

**ATHENS UTILITIES BOARD**  
**FINANCIAL REPORT**  
**JUNE 30, 2023**

## CONTENTS

	<u>Page</u>
<b>REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE FINANCIAL STATEMENTS</b>	1-4
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	A-1 - A-13
<b>BASIC FINANCIAL STATEMENTS</b>	
Major Funds	
Statements of net position	5
Statements of revenues, expenses and changes in net position	6
Statements of cash flows	7-8
Statement of fiduciary net position – Pension Trust Fund – fiduciary fund	9
Statement of changes in fiduciary net position – Pension Trust Fund – fiduciary fund	10
Notes to financial statements	11-35
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Employee Retirement Plan – Schedule of changes in the net pension liability and related ratios	36
Employee Retirement Plan – Schedule of plan contributions	37
Employee Retirement Plan – Schedule of investment returns	38
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of net position by service – power division	39
Schedule of revenues, expenses and changes in net position – power division	40
Pension Trust Fund - Schedule of investments	41-47
Schedule of debt service requirements	48-52
Schedule of changes in long-term debt by individual issue	53
Schedule of lease obligations, principal, and interest requirements	54
Schedule of changes in lease obligations	55
Schedule of rates in force	56-61
<b>OTHER INFORMATION</b>	
List of principal officials	62
<b>REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	63-64
Schedule of prior year findings and questioned costs	65

Report of Independent Certified Public Accountants  
on the Financial Statements

NEAL, SCOUTEN & McCONNELL, P.C.  
Certified Public Accountants

To the Commissioners  
Athens Utilities Board  
Athens, Tennessee

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the business-type activities, each of the major funds and, the aggregate remaining fund information, the Pension Trust Fund, of Athens Utilities Board, a component unit of the City of Athens, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and, the aggregate remaining fund information, the Pension Trust Fund, of Athens Utilities Board, as of June 30, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Athens Utilities Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Athens Utilities Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Athens Utilities Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Athens Utilities Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A-1 through A-13 and the Employee Retirement Plan - schedule of changes in the net pension liability and related ratios, the Employee Retirement Plan - schedule of plan contributions, and the schedule of investment returns on pages 36 through 38 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 Athens Utilities Board's basic financial statements. The accompanying other supplementary information, shown on pages 39 through 61 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 on pages 39 through 61 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the List of Principal Officials 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 6, 2023, on our consideration of Athens Utilities Board'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 solely to 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 Athens Utilities Board'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 Athens Utilities Board's internal control over financial reporting and compliance.

*Neul, Scotter, & McConnell, P.C.*

Chattanooga, Tennessee  
October 6, 2023

**Athens Utilities Board**  
**Management's Discussion and Analysis**  
**June 30, 2023**

The Athens Utilities Board is organized as a component unit of the City of Athens, Tennessee. Our discussion and analysis of each Division's financial performance provides an overview of its financial activity for the year ended June 30, 2023. It should be read in conjunction with the basic financial statements.

**Using this Annual Report**

This annual report consists of four parts: Management's Discussion and Analysis, Financial Statements, Required Supplemental Information, and Accompanying Information. The financial statements also include notes that explain in more detail some of the information in the financial statements.

**Required Financial Statements**

The Board is segregated into four distinct divisions (Power Division, Water Division, Gas Division, and Department of Sewer and Fiber), that provide electricity, fiber optic, water, natural gas, and sewer services to, wholesale, residential, commercial, and industrial customers located in Athens, Tennessee, and surrounding areas. Each division is considered to be a separate accounting and reporting entity reporting its business-type activities in accordance with enterprise fund accounting requirements for special-purpose governments.

These financial statements report information using the accrual basis of accounting. The financial reporting and accounting methods followed by the Board are similar to those used by private sector companies. The statements offer short and long-term financial information about the Board's activities. The statement of net position includes all of the assets, liabilities, deferred inflows and deferred outflows and provides information about the nature and amounts of investments in resources (assets) and obligation to creditors (liabilities). It also provides the basis for computing rate of return, evaluating capital structure, and assessing liquidity and financial flexibility of the utility. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in net position. This statement measures the success of the utility's operations over the past year and can be used to determine whether the utility has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about cash receipts and cash payments during the year. The cash flow statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, capital and noncapital financing activities. It provides answers to such questions as: from where did cash come, for what was cash used, and what was the change in the cash balance during the year?

In addition, the financial statements present the Board's fiduciary fund, the Athens Utilities Board Pension Trust Fund. This trust fund is used to account for assets held in a trustee capacity for the accountability of resources for pension benefit payments to qualified board retirees. Since these assets are held in a fiduciary capacity, they are not included in the Board's assets or results of operations. The statement of fiduciary net position and the statement of changes in fiduciary net position for the Pension Trust Fund may be found on pages 9 and 10 of the accompanying financial statements.

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Power Division  
Condensed Statements of Net Position  
June 30**

	2023	2022	Variance 2023 to 2022	%
<b>Assets</b>				
Capital assets	\$ 46,603,079	\$ 45,675,404	\$ 927,675	2.03 %
Construction in progress	1,456,093	1,906,879	(450,786)	-23.64
Current and other assets	15,238,935	14,687,767	551,168	3.75
<b>Total assets</b>	<b>63,298,107</b>	<b>62,270,050</b>	<b>1,028,057</b>	<b>1.65</b>
Deferred outflows	2,933,211	1,987,341	945,870	47.59
	<u><b>\$ 66,231,318</b></u>	<u><b>\$ 64,257,391</b></u>	<u><b>\$ 1,973,927</b></u>	<u><b>3.07 %</b></u>
<b>Liabilities:</b>				
Current liabilities	\$ 6,082,217	\$ 6,163,930	\$ (81,713)	-1.33 %
Long-term liabilities	7,324,438	5,795,490	1,528,948	26.38
<b>Total liabilities</b>	<b>13,406,655</b>	<b>11,959,420</b>	<b>1,447,235</b>	<b>12.10</b>
Deferred inflows	136,759	686,769	(550,010)	-80.09
	<u><b>13,543,414</b></u>	<u><b>12,646,189</b></u>	<u><b>897,225</b></u>	<u><b>7.09</b></u>
<b>Net position:</b>				
Net investment in capital assets	44,795,801	44,056,552	739,249	1.68
Unrestricted	7,892,103	7,554,650	337,453	4.47
<b>Total net position</b>	<b>52,687,904</b>	<b>51,611,202</b>	<b>1,076,702</b>	<b>2.09</b>
	<u><b>\$ 66,231,318</b></u>	<u><b>\$ 64,257,391</b></u>	<u><b>\$ 1,973,927</b></u>	<u><b>3.07 %</b></u>

**Power Division  
Condensed Statements of Revenues, Expenses and Changes in Net Position  
Year Ended June 30**

	2023	2022	Variance 2023 to 2022	%
<b>Revenues:</b>				
Power revenues	\$ 58,064,287	\$ 52,711,052	\$ 5,353,235	10.16 %
Other operating revenue	978,055	923,657	54,398	5.89
Non operating income	59,859	15,764	44,095	279.72
<b>Total revenues</b>	<b>59,102,201</b>	<b>53,650,473</b>	<b>5,451,728</b>	<b>10.16</b>
<b>Expenses:</b>				
Power costs	47,788,626	43,177,675	4,610,951	10.68
Operating expenses before depreciation	7,851,269	6,825,964	1,025,305	15.02
Depreciation	2,554,144	2,403,611	150,533	6.26
<b>Total expenses</b>	<b>58,194,039</b>	<b>52,407,250</b>	<b>5,786,789</b>	<b>11.04</b>
<b>Revenues over expenses before capital contributions</b>	<b>908,162</b>	<b>1,243,223</b>	<b>(335,061)</b>	<b>-26.95</b>
Capital contributions	168,540	34,827	133,713	383.93
<b>Change in net position</b>	<b>1,076,702</b>	<b>1,278,050</b>	<b>(201,348)</b>	<b>-15.75</b>
Beginning net position	51,611,202	50,333,152	1,278,050	2.54
Ending net position	<u><b>\$ 52,687,904</b></u>	<u><b>\$ 51,611,202</b></u>	<u><b>\$ 1,076,702</b></u>	<u><b>2.09 %</b></u>



**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Power Division Financial Statement Analysis**

The Power Division's total assets as of June 30, 2023, increased by 1.65% from the previous year. Capital assets increased by 2.03% from 2022. Construction in progress decreased by 23.64% from 2022. Capital assets and construction in progress variances from 2022 are directly related to the amount of capital projects closed during 2023. Net position was \$1.08 million more than last year because of profitable operations. Total liabilities increased from 2022 because of long-term liabilities due to the net pension liability from 2023.

The change in net position (net income) in 2023 decreased over 2022 because of increased expenses. Contribution margin (the difference between sales revenues and power purchased) was more than 2022 because of the increase in power sales and other operating revenue.

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Water Division  
Condensed Statements of Net Position  
June 30**

	2023	2022	Variance 2023 to 2022	%
Assets:				
Capital assets	\$ 17,875,246	\$ 18,165,978	\$ (290,732)	-1.60 %
Construction in progress	652,470	112,317	540,153	480.92
Current and other assets	8,281,555	7,990,625	290,930	3.64
<b>Total assets</b>	<b>26,809,271</b>	<b>26,268,920</b>	<b>540,351</b>	<b>2.06</b>
Deferred outflows	1,049,120	643,559	405,561	63.02
	<u><b>\$ 27,858,391</b></u>	<u><b>\$ 26,912,479</b></u>	<u><b>\$ 945,912</b></u>	<u><b>3.51 %</b></u>
Liabilities:				
Current liabilities	\$ 680,866	\$ 525,468	\$ 155,398	29.57 %
Long-term liabilities	4,974,964	4,446,788	528,176	11.88
<b>Total liabilities</b>	<b>5,655,830</b>	<b>4,972,256</b>	<b>683,574</b>	<b>13.75</b>
Deferred inflows	48,915	222,386	(173,471)	-78.00
	<u><b>5,704,745</b></u>	<u><b>5,194,642</b></u>	<u><b>510,103</b></u>	<u><b>9.82</b></u>
Net position:				
Net investment in capital assets	14,902,230	14,458,805	443,425	3.07
Unrestricted	7,251,416	7,259,032	(7,616)	-0.10
<b>Total net position</b>	<b>22,153,646</b>	<b>21,717,837</b>	<b>435,809</b>	<b>2.01</b>
	<u><b>\$ 27,858,391</b></u>	<u><b>\$ 26,912,479</b></u>	<u><b>\$ 945,912</b></u>	<u><b>3.51 %</b></u>

**Water Division  
Condensed Statements of Revenues, Expenses and Changes in Net Position  
Year Ended June 30**

	2023	2022	Variance 2023 to 2022	%
Revenues:				
Water sales	\$ 4,924,476	\$ 4,536,608	\$ 387,868	8.55 %
Other operating revenue	323,459	229,278	94,181	41.08
Non operating income	86,937	16,276	70,661	434.14
<b>Total revenues</b>	<b>5,334,872</b>	<b>4,782,162</b>	<b>552,710</b>	<b>11.56</b>
Expenses:				
Purchased water	688,023	672,518	15,505	2.31
Operating and other expenses before depreciation	3,221,487	2,844,324	377,163	13.26
Depreciation	990,678	978,750	11,928	1.22
<b>Total expenses</b>	<b>4,900,188</b>	<b>4,495,592</b>	<b>404,596</b>	<b>9.00</b>
<b>Revenues over expenses before capital contributions</b>	<b>434,684</b>	<b>286,570</b>	<b>148,114</b>	<b>51.69</b>
Capital contributions	1,125	32,480	(31,355)	-96.54
<b>Change in net position</b>	<b>435,809</b>	<b>319,050</b>	<b>116,759</b>	<b>36.60</b>
Beginning net position	21,717,837	21,398,787	319,050	1.49
Ending net position	<u><b>\$ 22,153,646</b></u>	<u><b>\$ 21,717,837</b></u>	<u><b>\$ 435,809</b></u>	<u><b>2.01 %</b></u>

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Water Division Financial Statement Analysis**

Total assets as of June 30, 2023, were 2.06% more than 2022 because of an increase in construction in progress and current assets in 2023. The reason for the increase in construction in progress was because of the Phase 2 Rocky Mount Road to Dennis Street job. Current assets increased in 2023 due to an increase in prepaid expenses and warehouse inventory. A rate increase passed effective October 1, 2021. During 2023, the final two planned four step increases were implemented. Total liabilities increased from 2022 because of an increase in current and long-term liabilities. Deferred inflows are recognized in accordance with GASB standards. Net position was \$116,759 more due to the increase in construction in progress and current and other assets.

