output thereof so as to be in a position to supply additional power when and to the extent needed by the City. Neither TVA nor the City is liable for breach of contact if the availability or use of power is interrupted or curtailed or if either party is prevented from performing under the Power Contract by circumstances beyond its 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.

The Power Contract specifies the wholesale purchase rates and monthly resale rates to be adhered to by the City, which may be revised periodically by TVA, through the publication of an Adjustment Addendum, to cover increased costs to TVA. See "Electric Rates".

THE TENNESSEE VALLEY AUTHORITY

TVA was established as a wholly-owned corporate agency and instrumentality of the United States of America by the Tennessee Valley Authority Act of 1933, as amended. The Acts' objective is the development of the resources of the Tennessee Valley and adjacent areas in order to strengthen the regional and national economy and the national defense. Its specific purposes include: (1) flood control on the Tennessee River and its tributaries, and assistance to flood control on the lower Ohio and the Mississippi Rivers; (2) a modern navigable channel for the Tennessee River; (3) ample supply of power within an area of 80,000 square miles; (4) development and introduction of more efficient soil fertilizers; and (5) greater agricultural and industrial development and improved forestry in the region. TVA made some major changes in managing its governing structure and workforce. The Board changed from a three-member, full-time board to a full-time CEO who reports to a part-time board as of May 2005.

ELECTRIC RATES

Pursuant to the Power Contract, the Electric System 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 Agenda published by the TVA. The Electric System is not otherwise subject to rate regulation under existing law, and the Municipality is not aware of any pending legislation 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 Department on a self-supporting, financially sound basis, including debt service, the Municipality 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.

The following schedule outlines the electric rates charged by the Department as of June 30, 2025:

Residential Rate Schedule

Customer Charge – per deliver point per month.............$14.00

Energy Charge – cents per kWh
First 2,000 kWh per month 0.10047
Additional kWh..0.10637

General Power Schedule

GSA 1 (Under 50 kW demand & less than 15,000 kWh)
Customer Charge – per deliver point per month.............$25.00
Energy Charge – cents per kWh 0.11649

GSA 2 (51-1000 kW demand or more than 15,000 kWh)
Customer Charge – per deliver point per month.............$70.00
Demand Charges – per kW per month
First 50 kW ....No Charge
Excess Over 50 kW..13.24
Energy Charge – cents per kWh
First 15,000 kWh per month 0.11075
Additional kWh per month 0.06360

GSA 3 (1000 - 5000 kW demand)
Customer Charge – per deliver point per month............$200.00
Demand Charges – per kW per month
First 1000 kW 12.74
Excess Over 1000 kW..12.84
Energy Charge – cents per kWh 0.07191

GSB (5001 - 15000 kW demand)
Customer Charge – per deliver point per month.........$1,500.00
Demand Charges – per kW per month
All kW – per kW per month 10.70
Maximum...1.68
Excess – Overcontract.......................................10.70
Energy Charge – cents per kWh
Onpeak – use of metered demand per month........0.07850
Offpeak – first 425 hours 0.05237
Offpeak – next 195 hours.....................................0.02135
Offpeak – additional kWh....................................0.01869

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OPERATING AND FINANCIAL HISTORY

OPERATING HISTORY

The following tables present information relating to the number of meters in service, operating revenues of the Electric System, and data on the largest industrial customers. Unless otherwise stated, such information is presented for the fiscal years ended June 30 in the years shown.

NUMBERS OF CUSTOMERS IN SERVICE

Fiscal Year	Residential	Commercial & Industrial	Total
2021	3,460	996	4,456
2022	3,511	1,029	4,520
2023	3,533	1,047	4,580
2024	3,517	1,006	4,583
2025	3,551	1,071	4,622

Source: Humboldt Electric System.

POWER USAGE – MWH

	For the Fiscal Year Ended June 30				
	2021	**2022**	**2023**	**2024**	**2025**
Residential	42,946,854	43,297,923	42,900,108	43,002,318	43,468,340
Commercial & Industrial	111,583,048	148,592,844	158,689,742	165,659,567	161,203,143
Total	**154,529,902**	**191,890,767**	**201,589,850**	**208,661,885**	**204,671,483**

Source: Humboldt Electric System.

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HISTORICAL ELECTRIC SYSTEM USE

The following table shows historical figures for the population of Gibson County, the Electric System's average number of customers, electric load and electric sales.

Year	City of Humboldt Population	Gibson County Population	Number of Customers	Peak Demand (KW)	Sales
2021	7,855	50,541	4,456	39,898	$13,934,219
2022	7,853	50,837	4,540	42,748	$17,632,582
2023	7,840	51,045	4,580	42,198	$19,314,704
2024	7,852	51,422	4,583	40,742	$18,339,026
2025	7,852	51,422	4,622	40,980	$18,507,441

Source: Humboldt Electric System

TEN LARGEST ELECTRIC CUSTOMERS IN 2025

The ten largest customers in the Electric System in order of total kWh sales generated are listed below. These ten top electric customers represent 78% of the total electric sales dollars.

Name	Annual (kWh) Usage	Annual Sales (Dollars)
Tyson Processing	66,152,131	$3,971,099
Bongards Premium Cheese	12,436,800	1,016,825
West Rock	5,609,280	596,255
Tyson Farms	4,866,670	509,098
Conagra	3,844,320	399,258
Walmart Stores East	3,837,600	363,080
Humboldt Utilities	2,613,120	290,708
TN Veterans Home	1,672,680	164,865
American Cold Storage	1,567,680	150,137
Chicago Metallic	1,405,440	157,634
TOTALS	**104,005,721**	**$7,618,959**

Source: Humboldt Electric System

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Humboldt Utilities Authority
SUMMARY OF BONDED INDEBTEDNESS

Electric System	DUE DATE	INTEREST RATE(S)	Unaudited As of June 30, 2025 (1) OUTSTANDING
$ 251,322.52 Electric System Revenue Bond, Series 2024A	June 30, 2028	Fixed	$ 190,000
$1,379,104.77 Electric System Revenue Bond, Series 2024B	June 30, 2033	Fixed	1,225,871
TOTAL BONDED DEBT			$ 1,415,871
NEW ISSUANCE			
$8,250,000 Electric System Revenue Bonds, Series 2025	June 2055	Fixed	$ 8,250,000
NET BONDED DEBT AFTER ISSUNACE			$ 9,665,871

NOTES:

(1) The above figures do not include any short-term debt, if any. For more information, see the notes to the Financial Statements. The Humboldt Utilities Authority was formed on July 1, 2024 and acquired all the assets and liabilities of Humboldt Utilities of Humboldt, Tennessee.

Humboldt Utilities Authority

BONDED DEBT SERVICE REQUIREMENTS - Electric System

F.Y. Ended 6/30	Outstanding Electric System Debt - As of 6-30-2025 (Unaudited) Principal	Interest	TOTAL	Electric System Revenue Bonds, Series 2025 Principal	Interest (2)	TOTAL	Percent 2025 Bonds Principal Repaid	Total Bonded Debt Service Requirements (1) Principal	Interest	TOTAL	Percent Total Principal Repaid
2026	$ 216,567	$ 48,086	$ 264,654	$ -	$ 309,375	$ 309,375	0.00%	$ 216,567	$ 357,461	$ 574,029	2.24%
2027	216,567	40,629	257,196	-	412,500	412,500		216,567	453,129	669,696	
2028	216,567	33,261	249,828	100,000	412,500	512,500		316,567	445,761	762,328	
2029	153,234	26,462	179,696	150,000	407,500	557,500		303,234	433,962	737,196	
2030	153,234	20,636	173,870	155,000	400,000	555,000	4.91%	308,234	420,636	728,870	14.08%
2031	153,234	14,810	168,044	165,000	392,250	557,250		318,234	407,060	725,294	
2032	153,234	9,006	162,240	175,000	384,000	559,000		328,234	393,006	721,240	
2033	153,234	3,158	156,392	180,000	375,250	555,250		333,234	378,408	711,642	
2034	-	-	-	190,000	366,250	556,250		190,000	366,250	556,250	
2035	-	-	-	200,000	356,750	556,750	15.94%	200,000	356,750	556,750	28.25%
2036	-	-	-	210,000	346,750	556,750		210,000	346,750	556,750	
2037	-	-	-	220,000	336,250	556,250		220,000	336,250	556,250	
2038	-	-	-	230,000	325,250	555,250		230,000	325,250	555,250	
2039	-	-	-	245,000	313,750	558,750		245,000	313,750	558,750	
2040	-	-	-	255,000	301,500	556,500	30.00%	255,000	301,500	556,500	40.25%
2041	-	-	-	270,000	288,750	558,750		270,000	288,750	558,750	
2042	-	-	-	280,000	275,250	555,250		280,000	275,250	555,250	
2043	-	-	-	295,000	261,250	556,250		295,000	261,250	556,250	
2044	-	-	-	310,000	246,500	556,500		310,000	246,500	556,500	
2045	-	-	-	325,000	231,000	556,000	47.94%	325,000	231,000	556,000	55.57%
2046	-	-	-	340,000	214,750	554,750		340,000	214,750	554,750	
2047	-	-	-	360,000	197,750	557,750		360,000	197,750	557,750	
2048	-	-	-	375,000	179,750	554,750		375,000	179,750	554,750	
2049	-	-	-	395,000	161,000	556,000		395,000	161,000	556,000	
2050	-	-	-	415,000	141,250	556,250	70.79%	415,000	141,250	556,250	75.07%
2051	-	-	-	435,000	120,500	555,500		435,000	120,500	555,500	
2052	-	-	-	460,000	98,750	558,750		460,000	98,750	558,750	
2053	-	-	-	480,000	75,750	555,750		480,000	75,750	555,750	
2054	-	-	-	505,000	51,750	556,750		505,000	51,750	556,750	
2055	-	-	-	530,000	26,500	556,500	100.00%	530,000	26,500	556,500	100.00%
	$ 1,415,871	$ 196,049	$ 1,611,919	$ 8,250,000	$ 8,010,375	$ 16,260,375		$ 9,665,871	$ 8,206,424	$ 17,872,294	

NOTES:

(1) The above figures do not include any short-term debt, if any. For more information, see the notes to the Financial Statements. The Humboldt Utilities Authority was formed on July 1, 2024 and acquired all the assets and liabilities of Humboldt Utilities of Humboldt, Tennessee.

Humboldt Utilities Authority
Five Year Summary of Revenues, Expenditures and
Changes In Net Position - Electric System
For the Fiscal Year Ended June 30

Revenues:	2020	2021	2022	2023	2024	Unaudited 2025
Charges for Sales and Service						
Residential	$ 3,976,754	$ 4,018,617	$ 3,695,824	$ 3,709,851	$ 3,397,845	$ 3,913,128
Small Lighting and power sales	1,644,496	1,569,358	1,717,348	1,826,351	1,758,487	1,897,565
Medium Lighting and power sales	3,159,654	3,406,905	3,167,832	3,813,523	3,764,552	3,939,564
Large Lighting and power sales	4,313,591	4,042,671	7,872,677	8,698,171	8,115,797	8,241,225
Street, Athletic, and Outdoor Lighting	156,681	154,441	167,900	186,080	170,224	192,179
Outdoor Lighting Sales	286,352	282,967	291,756	311,651	308,224	323,780
Uncollectible accounts	(5,535)	(2,316)	(1,016)	4,474	11,867	2,810
Total Charges for Sales and Service	13,531,993	13,472,643	16,912,321	18,550,101	17,526,996	18,510,251
Other Revenues						
Forfeited Discounts	49,066	58,126	53,080	56,618	47,317	48,673
Miscellaneous service revenues	87,083	98,626	116,562	131,506	173,313	186,949
Rent from electric property	190,226	286,527	510,534	533,644	518,809	812,862
Other electric revenue	2,786	724	2,209	1,460	1,876	992
Total Operating Revenues	$ 13,861,154	$ 13,916,646	$ 17,594,706	$ 19,273,329	$ 18,268,311	$ 19,559,727
Operating Expenses:						
Cost of Sales and Services - Purchased Power	$ 10,963,431	$ 10,650,126	$ 13,870,859	$ 15,412,772	$ 14,471,690	$ 15,222,060
Operating and Maintenance Expenses	2,120,417	2,200,052	2,126,877	2,713,056	2,784,881	2,840,579
Depreciation	216,783	225,175	230,387	233,262	342,770	350,000
Total Operating Expenses	$ 13,300,631	$ 13,075,353	$ 16,228,123	$ 18,359,090	$ 17,599,341	$ 18,412,639
Operating Earnings	$ 560,523	$ 841,293	$ 1,366,583	$ 914,239	$ 668,970	$ 1,147,088
Other Income (Expenses):						
Interest Income	$ 69,374	$ 17,146	$ 13,437	$ 35,728	$ 61,233	$ 60,000
Gain (Loss) on Disposal of Assets	-	427	24,439	5,647	9,482	740
Interest Expense	(35,140)	(66,138)	(85,971)	(78,700)	(70,850)	(58,845)
Total Other Income (Expenses)	$ 34,234	$ (48,565)	$ (48,095)	$ (37,325)	$ (135)	$ 1,895
Income (Loss) Before Transfers	$ 594,757	$ 792,728	$ 1,318,488	$ 876,914	$ 668,835	$ 1,148,983
Transfers Out - In Liew of Taxes	(328,983)	(311,815)	(321,674)	(349,555)	(319,881)	(326,279)
Change in Net Position	$ 265,774	$ 480,913	$ 996,814	$ 527,359	$ 348,954	$ 822,704
Total Net Position - Beginning	9,118,608	9,384,382	9,865,295	10,862,109	11,389,468	11,738,422
Adjustments	-	-	-	-	-	-
Total Net Position - Ending	**$ 9,384,382**	**$ 9,865,295**	**$ 10,862,109**	**$ 11,389,468**	**$ 11,738,422**	**$ 12,561,126**

Source: Financial Statements for Humboldt Utilities of Humboldt, Tennessee. The Humboldt Utilities Authority was formed on July 1, 2024 and acquired all the assets and liabilities of Humboldt Utilities of Humboldt, Tennessee.

Humboldt Utilities Authority

Electric System - Historical Debt Service Coverage On Outstanding Parity Bonds and the Bonds

	Year Ended June 30					Unaudited
	2020	2021	2022	2023	2024	2025
Operating Revenue	$ 13,861,154	$ 13,916,646	$ 17,594,706	$ 19,273,329	$ 18,268,311	$ 19,559,727
Operating Expenses Before Deprecation	13,083,848	12,850,178	15,997,736	18,125,828	17,256,571	18,062,639
Net Income Before Depreciation and Amortization	777,306	1,066,468	1,596,970	1,147,501	1,011,740	1,497,088
Other Income Before Interest Expense	69,374	17,573	37,876	41,375	70,715	60,740
Income Available For Debt Service	$ 846,680	$ 1,084,041	$ 1,634,846	$ 1,188,876	$ 1,082,455	$ 1,557,828
Actual Debt Service Requirments	$ 98,394	$ 129,471	$ 149,667	$ 295,267	$ 289,155	$ 275,000
Bond Coverage	8.60 X	8.37 X	10.92 X	4.03 X	3.74 X	5.66 X
Maximum Estimated Debt Service Requirements on the Outstanding Parity Bonds and the Bonds (FY 2028)	$ 762,328	$ 762,328	$ 762,328	$ 762,328	$ 762,328	$ 762,328
Bond Coverage	1.11 X	1.42 X	2.14 X	1.56 X	1.42 X	2.04 X
Income Available For Debt Service Before In Lieu of Tax Payment	$ 846,680	$ 1,084,041	$ 1,634,846	$ 1,188,876	$ 1,082,455	$ 1,557,828
Less: In Lieu of Tax Payment	(328,983)	(311,815)	(321,674)	(349,555)	(319,881)	(326,279)
Income Available For Debt Service After In Lieu of Tax Payment	$517,697	$772,226	$1,313,172	$839,321	$762,574	$1,231,550
Maximum Estimated Debt Service Requirements on the Outstanding Parity Bonds and the Bonds (FY 2028)	$ 762,328	$ 762,328	$ 762,328	$ 762,328	$ 762,328	$ 762,328
Bond Coverage	0.68 X	1.01 X	1.72 X	1.10 X	1.00 X	1.62 X

Source: Financial Statements for Humboldt Utilities of Humboldt, Tennessee. The Humboldt Utilities Authority was formed on July 1, 2024 and acquired all the assets and liabilities of Humboldt Utilities of Humboldt, Tennessee.