Total revenue and expenses increased in comparison to 2022. The increase in revenue is because of the final step for the water rate increase. Revenues over expenses before capital contributions were more than 2022. The total change in net position (net income) was more than 2022 due to the increase in water sales revenue.

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Gas Division  
Condensed Statements of Net Position  
June 30**

	2023	2022	Variance 2023 to 2022	%
Assets:				
Capital assets	\$ 13,628,444	\$ 13,758,089	\$ (129,645)	-0.94 %
Construction in progress	57,506	66,464	(8,958)	-13.48
Current and other assets	8,925,625	8,402,237	523,388	6.23
<b>Total assets</b>	<b>22,611,575</b>	<b>22,226,790</b>	<b>384,785</b>	<b>1.73</b>
Deferred outflows	590,376	362,128	228,248	63.03
	<u><b>\$ 23,201,951</b></u>	<u><b>\$ 22,588,918</b></u>	<u><b>\$ 613,033</b></u>	<u><b>2.71 %</b></u>
Liabilities:				
Current liabilities	\$ 434,787	\$ 782,535	\$ (347,748)	-44.44 %
Long term liabilities	1,017,529	462,390	555,139	120.06
<b>Total liabilities</b>	<b>1,452,316</b>	<b>1,244,925</b>	<b>207,391</b>	<b>16.66</b>
Deferred inflows	27,526	125,145	(97,619)	-78.00
	<u><b>1,479,842</b></u>	<u><b>1,370,070</b></u>	<u><b>109,772</b></u>	<u><b>8.01</b></u>
Net position:				
Net investment in capital assets	13,685,950	13,824,553	(138,603)	-1.00
Unrestricted	8,036,159	7,394,295	641,864	8.68
<b>Total net position</b>	<b>21,722,109</b>	<b>21,218,848</b>	<b>503,261</b>	<b>2.37</b>
	<u><b>\$ 23,201,951</b></u>	<u><b>\$ 22,588,918</b></u>	<u><b>\$ 613,033</b></u>	<u><b>2.71 %</b></u>

**Gas Division  
Condensed Statements of Revenues, Expenses and Changes in Net Position  
Year Ended June 30**

	2023	2022	Variance 2023 to 2022	%
Revenues:				
Gas sales	\$ 8,485,999	\$ 8,655,005	\$ (169,006)	-1.95 %
Other operating revenue	105,944	104,332	1,612	1.55
Non operating income	44,697	28,636	16,061	56.09
<b>Total revenues</b>	<b>8,636,640</b>	<b>8,787,973</b>	<b>(151,333)</b>	<b>-1.72</b>
Expenses:				
Gas costs	5,347,135	5,789,382	(442,247)	-7.64
Other operating expenses				
before depreciation	2,127,175	1,909,706	217,469	11.39
Depreciation	660,039	713,769	(53,730)	-7.53
<b>Total expenses</b>	<b>8,134,349</b>	<b>8,412,857</b>	<b>(278,508)</b>	<b>-3.31</b>
<b>Revenues over expenses</b>	<b>502,291</b>	<b>375,116</b>	<b>127,175</b>	<b>33.90</b>
<b>before capital contributions</b>	<b>502,291</b>	<b>375,116</b>	<b>127,175</b>	<b>33.90</b>
Capital contributions	970	893	77	8.62
<b>Change in net position</b>	<b>503,261</b>	<b>376,009</b>	<b>127,252</b>	<b>33.84</b>
Beginning net position	21,218,848	20,842,839	376,009	1.80
Ending net position	<u><b>\$ 21,722,109</b></u>	<u><b>\$ 21,218,848</b></u>	<u><b>\$ 503,261</b></u>	<u><b>2.37 %</b></u>

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Gas Division Financial Statement Analysis**

The Gas Division's total assets as of June 30, 2023, increased over 2022 because of an increase in current and other assets. The current and other assets increase is in cash and warehouse inventory. The Gas Division remains debt free. Net position is 2.37% higher than 2022 due to increase in cash. Long-term liabilities increased because of the increase to net pension liabilities

Gas sales revenues were less than 2022. Due to a decrease in the cost of natural gas passed onto the customer via Purchased Gas Adjustment (PGA). Gas Division's sales decreased by 1.95% compared to 2022. Operating and maintenance expenses were less than 2022. The Division's change in net position was 2.37% more than in 2022.

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Department of Sewer  
Condensed Statements of Net Position  
June 30**

	<u>2023</u>	<u>2022</u>	<u>Variance 2023 to 2022</u>	<u>%</u>
Assets:				
Capital assets	\$ 33,284,825	\$ 33,494,834	\$ (210,009)	-0.63 %
Construction in progress	1,614,549	396,284	1,218,265	307.42
Current and other assets	5,663,187	5,581,009	82,178	1.47
<b>Total assets</b>	<b>40,562,561</b>	<b>39,472,127</b>	<b>1,090,434</b>	<b>2.76</b>
Deferred outflows	1,162,662	859,740	302,922	35.23
	<u><b>\$ 41,725,223</b></u>	<u><b>\$ 40,331,867</b></u>	<u><b>\$ 1,393,356</b></u>	<u><b>3.45 %</b></u>
Liabilities:				
Current liabilities	\$ 2,218,437	\$ 1,728,488	\$ 489,949	28.35 %
Long-term liabilities	11,233,345	11,809,895	(576,550)	-4.88
<b>Total liabilities</b>	<b>13,451,782</b>	<b>13,538,383</b>	<b>(86,601)</b>	<b>-0.64</b>
Deferred inflows	54,208	297,120	(242,912)	-81.76
	<u><b>13,505,990</b></u>	<u><b>13,835,503</b></u>	<u><b>(329,513)</b></u>	<u><b>-2.38</b></u>
Net position:				
Net investment in capital assets	24,181,190	21,991,769	2,189,421	9.96
Unrestricted	4,038,043	4,504,595	(466,552)	-10.36
<b>Total net position</b>	<b>28,219,233</b>	<b>26,496,364</b>	<b>1,722,869</b>	<b>6.50</b>
	<u><b>\$ 41,725,223</b></u>	<u><b>\$ 40,331,867</b></u>	<u><b>\$ 1,393,356</b></u>	<u><b>3.45 %</b></u>

**Department of Sewer  
Condensed Statements of Revenues, Expenses and Changes in Net Position  
Year Ended June 30**

	<u>2023</u>	<u>2022</u>	<u>Variance 2023 to 2022</u>	<u>%</u>
Revenues:				
Sewer revenues	\$ 6,862,694	\$ 6,233,428	\$ 629,266	10.10 %
Other operating revenue	562,606	334,133	228,473	68.38
Non operating income	56,205	11,757	44,448	378.06
<b>Total revenues</b>	<b>7,481,505</b>	<b>6,579,318</b>	<b>902,187</b>	<b>13.71</b>
Expenses:				
Operating expenses before depreciation	4,404,068	3,780,460	623,608	16.50
Depreciation	1,609,843	1,841,100	(231,257)	-12.56
<b>Total expenses</b>	<b>6,013,911</b>	<b>5,621,560</b>	<b>392,351</b>	<b>6.98</b>
<b>Revenues over expenses before capital contributions</b>	<b>1,467,594</b>	<b>957,758</b>	<b>509,836</b>	<b>53.23</b>
Capital contributions	255,275	23,236	232,039	998.62
<b>Change in net position</b>	<b>1,722,869</b>	<b>980,994</b>	<b>741,875</b>	<b>75.62</b>
Beginning net position	26,496,364	25,515,370	980,994	3.84
Ending net position	<u><b>\$ 28,219,233</b></u>	<u><b>\$ 26,496,364</b></u>	<u><b>\$ 1,722,869</b></u>	<u><b>6.50 %</b></u>

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Department of Sewer Financial Statement Analysis**

The Department of Sewer's capital assets were 0.63% less than 2022. Construction in progress was 307.42% more than 2022. The increase in construction in progress is due to the sewer improvement for Cedar Springs Road and Sterling Road. This job was not complete by year-end. Also, due to new construction, new sewer services increased in total over 2022. Total liabilities were less than 2022 because of debt service payments. The total change in net position was more than 2022.

Total revenues were 13.71% more than last year driven primarily by the increase in other sewer revenue compared to 2022. Total expenses were 6.98% more than in 2022 primarily due to the increase in operating expenses before depreciation. Interest expense was more than 2022 because of increase interest rates on variable rate debt.

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Fiber Division  
Condensed Statements of Net Position  
June 30**

	<u>2023</u>	<u>2022</u>	<u>Variance 2023 to 2022</u>	<u>%</u>
Assets:				
Capital assets	\$ 182,697	\$ 33,494,834	\$ (33,312,137)	-99.45 %
Construction in progress	29,208	396,284	(367,076)	-92.63
Current and other assets	348,546	5,581,009	(5,232,463)	-93.75
<b>Total assets</b>	<b>560,451</b>	<b>39,472,127</b>	<b>(38,911,676)</b>	<b>-98.58</b>
Deferred outflows	-	859,740	(859,740)	-100.00
	<u><b>\$ 560,451</b></u>	<u><b>\$ 40,331,867</b></u>	<u><b>\$ (39,771,416)</b></u>	<u><b>-98.61 %</b></u>
Total liabilities and deferred inflows	\$ -	\$ -	\$ -	- %
Net position:				
Net investment in capital assets	211,905	239,623	(27,718)	-11.57
Unrestricted	348,546	182,795	165,751	90.68
<b>Total net position</b>	<b>560,451</b>	<b>422,418</b>	<b>138,033</b>	<b>32.68</b>
	<u><b>\$ 560,451</b></u>	<u><b>\$ 422,418</b></u>	<u><b>\$ 138,033</b></u>	<u><b>32.68 %</b></u>

**Fiber Division  
Condensed Statements of Revenues, Expenses and Changes in Net Position  
Year Ended June 30**

	<u>2023</u>	<u>2022</u>	<u>Variance 2023 to 2022</u>	<u>%</u>
Revenues:				
Sales revenues	\$ 163,156	\$ 119,198	\$ 43,958	36.88 %
Non operating income	1,428	826	602	72.88
<b>Total revenues</b>	<b>164,584</b>	<b>120,024</b>	<b>44,560</b>	<b>37.13</b>
Expenses:				
Purchase Cost	26,091	31,277	(5,186)	-16.58
Operating expenses before depreciation	24,412	19,836	4,576	23.07
Depreciation	38,548	17,083	21,465	125.65
<b>Total expenses</b>	<b>89,051</b>	<b>68,196</b>	<b>20,855</b>	<b>30.58</b>
<b>Revenues over expenses before capital contributions</b>	<b>75,533</b>	<b>51,828</b>	<b>23,705</b>	<b>45.74</b>
Capital contributions	62,500	34,145	28,355	83.04
<b>Change in net position</b>	<b>138,033</b>	<b>85,973</b>	<b>52,060</b>	<b>60.55</b>
Beginning net position	422,418	336,445	85,973	25.55
Ending net position	<u><b>\$ 560,451</b></u>	<u><b>\$ 422,418</b></u>	<u><b>\$ 138,033</b></u>	<u><b>32.68 %</b></u>



**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Fiber Division Financial Statement Analysis**

The Fiber Division capital assets decreased by 17.42% from 2022. Cash increased in 2023 due to expansion of fiber service territory. The Fiber Division's total assets increased from 2022. The Fiber Division has no debt.

The Fiber Division's total revenue increased by 37.13% from 2022. During 2023, the Fiber Division expanded the service territory to add more customers in rural areas. Total expenses increased from 2022 by 30.58%. Depreciation increased from 2022 as well as other expenses before depreciation.

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Capital Assets and Long-term Debt Activity**

The Athens Utilities Board incurred new debt during 2004 for the Department of Sewer and a smaller debt issue for the Power Division. These are variable rate borrowings through the Tennessee Municipal Bond Fund. The Department of Sewer has utilized \$17.4 million, and the Power Division has utilized \$2.9 million of this debt. All available funds have been drawn. The balance due from the Department of Sewer for this debt as of June 30, 2023, was \$9.5 million, and the balance due from the Power Division was \$1.6 million. During 2008, the Power Division incurred another new debt of \$2.6 million to finance construction of a major substation. The balance due as of June 30, 2023, was \$1.7 million. The Power Division completed construction of a new substation to serve the City of Niota, Tennessee during 2013. There have been no new debt issues in the Power Division since the 2009 refinance. All infrastructures improvements have been financed with cash flow since 2009.

The Water Division began a project to upgrade treatment infrastructure during 2014. This infrastructure upgrade will be completed in two phases. The total cost of the first phase of this project was approximately \$2 million. It was financed with a new debt issue from the State of Tennessee revolving loan fund. All of the funds for the first phase were drawn as of August 2015, and the balance due is \$1.1 million. The second phase of the upgrade was completed in fiscal 2017. The total due for this debt issue as of June 30, 2023, was \$1.1 million.

The Gas Division remains debt free. A new eight-inch gas main and compressed natural gas filling station were constructed during 2013. The total cost of these projects was approximately \$1.2 million. A second eight-inch gas main was completed in fiscal 2016 at a cost of \$4.3 million. A new city gate station was completed in fiscal 2017 at a cost of \$1.6 million. No debt is planned to finance any gas infrastructure improvements.

The Department of Sewer incurred new debt totaling \$2.7 million in 2011 to finance part of the construction costs of a system extension to an industrial park that was not being served at that time. This debt consists of fixed rate debt from the State of Tennessee's revolving loan fund of \$2,246,000 and another fixed rate note from the American Recovery and Reinvestment Act (ARRA) for \$449,000. As of June 30, 2023, the balance due on these was \$1.1 million and \$217,084, respectively. The remainder of the cost was financed by a cost sharing arrangement between the utility, the City of Athens, Tennessee and McMinn County as well as a principal forgiveness from the ARRA of \$1.9 million. No additional debt was incurred in the Department of Sewer during 2023.

The Fiber Division remains debt free. The expansion of the fiber service began in 2023 to cover customers that live in rural areas without internet access. No debt is planned to finance any fiber infrastructure improvements.

**Athens Utilities Board  
Management's Discussion and Analysis  
June 30, 2023**

**Currently Known Facts, Decisions, or Conditions**

Rates for the Sewer Division were increased using a two-year schedule to assist in the repayment of the debt service starting in 2018. The Department of Sewer has posted positive change in net position since these rate adjustments were completed. The Power Division had a retail rate increase in 2019 to the residential and general service rate classes. The Power Division has adopted a 1% rate increase for fiscal 2022. The new rate structure will become effective as of October 1, 2021. The Water Division had its first-rate increase in twelve years and is driven by state regulation. Rates for the Water Division will be on a two-year schedule until reaching the full increase. The final step increase was as of April 1, 2023. The Gas and Power Divisions have adopted rate structures that are adjusted to reflect changes in wholesale prices of gas and power sold. These fluctuating rate structures allow the Gas and Power Divisions to preserve the margin (the difference between the prices paid and charged) in the commodities sold. The Gas Division constructed a natural gas vehicle fueling station during 2013. The cost of this station was approximately \$430,000. No debt was incurred.

**Contacting the Utility's Financial Management**

This financial report is designed to provide our ratepayers and other users of these statements with a general overview of the utility's finances and to show the utility's accountability for the money it receives. If you have questions about this report or need additional information, contact the Superintendent of Accounting at Athens Utilities Board, P. O. Box 689, Athens, TN 37371-0689.

**BASIC**  
**FINANCIAL STATEMENTS**

**ATHENS UTILITIES BOARD**  
**STATEMENTS OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2023**

	Business-Type Activities - Enterprise Funds				
	Power Division	Water Division	Gas Division	Department of Sewer	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>UTILITY PLANT AND EQUIPMENT, at cost</b>					
Less accumulated depreciation	\$ 76,906,318	\$ 33,747,573	\$ 24,889,676	\$ 58,141,967	\$ 193,685,534
	(30,120,542)	(15,872,327)	(11,261,232)	(24,857,142)	(82,111,243)
	46,785,776	17,875,246	13,628,444	33,284,825	111,574,291
Construction in progress	1,485,301	652,470	57,506	1,614,549	3,809,826
Net utility plant and equipment	48,271,077	18,527,716	13,685,950	34,899,374	115,384,117
<b>CURRENT ASSETS</b>					
Cash	7,048,954	7,497,430	8,004,263	4,576,098	27,126,745
Restricted cash	-	26,913	-	37,720	64,633
Receivables:					
Customer accounts, less allowance for doubtful accounts	5,535,739	383,336	220,776	522,437	6,662,288
Primary government	-	-	-	97,804	97,804
Other	486,426	13,496	2,039	2,575	504,536
Interdivisional	-	2,048	27,721	-	29,769
Prepaid expenses	35,658	31,816	19,386	10,985	97,845
Materials and supplies	2,480,704	326,516	192,792	415,568	3,415,580
Gas and propane storage inventory	-	-	458,648	-	458,648
Total current assets	15,587,481	8,281,555	8,925,625	5,663,187	38,457,848
Total assets	63,858,558	26,809,271	22,611,575	40,562,561	153,841,965
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pension plan	2,933,211	1,049,120	590,376	1,162,662	5,735,369
	<u>\$ 66,791,769</u>	<u>\$ 27,858,391</u>	<u>\$ 23,201,951</u>	<u>\$ 41,725,223</u>	<u>\$ 159,577,334</u>

The Notes to Financial Statements are an integral part of these statements.

	Business-Type Activities - Enterprise Funds				
	Power Division	Water Division	Gas Division	Department of Sewer	Total
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>					
<b>LONG-TERM LIABILITIES</b>					
Long-term debt	\$ 3,263,371	\$ 3,624,527	\$ 162,675	\$ 10,706,696	\$ 17,757,269
Less current maturities shown below	<u>(271,750)</u>	<u>(199,280)</u>	<u>(17,226)</u>	<u>(1,190,788)</u>	<u>(1,679,044)</u>
Net long-term debt	2,991,621	3,425,247	145,449	9,515,908	16,078,225
Net pension liability	<u>4,332,817</u>	<u>1,549,717</u>	<u>872,080</u>	<u>1,717,437</u>	<u>8,472,051</u>
Total long-term liabilities	<u>7,324,438</u>	<u>4,974,964</u>	<u>1,017,529</u>	<u>11,233,345</u>	<u>24,550,276</u>
<b>CURRENT LIABILITIES</b>					
Current maturities of long-term liabilities	271,750	199,280	17,226	1,190,788	1,679,044
Payables:					
TVA for purchased power	3,898,639	-	-	-	3,898,639
Vendors	200,508	143,948	201,469	344,676	890,601
Interdivisional	2,048	27,721	-	-	29,769
Primary government	89,437	-	-	-	89,437
Retainage	-	27,873	-	49,208	77,081
Unearned revenue	400,000	58,950	7,600	203,760	670,310
Customer deposits	558,301	87,650	111,163	260,236	1,017,350
Other current liabilities	<u>661,534</u>	<u>135,444</u>	<u>97,329</u>	<u>169,769</u>	<u>1,064,076</u>
Total current liabilities	<u>6,082,217</u>	<u>680,866</u>	<u>434,787</u>	<u>2,218,437</u>	<u>9,416,307</u>
Total liabilities	13,406,655	5,655,830	1,452,316	13,451,782	33,966,583
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension plan	<u>136,759</u>	<u>48,915</u>	<u>27,526</u>	<u>54,208</u>	<u>267,408</u>
	<u>13,543,414</u>	<u>5,704,745</u>	<u>1,479,842</u>	<u>13,505,990</u>	<u>34,233,991</u>
<b>NET POSITION</b>					
Net investment in capital assets	45,007,706	14,902,230	13,685,950	24,181,190	97,777,076
Unrestricted	<u>8,240,649</u>	<u>7,251,416</u>	<u>8,036,159</u>	<u>4,038,043</u>	<u>27,566,267</u>
Total net position	<u>53,248,355</u>	<u>22,153,646</u>	<u>21,722,109</u>	<u>28,219,233</u>	<u>125,343,343</u>
	\$ 66,791,769	\$ 27,858,391	\$ 23,201,951	\$ 41,725,223	\$159,577,334

**ATHENS UTILITIES BOARD**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Funds				
	Power Division	Water Division	Gas Division	Department of Sewer	Total
<b>OPERATING REVENUES</b>					
Sales:					
Residential	\$ 18,403,290	\$ 2,168,759	\$ 2,833,865	\$ 2,165,233	\$ 25,571,147
Commercial	4,720,861	2,269,327	2,195,441	1,814,763	11,000,392
Industrial	33,935,945	486,390	1,193,269	2,882,698	38,498,302
Public street and outdoor lighting	1,105,369	-	-	-	1,105,369
Interruptible	-	-	2,263,424	-	2,263,424
Fiber optic	61,978	-	-	-	61,978
Other operating revenue	978,055	323,459	105,944	562,606	1,970,064
Total operating revenues	<u>59,205,498</u>	<u>5,247,935</u>	<u>8,591,943</u>	<u>7,425,300</u>	<u>80,470,676</u>
<b>OPERATING EXPENSES</b>					
Purchased supply	47,814,717	688,023	5,347,135	-	53,849,875
Power, pumping, and purification	-	512,368	-	-	512,368
Treatment plant	-	-	-	1,755,858	1,755,858
Pumping station	-	-	-	86,485	86,485
Distribution	1,443,060	319,899	419,755	-	2,182,714
Maintenance	1,675,549	621,497	298,200	651,812	3,247,058
Consumer accounts	972,068	503,886	362,536	180,194	2,018,684
Administrative and general	2,767,949	1,161,587	806,217	1,147,617	5,883,370
Other	4,300	-	-	257,011	261,311
Depreciation and amortization	2,592,692	990,678	660,039	1,609,843	5,853,252
Tax equivalents	870,775	-	226,987	-	1,097,762
Total operating expenses	<u>58,141,110</u>	<u>4,797,938</u>	<u>8,120,869</u>	<u>5,688,820</u>	<u>76,748,737</u>
<b>NET OPERATING INCOME</b>	<u>1,064,388</u>	<u>449,997</u>	<u>471,074</u>	<u>1,736,480</u>	<u>3,721,939</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	36,687	66,013	36,183	20,917	159,800
Interest expense	(86,688)	(96,797)	(980)	(284,048)	(468,513)
Insurance proceeds	24,325	10,946	8,514	35,288	79,073
Gain (loss) on disposal of property	(31,202)	9,978	-	(36,113)	(57,337)
Other	(23,815)	(5,453)	(12,500)	(4,930)	(46,698)
Net nonoperating revenues (expenses)	<u>(80,693)</u>	<u>(15,313)</u>	<u>31,217</u>	<u>(268,886)</u>	<u>(333,675)</u>
Income before capital contributions	983,695	434,684	502,291	1,467,594	3,388,264
<b>CAPITAL CONTRIBUTIONS</b>	<u>231,040</u>	<u>1,125</u>	<u>970</u>	<u>255,275</u>	<u>488,410</u>
<b>CHANGE IN NET POSITION</b>	1,214,735	435,809	503,261	1,722,869	3,876,674
Net position, beginning of year	<u>52,033,620</u>	<u>21,717,837</u>	<u>21,218,848</u>	<u>26,496,364</u>	<u>121,466,669</u>
Net position, end of year	<u>\$ 53,248,355</u>	<u>\$ 22,153,646</u>	<u>\$ 21,722,109</u>	<u>\$ 28,219,233</u>	<u>\$ 125,343,343</u>

The Notes to Financial Statements are an integral part of these statements.