HUMBOLDT - GENERAL INFORMATION

LOCATION

The City of Humboldt (the "City") is located in Gibson County (the "County") in the northwest portion of the State of Tennessee surrounded by Obion and Weakley Counties to the north, Carroll County to the east, Crockett and Madison Counties to the south, and Dyer County to the west. The City of Trenton, the county seat of Gibson County is approximately 95 miles northeast of Memphis, Tennessee. The City of Milan is also in the County. According to the 2020 Census, the population of Gibson County is 50,429. The County has 603 square miles. It is one of the leading agricultural counties of the state and in the nation.

TRANSPORTATION

The County is only 27 miles to Interstate 40 in Jackson, with US Highways 45, 70 and 79 and State Highways 54, 77, 104, 105 and 152 within the County lines. The County is serviced by CSX Transportation and the West Tennessee Railroad. The nearest port is in Hickman, KY on the Mississippi River over 45 miles away. Gibson County Airport has a runway that is 4,800 feet in length. The nearest commercial airport is the McKellar-Sipes Regional Airport, over 20 miles away at Jackson, Tennessee.

EDUCATION

Gibson County has a unique system of education within the State of Tennessee. While most counties within the State of Tennessee incorporate a county-wide school system, Gibson County is divided into five school districts. Each district consists of one or more towns and the surrounding geographical area. The schools are well equipped, and they rank high in the Tennessee system, as well as in the Southern Association of Secondary Schools and Colleges. Adult classes are offered in the public school system at Trenton.

Bradford Special School District is the smallest of the Districts. It has only two schools in the Town of Bradford with a fall 2023 enrollment of about 597 students. *Gibson County Special School District* is the largest District with nine schools. This District had a fall 2023 enrollment of 3,785 students. It serves the cities of Dyer, Gibson, Kenton, Medina, Rutherford, Yorkville and the unincorporated areas around the County. *Humboldt City School System* has three schools in the City with a fall 2023 enrollment of 798 students. *Milan Special School District* has three schools in the City with a fall 2023 enrollment of 1,894 students. *Trenton Special School District* has three schools in the City with a fall 2023 enrollment of 1,267 students.
Source: Gibson County Chamber of Commerce and Tennessee Department of Education.

Dyersburg State Community College Trenton Campus. Dyersburg State Community College is an accredited public comprehensive community college that operates within the governance of the Tennessee Board of Regents. Founded in 1967, Dyersburg State is located on a 100-acre campus in Dyer County, Tennessee and serves the educational needs of a seven-county area of Northwest Tennessee: Lake, Obion, Dyer, Gibson, Lauderdale, Crockett and Tipton Counties. The fall of 2022 semester had an enrollment of 2,743 students. Dyersburg State also offers increased access to education via technology-assisted instruction, distance learning and course offerings at convenient locations in three other campuses in Obion, Gibson and Tipton Counties.

Source: Dyersburg State Community College and Tennessee Higher Education Commission.

Jackson State Community College is located in Madison County and was founded in 1967. Jackson State offers associate degrees, certificates, and enrichment courses as preparation for further higher education and for career entry or advancement. The fall 2022 enrollment was 3,504 students. There are also three satellite campuses: Savannah (Hardin County), Lexington (Henderson County) and Humboldt (Gibson County).

Source: Jackson State Community College and Tennessee Higher Education Commission.

The Tennessee College of Applied Technology at Jackson. The Tennessee College of Applied Technology at Jackson (the "TCAT-J") is part of a statewide system of 26 vocational-technical schools. The TCAT-J 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 TCAT-J serves the southwest region of the state including Chester, Crocket, Fayette, Gibson, Hardeman, Haywood, Henderson, and Madison Counties. The TCAT-J began operations in 1963, and the main campus is located in Madison County. In 2021, TCAT-J merged with the Tennessee College of Applied Technology at Whiteville. Fall 2021 enrollment was 2,307 students. There are four satellite centers: the McWherter Instructional Service Center in Jackson, the Lexington Extension Campus, Humboldt High School and the Humboldt Instructional Service Center.

Source: Tennessee College of Applied Technology at Jackson and Tennessee Higher Education Commission.

HEALTHCARE

Gibson County has one hospital and two outpatient clinics owned by West Tennessee Healthcare (the "WTH"). Totally self-supporting, without need for local tax support, all revenues generated provide for overhead costs including employee expense, debt service, purchase of technology, renovation, expansion, creation of new services, and, most importantly, maintaining the low-cost structure. West Tennessee Healthcare operates seven hospitals. Approximately 7,000 employees make up West Tennessee Healthcare, the majority of whom staff Jackson-Madison County General Hospital.

Milan General Hospital has been operating a 73-bed acute care facility since 1941 when the hospital became a wholly-owned affiliate of WTH in 1998. *Humboldt Medical Center* (formerly Humboldt General Hospital) and *Trenton Medical Center* (formerly Gibson General Hospital), located in Humboldt and Trenton, respectively, closed their inpatient facilities and remain open as outpatient clinics only.

Jackson-Madison County General Hospital, located about 27 miles away to the south, is the flagship of West Tennessee Healthcare. The facility is a 642-bed tertiary care center that is the only tertiary care hospital between Memphis and Nashville. The hospital serves a 17-county area of rural West Tennessee. Approximately 400,000 persons reside within the service area. General Hospital offers the West Tennessee Heart and Vascular Center, Kirkland Cancer Center, West Tennessee Women's Center, West Tennessee Rehabilitation Center, West Tennessee Neuroscience and Spine Center, and Emergency Services. General Hospital offers the only open-heart surgery program in rural West Tennessee. Jackson-Madison County General Hospital is fully accredited by The Joint Commission.

Source: West Tennessee Healthcare.

MANUFACTURING AND COMMERCE

Bradford Industrial Parks. Bradford has two industrial sites. Bradford Industrial Park has 78 acres sitting on TN 54 and US 45-E with water, sewage, electricity and gas on site. The second site is Wingo Property with 30 acres in town near Business 45-E. Rail service is on site.

Graball Site. The Graball Site, owned by the U.S. Army, is available for long-term lease and is "inside the fence" of the Milan Industrial Complex. Over 100 acres in size, this Certified Site offers a buildable site of approximately 60 acres just a few hundred feet inside the facility's Graball Gate, which has direct access to U.S. Highway 45, a direct, four-lane divided truck route, accessible to Interstate 40.

Milan Army Ammunition Plant or the Milan Arsenal. Milan Army Ammunition Plant (MLAAP) maintains a capability to Load, Assemble, and Pack reliable medium-to-large caliber ammunition. However, MLAAP is no longer actively producing ammunition and continues with its transition to a commercial distribution site. In 2012 the facility at Milan Arsenal eliminated 500 lost jobs which resulted in an estimated $30 million loss to the local economy in Milan. The Arsenal is located on over 22,350 acres with 1,450 building and 873 igloos. It was established in 1941. The Arsenal function is to serve the United Stated Army with conventional ammunition produced and stored.

Milan Industrial Park. The largest industrial site in the area is the Milan Army Ammunition Plant (the "MLAAP"), a 35 square mile acre facility owned by the U. S. Government but operated by the Lockheed Martin Ordinance System. It is located in mainly in Milan, Gibson County with some acreage also in Carroll County. The MLAAP mission is to load, assemble, pack, store, and ship/receive containerized conventional ammunition. MLAAP is housed on 22,357 acres with 1,450 buildings and 873 igloos and a storage capacity of 2,270,000 square feet. The site employs military, civilian and contractor personnel. Milan Ordnance Depot and Wolf Creek Ordnance Plant were established in 1941. In 1943, they merged, becoming Milan Ordnance Center and later Milan Arsenal in 1945. In the 1960s, it became MLAAP.

Select Tennessee Certified Industrial Sites. The following are certified as a select Tennessee Certified Industrial Site: Gibson County Industrial Park, North Site (285 acres) in Humboldt; Gibson County Industrial Park, South Site (161 acres) in Humboldt; City of Milan Industrial Park Site (43 acres); Dyer Industrial Park (33 acres); and Milan Commercial Complex, Graball Site (107 acres).

Trenton Industrial Parks. There are two major industrial parks in Trenton; the largest being Industrial Park Drive, containing 115 acres and Manufacturer's Row, containing 15 acres. These two sites feature rail line support and ready access (.5 miles) to the local divided state highway (45) which joins the interstate highway system in Jackson 27 miles from the industrial parks. The city has a large industrial park that is home to Trenton's largest industries. The park features the still-available 63,000 square foot Trenton Spec Building. The building site features electricity, gas, water and sewage.

Tyson Foods, Inc. Tyson Foods, one of the world's largest food companies, operates facilities in Goodlettsville, Newbern, Shelbyville, Humboldt and Union City in Tennessee. The company employs more than 5,500 in the state.

Source: Gibson County Chamber of Commerce.

Downtown Programs

Select Tennessee Certified Sites Program (the "STCSP"). The Gibson County Industrial Park, North Site (285 acres), the Gibson County Industrial Park, South Site (161 acres), the City of Milan Industrial Park Site (43 acres), the Dyer Industrial Park (33 acres), and the Milan Commercial Complex, Graball Site (107 acres) have all been certified with the STCSP. The STSCP has helped communities prepare industrial sites for private investment and job creation since 2012. The certification process ensures that each certified site meets high quality standards and are primed for development. Certified sites must have documented environmental conditions and geotechnical analysis, existing onsite utilities or a formal plan to extend utilities to the site, and truck-quality road access. The program's goal is to give companies detailed and reliable information during the site selection process and markets the sites to a targeted group of site selection consultants and business leaders in Tennessee's key industry clusters. As of 2024, seventy-three sites in Tennessee have been certified and 23 companies have invested over $2.01 billion in capital investment to construct facilities on certified sites, accounting for more than 7,494 new job commitments.

Source: Tennessee Department of Economic and Community Development.

Tennessee Downtowns. The Cities of Humboldt, Milan and Trenton have historically significant downtowns that have been improved through the Tennessee Downtowns program. Tennessee Downtowns is an affiliated program of Tennessee Main Street designed to help rural communities to revitalize their downtown areas. The Tennessee Downtowns program helps local communities revitalize traditional commercial districts, enhance community livability, spur job creation and maintain the historic character of downtown districts. The two-year program coaches selected communities and their steering committees through the steps of launching effective renewal efforts. Tennessee Downtowns includes community training in the Main Street America program and a grant for a downtown improvement project. As of April 2024, Tennessee Department of Economic and Community Development (the "TNECD") provides the Tennessee Downtowns program to 90 communities that want to pursue the Main Street America approach to downtown revitalization.

The selected communities all have downtown commercial districts established at least 50 years ago and have demonstrated their readiness to organize efforts for downtown revitalization according to Main Street America principles. The highly competitive selection process was based on historic commercial resources, economic and physical need, demonstrated local effort, overall presentation and probability of success. Grants are awarded to organizations that illustrated the need for improvements and the ability to execute an effective design plan for building facades, wayfinding signage, gateways and streetscapes. As part of the program, each new grant recipient will be required to match 25-percent of the funding received.

Tennessee Downtown communities that complete the program are eligible for additional Downtown Improvement Grants as well as Main Street designation. There are currently 46 nationally accredited Main Street communities in Tennessee, 20 of which successfully completed the Tennessee Downtowns program prior to their national accreditation.

Source: Tennessee Department of Economic and Community Development.

Tennessee Main Street Program. The City of Humboldt also has a historically significant downtown that it has improved through accreditation with the Tennessee Main Street Program. As of May 2024, there are almost 50 communities that are accredited through the state program Tennessee Main Street Accreditation and a program of the national Trust for Historic Preservation (called Main Street America). The Main Street Program provides training, support and grant opportunities to assist in downtown revitalization efforts to focus on historic preservation, community events and economic revitalization. In 2020, accredited Tennessee Main Street communities generated $79 million of public and private investment and nearly 158 new businesses. The Tennessee Main Street Program requires communities to illustrate a commitment from local government and other local organizations, an adequate organizational budget, a strong historic preservation ethic, a collection of historic commercial buildings and a walkable district.

Source: Tennessee Department of Economic and Community Development.

Major Employers in Gibson County, Tennessee

Company	Product	Location	Employees
Tyson	Manufacturing	Humboldt	1,556
Gibson Co. Special School District	Education	Dyer	550
Ceco Door Products	Metal Doors	Milan	514
Milan Express Supply Chain	Manufacturing	Milan	500
Wal-Mart	Retail	Humboldt & Milan	500
AADG, Inc.	Doors and Frames	Milan	490
MacLean Power Systems	Products for Utilities	Trenton	388
Milan Special School District	Education	Milan	300
Gibson County	Government	Trenton	292
Winfrey Center	Disabled Persons Assistive Services	Trenton	250
Dana Corporation	Automotive Parts	Humboldt	234
Sav-A-Lot	Grocery Distribution	Humboldt	212
Kongsberg Automotive	Automotive Parts	Milan	194
Humboldt Special School District	Education	Humboldt	189
Bongard South, LLC		Humboldt	167
Schwarz Supply Source	Distribution	Milan	160
Reinhausen Manufacturing, Inc.	Load Tap Changer	Humboldt	135
Delta Contracting	Road Construction	Humboldt	125
Pratt Industries	Corrugated Containers	Humboldt	120
Westrock Co. (Rock Tenn)	Corrugated Containers	Humboldt	110
Trenton Special School District	Education	Trenton	108

Source: TN Department of Economic and Community Development (2024).

ECONOMIC DATA

Per Capita Personal Income

	2018	2019	2020	2021	2022
National	$53,309	$55,547	$59,153	$64,430	$65,470
Tennessee	$46,452	$48,889	$51,928	$56,970	$58,292
Gibson County	**$36,598**	**$39,513**	**$42,564**	**$46,593**	**$46,051**
Index vs. National	69	71	72	72	70
Index vs. State	79	81	82	82	79

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Social and Economic Characteristics

	National	Tennessee	Gibson County	Humboldt	Milan
Median Value Owner Occupied Housing	$281,900	$232,100	$130,900	$89,100	$123,100
% High School Graduates or Higher Persons 25 Years Old and Older	89.10%	89.30%	87.6%	83.0%	85.4%
% Persons with Income Below Poverty Level	11.50%	13.30%	14.9%	17.6%	19.4%
Median Household Income	$75,149	$64,035	$55,455	$40,299	$42,909

Source: U.S. Census Bureau State & County QuickFacts - 2022.

TOURISM

Trenton Historic District. The town itself was placed on the National Register of Historic Places in 1982 as the Trenton Historic District with 96 buildings and 520 acres - this collection of homes includes antebellum mansions, quaint cottages, and three tree lined streets. The three red and blond brick court house built in 1899 features a clock tower and a hanging bell. Most of the homes are privately owned, but the restored Freed House is owned and operated by the city. It is open for tours and special events.

West Tennessee Strawberry Festival. Humboldt is the home of the West Tennessee Strawberry Festival, held the first full week in May. The Festival was established in 1934 and attracts over 100,000 people every year. It is a nationally recognized event and has led to the establishment of the Strawberry Festival Historical Museum.

Source: Humboldt Chamber of Commerce.