**ATHENS UTILITIES BOARD**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Funds				Total
	Power Division	Water Division	Gas Division	Department of Sewer	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 58,168,158	\$5,257,976	\$ 8,795,446	\$7,389,308	\$ 79,610,888
Receipts from other divisions for services provided	808,495	32,096	151,608	3,813	996,012
Payments for employee services	(4,911,601)	(1,276,291)	(708,725)	(1,284,518)	(8,181,135)
Payments to suppliers for goods and services	(50,547,069)	(2,132,896)	(6,994,960)	(1,830,729)	(61,505,654)
Payments to other divisions for services used	(13,700)	(200,798)	(14,494)	(767,020)	(996,012)
Customer deposits received	203,295	25,520	34,490	30,010	293,315
Customer deposits refunded	(225,826)	(28,470)	(40,690)	(31,339)	(326,325)
Net cash provided by operating activities	<u>3,481,752</u>	<u>1,677,137</u>	<u>1,222,675</u>	<u>3,509,525</u>	<u>9,891,089</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from issuance of long-term debt	-	-	175,538	-	175,538
Principal paid on long-term debt	(262,360)	(194,964)	(12,863)	(1,192,653)	(1,662,840)
Additions to utility plant and equipment	(3,139,572)	(1,233,666)	(565,947)	(2,625,705)	(7,564,890)
Removal cost, salvage, and other, net	(159,501)	(21,167)	(4,793)	57,745	(127,716)
Proceeds on disposal of property	689	9,978	-	33,450	44,117
Insurance proceeds	24,325	10,946	8,514	35,288	79,073
Capital contributions	231,040	1,125	-	142,911	375,076
Interest paid on long-term liabilities	(86,688)	(96,797)	(980)	(284,048)	(468,513)
Net cash used in capital and related financing activities	<u>(3,392,067)</u>	<u>(1,524,545)</u>	<u>(400,531)</u>	<u>(3,833,012)</u>	<u>(9,150,155)</u>
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>					
Interest received	<u>36,687</u>	<u>66,013</u>	<u>36,183</u>	<u>20,917</u>	<u>159,800</u>
Net increase (decrease) in cash and cash equivalents	126,372	218,605	858,327	(302,570)	900,734
Cash and cash equivalents, beginning of year	<u>6,922,582</u>	<u>7,305,738</u>	<u>7,145,936</u>	<u>4,916,388</u>	<u>26,290,644</u>
Cash and cash equivalents, end of year	<u>\$ 7,048,954</u>	<u>\$7,524,343</u>	<u>\$ 8,004,263</u>	<u>\$4,613,818</u>	<u>\$ 27,191,378</u>
Cash	\$ 7,048,954	\$7,497,430	\$ 8,004,263	\$4,576,098	\$ 27,126,745
Restricted cash	-	26,913	-	37,720	64,633
	<u>\$ 7,048,954</u>	<u>\$7,524,343</u>	<u>\$ 8,004,263</u>	<u>\$4,613,818</u>	<u>\$ 27,191,378</u>

(continued)



**ATHENS UTILITIES BOARD**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2023**  
**(continued)**

	Business-Type Activities - Enterprise Funds				
	Power Division	Water Division	Gas Division	Department of Sewer	Total
Reconciliation of net operating income to net cash provided by operating activities:					
Net operating income	\$ 1,064,388	\$ 449,997	\$ 471,074	\$ 1,736,480	\$ 3,721,939
Adjustments to reconcile net operating income to net cash provided by operating activities:					
Depreciation and amortization	2,818,011	1,031,710	710,313	1,688,687	6,248,721
Other	(23,815)	(5,453)	(12,500)	(4,930)	(46,698)
Changes in assets and liabilities:					
Receivables	(228,845)	29,487	357,211	(147,479)	10,374
Materials and supplies	(358,217)	(90,071)	(23,892)	(234,827)	(707,007)
Gas and propane storage inventory	-	-	3,560	-	3,560
Payables	(548,589)	94,991	(348,383)	284,665	(517,316)
Unearned revenues	400,000	12,650	(2,100)	115,300	525,850
Other current liabilities	62,876	16,571	(14,491)	274	65,230
Prepaid expenses	(3,485)	(11,741)	(1,940)	(2,442)	(19,608)
Net pension liability	1,795,308	728,028	409,690	619,631	3,552,657
Deferred outflows related to pension plan	(945,870)	(405,561)	(228,248)	(302,922)	(1,882,601)
Deferred inflows related to pension plan	(550,010)	(173,471)	(97,619)	(242,912)	(1,064,012)
Net cash provided by operating activities	<u>\$ 3,481,752</u>	<u>\$1,677,137</u>	<u>\$ 1,222,675</u>	<u>\$3,509,525</u>	<u>\$ 9,891,089</u>
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Contributed lines	\$ -	\$ -	\$ 970	\$ 14,560	\$ 15,530
Outstanding capital contributions	-	-	-	97,804	97,804

The Notes to Financial Statements are an integral part of this statement.

**ATHENS UTILITIES BOARD**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUND**  
**FIDUCIARY FUND**  
**June 30, 2023**

**ASSETS**

Cash	\$ 209,705
Interest receivable	31,261
	<u>240,966</u>
Investments, at fair value:	
U.S. government and agency securities	913,091
Municipal bonds	564,486
Corporate bonds	1,198,623
Foreign bonds and notes	212,919
Mutual funds	1,649,934
Common stocks	1,087,339
Foreign stocks	691,243
Real estate investment trusts	15,229
Exchange traded funds	1,640,395
Proprietary funds	<u>1,243,635</u>
Total investments	<u>9,216,894</u>
Total assets	<u><u>\$ 9,457,860</u></u>

**NET POSITION**

Net position, held in trust for pension benefits	<u><u>\$ 9,457,860</u></u>
--	----------------------------

The Notes to Financial Statements are an integral part of this statement.

**ATHENS UTILITIES BOARD**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUND**  
**FIDUCIARY FUND**  
**Year Ended June 30, 2023**

**ADDITIONS**

Employer contributions	\$ 1,215,000
Net investment income:	
Interest and dividend income	64,850
Net appreciation in the fair value of investments	<u>699,531</u>
 Total additions	 <u>1,979,381</u>

**DEDUCTIONS**

Benefits paid	1,224,925
Administrative expenses	<u>31,877</u>
 Total deductions	 <u>1,256,802</u>

**CHANGE IN NET POSITION HELD IN TRUST FOR  
PENSION BENEFITS**

722,579

**NET POSITION**, held in trust for pension benefits, beginning of year

8,735,281

**NET POSITION**, held in trust for pension benefits, end of year

\$ 9,457,860

The Notes to Financial Statements are an integral part of this statement.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies**

***Organization and basis of presentation:***

Athens Utilities Board (the Board) is a separately administered component unit of the City of Athens, Tennessee. The City of Athens was incorporated by an act of the legislature of the Tennessee General Assembly in 1891. The financial statements of the Board are included in the Annual Comprehensive Financial Report of the City. The Board is governed by a five-member commission appointed by the City Council of Athens. One commissioner also serves on the City Council.

The Board is segregated into four distinct divisions (Power Division, Water Division, Gas Division and Department of Sewer) that provide power, fiber optics, water, gas, and sewer services to residential, commercial, and industrial customers located in Athens, Tennessee, and surrounding areas. Each division is considered to be a separate accounting and reporting entity, reporting its business-type activities in accordance with enterprise fund accounting requirements for special-purpose governments. The Board provides fiber optic services through the Power Division. Generally, interdivisional receivables, payables, revenues, and expenses exist for services provided between divisions. For reporting purposes, all of the Board's enterprise funds qualified as major funds.

The financial statements also report the Board's fiduciary fund, Athens Utilities Board Pension Trust Fund. This trust fund is used to account for assets held by the Board in a trustee capacity for the accountability of resources for pension benefit payments to qualified Board retirees.

The financial statements of the Board have been prepared in accordance with U.S. generally accepted accounting principles in the United States of America as applied to governmental units. The more significant accounting policies used by the Board are described below.

***Allocation of operating expenses:***

Certain common operating expenses are allocated among the divisions for financial reporting purposes based upon management's estimate of the pro rata relationship of the expenses to each division.

***Basis of accounting:***

The accompanying financial statements are presented on the accrual basis of accounting.

***Use of estimates in the preparation of financial statements:***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (continued)**

***Capital assets, depreciation and maintenance:***

Capital assets consist of utility plant, equipment and construction in progress. Individual capital assets purchased or constructed with an original cost of \$1,000 or more are stated at cost. Such cost includes direct cost, direct labor, and applicable overhead costs (general and administrative, pensions, taxes, etc.) allocated to construction projects. Contributed assets are reported at fair market value as of the date received.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Maintenance and repairs, including the cost of renewals of minor items of property, are charged to maintenance expense accounts.

The Board uses group depreciation for many of its assets. Under this method, assets are aggregated into pools and depreciated over their estimated useful lives. In group depreciation, depreciation is not accumulated by individual asset; therefore, property subject to depreciation is retired at its average unit cost. In addition, accumulated depreciation of the same amount is retired with no gain or loss recognized on the disposal. Cost of removing retired assets less the salvage value recovered is also charged to accumulated depreciation.

Capital assets are depreciated over the following estimated useful lives:

Plant in service	7-50 years
Equipment and furniture	5-14 years
Transportation – under one ton	5-8 years
Transportation – over one ton	13 years

The composite straight-line depreciation rate, expressed as a percentage of average depreciable plant, ranged from 2.67 to 3.40 percent. The depreciation and amortization in the statements of revenues, expenses and changes in net position does not include depreciation on certain transportation equipment, which is allocated to other expense classifications based on relative usage. Depreciation charged to other accounts is as follows:

Power	\$ 225,319
Water	41,032
Gas	37,411
Sewer	78,844

***Leases:***

Leases are included in capital assets and long-term debt in the financial statements. The leased asset and liability reflect the present value of the future minimum lease payments over the lease term. The discount rate used is based on current borrowing rates upon inception of the lease.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (continued)**

***Revenues and expenses and use of resources:***

The Board records revenue billed to customers based on monthly meter-reading cycles. Charges for services are recognized when used by the customer whether billed or unbilled.

For each division, operating revenues are receipts from utility sales and all revenues related to utility operations including late payment fees, rental income and ancillary services.

Operating expenses include those expenses that result from the ongoing operations of the utility systems.