RECENT DEVELOPMENTS

Global Track Manufacturing. Construction was completed in 2020 on a production facility in Milan for Global Track Manufacturing USA, Inc. This Milan plant is Global Track's second facility and will create approximately 250 jobs. Global Track manufactures rubber tracks and undercarriage for industrial and agricultural equipment.

Hargett Materials, Inc. The construction materials manufacturing company, Hargett Materials, Inc. (the "HMI"), began construction on a new facility to expand its Milan operations. HMI invested $2.2 million and will add approximately 50 jobs over the next five years. HMI will expand its operations by constructing a new 100,000-square-foot production facility and rail spur to serve the Milan facility with raw materials and help export finished products nationwide.

Love's Travel Stops. Love's Travel Stops built a new $8.8 million tire retread and distribution facility in 2019 in Milan. The 200,000-square-foot Milan facility is largest of its kind for Love's and created approximately 80 jobs. Love's operates more than 490 locations and 330 Love's Truck Tire Care centers and Speedco locations across the U.S. Love's Travel Stops is a national travel stop network with more than 490 locations in 41 states and offers heavy-duty tire care, light mechanical services, commercial truck oil changes and roadside assistance for professional drivers.

Tyson Food, Inc. Tyson Food finished construction on a new facility in Gibson County Industrial Park North site in Humboldt. The facility operates as a tray pack facility, which includes a hatchery, processing facility and feed mill. The facility was operational in 2019. Leading food processor, Tyson Foods, created more than 1,500 jobs and invested over $300 million in Humboldt, which represents Tyson's biggest investment in Tennessee and the single largest investment in Gibson County's history.

Tyson Foods is one of the world's largest food processing companies. The company produces chicken, beef and pork, as well as prepared foods. The company offers food products under *Tyson, Jimmy Dean, Hillshire Farm, Sara Lee, Ball Park, Wright, Aidells and State Fair* brands. Tyson currently has four facilities in Tennessee and employs approximately 5,000 Tennesseans.

ZLINE Kitchen and Bath. Four years after establishing its distribution headquarters in Carroll County, ZLINE will expand as the company acquires the former Dura Automotive Systems building. As a result of the project, ZLINE will create approximately 50 jobs in Gibson County. ZLINE will employ more than 100 people in Northwest Tennessee through the expansion.

Source: The Jackson Sun and Tennessee Department of Economic & Community Development.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC RESOLUTION

SUMMARY OF RESOLUTION

The following information is a brief summary of certain provisions of the Resolution, as defined in the Official Statement, a copy of which is available at the office of the Authority. This summary is not to be considered a complete statement of the Resolution, and, accordingly, is qualified by reference thereto and is subject to the full text thereof.

Definitions of Certain Terms

The following are definitions of certain terms used in the Resolution and in this Official Statement.

"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 Chapter 41 of the Private Acts of 2023-2024 and Sections 7-36-101 *et seq*., Tennessee Code Annotated, as amended.

"Authority" means the Humboldt Utilities 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 Humboldt, Tennessee, a board of public utilities of the City.

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

"Bonds" means the Outstanding Parity Obligations, the Series 2025 Bonds and any Parity Bonds.

"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 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 Bonds 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:

(a) 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.

(b) 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 the Resolution 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 Resolution.

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

"Federal Tax Certificate and Agreement" means a certificate and agreement of the Authority to establish and preserve the tax-exempt status of the Series 2025 Bonds under Sections 103 and Sections 141-150 of the Code.

"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 the 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.

"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 payments in lieu of taxes, 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.

"Outstanding Parity Obligations" means the Authority's outstanding Electric System Revenue Bonds, Series 2024A, dated July 1, 2024, and Series 2024B, dated July 1, 2024.

"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 Outstanding Parity Obligations and the Series 2025 Bonds authorized in accordance with the restrictive provisions of the 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.

"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 Regions Bank, Nashville, Tennessee, or any successor designated by the Board of Directors.

"Reserve Fund" shall mean the Debt Service Reserve Fund established pursuant to the Resolution.

"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 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 Bonds to be secured thereby from each Rating Agency that rates both such issuer and such 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 Outstanding Parity Obligations and the Series 2025 Bonds Reserve Fund Requirement, shall be $0.

"Revenue Fund" shall have the meaning ascribed in the Resolution.

"Series 2025 Bonds" means the Electric System Revenue Bonds, Series 2025 authorized to be issued by the 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 the Resolution.

"State" means the State of Tennessee.

"System" means the electrical power distribution system of the Authority, 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 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 as defined herein 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 Security

The Bonds shall be payable solely from and secured solely 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 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

Application of Revenues. From and after the delivery of any of the Series 2025 Bonds, and as long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds, the Gross Earnings of the System shall be deposited as collected by the Authority to the Revenue Fund (the "Revenue Fund"), administered and controlled by the Board of Directors. The funds so deposited in the Revenue Fund created under the 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 Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds are paid in full or discharged and satisfied pursuant to the Resolution, beginning in the month next following delivery of the Series 2025 Bonds.

For the period commencing with the month next following the delivery of any Bonds, to and including the month of the next interest payment date for such 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 Bonds on the next interest payment date, and for each six month period thereafter, each monthly deposit as to interest for such Bonds shall be an equal to not less than one-sixth ($1/6^{th}$) of the interest coming due on such 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 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 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 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 Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to the 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 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 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.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the terms 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 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.

Surplus Funds. The next available money in the Revenue Fund shall be used to make payments in lieu of taxes and pay the 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 Bonds; and may thereafter be used by the Authority for any legally permissible purpose, as the Board of Directors shall determine.

Investments and Maintenance of Funds. Money on deposit in the Funds may be invested by the Authority in such investments as shall be permitted by applicable law, as determined by an authorized representative of the Authority, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature or are subject to repurchase more than two years from the date the money is so invested. The Authority is authorized to enter into contracts with third parties for the investment of funds in any of the Funds.

The Revenue Fund, the Debt Service Sinking Fund, and the Reserve Fund (except to the extent funded with a Reserve Fund Credit Facility or Facilities) shall be held and maintained by the Authority and, when not invested, kept on deposit with a bank or financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable State law.

The proceeds of the investments shall be administered in manner consistent with the Federal Tax Certificate and Agreement.

Covenants Regarding the Operation of System

Charges for Services Supplied by the System. While the 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 the Resolution.

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 Bonds, and 100% of the Debt Service Requirement on all other subordinate lien or unsecured 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 make all payments in lieu of taxes and 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 this 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 Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (B) to the purchase of Bonds at the market price thereof so long as such price does not exceed the amount at which the 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 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 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.

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 in the Resolution, 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.

Operation of Broadband or Telecommunications Networks. If at any time the Authority shall operate a broadband network or a telecommunications network, as incorporated by the Act and described in Sections 7-52-401 et seq. and 7-52-601 et seq., Tennessee Code Annotated, the Authority shall (a) operate such networks as divisions separate and apart from the System, (b) properly and fully allocate to such networks the costs of any assets of the System used thereby, and (c) in all respects comply with such statutes in its operation of the System and the application of the revenues thereof.

Remedies of Bond Owners

Any registered owner of any of the 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 this 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 Bonds, then upon the filing of suit by any registered owner of said 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 Resolution.

Prohibition of Prior Lien; Parity Bonds

Prohibition of Prior Liens. The Authority will not issue 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 Bonds.

Parity Bonds. Additional bonds, notes, Loan Agreements or obligations may hereafter be issued on parity with the 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 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 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 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 the Outstanding Parity Obligations Series 2025 Bonds, and the Parity Bonds so issued shall be secured on a parity with such Series 2025 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 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 Adviser 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 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 Resolution.

<u>Applicability of Resolution to Parity Bonds</u>. All the provisions and covenants of this resolution relating to negotiability and registration of 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

Bonds, the issuance of additional bonds, modification of this resolution, the defeasance of 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 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.

Discharge and Satisfaction of Bonds

If the Authority shall pay and discharge the indebtedness evidenced by all or any portion of the 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 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 Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such 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);

(c) By delivering such 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 Bonds, or make adequate provision therefor, and by resolution of the Board of Directors instruct any such 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 Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Authority and the Authority to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Authority shall pay and discharge the indebtedness evidenced by any of the 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.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section 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 Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) 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 (B) 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 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.

Modification of Resolution

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

Other Amendments. In addition to the amendments to the Resolution without the consent of registered owners as referred to above, the registered owners of a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any case any 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 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 Bonds, as to:

(d) Make any change in the maturities or redemption dates of the Bonds;

(e) Make any change in the rates of interest borne by the Bonds;

(f) Reduce the amount of the principal payments or redemption premiums payable on the Bonds;

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

(h) Affect the rights of the registered owners of less than all of the Bonds then outstanding; or

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

Procedure for 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 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 Bonds then outstanding as in this Section defined, 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 Bonds.

If the registered owners of at least a majority in aggregate principal amount of the 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 Bonds, whether or not such owner shall have consented to or shall have revoked any consent as in this Section 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 Bond pursuant to the provisions of this Section 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 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 Bonds outstanding as in this Section defined 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 of this Section 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 Bonds owned by any person executing such instrument and the date of the ownership of the same shall be proved by reference to the Bond registration records maintained by the Registration Agent, which records shall constitute conclusive proof of the ownership thereof.

If any 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 the Resolution on behalf of the owners of the Bonds insured by such bond insurer, provided that no bond insurer shall be entitled to consent to any modifications to the Resolution that require the unanimous consent of the owners of the Bonds.

Certain Provisions Regarding Municipal Bond Insurance Policy

Build America Mutual Assurance Company's ("BAM's") prior written consent is required for all amendments and supplements to the Resolution, with the exceptions of amendments or supplements to cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto. Any amendment, supplement, modification to, or waiver of, any of the Resolution that requires the consent of holders of the Series 2025 Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

Each owner of the Series 2025 Bonds appoints BAM as their agent and attorney-in-fact with respect to the Series 2025 Bonds and agrees that BAM may at any time during the continuation of any proceeding by or against the District or the System under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each owner of the Series 2025 Bonds delegates and assigns to BAM, to the fullest extent permitted by law, the rights of such owner of the Series 2025 Bonds with respect to the Series 2025 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

Anything in the Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Series 2025 Bonds or the Paying Agent for the benefit of the holders of the Series 2025 Bonds under the Resolution. No default or event of default may be waived without BAM's written consent.

Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Series 2025 Bonds for all purposes under the Resolution, including, without limitations, for purposes of exercising remedies and approving amendments.

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APPENDIX D

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
OF
HUMBOLDT BOARD OF PUBLIC UTILITIES
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2024 AND 2023

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
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INTRODUCTORY SECTION

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
DIRECTORY
June 30, 2024

GOVERNING BOARD

Calvin Campbell
Terry Drumwright
Mike Barker
Kathleen Smith
Monte Johnson

MANAGEMENT TEAM

Alex Smith, General Manager
Jenny Skelton, Accounting Manager

COUNSEL

Floyd Flippin, Attorney
Humboldt, Tennessee

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ATA, PLLC
Jackson, Tennessee

FINANCIAL SECTION

Independent Auditor's Report

Board of Directors
Humboldt Utilities
Humboldt, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of Humboldt Utilities (the Utility), enterprise funds of the City of Humboldt, Tennessee, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Utility’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 and each major fund of the Utility, as of June 30, 2024 and 2023 and the changes in financial position and cash flows 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 and the standards applicable to financial audits contained in *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 Utility 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.

Emphasis of Matter

As discussed in Note 1A, the financial statements present only the Utility and do not purport to, and do not, present fairly the financial position of the City of Humboldt, Tennessee, as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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 Utility'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.

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 management's discussion and analysis, schedules of changes in the Humboldt Utilities' net pension liability (asset) and related ratios based on participation in the public employee pension plan of TCRS, schedules of Humboldt Utilities' contributions based on participation in the public employee pension plan of TCRS, notes to required supplementary information TCRS, schedule of changes in total OPEB liability and notes to required supplementary information OPEB as listed in the table of contents 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 Utility's basic financial statements. The financial information listed as supplementary and other information in the Table of Contents, except that which is marked "unaudited," 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 financial information listed as supplementary and other information in the Table of Contents, except that which has been marked "unaudited," are 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 introductory section and the supplementary and other information which has been marked “unaudited” as listed in the table of contents 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 *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024, on our consideration of the Utility’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 is to 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 Utility’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Utility’s internal control over financial reporting and compliance.

ATA, PLLC

Jackson, Tennessee
October 28, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of Humboldt Utilities (the Utility) electric, water, sewer, and gas funds' activities and financial performance provides the reader with an introduction and overview to the financial statements for the years ended June 30, 2024 and 2023. This information should be considered within the context of the accompanying financial statements and note disclosures.

FINANCIAL HIGHLIGHTS

Management believes the Utility's financial condition is strong. The Utility is well within the 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 $79.24 million and exceeded liabilities and deferred inflows in the amount of $52.32 million (i.e. net position).
- Net position increased by $2.62 million during the current year due primarily to a operating surplus.
- During fiscal year 2024, the Utility delivered 208.66 million kWh of electricity, 571 thousand MCF of gas and 1.06 billion gallons of water compared to 201.59 million kWh of electricity, 596 thousand MCF of gas and 1.06 billion gallons of water during the fiscal year 2023.
- Operating revenues were $29.17 million, a decrease from fiscal year 2023 in the amount of $2.85 million or 8.90%.
- Operating expenses were $26.20 million, a decrease from fiscal year 2023 in the amount of $1.19 Million or 4.36%. The majority of the decrease is due to an decrease in cost of sales and services of $2.50 million.
- The operating income for the year was $2.96 million which is a decrease of $1.66 million over fiscal year 2023. The majority of the decrease is due to an decrease in charges for sales and service.
- Ratios of operating income to total operating revenue were 10.16% and 14.43% for 2024 and 2023.

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 information. The MD&A represents management's examination and analysis of the Utility's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Utility's strategic plan, budget, bond resolutions, and other management tools were used for this analysis. The Financial Statements and Supplementary Information are made up of four sections: 1) the introductory section, 2) the financial section, 3) the supplementary and other information section, and 4) the internal control and compliance section. The introductory section includes the Utility's directory. The financial section includes the MD&A, the independent auditor's report, 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 and compliance. These sections make up the financial report presented here.

REQUIRED FINANCIAL STATEMENTS

An enterprise fund is used to account for the operations of the Utility, 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 Utility presents the Electric, Water and Sewer, and Gas funds as major funds in the financial statements.

The financial statements report information about the Utility, using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The *Statement of Net Position* presents the financial position of the Utility on a full accrual historical cost basis. The statement includes all of the Utility's assets, liabilities, and deferred inflows/outflows of resources with the differences reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Utility is improving or deteriorating.

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 Utility's operations and can be used to determine whether the Utility has successfully recovered all of its costs. This statement also measures the Utility'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 *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 Utility'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 Utility's finances is "Is the Utility, 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 Utility's activities in a way that will help answer this question. These two statements report the net position of the Utility and the changes in the net position. Net position is one way to measure the financial health or financial position of the Utility. Over time, increases or decreases in the Utility's net position are 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 Utility's total net position increased by $2.62 million and $4.29 million for the fiscal years ended June 30, 2024 and 2023. The analysis below focuses on the Utility's net position (Table 1A and 1B) and changes in net position (Table 2A and 2B).

Table 1A

CONDENSED STATEMENT OF NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease) Amount	Increase (Decrease) Percentage
Current and other assets	$ 20,004,816	$ 17,661,504	$ 2,343,312	13.27%
Noncurrent assets	92	91	1	1.10%
Capital assets	58,120,024	60,179,369	(2,059,345)	-3.42%
Total assets	78,124,932	77,840,964	283,968	0.36%
Deferred outflows of resources	1,113,508	985,815	127,693	12.95%
Long-term liabilities	21,281,600	22,431,270	(1,149,670)	-5.13%
Other liabilities	5,391,675	6,385,664	(993,989)	-15.57%
Total liabilities	26,673,275	28,816,934	(2,143,659)	-7.44%
Deferred inflows of resources	244,322	313,897	(69,575)	-22.16%
Net investment in capital assets	36,995,645	37,720,423	(724,778)	-1.92%
Unrestricted	15,325,198	11,975,525	3,349,673	27.97%
Total net position	$ 52,320,843	$ 49,695,948	$ 2,624,895	5.28%

Table 1B

CONDENSED STATEMENT OF NET POSITION

	June 30, 2023	June 30, 2022	Increase (Decrease) Amount	Increase (Decrease) Percentage
Current and other assets	$ 17,661,504	$ 13,122,595	$ 4,538,909	34.59%
Noncurrent assets	91	2,466,669	(2,466,578)	-100.00%
Capital assets	60,179,369	61,219,971	(1,040,602)	-1.70%
Total assets	77,840,964	76,809,235	1,031,729	1.34%
Deferred outflows of resources	985,815	1,113,696	(127,881)	-11.48%
Long-term liabilities	22,431,270	21,749,266	682,004	3.14%
Other Liabilities	6,385,664	9,267,932	(2,882,268)	-31.10%
Total liabilities	28,816,934	31,017,198	(2,200,264)	-7.09%
Deferred inflows of resources	313,897	1,495,936	(1,182,039)	-79.02%
Net investment in capital assets	37,720,423	37,384,473	335,950	0.90%
Restricted for net pension asset	-	802,895	(802,895)	-100.00%
Unrestricted	11,975,525	7,222,429	4,753,096	65.81%
Total net position	$ 49,695,948	$ 45,409,797	$ 4,286,151	9.44%

Total assets increased across the three-year period by 1.71%. Total liabilities decreased across the three-year period by 14.00%. Ending net position increased 15.22% across the three-year period. The increases are primarily due to the construction and expansion of all systems and related loans and capital contributions as a direct result of the industrial park project.

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

Table 2A

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

			Increase (Decrease)	
	June 30, 2024	June 30, 2023	Amount	Percentage
Operating revenues	$ 29,166,766	$ 32,017,506	$ (2,850,740)	-8.90%
Non-operating revenues and capital contributions	401,120	469,166	(68,046)	-14.50%
Total revenues	29,567,886	32,486,672	(2,918,786)	-8.98%
Cost of sales and service	16,050,841	18,554,582	(2,503,741)	-13.49%
Operations and maintenance	8,171,025	7,073,214	1,097,811	15.52%
Depreciation	1,980,365	1,768,801	211,564	11.96%
Transfers	462,513	503,091	(40,578)	-8.07%
Interest and other expenses	278,247	300,833	(22,586)	-7.51%
Total expenses	26,942,991	28,200,521	(1,257,530)	-4.46%
Change in net position	2,624,895	4,286,151	(1,661,256)	-38.76%
Net position - beginning	49,695,948	45,409,797	4,286,151	9.44%
Net position - ending	$ 52,320,843	$ 49,695,948	$ 2,624,895	5.28%

Table 2B

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

			Increase (Decrease)	
	June 30, 2023	June 30, 2022	Amount	Percentage
Operating revenues	$ 32,017,506	$ 28,790,516	$ 3,226,990	11.21%
Non-operating revenues and capital contributions	469,166	3,574,964	(3,105,798)	-86.88%
Total revenues	32,486,672	32,365,480	121,192	0.37%
Cost of sales and service	18,554,582	17,457,519	1,097,063	6.28%
Operations and maintenance	7,073,214	6,868,070	205,144	2.99%
Depreciation	1,768,801	1,120,440	648,361	57.87%
Transfers	503,091	485,110	17,981	3.71%
Interest and other expenses	300,833	310,863	(10,030)	-3.23%
Total expenses	28,200,521	26,242,002	1,958,519	7.46%
Change in net position	4,286,151	6,123,478	(1,837,327)	-30.00%
Net position - beginning	45,409,797	39,286,319	6,123,478	15.59%
Net position - ending	$ 49,695,948	$ 45,409,797	$ 4,286,151	9.44%

Operating revenues showed a 1.31% increase across the three-year period. The increase is primarily due to fluctuations in electric, water, wastewater and gas rates as well as fluctuations in usage and as a result of the industrial park expansion and new industries in the area getting up and running. Total expenses increased by 2.67% across the three-year period. The increase is primarily due to fluctuations in cost of sales and updates to the system. Ending net position increased 15.22% across the three-year period due to the above-mentioned facts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

At the end of fiscal years 2024 and 2023, the utility had $58.12 and $60.18 million (net of accumulated depreciation) invested in a broad range of utility capital assets. This investment includes land, land rights, distribution, transmission, and treatment plant and their related equipment and various types of equipment. Based on the uses of the aforementioned assets, they are classified for financial purposes as general plant, transmission and treatment plant, distribution plant, and construction in progress. This investment represents an overall decrease (net of increases and decreases) of $3.10 million or 5.06% over the three-year period. The increase in capital assets is primarily due to the construction and expansion of all systems as a direct result of the industrial park project.

The following tables summarize the Utility's capital assets, net of accumulated depreciation, and changes therein for the years ended June 30, 2024 and 2023. These changes are presented in detail in Note 3C to the financial statements.

Table 3A

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

			Increase (Decrease)	
	June 30, 2024	June 30, 2023	Amount	Percentage
General plant	$ 2,378,685	$ 2,383,750	$ (5,065)	-0.21%
Transmission and treatment plant	4,314,391	6,041,778	(1,727,387)	-28.59%
Distribution plant	50,099,257	50,964,868	(865,611)	-1.70%
Construction in progress	1,327,691	788,973	538,718	68.28%
Total	$ 58,120,024	$ 60,179,369	$ (2,059,345)	-3.42%

Table 3B

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

			Increase (Decrease)	
	June 30, 2023	June 30, 2022	Amount	Percentage
General plant	$ 2,383,750	$ 2,244,016	$ 139,734	6.23%
Transmission and treatment plant	6,041,778	6,357,584	(315,806)	-4.97%
Distribution plant	50,964,868	21,837,458	29,127,410	133.38%
Construction in progress	788,973	30,780,913	(29,991,940)	-97.44%
Total	$ 60,179,369	$ 61,219,971	$ (1,040,602)	-1.70%

B. Debt Administration

The Utility has outstanding notes and bonds payable of $21.12 million as of June 30, 2024. Principal payments are due in the upcoming fiscal year in the amount of $1.32 million with interest payments totaling approximately $247 thousand also due. Details relating to the outstanding debt can be found in Note 3D. The decrease in notes and bonds is primarily due to current year payments of debt.

ECONOMIC FACTORS AND RATES

Gas rates established in 2024 along with the present risk management plan should provide for adequate margins in the year ending June 30, 2025. Potential increases in electric and water/sewer rates may occur to provide adequate margins for replacement and renewal as well as covering operating expenses. The Utility continues to work closely with the City of Humboldt and the local Chamber of Commerce to promote industrial development for Humboldt and the Gibson County Industrial Park.

CONTACTING THE UTILITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Utility's finances for all those with an interest in the Utility's finances and to demonstrate the Utility'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 Accounting Manager of the Humboldt Utilities, P.O. Box 850, Humboldt, TN 38343.

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
STATEMENTS OF NET POSITION
June 30, 2024 and 2023

Assets	Electric Fund		Water and Sewer Fund		Gas Fund		Totals	
	2024	2023	2024	2023	2024	2023	2024	2023
Current assets:								
Cash on hand	$ 1,500	$ 1,300	$ -	$ -	$ -	$ -	$ 1,500	$ 1,300
Cash and cash equivalents - general	3,490,341	3,409,761	6,160,081	6,121,868	4,217,788	3,303,009	13,868,210	12,834,638
Cash investments	-	-	2,000,000	1,000,000	-	-	2,000,000	1,000,000
Accounts receivable - trade (net of allowance for uncollectibles)	1,915,829	1,794,409	-	-	-	-	1,915,829	1,794,409
Accounts receivable - CSA	105,879	81,032	-	-	-	-	105,879	81,032
Accounts receivable - other	29,847	36,915	567	466	1,061	988	31,475	38,369
Materials and supplies	328,092	310,656	162,077	119,754	49,683	52,314	539,852	482,724
Prepayments and other current assets	177,558	131,836	55,313	40,395	55,563	40,395	288,434	212,626
Total current assets	6,049,046	5,765,909	8,376,113	7,282,483	4,324,095	3,396,706	18,749,254	16,445,098
Noncurrent assets:								
Restricted cash equivalents	-	-	92	91	-	-	92	91
Total noncurrent assets	-	-	92	91	-	-	92	91
Other assets:								
Investment in associated company	-	-	-	-	1,091,705	1,010,939	1,091,705	1,010,939
Advance to customers - TVA Home Insulation Program	25,813	53,429	-	-	-	-	25,813	53,429
Other deferred charges	133,194	147,994	-	-	4,850	4,044	138,044	152,038
Total other assets	159,007	201,423	-	-	1,096,555	1,014,983	1,255,562	1,216,406
Capital assets, not being depreciated								
Transmission and treatment plant	125,732	125,732	-	-	-	-	125,732	125,732
Distribution plant	91,661	91,666	-	-	-	-	91,661	91,666
General plant	37,823	37,823	88,106	88,106	33,896	33,896	159,825	159,825
Construction in progress	648,209	410,360	541,817	221,213	137,665	157,400	1,327,691	788,973
Total capital assets, not being depreciated	903,425	665,581	629,923	309,319	171,561	191,296	1,704,909	1,166,196
Capital assets, net of accumulated depreciation								
Transmission and treatment plant	1,103,119	1,130,226	3,085,540	4,785,820	-	-	4,188,659	5,916,046
Distribution plant	8,517,320	8,631,583	40,117,563	40,851,458	1,372,713	1,390,161	50,007,596	50,873,202
General plant	1,023,280	971,255	497,013	469,913	698,567	782,757	2,218,860	2,223,925
Total capital assets (net of accumulated depreciation)	11,547,144	11,398,645	44,330,039	46,416,510	2,242,841	2,364,214	58,120,024	60,179,369
Total assets	17,755,197	17,365,977	52,706,244	53,699,084	7,663,491	6,775,903	78,124,932	77,840,964
Deferred outflows of resources								
Deferred outflows of resources - OPEB	45,085	46,321	15,162	15,996	11,832	12,508	72,079	74,825
Deferred outflows of resources - pension	651,414	565,325	219,064	194,022	170,951	151,643	1,041,429	910,990
Total deferred outflows of resources	696,499	611,646	234,226	210,018	182,783	164,151	1,113,508	985,815

The accompanying notes are an integral part of these financial statements

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
STATEMENTS OF NET POSITION
June 30, 2024 and 2023

Liabilities	**Electric Fund**		**Water and Sewer Fund**		**Gas Fund**		**Totals**	
	2024	2023	2024	2023	2024	2023	2024	2023
Current liabilities:								
Accounts payable	$ 3,247,975	$ 2,965,752	$ -	$ 1,276,147	$ 111,708	$ 120,860	$ 3,359,683	$ 4,362,759
Tennergy payable - contributed capital	-	-	-	-	-	150	-	150
Other accrued expense	21,222	20,393	-	-	-	-	21,222	20,393
Customers' deposits	665,116	657,397	-	-	-	-	665,116	657,397
Current maturities of compensated absence	16,991	20,504	5,128	5,222	3,929	4,071	26,048	29,797
Current maturities of long-term debt - notes & bonds	190,605	176,127	1,130,926	1,139,041	-	-	1,321,531	1,315,168
Total current liabilities	4,139,984	3,840,173	1,136,054	2,420,410	115,637	125,081	5,391,675	6,385,664
Noncurrent liabilities:								
Notes & bonds payable (less current maturities)	1,439,823	1,672,606	18,363,025	19,471,172	-	-	19,802,848	21,143,778
Net pension liability	380,447	243,889	127,941	84,222	99,841	65,855	608,229	393,966
Other post employment benefits	315,358	280,692	106,052	96,931	82,759	75,793	504,169	453,416
Compensated absence (less current maturities)	152,917	184,532	46,156	47,000	35,360	36,636	234,433	268,168
Other deferred credits	106,108	119,372	-	-	-	-	106,108	119,372
Advances from Tennessee Valley Authority - Home Insulation Program	25,813	52,570	-	-	-	-	25,813	52,570
Total noncurrent liabilities	2,420,466	2,553,661	18,643,174	19,699,325	217,960	178,284	21,281,600	22,431,270
Total liabilities	6,560,450	6,393,834	19,779,228	22,119,735	333,597	303,365	26,673,275	28,816,934
Deferred inflows of resources								
OPEB related	142,154	153,184	47,805	52,899	37,305	41,363	227,264	247,446
Pension related	10,670	41,137	3,588	14,206	2,800	11,108	17,058	66,451
Total deferred inflows of resources	152,824	194,321	51,393	67,105	40,105	52,471	244,322	313,897
Net position								
Net investment in capital assets	9,916,716	9,549,912	24,836,088	25,806,297	2,242,841	2,364,214	36,995,645	37,720,423
Unrestricted	1,821,706	1,839,556	8,273,761	5,915,965	5,229,731	4,220,004	15,325,198	11,975,525
Total net position	**$ 11,738,422**	**$ 11,389,468**	**$ 33,109,849**	**$ 31,722,262**	**$ 7,472,572**	**$ 6,584,218**	**$ 52,320,843**	**$ 49,695,948**

The accompanying notes are an integral part of these financial statements

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2024 and 2023

	Electric Fund		Water and Sewer Fund		Gas Fund		Totals	
Operating Revenues	2024	2023	2024	2023	2024	2023	2024	2023
Charges for sales and service								
(Net uncollectable $4,743 and $515)	$ 17,526,996	$ 18,550,101	$ 6,770,644	$ 7,759,243	$ 4,080,296	$ 4,924,988	$ 28,377,936	$ 31,234,332
Other operating revenue	741,315	723,228	28,302	40,069	19,213	19,877	788,830	783,174
Total operating revenues	18,268,311	19,273,329	6,798,946	7,799,312	4,099,509	4,944,865	29,166,766	32,017,506
Operating Expenses								
Cost of sales and services	14,471,690	15,412,772	-	-	1,579,151	3,141,810	16,050,841	18,554,582
Operating and maintenance	2,784,881	2,713,056	3,895,139	3,626,915	1,491,005	733,243	8,171,025	7,073,214
Provision for depreciation	342,770	233,262	1,445,430	1,298,791	192,165	236,748	1,980,365	1,768,801
Total operating expenses	17,599,341	18,359,090	5,340,569	4,925,706	3,262,321	4,111,801	26,202,231	27,396,597
Operating income (loss)	668,970	914,239	1,458,377	2,873,606	837,188	833,064	2,964,535	4,620,909
Nonoperating Revenues (Expenses)								
Interest and other income	61,233	35,728	165,035	63,537	62,416	126,957	288,684	226,222
Net increase (decrease) in the fair value of investments	-	-	-	-	80,766	67,509	80,766	67,509
Gain (loss) on sale of capital assets	9,482	5,647	179	-	534	641	10,195	6,288
Interest and other expense	(70,850)	(78,700)	(207,397)	(222,133)	-	-	(278,247)	(300,833)
Total nonoperating revenues (expenses)	(135)	(37,325)	(42,183)	(158,596)	143,716	195,107	101,398	(814)
Transfers out - tax equivalents	319,881	349,555	46,015	49,447	96,617	104,089	462,513	503,091
Change in net position before capital contributions	348,954	527,359	1,370,179	2,665,563	884,287	924,082	2,603,420	4,117,004
Capital contributions	-	-	17,408	161,327	4,067	7,820	21,475	169,147
Change in net position	**348,954**	**527,359**	**1,387,587**	**2,826,890**	**888,354**	**931,902**	**2,624,895**	**4,286,151**
Total net position - beginning,	11,389,468	10,862,109	31,722,262	28,895,372	6,584,218	5,652,316	49,695,948	45,409,797
Total net position - ending	$ 11,738,422	$ 11,389,468	$ 33,109,849	$ 31,722,262	$ 7,472,572	$ 6,584,218	$ 52,320,843	$ 49,695,948