Non-operating revenues consist primarily of investment income and capital contributions. Non-operating expenses consist of interest expense on long-term indebtedness and miscellaneous expenses not directly identified with the utility system's operations.

When both restricted and unrestricted resources are available for use, the Board's policy is to use restricted resources first.

***Customer accounts receivable:***

The Board provides an allowance for doubtful accounts based on review of customers' outstanding receivable balance and historical collection information. Policies exist requiring termination of services for nonpayment. Customer accounts receivable are presented net of the following allowance for doubtful accounts:

Power	\$ 74,000
Water	12,000
Gas	14,000
Sewer	17,000

***Purchased power:***

The Power Division records purchased power costs based on a monthly reading of its power meters. Purchased power costs are recorded in the month they are incurred.

***Materials and supplies and gas storage inventory:***

Materials and supplies are carried at the lower of cost (average cost method) or market value. Gas storage inventory represents surplus natural gas inventoried for later usage and is carried at the lower of cost (average cost method) or market.

***Cash and cash equivalents:***

For purposes of the statements of cash flows, the Board considers all highly liquid investments with an original maturity of less than 90 days to be cash equivalents. In accordance with governmental accounting standards, certain restricted assets are considered cash equivalents for purposes of the statements of cash flows. Restricted cash includes funds restricted by outside parties for water and sewer construction projects.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (continued)**

***Capital contributions:***

Amounts charged to developers and customers for the cost incurred in installing service lines for residential developments, service and distribution lines installed by developers and donated to the Board, and amounts received from grants and other governmental funding sources are recorded as capital contributions.

***Compensated absences:***

Employees accrue vacation by a prescribed formula based on length of service. Vacation may be accumulated on a limited basis with certain vacation expiring annually in accordance with the Board's policy. The value of limited accumulated vacation benefits earned but not taken by employees at June 30 is recorded in other current liabilities. There are no amounts accrued for sick leave.

***Income taxes:***

The Board is exempt from federal and state income taxes under statutes presently in effect.

***Fair value measurements:***

Investments of the Board are reported at fair value. Investments are measured and reported at fair value and are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

At June 30, 2023, all investments held in the Pension Trust Fund have been classified as Level 1 in the fair value hierarchy as they are valued directly from a predetermined primary external pricing vendor utilizing quoted market prices in active markets.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 2. Capital Assets**

Capital asset activity for the year ended June 30, 2023, is as follows:

	Balance 6/30/22	Additions	Deletions	Balance 6/30/23
<b><u>Power Division</u></b>				
Capital assets-depreciated:				
Plant in service	\$ 67,162,938	\$ 2,906,443	\$ 724,867	\$ 69,344,514
Equipment and furniture	4,111,601	435,961	2,432	4,545,130
Transportation equipment	2,474,486	228,825	46,261	2,657,050
Capital assets-depreciated	73,749,025	3,571,229	773,560	76,546,694
Land-not depreciated	359,624	-	-	359,624
Total power utility plant and equipment	74,108,649	3,571,229	773,560	76,906,318
Less accumulated depreciation:				
Plant in service	24,396,307	2,224,646	863,960	25,756,993
Equipment and furniture	2,387,028	368,045	2,432	2,752,641
Transportation equipment	1,428,665	225,319	43,076	1,610,908
Total accumulated depreciation	28,212,000	2,818,010	909,468	30,120,542
	45,896,649	753,219	(135,908)	46,785,776
Construction in progress- not depreciated	1,925,257	3,458,119	3,898,075	1,485,301
Net power utility plant and equipment	<u>\$ 47,821,906</u>	<u>\$ 4,211,338</u>	<u>\$ 3,762,167</u>	<u>\$ 48,271,077</u>
<b><u>Water Division</u></b>				
Capital assets-depreciated:				
Plant in service	\$ 30,953,783	\$ 562,543	\$ 127,723	\$ 31,388,603
Equipment and furniture	1,573,374	38,099	-	1,611,473
Transportation equipment	532,661	119,169	33,302	618,528
Capital assets-depreciated	33,059,818	719,811	161,025	33,618,604
Land-not depreciated	128,969	-	-	128,969
Total water utility plant and equipment	33,188,787	719,811	161,025	33,747,573
Less accumulated depreciation:				
Plant in service	13,676,378	780,143	148,891	14,307,630
Equipment and furniture	903,577	210,535	-	1,114,112
Transportation equipment	442,854	41,033	33,302	450,585
Total accumulated depreciation	15,022,809	1,031,711	182,193	15,872,327
	18,165,978	(311,900)	(21,168)	17,875,246
Construction in progress- not depreciated	112,317	1,296,857	756,704	652,470
Net water utility plant and equipment	<u>\$ 18,278,295</u>	<u>\$ 984,957</u>	<u>\$ 735,536</u>	<u>\$ 18,527,716</u>



**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 2. Capital Assets (continued)**

	Balance 6/30/22	Additions	Deletions	Balance 6/30/23
<b><u>Gas Division</u></b>				
Capital assets-depreciated:				
Plant in service	\$ 22,926,234	\$ 383,541	\$ 199,184	\$ 23,110,591
Equipment and furniture	994,662	18,223	-	1,012,885
Transportation equipment	461,910	-	-	461,910
Leased asset	-	175,538	-	175,538
Capital assets-depreciated	24,382,806	577,302	199,184	24,760,924
Land-not depreciated	128,752	-	-	128,752
Total gas utility plant and equipment	24,511,558	577,302	199,184	24,889,676
Less accumulated depreciation and amortization:				
Plant in service	9,750,995	591,249	202,549	10,139,695
Equipment and furniture	656,491	68,790	-	725,281
Transportation equipment	345,983	37,410	-	383,393
Lease amortization	-	12,863	-	12,863
Total accumulated depreciation and amortization	10,753,469	710,312	202,549	11,261,232
	13,758,089	(133,010)	(3,365)	13,628,444
Construction in progress- not depreciated	66,464	424,036	432,994	57,506
Net gas utility plant and equipment	\$ 13,824,553	\$ 291,026	\$ 429,629	\$ 13,685,950
<b><u>Department of Sewer</u></b>				
Capital assets-depreciated:				
Plant in service	\$ 54,881,090	\$ 1,288,625	\$ 588,844	\$ 55,580,871
Equipment and furniture	969,637	175,304	92,732	1,052,209
Transportation equipment	1,257,200	82,913	50,904	1,289,209
Capital assets-depreciated	57,107,927	1,546,842	732,480	57,922,289
Land-not depreciated	219,678	-	-	219,678
Total sewer utility plant and equipment	57,327,605	1,546,842	732,480	58,141,967
Less accumulated depreciation:				
Plant in service	22,185,745	1,543,480	531,099	23,198,126
Equipment and furniture	663,919	66,362	82,313	647,968
Transportation equipment	983,107	78,845	50,904	1,011,048
Total accumulated depreciation	23,832,771	1,688,687	664,316	24,857,142
	33,494,834	(141,845)	68,164	33,284,825
Construction in progress- not depreciated	396,284	2,733,064	1,514,799	1,614,549
Net sewer utility plant and equipment	\$ 33,891,118	\$ 2,591,219	\$ 1,582,963	\$ 34,899,374

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 2. Capital Assets (continued)**

	Balance 6/30/22	Additions	Deletions	Balance 6/30/23
<b><u>Board Total</u></b>				
Capital assets-depreciated:				
Plant in service	\$ 175,924,045	\$ 5,141,152	\$ 1,640,618	\$ 179,424,579
Equipment and furniture	7,649,274	667,587	95,164	8,221,697
Transportation equipment	4,726,257	430,907	130,467	5,026,697
Leased asset	-	175,538	-	175,538
Capital assets-depreciated	188,299,576	6,415,184	1,866,249	192,848,511
Land-not depreciated	837,023	-	-	837,023
Total utility plant and equipment	189,136,599	6,415,184	1,866,249	193,685,534
Less accumulated depreciation and amortization:				
Plant in service	70,009,425	5,139,518	1,746,499	73,402,444
Equipment and furniture	4,611,015	713,732	84,745	5,240,002
Transportation equipment	3,200,609	382,607	127,282	3,455,934
Lease amortization	-	12,863	-	12,863
Total accumulated depreciation and amortization	77,821,049	6,248,720	1,958,526	82,111,243
	111,315,550	166,464	(92,277)	111,574,291
Construction in progress-not depreciated	2,500,322	7,912,076	6,602,572	3,809,826
Net utility plant and equipment	\$ 113,815,872	\$ 8,078,540	\$ 6,510,295	\$ 115,384,117

**Note 3. Cash Deposits**

Each division of the Board maintains funds necessary for its daily operation in its operating accounts. Funds in excess of this are deposited in interest bearing accounts with local financial institutions, when possible. The Board has authorized excess funds to be held in money market deposit accounts, sweep accounts, or certificates of deposit.

State statutes require that all deposits with financial institutions be collateralized by an amount equal to 105 percent of the face amount or the value of uninsured deposits. Under these statutes, the deposits must be either covered by state or federal depository insurance, by collateral held by the Board's agent in the Board's name or by the Federal Reserve Banks acting as third-party agents. These statutes also limit the types of investments in which the Board can invest funds. At June 30, 2023, the Board was fully collateralized.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 4. Long-Term Debt and Other Long-Term Liabilities**

Long-term debt at June 30, 2023, consisted of the following:

**Power Division**

Note payable to the Public Building Authority  
of the City of Clarksville, Tennessee, Series  
2003; variable interest; principal due  
annually on May 25; interest due monthly

\$ 1,603,371

Note payable to the Public Building Authority  
of the City of Clarksville, Tennessee, Series  
2008; variable interest; principal due  
annually on May 25; interest due monthly

1,660,000

3,263,371

Less current maturities

(271,750)

Net Power long-term debt

\$ 2,991,621

**Water Division**

Water Revenue and Tax Bond, Series 2009;  
payable to Rural Development, U.S.  
Department of Agriculture; 3.25% interest;  
due in monthly installments of \$5,416  
including interest

\$ 1,096,796

Note payable to the Tennessee Department of  
Environment and Conservation, Series 2013;  
State Revolving Fund Loan Program; 3.18%  
interest; due in monthly installments of  
\$9,121 including interest

1,046,129

Note payable to the Tennessee Department of  
Environment and Conservation, Series 2014;  
State Revolving Fund Loan Program; 1.69%  
interest; due in monthly installments of  
\$9,857 including interest

1,481,602

3,624,527

Less current maturities

(199,280)

Net Water long-term debt

\$ 3,425,247

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 4. Long-Term Debt and Other Long-Term Liabilities (continued)**

**Gas Division**

Lease liability; 0.50% interest; due in monthly installments of \$1,500 including interest	\$ 162,675
Less current maturities	<u>(17,226)</u>
Net Gas long-term debt	<u>\$ 145,449</u>

**Department of Sewer**

Note payable to the Public Building Authority of the City of Clarksville, Tennessee, Series 2003; variable interest; principal due annually; interest due monthly	\$ 9,404,202
State of Tennessee Department of Environment and Conservation:	
2.39% State Revolving Fund note payable; due in monthly installments of \$12,433 including interest	1,085,410
2.39% ARRA State Revolving Fund note payable; due in monthly installments of \$2,487 including interest	<u>217,084</u>
	10,706,696
Less current maturities	<u>(1,190,788)</u>
Net Sewer long-term debt	<u>\$ 9,515,908</u>

**Summary of Board Long-Term Debt**

Total Board long-term debt	\$ 17,757,269
Less current maturities	<u>(1,679,044)</u>
Net Board long-term debt	<u>\$ 16,078,225</u>

During 2016, the Board entered an agreement which was to provide approximately \$2,550,000 for water line and pump station upgrades. The agreement was entered into by the City of Athens, Tennessee and utilizes a State Revolving Fund Loan Program. Under the agreement, approximately \$501,500 of principal was forgiven. The debt service that must be paid under this agreement will be paid by the Board. If Board funds are not sufficient to service the debt, the City of Athens is required to establish ad valorem taxes to pay the debt.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 4. Long-Term Debt and Other Long-Term Liabilities (continued)**

During 2014, the Board entered an agreement which provided approximately \$2,000,000 for water treatment plant upgrades. The agreement was entered into by the City of Athens, Tennessee and utilized a State Revolving Fund Loan Program. Under the agreement, approximately \$400,000 of principal was forgiven. The debt service that must be paid under this agreement will be paid by the Board. If Board funds are not sufficient to service the debt, the City of Athens is required to establish ad valorem taxes to pay the debt.