The accompanying notes are an integral part of these financial statements

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	Electric Fund		Water and Sewer Fund		Gas Fund		Totals	
	2024	2023	2024	2023	2024	2023	2024	2023
Cash Flows from Operating Activities								
Cash received from consumers	$ 18,129,112	$ 19,717,720	$ 6,798,845	$ 8,210,074	$ 4,099,436	$ 4,944,803	$ 29,027,393	$ 32,872,597
Cash paid to suppliers of goods and services	(16,042,164)	(16,608,457)	(4,432,556)	(3,967,212)	(2,467,581)	(4,026,169)	(22,942,301)	(24,601,838)
Cash paid to employees for services	(986,692)	(887,488)	(782,064)	(750,934)	(615,878)	(590,068)	(2,384,634)	(2,228,490)
Customer deposits received	7,719	76,278	-	-	-	-	7,719	76,278
Net cash provided (used) by operating activities	1,107,975	2,298,053	1,584,225	3,491,928	1,015,977	328,566	3,708,177	6,118,547
Cash Flows from Non-Capital and Related Financing Activities								
Payments in lieu of tax	(319,881)	(349,555)	(46,015)	(49,447)	(96,617)	(104,089)	(462,513)	(503,091)
Increase (decrease) in advances from TVA	(26,757)	(27,942)	-	-	-	-	(26,757)	(27,942)
Net cash flows provided (used) by non capital and related financing activities	(346,638)	(377,497)	(46,015)	(49,447)	(96,617)	(104,089)	(489,270)	(531,033)
Cash Flows from Capital and Related Financing Activities								
Capital contributed by customers and grants	-	-	17,408	161,327	4,067	7,820	21,475	169,147
Principal paid on debt	(218,305)	(216,567)	(1,116,262)	(1,182,485)	-	-	(1,334,567)	(1,399,052)
Proceeds from the issuance of debt	-	-	-	22,500	-	-	-	22,500
Interest paid on bonds, notes and leases	(70,850)	(78,700)	(207,397)	(222,133)	-	-	(278,247)	(300,833)
Cash received in advance for future income	1,536	(28,622)	-	-	-	-	1,536	(28,622)
Construction and acquisition of plant	(460,387)	(164,439)	641,220	(507,824)	(71,064)	(45,418)	109,769	(717,681)
Plant removal cost	(21,999)	(5,851)	-	-	-	-	(21,999)	(5,851)
Materials salvaged from retirements	599	1,621	-	-	-	-	599	1,621
Net cash provided (used) by capital and related financing activities	(769,406)	(492,558)	(665,031)	(1,728,615)	(66,997)	(37,598)	(1,501,434)	(2,258,771)
Cash Flows from Investing Activities								
Purchase of investment	-	-	(1,000,000)	(1,000,000)	-	-	(1,000,000)	(1,000,000)
Interest and other income	61,233	35,728	165,035	63,537	62,416	126,957	288,684	226,222
Conservation loans (made) received	27,616	27,083	-	-	-	-	27,616	27,083
Net cash provided (used) by investing activities	88,849	62,811	(834,965)	(936,463)	62,416	126,957	(683,700)	(746,695)
Net increase (decrease) in cash and and cash equivalents	**80,780**	**1,490,809**	**38,214**	**777,403**	**914,779**	**313,836**	**1,033,773**	**2,582,048**
Cash and cash equivalents - beginning of year	3,411,061	1,920,252	6,121,959	5,344,556	3,303,009	2,989,173	12,836,029	10,253,981
Cash and cash equivalents - end of year	$ 3,491,841	$ 3,411,061	$ 6,160,173	$ 6,121,959	$ 4,217,788	$ 3,303,009	$ 13,869,802	$ 12,836,029
Cash and cash equivalents								
Unrestricted cash on hand	$ 1,500	$ 1,300	$ -	$ -	$ -	$ -	$ 1,500	$ 1,300
Restricted cash equivalents	-	-	92	91	-	-	92	91
Unrestricted cash and cash equivalents	3,490,341	3,409,761	6,160,081	6,121,868	4,217,788	3,303,009	13,868,210	12,834,638
Total cash and cash equivalents	$ 3,491,841	$ 3,411,061	$ 6,160,173	$ 6,121,959	$ 4,217,788	$ 3,303,009	$ 13,869,802	$ 12,836,029

The accompanying notes are an integral part of these financial statements

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	Electric Fund		Water and Sewer Fund		Gas Fund		Totals	
	2024	2023	2024	2023	2024	2023	2024	2023
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities								
Operating income (loss)	$ 668,970	$ 914,239	$ 1,458,377	$ 2,873,606	$ 837,188	$ 833,064	$ 2,964,535	$ 4,620,909
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	342,770	233,262	1,445,430	1,298,791	192,165	236,748	1,980,365	1,768,801
Bad debts	(11,867)	(4,474)	-	-	-	-	(11,867)	(4,474)
Amortization of deferred charges								
Pension and OPEB related	44,874	22,333	12,920	7,582	9,954	8,019	67,748	37,934
Changes in assets and liabilities:								
Accounts receivable	(127,332)	448,865	(101)	410,762	(73)	(62)	(127,506)	859,565
Materials and supplies	(17,436)	324	(42,323)	(8,417)	2,631	(2,910)	(57,128)	(11,003)
Prepayments and other current assets	(45,722)	15,334	(14,918)	26,910	(15,168)	8,910	(75,808)	51,154
Accounts payable and accrued expenses	245,999	591,892	(1,277,085)	(1,117,306)	(10,720)	(755,203)	(1,041,806)	(1,280,617)
Customer deposits	7,719	76,278	-	-	-	-	7,719	76,278
Net cash provided (used) by operating activities	$ 1,107,975	$ 2,298,053	$ 1,584,225	$ 3,491,928	$ 1,015,977	$ 328,566	$ 3,708,177	$ 6,118,547

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

These are enterprise fund financial statements and include only the financial activities of Humboldt Utilities, Humboldt, Tennessee (the Utility). The oversight unit consists of the funds maintained by the Office of the City Recorder of the City of Humboldt, Tennessee (the City).

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Utility's financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the Utility conform to applicable accounting principles generally accepted in the United States of America as defined in by the *Governmental Accounting Standards Board* (GASB).

Enterprise 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 enterprise fund's principal ongoing operations. The principal operating revenues of the Utility are charges to customers for sales and service. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Utility presents the Electric, Water and Sewer, and Gas funds as major funds in the financial statements.

C. Assets, Liabilities, and Net Position

Deposits and Investments
The Utility'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 Utility 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.

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 balance sheet.

Trade receivables result from unpaid billings for service 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 Utility is based on past history of uncollectible accounts and management's analysis of current accounts.

Interfund Transfers
Permanent reallocations of resources between funds of the City of Humboldt, Tennessee are classified as interfund transfers. The transfer recorded in the Utility's financial statements is the City of Humboldt's portion of in-lieu-of taxes. These in-lieu-of taxes occur on a routine basis and are similar in purpose to property taxes assessed by the City to non-governmental entities.

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 balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The Utility 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 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 Utility has established a capitalization threshold of $2,500.

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 Utility are depreciated using the straight line method over the following useful lives:

General plant	5 - 50 years
Treatment plant	12.5 - 50 years
Transmission plant	10 - 50 years
Distribution plant	16.66 - 50 years

Compensated Absences
It is the Utility's policy to permit employees to accumulate earned but unused vacation benefits. Employees accumulate one day every two months their first year, upon completion of six months of employment, employees receive five days additional annually, upon two years of service the employee earns an additional ten days. After eleven years of service, employees earn an additional one day up to twenty days max. All unused time rolls forward annually with no cap on hours. All vacation pay has been accrued and is reflected as a current and noncurrent liability on the financial statements.

Long-term Obligations
Bond premiums, discounts, and loss on refunding, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. The Utility continues to report bond issuance costs 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 Utility.

Pensions
For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Humboldt's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Humboldt's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Other Post-Employment Benefits
Information about the Utility'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 financial 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) until then. The Utility has items that qualify for reporting in the category as of June 30, 2024 and 2023. See the pension disclosures in Note 4A and OPEB in Note 4D for details concerning this balance.

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 represents an 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 Utility has items that qualify for reporting in the category as of June 30, 2024 and 2023. See the pension disclosures in Note 4A and OPEB in Note 4D for details concerning this balance.

Net Position Flow Assumption
Sometimes the Utility 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 Utility's policy to consider restricted - net position to have been depleted before unrestricted-net position is applied.

Net Position
Equity 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 does 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 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Utility adopts flexible annual operating and capital budgets. Budgets are adopted on a basis consistent with generally accepted accounting principles. The current operating budget details the Utility's plans to earn and expend funds for charges incurred for operation, maintenance, certain interest and general functions, and other charges for the fiscal year. The capital budget details the plan to receive and expend cash basis capital contribution fees, special assessments, grants, borrowings, and certain revenues for capital projects.

All unexpended appropriations in the operating budget remaining at the end of the fiscal year lapse.

Management submits a proposed budget to the Utility's Board. A budget is then adopted for the next fiscal year. During the year, management is authorized to transfer budgeted amounts between line items.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of June 30, 2024 and 2023, the Utility had the following non-cash investments:

	June 30, 2024	
	Cost	Fair Value
The Tennergy Corporation	$ 42,000	$ 1,091,705

	June 30, 2023	
	Cost	Fair Value
The Tennergy Corporation	$ 42,000	$ 1,010,939

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. Tennergy Corporation was formed to acquire, sell, distribute, and otherwise deal in gas and electrical power and energy.

Custodial Risk
The Utility'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 Utility's agent in the Utility's name, or by the Federal Reserve Banks acting as third party agents. State statutes also authorize the utility 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, 2024 and 2023 all bank deposits were fully collateralized or insured.

Cash Investments
Investments were made up entirely of certificates of deposits with a maturity of greater than three months for the fiscal years ended June 30, 2024 and 2023.

Investment in Related Company
Included in investments is an equity interest in The Tennergy Corporation. The Tennergy Corporation began operations on April 1, 1998 as a joint venture among the Board of Utility Commissioners of the City of Jackson, Tennessee, the Board of Public Utilities of Humboldt, Tennessee, and the City of Brownsville, Tennessee Utilities Board. The Tennergy Corporation is an

energy acquisition company as provided by the laws of the State of Tennessee. The Corporation's purpose is to purchase and resell energy, including natural gas, electricity, and propane, and to provide consulting and management services to other utilities. As of June 30, 2024 and 2023, the Utility's investment in The Tennergy Corporation amounted to $1,091,705 and $1,010,939, respectively.

The Utility's share of The Tennergy Corporation's net income amounted to $80,766 and $67,509 for the years ended June 30, 2024 and 2023. The Utility's investment in The Tennergy Corporation represented an 11.97% percent interest as of June 30, 2024 and 2023.

As of June 30, 2024, the Corporation had total assets, total liabilities, deferred inflows of resources and net position of $2,008,077,660, $1,794,202,344, $206,847,011 and $7,028,305 respectively.

As of June 30, 2023, the Corporation had total assets, total liabilities, deferred inflows of resources and net position of $1,926,991,369, $1,830,357,097, $90,280,704 and $6,353,568 respectively.

For the fiscal years ended June 30, 2024 and 2023, the Utility owed The Tennergy Corporation $0 and $150 related to a repayment of contributed capital.

For the fiscal years ended June 30, 2024 and 2023, the Utility made purchases from The Tennergy Corporation of $1,282,341 and $1,683,913 related to natural gas, electricity, and propane.

These assets and liabilities reflect investment interests that include, but are not limited to, the Utility. Separate financial statements of The Tennergy Corporation can be obtained for the Corporation in Jackson, Tennessee.

B. Receivables

Receivables as of the fiscal years ending June 30, 2024 and 2023 are comprised of the following:

	June 30,	
	2024	2023
Billed services for utility customers	$ 1,990,130	$ 1,868,991
Other receivables	137,355	119,401
Allowance for doubtful accounts	(74,301)	(74,583)
Total	$ 2,053,184	$ 1,913,810

C. Capital Assets

	Balance at June 30, 2023	Additions	Disposals	Reclass	Balance at June 30, 2024
Capital assets, not being depreciated					
General plant	$ 159,825	$ -	$ -	$ -	$ 159,825
Transmission and treatment plant	125,732	-	-	-	125,732
Distribution plant	91,666	-	-	(5)	91,661
Construction in progress	788,973	845,253	306,535	-	1,327,691
Total capital assets not being depreciated	1,166,196	845,253	306,535	(5)	1,704,909

Capital assets, being depreciated					
General plant	6,228,413	186,588	272,881	-	6,142,120
Transmission and treatment plant	13,947,239	-	-	1	13,947,240
Distribution plant	71,510,475	528,261	1,342,050	-	70,696,686
Total capital assets being depreciated	91,686,127	714,849	1,614,931	1	90,786,046
Less accumulated depreciation for:					
General plant	4,004,488	193,712	274,940	-	3,923,260
Transmission and treatment plant	8,031,193	1,769,926	42,538	-	9,758,581
Distribution plant	20,637,273	955,538	903,721	-	20,689,090
Total accumulated depreciation	32,672,954	2,919,176	1,221,199	-	34,370,931
Total capital assets being depreciated, net	59,013,173	(2,204,327)	393,732	1	56,415,115
Total capital assets, net	$ 60,179,369	$ (1,359,074)	$ 700,267	$ (4)	$ 58,120,024

	Balance at June 30, 2022	Additions	Disposals	Reclass	Balance at June 30, 2023
Capital assets, not being depreciated					
General plant	$ 159,825	$ -	$ -	$ -	$ 159,825
Transmission and treatment plant	125,732	-	-	-	125,732
Distribution plant	64,620	27,046	-	-	91,666
Construction in progress	30,780,913	3,546,722	33,538,662	-	788,973
Total capital assets not being depreciated	31,131,090	3,573,768	33,538,662	-	1,166,196
Capital assets, being depreciated					
General plant	6,509,335	289,364	570,286	-	6,228,413
Transmission and treatment plant	13,945,151	2,088	-	-	13,947,239
Distribution plant	41,111,317	30,415,705	16,547	-	71,510,475
Total capital assets being depreciated	61,565,803	30,707,157	586,833	-	91,686,127
Less accumulated depreciation for:					
General plant	4,425,144	186,294	606,950	-	4,004,488
Transmission and treatment plant	7,713,299	324,925	7,031	-	8,031,193
Distribution plant	19,338,479	1,352,063	53,269	-	20,637,273
Total accumulated depreciation	31,476,922	1,863,282	667,250	-	32,672,954
Total capital assets being depreciated, net	30,088,881	28,843,875	(80,417)	-	59,013,173
Total capital assets, net	$ 61,219,971	$ 32,417,643	$ 33,458,245	$ -	$ 60,179,369

Depreciation expense was charged to departments as follows:

	June 30, 2024	June 30, 2023
Electric	$ 342,770	$ 233,262
Water and sewer	1,445,430	1,298,791
Gas	192,165	236,748
Trans clearing/adjustments	938,811	94,481
Total depreciation expense	$ 2,919,176	$ 1,863,282

D. Long-term Debt

Notes Payable

The notes are to be repaid from electric, water, and sewer revenues first and the taxing authority of the City of Humboldt, if necessary and specified in the original note documents. The electric, water, and sewer funds are compelled by the original note documents to review rate charges to customers to ascertain that they are sufficient to repay the outstanding notes. No reserve funds are required, and no assets are pledged to these notes as collateral.