During 2010, the Board entered an agreement which provided approximately \$4,740,000 for sewer collection system expansion and sewer line rehabilitation. The agreement was entered into by the City of Athens, Tennessee and utilized State Revolving Fund loans and American Recovery and Reinvestment Act funding. Under the agreement, approximately \$1,896,000 of principal was forgiven. The debt service that must be paid under this agreement will be paid by the Board. If Board funds are not sufficient to service the debt, the City of Athens is required to establish ad valorem taxes to pay the debt.

During 2010, the Board entered a \$1,414,000 loan agreement whereby the City of Athens issued Water Revenue and Tax Bond, Series 2009 for water system construction, improvement, and extension. The Bond was registered to USDA Rural Development and is payable from revenues to be derived from operation of the water system. If Board funds are not sufficient to service the debt, the City of Athens is required to establish ad valorem taxes to pay the debt. The Board has agreed to pay all debt service due under this agreement over a 38-year amortization period.

The Board entered a \$20,500,000 loan agreement, Series 2003, which was used to construct, repair, improve, extend, and equip the electrical distribution system and the sewer system. The note payable is between the City of Athens, Tennessee and the Public Building Authority of the City of Clarksville, Tennessee (PBA); however, the debt service will be paid by the Board over a 29-year amortization period. If Board funds are not sufficient to service the debt, the City of Athens is required to establish ad valorem taxes to pay the note. The debt issue requires monthly interest at a variable rate with the rate at June 30, 2023, set at 3.10 percent.

During 2008, the Board entered a \$2,600,000 loan agreement, Series 2008, which was utilized to upgrade the North Athens electrical substation. The note payable is between the City of Athens, Tennessee and the Public Building Authority of the City of Clarksville, Tennessee (PBA); however, the debt service will be paid by the Board over a 29-year amortization period. If Board funds are not sufficient to service the debt, the City of Athens is required to establish ad valorem taxes to pay the note. The debt issue requires monthly interest at a variable rate with the rate at June 30, 2023, set at 3.12 percent.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 4. Long-Term Debt and Other Long-Term Liabilities (continued)**

The notes payable to the Public Building Authority of the City of Clarksville, Tennessee, Pooled Loan Program, Series 2003 and Series 2008, carry an adjustable interest rate that is determined based on the market rate of tax-exempt variable interest. The Series 2003 and Series 2008 rates are adjusted daily and were 3.10 and 3.12 percent, respectively, at June 30, 2023.

Changes in long-term debt and other long-term liabilities for the year ended June 30, 2023, are summarized as follows:

	Balance 6/30/2022	Additions	Retirements	Balance 6/30/2023	Due within one year
Revenue and tax bonds-water	\$ 1,125,368	\$ -	\$ 28,572	\$ 1,096,796	\$ 29,519
Notes payable-power	3,525,731	-	262,360	3,263,371	271,750
Notes payable-water	2,694,123	-	166,392	2,527,731	169,761
Lease liability-gas	-	175,538	12,863	162,675	17,226
Notes payable-sewer	<u>11,899,349</u>	<u>-</u>	<u>1,192,653</u>	<u>10,706,696</u>	<u>1,190,788</u>
Total Board long-term debt and liabilities	<u>\$ 19,244,571</u>	<u>\$ 175,538</u>	<u>\$ 1,662,840</u>	<u>\$ 17,757,269</u>	<u>\$ 1,679,044</u>

The Power Division and the Department of Sewer revenue bonds are payable from and are secured by a pledge of the revenues derived from the operation of the respective systems. The revenue bonds are collateralized by statutory liens on the respective systems.

The principal and interest payments on all long-term debt were current as of June 30, 2023.

Aggregate maturities or payments required on principal under long-term debt obligations are as follows:

	Power			Water		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 271,750	\$ 102,956	\$ 374,706	\$ 199,280	\$ 92,212	\$ 291,492
2025	275,750	94,393	370,143	204,299	87,193	291,492
2026	279,750	85,703	365,453	209,467	82,025	291,492
2027	283,750	76,887	360,637	214,773	76,719	291,492
2028	288,750	67,944	356,694	220,222	71,270	291,492
2029-2033	1,281,621	201,906	1,483,527	1,188,350	269,110	1,457,460
2034-2038	582,000	47,064	629,064	853,173	128,041	981,214
2039-2043	-	-	-	257,183	67,777	324,960
2044-2048	-	-	-	277,780	22,328	300,108
	<u>\$ 3,263,371</u>	<u>\$ 676,853</u>	<u>\$ 3,940,224</u>	<u>\$ 3,624,527</u>	<u>\$ 896,675</u>	<u>\$ 4,521,202</u>

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 4. Long-Term Debt and Other Long-Term Liabilities (continued)**

Aggregate maturities or payments required on principal under long-term debt obligations are as follows: (continued)

	Gas - Lease			Sewer		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 17,226	\$ 774	\$ 18,000	\$ 1,190,788	\$ 325,206	\$ 1,515,994
2025	17,312	688	18,000	1,194,401	288,852	1,483,253
2026	17,399	601	18,000	1,198,102	252,410	1,450,512
2027	17,486	514	18,000	1,201,892	215,878	1,417,770
2028	17,574	426	18,000	1,205,773	179,256	1,385,029
2029-2033	75,678	822	76,500	4,715,740	350,855	5,066,595
	<u>\$ 162,675</u>	<u>\$ 3,825</u>	<u>\$ 166,500</u>	<u>\$ 10,706,696</u>	<u>\$ 1,612,457</u>	<u>\$ 12,319,153</u>

	Board Total		
	Principal	Interest	Total
2024	\$ 1,679,044	\$ 521,148	\$ 2,200,192
2025	1,691,762	471,126	2,162,888
2026	1,704,718	420,739	2,125,457
2027	1,717,901	369,998	2,087,899
2028	1,732,319	318,896	2,051,215
2029-2033	7,261,389	822,693	8,084,082
2034-2038	1,435,173	175,105	1,610,278
2039-2043	257,183	67,777	324,960
2044-2048	277,780	22,328	300,108
	<u>\$ 17,757,269</u>	<u>\$ 3,189,810</u>	<u>\$ 20,947,079</u>

**Note 5. Retirement Plans**

***Defined Benefit Plan:***

***Summary of Significant Accounting Policies***

***Method used to value investments***

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. All investments of the Plan utilized Level 1 inputs of the fair value measurement hierarchy to measure fair value.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Plan Description***

***Plan Administration***

Athens Utilities Board Employees' Pension Plan (the Plan) is a single employer defined benefit pension plan that provides pensions to employees who have met, and continue to meet, the eligibility requirements for participation in the Plan. The Plan is frozen to anyone hired after June 30, 2010. The Board of Directors has the authority under the Plan to establish contribution rates, change benefit terms, or amend the Plan. A five-member committee is charged with the general administration of the Plan and carrying out the provisions of the Plan. The Committee works in conjunction with the Plan's Trustee, Truist Bank. Four committee members are appointed by the Board of Directors while the fifth committee member is appointed by the Committee Chairman.

***Plan Membership***

	<u>2023</u>	<u>2022</u>
Inactive Plan participants or beneficiaries currently receiving benefits	20	21
Inactive Plan participants entitled to deferred benefits	11	12
Active vested Plan participants as of July 1	<u>47</u>	<u>49</u>
Total	<u>78</u>	<u>82</u>

The Plan does not issue a stand-alone financial report. The Plan is frozen and no new participants may enter, if hired after June 30, 2010. Individuals hired after June 30, 2010, are eligible to participate in the Athens Utilities Board Defined Contribution Plan, discussed later.

***Plan Provisions***

Plan provisions in effect at June 30, 2023 and 2022:

**Eligibility and Benefits**

Requirements	Minimum months of service: 12 Minimum Age: 25
Entry Dates	1/1 or 7/1 following fulfillment of requirements. <b><i>The Plan is frozen to anyone hired after 6/30/10.</i></b>
<u>Normal Retirement Date</u>	First day of the month coinciding with or next following attainment of age 65.

**Normal Retirement Benefit**

Benefit Formula	2% of average monthly compensation multiplied by credited service not in excess of 30 years. The minimum monthly benefit is the greater of (1) \$20.00 and (2) the accrued benefit determined as of June 30, 1990.
-----------------	--



**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Plan Description (continued)***

***Plan Provisions (continued)***

Average Compensation	Average monthly compensation is determined using the highest 36 consecutive months of a participant's employment.
Credited Service	For periods prior to 7/1/1976, years and completed months of full-time employment since hire. For periods after 6/30/1976, a plan year with 1,000 hours of employment, limited to 42 years.
Normal Form of Benefit	Single life annuity with 120 payments guaranteed.
Actuarial Equivalence	<p>A participant may elect to receive his benefit in another form of benefit, which is actuarially equivalent to his normal form. Actuarial equivalence is determined using the 1983 GAM for males table, with an interest rate of 5.5%.</p> <p>For the calculation of lump sums, the participant will receive the larger of the amount determined using:</p> <ul style="list-style-type: none"><li>- 1983 GAM for males and 5.5%, or</li><li>- GATT mortality and the GATT interest rate in effect for the month which is two months preceding the start of the Plan year during which the lump sum is paid.</li></ul>
Optional Forms of Benefit	The following optional forms are available: life annuity, joint & survivor annuity (50, 75, or 100%), 5-year certain & life annuity, 15-year certain & life annuity. A lump sum is available to a vested participant who terminates employment, provided that he was hired prior to February 1, 2008. Regardless of a participant's hire date, lump sums less than \$5,000 are mandatory and will be paid out immediately in lieu of all future benefits.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Plan Description (continued)***

***Plan Provisions (continued)***

**Accrued Benefit**

Normal retirement benefit assuming service to NRD multiplied by the number of years of credited service at termination divided by credited service projected to NRD.

For the benefit formula effective January 1, 2000, the accrued benefit is based on service and pay to date.

**Early Retirement Benefit**

Minimum Age: 55

Minimum Service: 15 Years

Benefit Amount: Accrued benefit, reduced by 1/15 for each of the first five years and 1/30 for each of the next five years by which early retirement precedes normal retirement.

Effective July 1, 2005, participants age 60 whose age plus Credited Service equals 90 are eligible for an immediate unreduced benefit.

**Accumulated Sick Leave  
Balance**

Upon qualifying for an unreduced early retirement benefit, a balance will be established for a participant based on his accumulated unused sick leave (minimum 500 hours needed to create balance) where no more than 1,500 hours of accumulated leave will be taken into account. The balance will be equal to the number of unused hours minus 500, multiplied by the average hourly rate of pay for his final 3 years of credited service prior to retirement.

The account balance may be used to pay medical premiums (individual or family) from the date of retirement until the later of when the participant becomes eligible for Medicare or age 65. After this point, if a younger spouse is still eligible for medical benefits, any remaining account balance may be used for the spouse's premium.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Plan Description (continued)***

***Plan Provisions (continued)***

Delayed Retirement

A participant who remains in employment past NRD will receive the greater of: (1) the benefit accrued at actual retirement, or (2) the actuarial equivalent of the accrued benefit at NRD.

Pre-Retirement Death Benefit

Effective February 1, 2014:

Minimum Age: 45

Minimum Service: 5 Years

Prior to February 1, 2008:

Minimum Age: 55

Minimum Service: 15 Years

Effective January 1, 2000, the beneficiary of a vested active participant who dies will be entitled to a survivor's benefit. It will be assumed that the participant terminated service on the date of his death, survived to his earliest retirement age, and retired with a 100% Joint & Survivor annuity. Effective February 1, 2008, the payment form was changed to a 100% Joint & Survivor Annuity with 120 guaranteed payments.

Disability Benefit

At the discretion of the employer, a disabled participant may receive a monthly benefit equal to his accrued benefit, payable at NRD. The participant may commence benefits earlier, with appropriate reductions.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Plan Description (continued)***

***Plan Provisions (continued)***

Vested Termination Benefit      Effective July 1, 2005, a participant becomes 100% vested after 5 years of service.

Prior to July 1, 2005, upon termination after 5 or more years of service, a participant shall be vested in his accrued benefit according to the following schedule:

<u>Years of Credited Service for Vesting</u>	<u>Vesting Percentage</u>	<u>Years of Credited Service for Vesting</u>	<u>Vesting Percentage</u>
Less than 5	0%	10	50%
5	25%	11	60%
6	30%	12	70%
7	35%	13	80%
8	40%	14	90%
9	45%	15 or more	100%

A participant shall become 100% vested upon attainment of normal retirement age or upon becoming disabled.

***Contribution Required***

Actuarially determined contributions to the Plan are determined each year as part of the Actuarial Valuation process. These contributions are determined according to the following funding policy:

Actuarial Cost Method:	Entry age normal
Asset Valuation Method:	The asset smoothing method utilized for the Plan shall be that investment gains or losses will be recognized over (5) years, providing that the actuarial value of assets shall not be greater than 120% of market value, nor less than 80% of market value.
Amortization Method:	The amortization policy shall be that the UAAL, as of January 1, 2014, and any changes thereafter as a result of a change in assumptions or methods or benefit or plan changes, shall be amortized over a fixed period of 30 years beginning January 1, 2014. The amortization period for experience gains and losses shall be 10 years from the date of the actuarial valuation.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Investments***

***Investment Policy***

The Board approved an investment policy with the objective to produce growth of assets in accordance with long-term plan objectives and income to assist in meeting current plan distribution requirements. The Plan Trustee, Truist Bank, is responsible for implementing the investment policy. The Board reviews the appropriateness and performance of the policy and investments annually.

The following was the Plan's adopted asset allocation as of June 30, 2023 and 2022:

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>2023</u>	<u>2022</u>
Equity	46%	46%
Fixed income	50	50
Alternatives	3	3
Cash equivalents	<u>1</u>	<u>1</u>
Total	<u>100%</u>	<u>100%</u>

***Rate of return***

For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.66 percent and -14.15 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Concentrations***

The Plan held investments of \$507,062 in the Touchstone Mid-Cap Value Fund, \$1,213,694 in the Vanguard S&P 500 Exchange Traded Fund, and \$1,243,635 in the Sterling Capital Quality Income Fund. Each represented more than 5 percent of the Plan's fiduciary net position at June 30, 2023.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Net Pension Liability of the Board***

The components of the net pension liability at June 30, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Total pension liability	\$ 18,003,453	\$ 17,207,332
Plan fiduciary net position	<u>9,457,860</u>	<u>8,735,281</u>
Board net pension liability	<u>\$ 8,545,593</u>	<u>\$ 8,472,051</u>
Plan fiduciary net position as a percentage of the total pension liability	52.53%	50.76%
Covered-employee payroll	\$ 4,128,319	\$ 4,160,884
Net pension liability as a percentage of covered-employee payroll	207.00%	203.61%

The Plan's fiduciary net position is reported in the Pension Trust Fund as of June 30, 2023. The Board's net pension liability is reported in the enterprise funds as of the measurement date of June 30, 2022, as permitted under the GASB standards.

***Actuarial Assumptions and Methods for Calculation of the Net Pension Liability***

An experience study was completed August 22, 2019. Assumptions for mortality rates and investment return were modified for the 2020 GASB report to reflect this study's recommendations. Additionally, the mortality rates were modified for the 2021 GASB report to PRI-2012 Total Dataset Amount-Weighted Mortality with MP-2020. For 2023, there was no recommended change to the mortality rates, retirement rates, salary scale, termination rates, and disability rates; therefore, these 2023 assumptions are the same as those used in the 2022 GASB report and are described below.

Measurement Date	June 30, 2023 – Plan. June 30, 2022 – Employer.
Valuation Date	July 1, 2023 – Plan. July 1, 2022 – Employer.
Mortality:	PRI-2012 Total Dataset Amount-Weighted Mortality with MP-2020
Discount Rate	6.75% per annum
Inflation	2.47% per annum
Salary Projection	3.00% per annum
Cost of Living Increase	N/A

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Net Pension Liability of the Board (continued)***

***Long-Term Expected Rate of Return on Pension Plan Investments***

The long-term expected rate of return on pension plan investments was determined by USI Advisors. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	6.63%
Fixed income	2.38
Alternatives	3.97
Cash equivalents	0.74

The assumed inflation rate is 2.47% per annum.

***Discount rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumes that the Plan contributions will be made according to their established funding policy to contribute the actuarially determined contribution. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate is the single rate that reflects (1) the long-term expected rate of return on Plan investments that are expected to be used to finance the payment of benefits, to the extent that the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments and Plan assets are expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met. The projected cash flows are used to project the Plan's fiduciary net position at the beginning of each period. The Plan's projected fiduciary net position at the beginning of each period is compared to the amount of benefit payments projected to occur in that period. It is assumed that the Plan's fiduciary net position is expected to always be invested using a strategy to achieve the long-term expected rate of return on Plan investments. The benefit payments that are projected to occur in a period are discounted using the long-term expected rate of return on Plan investments if the amount of the Plan's beginning fiduciary net position is projected to be sufficient to make the benefit payments in that period. In periods in which the benefit payments are projected to be greater than the amount of the Plan's fiduciary net position, they are discounted using a municipal bond rate as described above.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

	1% Decrease <u>(5.75%)</u>	Current Discount Rate (6.75%)	1% Increase <u>(7.75%)</u>
Athens Utilities Board's Net Pension Liability –			
June 30, 2023	\$11,130,392	\$8,545,593	\$6,371,047
June 30, 2022	10,965,289	8,472,051	6,377,895

***Additional Defined Benefit Plan disclosures for the Athens Utilities Board***

The Defined Benefit Plan disclosures represent required disclosures for plans under GASB No. 67 "Financial Reporting for Pension Plans." Certain of these disclosures also pertain to the employer. GASB No. 68 "Accounting and Financial Reporting for Pensions" requires additional employer disclosures not covered elsewhere as follows:

Additional Board disclosures are made as of the measurement date, June 30, 2022, elected by the Board under GASB No. 68.

The changes in the Board's net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at July 1, 2021	<u>\$ 16,819,208</u>	<u>\$ 11,899,814</u>	<u>\$ 4,919,394</u>
Changes for the year:			
Service cost	327,169	-	327,169
Interest	1,075,617	-	1,075,617
Differences between expected and actual experience	1,448,164	-	1,448,164
Contributions - employer	-	1,000,000	(1,000,000)
Net investment income	-	(1,660,556)	1,660,556
Benefit payments, including refunds of employee contributions	(2,462,826)	(2,462,826)	-
Administrative expense	-	(41,151)	41,151
Net changes	<u>388,124</u>	<u>(3,164,533)</u>	<u>3,552,657</u>
Balances at June 30, 2022	<u><u>\$ 17,207,332</u></u>	<u><u>\$ 8,735,281</u></u>	<u><u>\$ 8,472,051</u></u>



**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Additional Defined Benefit Plan disclosures for the Athens Utilities Board (continued)***

The Board recognized pension expense of \$1,821,043 for 2023. The Board made contributions to the Defined Benefit Plan of \$1,215,000 subsequent to the measurement date of June 30, 2022. These contributions are reported as deferred outflows in the financial statements. The pension expense and the deferred outflows resulting from the subsequent contributions were as follows:

	<u>Power Division</u>	<u>Water Division</u>	<u>Gas Division</u>	<u>Department of Sewer</u>	<u>Total</u>
Pension expense	\$ 931,327	\$ 333,107	\$ 187,451	\$ 369,158	\$ 1,821,043
Subsequent contributions	621,381	222,249	125,068	246,302	1,215,000

For the measurement period ended June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,452,778	\$ -
Changes of assumptions	866,566	267,408
Net difference between projected and actual earnings on pension plan investments	1,201,025	-
Contributions subsequent to measurement date of June 30, 2022	<u>1,215,000</u>	<u>-</u>
Total	<u>\$ 5,735,369</u>	<u>\$ 267,408</u>

Deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the measurement period ended June 30, 2023, and the Board's June 30, 2024, financial statements.

Other 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:

2023	\$ 1,086,408
2024	994,668
2025	857,428
2026	998,161
2027	274,119
Thereafter	42,177

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Retirement Plans (continued)**

***Defined Contribution Plan:***

***Plan description***

The Board established a Money Purchase Plan and Trust, The AUB Defined Contribution Plan, on July 1, 2010. Full-time employees hired on or after July 1, 2010, are eligible to participate after six months of service. Participants are required to make a pretax contribution of 3 percent of their regular earnings, which is matched by the Board. Participants may make an additional after-tax contribution of up to 4 percent of their regular earnings, which the Board also matches. The after-tax contribution percentage can be adjusted annually by the Board. Participants' interest in the contributions of the Board vest at 100 percent upon 5 years of completed service. The Plan is established with ICMA Retirement Corporation as the Plan Administrator. The Board made Plan contributions of \$206,875 during 2023.

**Note 6. Commitments**

***Commitment to purchase power:***

The Power Division has committed to purchase power exclusively from the Tennessee Valley Authority. The current power contract renews annually and is subject to a 5-year notice of cancellation by either party.

***Commitment to purchase water:***

The Board has a commitment to purchase water under a contract with a utility district. The contract establishes a minimum monthly payment and allows purchases up to 2,300,000 gallons per day to be made. The Board paid \$688,023 during 2023 for water purchased.

***Commitment to sell water:***

The Board has a commitment to sell water under a contract with a utility district. The contract establishes a minimum monthly payment and allows purchases up to 800,000 gallons per day to be made. The Board received \$504,630 during 2023 for water sold under this contract. Total sales to other utilities were \$546,224 during 2023.

**Note 7. Major Customers**

The following divisions had sales to individual customers exceeding 10 percent of their total operating revenue:

	<u>Number of Customers</u>	<u>Sales</u>	<u>% of Operating Revenue</u>
Power	1	\$10,310,574	17%
Gas	1	1,546,091	18
Sewer	1	2,682,160	36

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 8. Capital Contributions**

The Board receives capital contributions from certain governmental agencies to be used for purposes connected with the construction of various projects in each division. Capital contributions are reported as revenue rather than contributed capital as required by GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions." The following is a division by division summary for divisions with major capital contributions of current year capital contributions and the connected projects.

The Power Division recognized capital contributions of \$168,540 related to installation and relocation of transmission poles. The Fiber Optic Services Division recognized \$62,500 of capital contributions for services and installation of fiber infrastructure to various McMinn County facilities.

The Water Division recognized capital contributions of \$1,125 associated with reimbursement of costs on a completed waterline project.

The Gas Division and Department of Sewer recognized \$970 and \$14,560, respectively, of capital contributions from contributed lines.