	Electric Fund 2024	Electric Fund 2023
Electric System Revenue Improvement Bond, Series 2018, payments due annually with interest at 3.75% through 2033	$ 1,379,105	$ 1,532,339
Commercial Bank AMI loan, payments due annually with interest at 2.54% through 2028	251,323	316,394
Total	1,630,428	1,848,733
Less - total current portion	(190,605)	(176,127)
Total long-term portion	$ 1,439,823	$ 1,672,606

	Water and Sewer Fund 2024	Water and Sewer Fund 2023
State of Tennessee note payable - payments due annually with interest at 0.29% through 2023	$ -	$ 18,075
SRF 11-277 loan payable - payments due annually with interest 1.5% for 20 years after construction period	636,044	702,248
SRF DW6 19-213 loan payable - payments due annually with interest 1.22% for 20 years after construction period	695,140	731,512

	2024	2023
SRF CW 19-433 loan payable - payments due annually with interest 0.97% for 20 years after construction period	6,963,649	7,328,893
SRF CW7 19-432 loan payable - payments due annually with interest 0.97% for 20 years after construction period	2,411,307	2,535,831
SRF DW7 19-214 loan payable - payments due annually with interest 1.22% for 20 years after construction period	670,638	707,310
SRF DWF 19-215 loan payable - payments due annually with interest 1.22% for 20 years after construction period	3,353,137	3,536,509
SRF DWF 19-215-01 loan payable - payments due annually with interest 0.48% for 20 years after construction period	332,858	332,858
SRF CW 19-433-01 loan payable - payments due annually with interest 0.48% for 20 years after construction period	4,179,855	4,400,583
Commercial Bank AMI loan, payments due annually with interest at 2.54% through 2028	251,323	316,394
Total	19,493,951	20,610,213
Less - total current portion	(1,130,926)	(1,139,041)
Total long-term portion	$ 18,363,025	$ 19,471,172

The annual requirements to amortize all debt outstanding at June 30, 2024 and 2023 are as follows:

	Bonds Payable		Notes Payable (Direct Borrowing)		
Year ending June 30	Principal	Interest	Principal	Interest	Total
2025	$ 127,271	$ 54,972	$ 1,194,260	$ 192,482	$ 1,568,985
2026	132,200	50,043	1,204,496	178,812	1,565,551
2027	137,319	44,924	1,214,792	165,096	1,562,131
2028	142,637	39,606	1,221,218	151,210	1,554,671
2029	148,161	34,082	1,109,088	137,256	1,428,587
2030-2034	691,517	79,775	5,622,308	521,720	6,915,320
2035-2039	-	-	5,539,526	254,643	5,794,169
2040-2043	-	-	2,639,586	28,739	2,668,325
	$ 1,379,105	$ 303,402	$ 19,745,274	$ 1,629,958	$ 23,057,739

The Utility complied with all significant debt covenants and restrictions as set forth in the bond agreements across all systems.

The Bonds and notes payable for all systems 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 payable balance immediately due and accrued interest at highest post maturity interest rate, (2) Use any remedy allowed by state or federal law. Bonds and notes of the system are secured by the system's revenues and receipts.

There are no unused lines of credit for any of the systems at June 30, 2024.

The following is a summary of long-term debt transactions for the years ended June 30, 2024 and 2023:

	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
Bonds Payable	$ 1,532,339	$ -	$ 153,234	$ 1,379,105	$ 127,271
Notes Payable (Direct Borrowing)	20,926,607	-	1,181,333	19,745,274	1,194,260
Compensated Absences	297,965	-	37,484	260,481	26,048
	$ 22,756,911	$ -	$ 1,372,051	$ 21,384,860	$ 1,347,579

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Bonds Payable	$ 1,685,572	$ -	$ 153,233	$ 1,532,339	$ 112,793
Notes Payable (Direct Borrowing)	22,149,926	22,500	1,245,819	20,926,607	1,202,375
Compensated Absences	260,227	-	(37,738)	297,965	29,797
	$ 24,095,725	$ 22,500	$ 1,361,314	$ 22,756,911	$ 1,344,965

E. 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:

	June 30, 2024	June 30, 2023
Net investment in capital assets		
Net property, plant, and equipment in service	$ 58,120,024	$ 60,179,369
Less: Debt as disclosed in Note 3D	(21,124,379)	(22,458,946)
	36,995,645	37,720,423
Unrestricted	15,325,198	11,975,525
Total net position	$ 52,320,843	$ 49,695,948

NOTE 4 - OTHER INFORMATION

A. Pension Plan

Plan Description
Employees of the City of Humboldt are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The Utility participates in TCRS through the City of Humboldt. Consequently, the Utility's participation is accounted for as a multi-employer cost-sharing plan for purposes of the Utility's financial reporting. The Utility's employees comprise 41.84% of the plan based on census data. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided: Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped interest at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms: At the measurement date of June 30, 2023 and 2022, the following employees were covered by the benefit terms:

	2023	2022
Inactive employees or beneficiaries currently receiving benefits	69	50
Inactive employees entitled to but not yet receiving benefits	94	71
Active employees	72	59
	235	180

Contributions: Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Humboldt makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the years ended June 30, 2024 and 2023, employer contributions for Humboldt were $212,481 and $212,476 based on a rate of 7.99% and 8.51% percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Humboldt's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset): Humboldt's net pension liability (asset) was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date. The Utility's proportion of the net pension liability (asset) was based on census data of the Utility's employees relative to all employees covered under the City of Humboldt's plan. At the June 30, 2023 and 2022 measurement date, the Utility's proportion was $608,229 or 41.840% and $393,966 or 32.839%

Actuarial assumptions: The total pension liability as of June 30, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2023 and 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study by considering the following three techniques: A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return	Target Allocation
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount rate: The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Humboldt will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of Humboldt Utilities calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

June 30, 2023	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	$ 2,583,730	$ 608,229	$ (1,029,401)

June 30, 2022	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	$ 1,861,823	$ 393,966	$ (824,883)

Pension expense (negative pension expense): For the year ended June 30, 2024 and 2023, Humboldt recognized pension expense (negative pension expense) of $890,835 and $668,877.

Deferred outflows of resources and deferred inflows of resources: For the year ended June 30, 2024 and 2023, Humboldt Utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 242,678	$ 17,058
Net difference between projected and actual earnings on pension plan investments	103,833	-
Change in Assumptions	482,437	-
Contributions subsequent to the measurement date of June 30, 2023	212,481	-
Total	$ 1,041,429	$ 17,058

June 30, 2023	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 116,211	$ 66,451
Net difference between projected and actual earnings on pension plan investments	14,327	-
Change in Assumptions	567,976	-
Contributions subsequent to the measurement date of June 30, 2022	212,476	-
Total	$ 910,990	$ 66,451

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2023 and 2022" will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2025	$ 248,216
2026	158,559
2027	366,829
2028	38,286
2029	-
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable *to the Pension Plan:* At June 30, 2024 and 2023, Humboldt did report a payable for the outstanding amount of contributions to the pension plan required in the amount of $0.

B. Power Contract

The Utility has a power contract with the Tennessee Valley Authority (TVA) whereby the 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 furnishing, advancing, lending, pledging or otherwise diverting Utility funds, revenues, or property to other operations of the municipality and the purchase or payment of, or providing security for indebtedness on other obligations applicable to such other operations.

C. Risk Management

The Utility 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, 2024 and 2023, the Utility 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-Retirement Benefits (OPEB)

Plan Description
Humboldt Utilities sponsors a single-employer post-retirement plan (Humboldt Utilities Other Post-Employment Benefits Plan). The plan provides medical, prescription and death benefits to eligible retirees and their spouses. The Board of the Utility has the authority under which benefit terms and contribution rates can be established and amended for the Humboldt Utilities Other Post-Employment Benefits Plan.

Benefits provided
Any employee retiring after age 62 with at least 20 years of service or after 30 years of service Humboldt Utilities, currently has the option to maintain health insurance after they retire (including subsidized beneficial coverage). The utility pays 100% of individual cost but no additional costs towards the family coverage. All benefits cease at age 65. The Utility provides no post-retirement death benefits.

Employees covered by benefit terms - At July 1, 2024 and 2023, the following employees of the Utility were covered by the benefit terms of the plan:

	2024	2023
Number of Actives	41	41
Number of Retirees	2	2
Total	43	43

Total OPEB Liability

Actuarial assumptions
The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2024
Actuarial valuation date	June 30, 2023
Cost Method	Entry age normal
Discount rate	The discount rate used to measure the total OPEB liability was 4.21 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to Aa 20-year municipal bonds. The S&P Municipal Bond 20 Year Rate Index was used to approximate those yields as of June 30, 2024. The prior valuation used 4.13% from the GO Bond Buyer Index.
Mortality	Pub-2010 General Employee Headcount-weighted with fully generational scale MP-2021. This table was chosen as it represents the most recent mortality study for governmental employees completed by the Society of Actuaries.
Turn over	T3 Standard Table. Absent enough population to develop a sponsor-specific assumption, a standard table was selected based on the signing actuary's professional judgement.
Payroll growth	3% Based on input from the plan sponsor.
Core inflation assumption	2.5%
Retirement age	Absent sufficiently credible data to develop specific retirement assumptions, the plan's normal retirement age of 62 with 20 years of service is used based on the actuary's professional judgement.
Utilization	90%, 25% spousal participation, Based on input from the plan sponsor.
Marriage Assumption	80% married with husbands assumed to be 3 years older than wives. For current retirees actual spousal information and coverage was used.
Trend	Claims are then projected to increase at an initial rate of 7.5% in FY23 with annual declines of 0.50% until an ultimate rate of 4.5% is achieved. Dental premiums were assumed to increase at a constant 2% annually. The rates were taken from analysis of historical trends of various medical plans and a composite of the expected future increases reported in a number of national trend surveys.
Per Capita Claims	Medical premium equivalent rates illustrated below were age-adjusted based on actual ages of enrolled participants and aging factors.

Discount rate - The discount rate used to measure the total OPEB liability was 4.21 percent.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at June 30, 2023	$ 453,416
Changes for the year:	
Service cost	30,434
Interest	18,597
Changes of benefit terms	-
Differences between expected and actual experience	-
Employer contributions	-
Change in assumptions	8,051
Benefit payments	(6,329)
Net changes	50,753
Balances at June 30, 2024	$ 504,169

	Total OPEB Liability (a)
Balance at June 30, 2022	$ 558,185
Changes for the year:	
Service cost	37,468
Interest	19,535
Changes of benefit terms	-
Differences between expected and actual experience	(159,406)
Employer contributions	-
Change in assumptions	10,423
Benefit payments	(12,789)
Net changes	(104,769)
Balances at June 30, 2023	$ 453,416

Sensitivity of total OPEB liability to changes in the discount rate - The following presents the total OPEB liability related to the plan, as well as what the total 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 discount rate.

June 30, 2024	**1% Decrease (3.21%)**	**Discount Rate (4.21%)**	**1% Increase (5.21%)**
Total OPEB liability	$ 558,638	$ 504,169	$ 455,169

June 30, 2023	**1% Decrease (3.13%)**	**Discount Rate (4.13%)**	**1% Increase (5.13%)**
Total OPEB liability	$ 503,432	$ 453,416	$ 408,460

Sensitivity of total OPEB liability to changes in the healthcare cost trend rate - The following presents the total OPEB liability related to the LGOP, as well as what the total 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 current healthcare cost trend rate.

June 30, 2024	**1% Decrease (6.5% decreasing to 3.5%)**	**Healthcare Cost Trend Rates (7.5% decreasing to 4.5%)**	**1% Increase (8.5% decreasing to5.5%)**
Total OPEB liability	$ 434,510	$ 504,169	$ 589,192

June 30, 2023	**1% Decrease (6.5% decreasing to 3.5%)**	**Healthcare Cost Trend Rates (7.5% decreasing to 4.5%)**	**1% Increase (8.5% decreasing to5.5%)**
Total OPEB liability	$ 393,298	$ 453,416	$ 526,548

Deferred outflows of resources and deferred inflows of resources - For the fiscal year ended June 30, 2024 and 2023, the Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the plan as follows:

	Deferred Outflows of resources	Deferred Inflows of resources
Differences between actual and expected experience	$ 28,942	$ 164,489
Changes of assumptions	43,137	62,775
Employer payments subsequent to the measurement date	-	-
Total	$ 72,079	$ 227,264

	Deferred Outflows of resources	Deferred Inflows of resources
Differences between actual and expected experience	$ 34,002	$ 178,949
Changes of assumptions	40,823	68,497
Employer payments subsequent to the measurement date	-	-
Total	$ 74,825	$ 247,446

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in pension expense as follows:

For the year ended June 30:		
2024	$	(9,386)
2025		(9,386)
2026		(9,386)
2027		(9,386)
2028		(9,386)
Thereafter		(108,255)

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Payable *to the OPEB Plan:* At June 30, 2024 and 2023, Humboldt did report a payable for the outstanding amount of contributions to the OPEB plan required in the amount of $0.

E. Subsequent Events

Management has evaluated other subsequent events through October 28, 2024, the date through which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

HUMBOLDT UTILITIES
SCHEDULES OF CHANGES IN HUMBOLDT UTILITIES' NET PENSION LIABILITY (ASSET) AND RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ending June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Humboldt Utilities' proportion of the net pension liability (asset)	41.840%	32.839%	32.474%	32.826%	32.171%	30.949%	30.360%	30.988%	29.164%	29.646%
Humboldt Utilities' proportionate share of the net pension liability (asset)	$ 608,229	$ 393,966	$ (802,895)	$ 63,004	$ (208,715)	$ (85,135)	$ 273,689	$ 257,942	$ 255,359	$ (88,135)
Humboldt Utilities' covered employee payroll	$ 2,497,582	$ 2,583,542	$ 2,516,030	$ 2,497,582	$ 2,459,211	$ 2,137,462	$ 2,057,342	$ 2,053,223	$ 1,906,893	$ 1,884,624
Humboldt Utilities' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.35%	15.25%	-31.91%	2.52%	-8.49%	-3.98%	13.30%	12.56%	13.39%	-4.68%
Plan fiduciary net position as a percentage of total pension liability (asset)	95.99%	96.52%	102.26%	99.34%	102.39%	101.05%	96.59%	96.50%	96.29%	101.33%

*The amounts presented were determined as of June 30 of the prior fiscal year.

HUMBOLDT UTILITIES
SCHEDULES OF HUMBOLDT UTILITIES' CONTRIBUTIONS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
For the Year Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 212,481	$ 212,476	$ 144,420	$ 143,361	$ 140,301	$ 153,980	$ 145,591	$ 140,105	$ 139,824	$ 129,859
Contributions in relation to the actuarially determined contribution	212,481	212,476	144,420	143,361	140,301	153,980	145,591	140,105	139,824	129,859
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,659,342	$ 2,497,582	$ 2,583,542	$ 2,516,030	$ 2,497,582	$ 2,459,211	$ 2,137,462	$ 2,057,342	$ 2,053,223	$ 1,906,893
Contributions as a percentage of covered payroll	7.99%	8.51%	5.59%	5.70%	5.62%	6.26%	6.81%	6.81%	6.81%	6.81%

See independent auditor's report

HUMBOLDT UTILITIES
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
For the Year Ended June 30, 2024

Valuation date: Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2022 actuarial valuation.

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.125 percent

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
For the Year Ended June 30,

	2024	2023	2022	2021	2020	2019
Total OPEB liability						
Service cost	$ 30,434	$ 37,468	$ 48,530	$ 38,095	$ 36,881	$ 23,246
Interest	18,597	19,535	12,611	12,772	18,290	15,330
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(159,406)	-	(39,685)	-	59,302
Employee contributions	(6,329)	(12,789)	(13,668)	(3,560)	(10,786)	(14,550)
Changes of assumptions	8,051	10,423	(79,941)	3,336	7,401	41,259
Benefit payments	-	-	-	-	-	-
Net change in total OPEB liability	50,753	(104,769)	(32,468)	10,958	51,786	124,587
Total OPEB liability - beginning	453,416	558,185	590,653	579,695	527,909	403,322
Total OPEB liability - ending (a)	$ 504,169	$ 453,416	$ 558,185	$ 590,653	$ 579,695	$ 527,909
Covered-employee payroll	$ 2,660,382	$ 2,586,771	$ 2,736,374	$ 2,656,563	$ 2,546,440	$ 2,300,958
Total OPEB liability as a percentage of covered-employee payroll	18.95%	17.53%	20.40%	22.23%	22.76%	22.94%

The Utility currently has no assets accumulated in a trust.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.
Years will be added to this schedule in the future fiscal years until 10 years of information is available.

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2024

Measurement date	June 30, 2024
Actuarial valuation date	June 30, 2023
Cost Method	Entry age normal
Discount rate	The discount rate used to measure the total OPEB liability was 4.21 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to Aa 20-year municipal bonds. The S&P Municipal Bond 20 Year Rate Index was used to approximate those yields as of June 30, 2023. The prior valuation used 4.13% from the GO Bond Buyer Index.
Mortality	Pub-2010 General Employee Headcount-weighted with fully generational scale MP-2021. This table was chosen as it represents the most recent mortality study for governmental employees completed by the Society of Actuaries.
Turn over	T3 Standard Table. Absent enough population to develop a sponsor-specific assumption, a standard table was selected based on the signing actuary's professional judgement.
Payroll growth	3% Based on input from the plan sponsor.
Core inflation assumption	2.5%
Retirement age	Absent sufficiently credible data to develop specific retirement assumptions, the plan's normal retirement age of 62 with 20 years of service is used based on the actuary's professional judgement.
Utilization	90%, 25% spousal participation, Based on input from the plan sponsor.
Marriage Assumption	80% married with husbands assumed to be 3 years older than wives. For current retirees actual spousal information and coverage was used.
Trend	Claims are then projected to increase at an initial rate of 7.5% in FY23 with annual declines of 0.50% until an ultimate rate of 4.5% is achieved. Dental premiums were assumed to increase at a constant 2% annually. The rates were taken from analysis of historical trends of various medical plans and a composite of the expected future increases reported in a number of national trend surveys.
Per Capita Claims	Medical premium equivalent rates illustrated below were age-adjusted based on actual ages of enrolled participants and aging factors.
Change since prior valuation	Discount rate changed from 4.13% to 4.21%. The Healthcare cost trend assumption was updated to 7.50% for 2024 decreasing by .05% per year until it reaches 4.50%.

SUPPLEMENTARY AND OTHER INFORMATION SECTION

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2024 and 2023

ELECTRIC FUND

	2024		2023	
	Amount	Percent	Amount	Percent
Operating Revenues				
Charges for sales and services				
Residential sales	$ 3,397,845	18.60	$ 3,709,851	19.25
Small lighting and power sales	1,758,487	9.63	1,826,351	9.48
Medium lighting and power sales	3,764,552	20.61	3,813,523	19.79
Large lighting and power sales	8,115,797	44.43	8,698,171	45.13
Street and athletic lighting sales	170,224	0.93	186,080	0.97
Outdoor lighting sales	308,224	1.69	311,651	1.62
Uncollectible accounts	11,867	0.06	4,474	0.02
Total charges for sales and services	17,526,996	95.95	18,550,101	96.26
Other revenues				
Forfeited discounts	47,317	0.26	56,618	0.29
Miscellaneous service revenue	173,313	0.95	131,506	0.67
Rent from electric property	518,809	2.83	533,644	2.77
Other electric revenue	1,876	0.01	1,460	0.01
Total other revenues	741,315	4.05	723,228	3.74
Total operating revenues	**$ 18,268,311**	**100.00**	**$ 19,273,329**	**100.00**
Operating Expenses				
Cost of sales and services				
Purchased power	$ 14,471,690	79.22	$ 15,412,772	79.97
Operations expenses				
Distribution expenses				
Overhead line expense	230,371	1.26	214,565	1.11
Station expense	5,975	0.03	6,058	0.03
Street lighting and signal system	22,022	0.12	15,066	0.08
Meter expense	76,050	0.42	84,065	0.44
Installation expense	20,835	0.11	14,681	0.08
Rents	17,690	0.10	3,943	0.02
Total distribution expenses	$ 372,943	2.04	$ 338,378	1.76

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2023 and 2022

ELECTRIC FUND

	2023		2022	
	Amount	Percent	Amount	Percent
Customer accounts expenses				
Meter reading expense	$ 32,888	0.18	$ 18,423	0.10
Customer records and collection expense	32,237	0.18	47,841	0.25
Total customer accounts expenses	65,125	0.36	66,264	0.35
Customer service and information expenses				
Customer assistance expense	5,675	0.03	5,535	0.03
Information and advertising expense	7,554	0.04	3,237	0.02
Miscellaneous	11,207	0.06	11,207	0.06
Total customer service and information expenses	24,436	0.13	19,979	0.11
Administrative expenses				
Salaries	188,616	1.03	193,280	1.00
Office supplies and expense	201,549	1.10	193,631	1.00
Outside services employed	44,253	0.24	30,869	0.16
Insurance	111,779	0.61	85,804	0.45
Payroll taxes	85,951	0.47	72,633	0.38
Duplicate charge credit	(9,541)	(0.05)	(10,438)	(0.05)
Employee pension and benefits	712,125	3.90	621,575	3.23
Miscellaneous	95,837	0.52	95,960	0.50
Total administrative expenses	1,430,569	7.82	1,283,314	6.67
Total operations expenses	$ 1,893,073	10.35	$ 1,707,935	8.89

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2024 and 2023

ELECTRIC FUND

	2024		2023	
	Amount	Percent	Amount	Percent
Maintenance expenses				
Distribution expenses				
Supervision and engineering	$ 48,603	0.27	$ 42,674	0.22
Substation expense	28,973	0.16	37,257	0.19
Structures	-	-	448	-
Station equipment	5,106	0.03	76,417	0.40
Overhead lines	472,541	2.59	551,323	2.86
Street lights and signal system	100,271	0.55	105,258	0.55
Meters	31,177	0.17	27,153	0.14
Outdoor lighting	110,723	0.61	86,152	0.45
Total distribution expenses	797,394	4.38	926,682	4.81
Administrative expenses				
General property	94,414	0.52	78,439	0.41
Total maintenance expense	891,808	4.90	1,005,121	5.22
Provision for depreciation	342,770	1.88	233,262	1.21
Total operating expenses	**$17,599,341**	**96.34**	**$ 18,359,090**	**95.26**

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2024 and 2023

WATER AND SEWER FUND

	2024		2023	
	Amount	Percent	Amount	Percent
Operating Revenues				
Charges for sales and services				
Metered sales	$ 6,775,263	99.65	$ 7,762,558	99.53
Uncollectible accounts	(4,619)	(0.07)	(3,315)	(0.04)
Total charges for sales and services	6,770,644	99.58	7,759,243	99.49
Other revenue				
Forfeited discounts	15,072	0.22	27,684	0.35
Miscellaneous	13,230	0.19	12,385	0.16
Total other revenue	28,302	0.41	40,069	0.51
Total operating revenues	**$ 6,798,946**	**100.00**	**$ 7,799,312**	**100.00**

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2024 and 2023

WATER AND SEWER FUND

	2024		2023	
	Amount	Percent	Amount	Percent
Operating Expenses				
Operations expenses				
System operations				
Operation of treatment plant	$ 71,289	1.05	$ 64,806	0.83
Treatment chemicals	409,627	6.02	445,309	5.71
Lab work and other testing	140,533	2.07	144,946	1.86
Pretreatment	339,632	5.00	249,470	3.20
Electricity costs	544,071	8.00	606,925	7.78
Supervision	5,275	0.08	7,451	0.10
Operation of distribution system	43,876	0.65	47,625	0.61
Total system operations	1,554,303	22.87	1,566,532	20.09
Customer service and information expenses				
Meter reading	6,218	0.09	18,236	0.23
Customer records and collection	69,982	1.03	75,503	0.97
Advertising	7,331	0.11	3,141	0.04
Total customer service and information expenses	83,531	1.23	96,880	1.24
Administrative expenses				
Salaries	252,825	3.72	244,639	3.14
Office supplies and expense	190,246	2.80	167,956	2.15
Outside services	139,566	2.05	56,254	0.72
Insurance	59,063	0.87	48,645	0.62
Payroll taxes	72,665	1.07	76,677	0.98
Employee pension and benefits	456,574	6.72	429,618	5.51
Rent	20,669	0.30	20,363	0.26
Miscellaneous	62,013	0.91	60,200	0.77
Total administrative expenses	1,253,621	18.44	1,104,352	14.15
Total operations expenses	$ 2,891,455	42.54	$ 2,767,764	35.48

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2024 and 2023

WATER AND SEWER FUND

	2024		2023	
	Amount	Percent	Amount	Percent
Maintenance expenses				
Operations maintenance expense				
Maintenance of meters	$ 72,478	1.07	$ 75,581	0.97
Maintenance of wells	10,169	0.15	10,242	0.13
Maintenance of treatment plant	91,895	1.35	22,984	0.29
Maintenance of distribution system	910	0.01	662	0.01
Maintenance of mains	319,043	4.69	287,324	3.68
Maintenance of services	228,046	3.35	189,006	2.42
Maintenance of buildings and stations	103,449	1.52	83,180	1.07
Maintenance of tanks	1,416	0.02	10,541	0.14
Inflow and infiltration	4,180	0.06	18,031	0.23
Testing and equipment maintenance	109,374	1.61	124,211	1.59
Pump maintenance	10,820	0.16	907	0.01
Maintenance chemicals	294	-	183	-
Total operations maintenance expenses	952,074	13.99	822,852	10.54
Administrative maintenance expense				
Maintenance of communication and miscellaneous property	51,610	0.76	36,299	0.47
Total maintenance expense	1,003,684	14.75	859,151	11.01
Provision for depreciation	1,445,430	21.26	1,298,791	16.65
Total operating expenses	**$ 5,340,569**	**78.55**	**$ 4,925,706**	**63.16**

See independent auditor's report

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2024 and 2023

GAS FUND

	2024		2023	
	Amount	Percent	Amount	Percent
Operating Revenues				
Charges for sales and services				
Metered sales	$ 4,082,801	99.59	$ 4,926,662	99.63
Uncollectible accounts	(2,505)	(0.06)	(1,674)	(0.03)
Total charges for sales and services	4,080,296	99.53	4,924,988	99.60
Other revenue				
Forfeited discounts	12,763	0.31	13,647	0.28
Miscellaneous	6,450	0.16	6,230	0.13
Total other revenue	19,213	0.47	19,877	0.41
Total operating revenues	**$ 4,099,509**	**100.00**	**$ 4,944,865**	**100.00**

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2024 and 2023

GAS FUND

	2024		2023	
	Amount	Percent	Amount	Percent
Operating Expenses				
Cost of sales and services				
Purchase of gas	$ 1,579,151	38.52	$ 3,141,810	63.54
Operations expenses				
Distribution and storage expenses				
Gas Storage	(9,153)	(0.22)	(763,168)	(15.43)
Mains and service expense	27,392	0.67	45,475	0.92
Supervision and engineering	46,065	1.12	46,658	0.94
Customer installation	17,275	0.42	13,162	0.27
Total distribution and storage expenses	85,512	2.09	(657,873)	(13.30)
Consumers' accounting and collecting expenses				
Meter reading expense	6,816	0.17	11,291	0.23
Customer collections	59,504	1.45	64,340	1.30
Total consumers' accounting and collecting expenses	66,320	1.62	75,631	1.53
Administrative expenses				
Maps and records	4,095	0.10	5,132	0.10
Rent	16,807	0.41	16,807	0.34
Advertising	7,331	0.18	3,142	0.06
Administrative salaries	100,581	2.45	96,108	1.94
General office salaries	133,402	3.25	133,009	2.69
Professional fees	57,647	1.41	39,839	0.81
Employee pension and benefits	333,978	8.15	311,613	6.30
Office supplies	171,239	4.18	154,004	3.11
General administrative expense	60,944	1.49	64,673	1.31
Travel	10,058	0.25	9,292	0.19
Insurance	55,656	1.36	47,552	0.96
Board expenses	3,065	0.07	3,055	0.06
Dues	1,650	0.04	1,650	0.03
Payroll taxes	47,917	1.17	49,338	1.00
Total administrative expenses	1,004,370	24.51	935,214	18.90
Total operations expenses	$ 1,156,202	66.74	$ 352,972	70.67

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2024 and 2023

GAS FUND

	2024		2023	
	Amount	Percent	Amount	Percent
Maintenance expenses				
Operations maintenance expenses				
Maintenance of mains	$ 124,497	3.04	$ 120,350	2.43
Maintenance of measurement stations	6,659	0.16	1,900	0.04
Maintenance of services	9,022	0.22	18,697	0.38
Maintenance of meters	32,814	0.80	38,866	0.79
Supervision and engineering	411	0.01	11,471	0.23
Maintenance of buildings and grounds	29,791	0.73	30,714	0.62
Maintenance of office furniture and equipment	9,895	0.24	17,881	0.36
Total operations maintenance expenses	213,089	5.20	239,879	4.85
Administrative expenses				
Communication equipment	1,740	0.04	2,323	0.05
Maintenance of other equipment	119,974	2.93	138,069	2.79
Total administrative expenses	121,714	2.97	140,392	2.84
Total maintenance expenses	334,803	8.17	380,271	7.69
Provision for depreciation	192,165	4.69	236,748	4.79
Total operating expenses	**$ 3,262,321**	**79.58**	**$ 4,111,801**	**83.15**

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULE OF LONG-TERM DEBT
June 30, 2024

	Water & Sewer Fund											
Year Ended	Capitalization Grants SRF 11-277		Commercial Bank AMI Note Payable		Capitalization Grants SRF DW6 19-213		Capitalization Grants SRF CW 19-433		Capitalization Grants SRF CW7 19-432		Capitalization Grants SRF DW7 19-214	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	67,332	9,108	63,334	6,433	36,852	8,784	368,796	65,916	125,736	22,836	37,116	8,508
2025	68,352	8,088	63,334	4,824	37,308	8,304	372,396	62,316	126,972	21,600	37,572	8,016
2026	69,384	7,056	63,334	3,216	37,764	7,812	376,020	58,692	128,196	20,376	38,040	7,524
2027	70,440	6,000	61,321	1,607	38,232	7,320	379,692	55,020	129,456	19,116	38,508	7,020
2028	71,496	4,944	-	-	38,700	6,816	383,388	51,324	130,716	17,856	38,976	6,516
2029	72,576	3,864	-	-	39,180	6,300	387,120	47,592	131,988	16,584	39,456	6,012
2030	73,680	2,760	-	-	39,660	5,796	390,888	43,824	133,272	15,300	39,936	5,496
2031	74,784	1,656	-	-	40,140	5,280	394,704	40,008	134,568	14,004	40,428	4,980
2032	68,000	488	-	-	40,632	4,752	398,544	36,168	135,876	12,696	40,920	4,452
2033	-	-	-	-	41,136	4,224	402,432	32,280	137,208	11,364	41,424	3,912
2034	-	-	-	-	41,640	3,684	406,356	28,356	138,540	10,032	41,940	3,360
2035	-	-	-	-	42,144	3,144	410,316	24,396	139,896	8,676	42,444	2,820
2036	-	-	-	-	42,660	2,592	414,312	20,400	141,252	7,320	42,972	2,268
2037	-	-	-	-	43,188	2,028	418,344	16,368	142,632	5,940	43,500	1,824
2038	-	-	-	-	43,716	1,476	422,424	12,288	144,024	4,548	44,028	1,140
2039	-	-	-	-	44,256	900	426,540	8,172	145,428	3,144	44,568	564
2040	-	-	-	-	44,772	348	430,692	4,020	146,844	1,728	18,810	60
2041	-	-	-	-	3,160	-	180,685	750	98,703	360	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-
	$ 636,044	$ 43,964	$ 251,323	$ 16,080	$ 695,140	$ 79,560	$ 6,963,649	$ 607,890	$ 2,411,307	$ 213,480	$ 670,638	$ 74,472