The Department of Sewer recognized \$240,715 of capital contributions relating to sewer system improvements.

**Note 9. Self-Insurance**

The Board is partially self-insured for employee health and life insurance benefits. The benefits are funded through a separately administered health plan, the Athens Utilities Board Employee Health Plan (the Health Plan). The Athens Utilities Board has appointed a Board of Trustees to act as the trustee and administrator of the Health Plan. The Health Plan has purchased stop-loss health insurance to cover individual health claims in excess of \$80,000 and has purchased group life insurance of approximately \$12,000 per participant and \$2,000 per dependent.

Employer contributions were \$677,228 for the Health Plan during 2023. Employer contributions to the Health Plan are based on amounts estimated by the plan supervisor to be adequate to cover current year benefit claims, administrative fees, insurance, and other expenses. Assets held by the Health Plan are considered to be sufficient to cover all claims incurred; therefore, no additional amounts were recorded in the financial statements of the divisions.

**Note 10. Deferred Compensation**

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation balance is not available to employees until termination, retirement, death or unforeseeable emergency.

**ATHENS UTILITIES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 11. Risk Management and Contingencies**

The Board is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Board carries commercial insurance. For insured programs, there have been no significant reductions in insurance coverage and settlement amounts, if any, have not exceeded insurance coverage in the current year.

The Board has received grants for specific purposes which are subject to review by the grantor agencies. Such reviews could lead to a request for reimbursement to the grantor agencies for any expenditures disallowed under the terms of the grants. Management believes that such disallowed costs, if any, would be immaterial.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**ATHENS UTILITIES BOARD  
EMPLOYEE RETIREMENT PLAN  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN YEARS  
June 30, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Service cost	\$ 314,989	\$ 327,169	\$ 347,492	\$ 306,968	\$ 301,140	\$ 324,067	\$ 320,831	\$ 310,107	\$ 285,320	\$ 281,324
Interest	1,142,090	1,075,617	1,093,994	1,040,823	989,624	928,295	912,387	871,483	782,127	865,736
Differences between expected and actual experience	563,968	1,448,164	957,928	13,890	225,544	815,486	594,417	328,117	337,836	157,426
Changes of assumptions	-	-	(387,590)	1,522,330	-	-	-	-	523,220	(745,055)
Benefit payments, including refunds of employee contributions	(1,224,926)	(2,462,826)	(2,071,076)	(1,116,079)	(476,184)	(1,838,365)	(1,376,676)	(510,163)	(837,872)	(510,680)
<b>Net change in total pension liability</b>	<b>796,121</b>	<b>388,124</b>	<b>(59,252)</b>	<b>1,767,932</b>	<b>1,040,124</b>	<b>229,483</b>	<b>450,959</b>	<b>999,544</b>	<b>1,090,631</b>	<b>48,751</b>
<b>Total pension liability-beginning</b>	<b>17,207,332</b>	<b>16,819,208</b>	<b>16,878,460</b>	<b>15,110,528</b>	<b>14,070,404</b>	<b>13,840,921</b>	<b>13,389,962</b>	<b>12,390,418</b>	<b>11,299,787</b>	<b>11,251,036</b>
<b>Total pension liability-ending (a)</b>	<b>\$18,003,453</b>	<b>\$17,207,332</b>	<b>\$16,819,208</b>	<b>\$16,878,460</b>	<b>\$15,110,528</b>	<b>\$14,070,404</b>	<b>\$13,840,921</b>	<b>\$13,389,962</b>	<b>\$12,390,418</b>	<b>\$11,299,787</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 1,215,000	\$ 1,000,000	\$ 1,000,000	\$ 800,000	\$ 800,000	\$ 794,813	\$ 794,813	\$ 1,034,813	\$ 1,034,813	\$ 1,034,813
Net investment income	764,382	(1,660,556)	2,101,908	499,253	618,778	636,018	916,709	56,288	107,156	988,753
Benefit payments, including refunds of employee contributions	(1,224,926)	(2,462,826)	(2,071,076)	(1,116,079)	(476,184)	(1,838,365)	(1,376,676)	(510,163)	(837,872)	(510,680)
Administrative expense	(31,877)	(41,151)	(25,045)	(19,394)	(10,736)	(1,176)	(12,241)	(1,238)	(1,095)	(882)
Other	-	-	-	-	-	-	-	-	-	(886)
<b>Net change in plan fiduciary net net position</b>	<b>722,579</b>	<b>(3,164,533)</b>	<b>1,005,787</b>	<b>163,780</b>	<b>931,858</b>	<b>(408,710)</b>	<b>322,605</b>	<b>579,700</b>	<b>303,002</b>	<b>1,511,118</b>
<b>Plan fiduciary net position-beginning</b>	<b>8,735,281</b>	<b>11,899,814</b>	<b>10,894,027</b>	<b>10,730,247</b>	<b>9,798,389</b>	<b>10,207,099</b>	<b>9,884,494</b>	<b>9,304,794</b>	<b>9,001,792</b>	<b>7,490,674</b>
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 9,457,860</b>	<b>\$ 8,735,281</b>	<b>\$11,899,814</b>	<b>\$10,894,027</b>	<b>\$10,730,247</b>	<b>\$ 9,798,389</b>	<b>\$10,207,099</b>	<b>\$ 9,884,494</b>	<b>\$ 9,304,794</b>	<b>\$ 9,001,792</b>
<b>Net pension liability-ending (a) - (b)</b>	<b>\$ 8,545,593</b>	<b>\$ 8,472,051</b>	<b>\$ 4,919,394</b>	<b>\$ 5,984,433</b>	<b>\$ 4,380,281</b>	<b>\$ 4,272,015</b>	<b>\$ 3,633,822</b>	<b>\$ 3,505,468</b>	<b>\$ 3,085,624</b>	<b>\$ 2,297,995</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>52.53%</b>	<b>50.76%</b>	<b>70.75%</b>	<b>64.54%</b>	<b>71.01%</b>	<b>69.64%</b>	<b>73.75%</b>	<b>73.82%</b>	<b>75.10%</b>	<b>79.66%</b>
<b>Covered-employee payroll</b>	<b>\$ 4,128,319</b>	<b>\$ 4,160,884</b>	<b>\$ 4,335,446</b>	<b>\$ 4,424,698</b>	<b>\$ 4,386,649</b>	<b>\$ 4,604,594</b>	<b>\$ 4,557,706</b>	<b>\$ 4,625,267</b>	<b>\$ 4,625,267</b>	<b>\$ 4,796,970</b>
<b>Net pension liability as a percentage of covered-employee payroll</b>	<b>207.00%</b>	<b>203.61%</b>	<b>113.47%</b>	<b>135.25%</b>	<b>99.85%</b>	<b>92.78%</b>	<b>79.73%</b>	<b>75.79%</b>	<b>66.71%</b>	<b>47.91%</b>

**ATHENS UTILITIES BOARD  
EMPLOYEE RETIREMENT PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
LAST TEN YEARS  
June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$1,214,915	\$ 993,985	\$ 953,215	\$ 779,052	\$ 722,728	\$ 637,760	\$ 566,373	\$ 546,139	\$ 513,298	\$ 794,813
Contributions in relation to the actuarilly determined contribution	<u>1,215,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>800,000</u>	<u>800,000</u>	<u>794,813</u>	<u>794,813</u>	<u>1,034,813</u>	<u>1,034,813</u>	<u>1,034,813</u>
Contribution deficiency (excess)	<u>\$ (85)</u>	<u>\$ (6,015)</u>	<u>\$ (46,785)</u>	<u>\$ (20,948)</u>	<u>\$ (77,272)</u>	<u>\$ (157,053)</u>	<u>\$ (228,440)</u>	<u>\$ (488,674)</u>	<u>\$ (521,515)</u>	<u>\$ (240,000)</u>
Covered-employee payroll	\$4,128,319	\$4,160,884	\$4,335,446	\$4,424,698	\$4,386,649	\$4,604,594	\$4,557,706	\$4,625,267	\$4,625,267	\$4,796,970
Contributions as a percentage of covered-employee payroll	29.43%	24.03%	23.07%	18.08%	18.24%	17.26%	17.44%	22.37%	22.37%	21.57%

**NOTES TO SCHEDULE**

The actuarially determined contribution shown above is calculated using the following assumptions:

**Actuarial Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method:	Individual entry age normal, level percentage of compensation
Amortization method:	Level dollar, closed
Remaining amortization period:	22 years
Asset valuation method:	Fair market value
Salary increases:	3.00%
Investment rate of return:	6.75%
Retirement age:	Age 63 for those who satisfy Rule of 90, 100% at Age 65
Mortality:	PRI-2012 Total Dataset Amount-Weighted Mortality with MP-2020
Disabled mortality:	PRI-2012 Total Dataset Amount-Weighted Mortality with MP-2020

**ATHENS UTILITIES BOARD  
EMPLOYEE RETIREMENT PLAN  
SCHEDULE OF INVESTMENT RETURNS  
LAST TEN YEARS  
June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	8.66%	-14.15%	18.79%	4.50%	6.34%	6.28%	7.41%	0.57%	0.91%	12.34%



## **SUPPLEMENTARY INFORMATION**

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF NET POSITION BY SERVICE**  
**POWER DIVISION**  
**June 30, 2023**

	Power Division		
	Power Services	Fiber Optic Services	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>UTILITY PLANT AND EQUIPMENT, at cost</b>	\$ 76,620,098	\$ 286,220	\$ 76,906,318
Less accumulated depreciation	(30,017,019)	(103,523)	(30,120,542)
	46,603,079	182,697	46,785,776
Construction in progress	1,456,093	29,208	1,485,301
Net utility plant and equipment	48,059,172	211,905	48,271,077
<b>CURRENT ASSETS</b>			
Cash	6,709,312	339,642	7,048,954
Receivables:			
Customer accounts, less allowance doubtful accounts	5,527,690	8,049	5,535,739
Other	486,426	-	486,426
Prepaid expenses	34,803	855	35,658
Materials and supplies	2,480,704	-	2,480,704
Total current assets	15,238,935	348,546	15,587,481
Total assets	63,298,107	560,451	63,858,558
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension plan	2,933,211	-	2,933,211
	\$ 66,231,318	\$ 560,451	\$ 66,791,769
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
<b>LONG-TERM LIABILITIES</b>			
Long-term debt	\$ 3,263,371	\$ -	\$ 3,263,371
Less current maturities shown below	(271,750)	-	(271,750)
Net long-term debt	2,991,621	-	2,991,621
Net pension liability	4,332,817	-	4,332,817
Total long-term liabilities	7,324,438	-	7,324,438
<b>CURRENT LIABILITIES</b>			
Current maturities of long-term liabilities	271,750	-	271,750
Payables:			
TVA for purchased power	3,898,639	-	3,898,639
Vendors	200,508	-	200,508
Interdivisional	2,048	-	2,048
Primary government	89,437	-	89,437
Unearned revenue	400,000	-	400,000
Customer deposits	558,301	-	558,301
Other current liabilities	661,534	-	661,534
Total current liabilities	6,082,217	-	6,082,217
Total liabilities	13,406,655	-	13,406,655
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension plan	136,759	-	136,759
	13,543,414	-	13,543,414
<b>NET POSITION</b>			
Net investment in capital assets	44,795,801	211,905	45,007,706
Unrestricted	7,892,103	348,546	8,240,649
	52,687,904	560,451	53,248,355
Total net position	\$ 66,231,318	\$ 560,451	\$ 66,791,769

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION BY SERVICE**  
**POWER DIVISION**  
**Year Ended June 30, 2023**

	Power Division		
	Power Services	Fiber Optic Services	Total
<b>OPERATING REVENUES</b>			
Sales