	Water & Sewer Fund						Electric Fund				Total Requirements		
Year Ended	Capitalization Grants SRF DWF 19-215		Capitalization Grants SRF DWF 19-215-01		Capitalization Grants SRF CW 19-433-01		Commercial Bank AMI Note Payable		CB&T Bond Series 2018				
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2024	185,616	42,492	24,348	2,400	221,796	19,572	63,334	6,433	127,271	54,972	1,321,531	247,454	1,568,985
2025	187,896	40,056	24,468	2,280	222,864	18,504	63,334	4,824	132,200	50,043	1,336,696	228,855	1,565,551
2026	190,200	37,608	24,588	2,160	223,932	17,436	63,334	3,216	137,319	44,924	1,352,111	210,020	1,562,131
2027	192,540	35,112	24,708	2,040	225,000	16,368	61,321	1,607	142,637	39,606	1,363,855	190,816	1,554,671
2028	194,892	32,604	24,828	1,920	226,092	15,276	-	-	148,161	34,082	1,257,249	171,338	1,428,587
2029	197,292	30,048	24,948	1,800	227,172	14,196	-	-	153,898	28,345	1,273,630	154,741	1,428,371
2030	199,716	27,468	25,068	1,680	228,276	13,092	-	-	159,858	22,385	1,290,354	137,801	1,428,155
2031	202,164	24,864	25,188	1,560	229,368	12,000	-	-	166,048	16,195	1,307,392	120,547	1,427,939
2032	204,636	22,224	25,308	1,440	230,472	10,896	-	-	172,478	9,765	1,316,866	102,881	1,419,747
2033	207,144	19,548	25,428	1,320	231,576	9,792	-	-	39,235	3,085	1,125,583	85,525	1,211,108
2034	209,688	16,836	25,548	1,200	232,692	8,676	-	-	-	-	1,096,404	72,144	1,168,548
2035	212,268	14,088	25,668	1,080	233,820	7,548	-	-	-	-	1,106,556	61,752	1,168,308
2036	214,872	11,316	25,800	948	234,936	6,432	-	-	-	-	1,116,804	51,276	1,168,080
2037	217,500	8,520	6,962	207	236,064	5,304	-	-	-	-	1,108,190	40,191	1,148,381
2038	220,176	5,664	-	-	237,204	4,164	-	-	-	-	1,111,572	29,280	1,140,852
2039	222,876	2,784	-	-	238,344	3,024	-	-	-	-	1,122,012	18,588	1,140,600
2040	93,661	285	-	-	239,496	1,872	-	-	-	-	974,275	8,313	982,588
2041	-	-	-	-	240,648	720	-	-	-	-	523,196	1,830	525,026
2042	-	-	-	-	20,103	8	-	-	-	-	20,103	8	20,111
	$ 3,353,137	$ 371,517	$ 332,858	$ 22,035	$ 4,179,855	$ 184,880	$ 251,323	$ 16,080	$ 1,379,105	$ 303,402	$21,124,379	$ 1,933,360	$23,057,739

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2024

Description of Indebtness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding 7/1/2023	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding 6/30/2024
Bond Payable									
Payable through Electric System									
Electric Revenue Improvement Bond - Series 2018	$ 3,500,000	3.75%	September 28, 2018	June 30, 2033	$ 1,532,339	$ -	$ 153,234	$ -	$ 1,379,105
Total Bonds Payable	$ 3,500,000				$ 1,532,339	$ -	$ 153,234	$ -	$ 1,379,105
Note Payable									
Payable through Electric System									
AMI Note Payable	$ 950,000	2.54%	July 23, 2013	June 30, 2028	$ 316,394	$ -	$ 65,071	$ -	$ 251,323
Payable through Water and Sewer System									
AMI Note Payable	950,000	2.54%	July 23, 2013	June 30, 2028	316,394	-	65,071	-	251,323
SRF 11-277	1,320,000	1.50%	November 3, 2010	May 1, 2033	702,248	-	66,204	-	636,044
SRF 18-411	540,000	0.29%	October 25, 2017	June 1, 2023	18,075	-	18,075	-	-
SRF DW6 19-213	1,000,000	1.22%	February 8, 2019	June 1, 2038	731,512	-	36,372	-	695,140
SRF CW 19-433	7,900,000	0.97%	January 7, 2019	December 7, 2038	7,328,893	-	365,244	-	6,963,649
SRF CW7 19-432	3,000,000	0.97%	January 7, 2019	December 7, 2038	2,535,831	-	124,524	-	2,411,307
SRF DW7 19-214	1,000,000	1.22%	October 22, 2018	September 22, 2037	707,310	-	36,672	-	670,638
SRF DWF 19-215	4,000,000	1.22%	October 22, 2018	September 22, 2037	3,536,509	-	183,372	-	3,353,137
SRF DWF 19-215-01	510,000	0.48%	July 1, 2020	June 1, 2040	332,858	-	-	-	332,858
SRF CW 19-433-01	4,800,000	0.48%	December 16, 2019	November 16, 2038	4,400,583	-	220,728	-	4,179,855
Total Notes Payable	$ 25,970,000				$ 20,926,607	$ -	$ 1,181,333	$ -	$ 19,745,274

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
SCHEDULE OF TRANSFERS
For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
Electric Fund	General Purpose Fund	In lieu of property tax	$ 319,881
Water and Sewer Fund	General Purpose Fund	In lieu of property tax	$ 46,015
Gas Fund	General Purpose Fund	In lieu of property tax	$ 96,617

HUMBOLDT UTILITIES
HUMBOLDT, TENNESSEE
ELECTRIC RATES IN FORCE
June 30, 2024

Residential Rate Schedule:		
Customer charge - per delivery point per month	$	14.00
Energy charge - cents per kWh		
First 2,000 kWH		0.10047
Additional kWH over 2,000 kWH		0.10637
General Power Schedule:		
GSA1 (Under 50 kW demand & less than 15,000 kWh)		
Customer charge - per delivery point per month	$	25.00
Energy charge - cents per kWh		0.11649
GSA2 (51-1,000 kW demand or more than 15,000 kWh)		
Customer charge - per delivery point per month	$	70.00
Demand charges - per kW per month		
First 50 kW		No Charge
Excess over 50 kW		13.24
Energy charge - cents per kWh		
First 15,000 kWh per month		0.11075
Additional kWh per month		0.06360
GSA3 (1,000 - 5,000 kW demand)		
Customer charge - per delivery point per month	$	200.00
Demand charges - per kW per month		
First 1,000 kW		12.74
Excess over 1,000 kW		12.84
Energy charge - cents per kWh		0.07191
GSB (5,001 - 15,000 kW demand)		
Customer charge - per delivery point per month	$	1,500.00
Demand charges - per kW per month		
All kW - per kW per month - Onpeak		10.70
Maximum		1.68
Excess - Overcontract		10.70
Energy charge - cents per kWh		
Onpeak - use of metered demand per month		0.07850
Offpeak - First 425 hours		0.05237
Offpeak - Next 195 hours		0.02135
Offpeak - Additional kWH		0.01869

HUMBOLDT UTILITIES
HUMBOLDT, TENNESSEE
WATER AND SEWER RATES IN FORCE
June 30, 2024

Water Fund

Inside City Limits		
Residential	$10.00 customer charge plus $3.25 per 1,000 gallons	
Commercial	$20.00 customer charge plus $3.25 per 1,000 gallons	
Industrial	Customer charge	250.00
	Usage charge	$ 3.25 per 1,000 gallons for first 100,000
		$ 3.00 per 1,000 gallons for over 100,000
Outside City Limits-No Fire Protectior		
Residential	$15.00 customer charge plus $3.25 per 1,000 gallons	

Sewer Fund

Inside City Limits		
Residential	$10.00 customer charge plus $3.75 per 1,000 gallons (Maximum $50.00)	
Commercial	Customer charge	$20.00
		$ 3.75 per 1,000 gallons for first 100,000
		$ 3.25 per 1,000 gallons for over 100,000
Industrial	Customer charge	$250.00
		$ 3.75 per 1,000 gallons for first 100,000
		$ 3.25 per 1,000 gallons for over 100,000

HUMBOLDT UTILITIES
HUMBOLDT, TENNESSEE
GAS RATES IN FORCE
June 30, 2024

Class 22 - Residential - inside city		
Customer charge	$	5.00
Rate per MCF	$	9.50
Class 16, 35 - Commercial, inside city		
Customer charge	$	7.00
Rate per MCF	$	10.50
Class 3 - Residential, outside city		
Customer charge	$	7.00
Rate per MCF	$	11.00
Class 14 - Commercial, outside city		
Customer charge	$	9.00
Rate per MCF	$	11.50

Industrial

Note: The Humboldt Utilties industrial pool is comprised of several large industries grouped together to collectively purchase natural gas based on NYMEX market and/or contract pricing. Humboldt Utilities offers a discount on collective pricing through local bond purchases. Industrial industries can "lock in" firm contract prices to ensure the supply of natural gas at a fixed rate.

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
HISTORICAL INFORMATION - UNAUDITED

ELECTRIC FUND

	For the Years Ended June 30,				
	2024	2023	2022	2021	2020
Revenues					
Residential	$ 3,397,845	$ 3,709,851	$ 3,695,824	$ 4,018,617	$ 3,976,754
Small lighting and power	1,758,487	1,826,351	1,717,348	1,569,358	1,644,496
Medium lighting and power	3,764,552	3,813,523	3,167,832	3,406,905	3,159,654
Large lighting and power	8,115,797	8,698,171	7,872,677	4,042,671	4,313,591
Street and athletic lighting	170,224	186,080	167,900	154,441	156,681
Outdoor lighting	308,224	311,651	291,756	282,967	286,352
Interest and other revenue	823,897	769,077	719,245	459,260	393,000
	18,339,026	19,314,704	17,632,582	13,934,219	13,930,528
Expenses					
Electric power costs	14,471,690	15,412,772	13,870,859	10,650,126	10,963,431
Operating and maintenance	2,784,881	2,713,056	2,126,877	2,200,052	2,120,417
Provision for depreciation	342,770	233,262	230,387	225,175	216,783
Transfers	319,881	349,555	321,674	311,815	328,983
Interest and other expense	70,850	78,700	85,971	66,138	35,140
	17,990,072	18,787,345	16,635,768	13,453,306	13,664,754
Net Income (Loss)	$ 348,954	$ 527,359	$ 996,814	$ 480,913	$ 265,774
Financial					
Plant in services (at original cost)	$ 19,610,403	$ 19,639,370	$ 19,053,710	$ 17,183,475	$ 16,817,410
Bonds and notes outstanding	$ 1,630,428	$ 1,848,733	$ 2,065,300	$ 2,018,565	$ 1,289,279
Power in use - KWH					
Residential	43,002,318	42,900,108	43,297,923	42,946,854	42,611,692
Commercial and industrial	165,659,567	158,689,742	148,592,844	111,583,048	105,012,739
Total	208,661,885	201,589,850	191,890,767	154,529,902	147,624,431
Number of customers					
Residential	3,517	3,533	3,511	3,460	3,463
Commercial & industrial	1,066	1,047	1,029	996	958
	4,583	4,580	4,540	4,456	4,421
Line Loss	2.93%	3.06%	5.99%	1.21%	4.19%

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
HISTORICAL INFORMATION - UNAUDITED

WATER & SEWER FUND

	For the Years Ended June 30,				
	2024	2023	2022	2021	2020
Revenues					
Operating	$ 6,798,946	$ 7,799,312	$ 6,471,461	$ 3,320,907	$ 3,029,433
Interest and other revenue	182,622	224,864	3,278,768	3,534,296	6,800,747
	6,981,568	8,024,176	9,750,229	6,855,203	9,830,180
Expenses					
Operating and maintenance	3,895,139	3,626,915	2,748,749	2,346,976	2,275,386
Provision for depreciation	1,445,430	1,298,791	665,169	663,458	659,882
Transfers	46,015	49,447	59,403	45,629	42,267
Interest and other expense	207,397	222,133	224,892	190,059	72,738
	5,593,981	5,197,286	3,698,213	3,246,122	3,050,273
Net Income (Loss)	$ 1,387,587	$ 2,826,890	$ 6,052,016	$ 3,609,081	$ 6,779,907
Financial					
Plant in services (at original cost)	$ 63,547,406	$ 64,495,077	$ 34,614,678	$ 33,177,982	$ 24,569,390
Bonds and notes outstanding	$ 19,493,951	$ 20,610,213	$ 21,770,198	$ 20,788,632	$ 15,500,082
Usage - Gallons					
Water	1,061,956,672	1,060,390,400	835,457,900	326,776,600	306,843,900
Sewer	844,893,500	993,886,900	793,316,100	308,057,100	285,392,800
Number of customers					
Water	4,168	4,161	4,118	4,066	4,010
Sewer	3,976	3,967	3,921	3,869	3,813
Line loss					
Water	15.75%	5.15%	4.51%	27.80%	30.74%

HUMBOLDT UTILITIES
CITY OF HUMBOLDT, TENNESSEE
HISTORICAL INFORMATION - UNAUDITED

GAS FUND

	For the Years Ended June 30,				
	2024	2023	2022	2021	2020
Revenues					
Operating	$ 4,099,509	$ 4,944,865	$ 4,724,349	$ 2,886,782	$ 2,561,565
Interest and other revenue	147,783	202,927	258,320	80,213	9,953
	4,247,292	5,147,792	4,982,669	2,966,995	2,571,518
Expenses					
Operating and maintenance	3,070,156	3,875,053	5,579,104	2,864,025	2,347,581
Provision for depreciation	192,165	236,748	224,884	195,949	274,633
Transfers	96,617	104,089	104,033	101,974	78,069
	3,358,938	4,215,890	5,908,021	3,161,948	2,700,283
Net Income (Loss)	$ 888,354	$ 931,902	$ (925,352)	$ (194,953)	$ (128,765)
Financial					
Plant in services (at original cost)	$ 8,019,430	$ 7,928,903	$ 8,247,592	$ 8,080,351	$ 7,161,136
Usage - MCF	570,565	596,333	602,848	472,598	441,693
Number of customers	3,635	3,627	3,610	3,612	3,725

INTERNAL CONTROL AND COMPLIANCE SECTION

ATA, 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
Humboldt Utilities
Humboldt, 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 and each major fund of Humboldt Utilities (the Utility), enterprise funds of the City of Humboldt, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collective comprise the Utility's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Utility'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 Utility's internal control. Accordingly, we do not express an opinion on the effectiveness of the Utility'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Utility'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 financial statements. 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, PLLC

Jackson, Tennessee

October 28, 2024

HUMBOLDT UTILITIES
HUMBOLDT, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2024 and 2023

There were no current year findings reported.

HUMBOLDT UTILITIES
HUMBOLDT, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
June 30, 2024 and 2023

There were no prior year findings reported.

APPENDIX E

BOND INSURANCE
AND
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $503.3 million, $258.1 million and $245.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at https://bambonds.com/insights/#video. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN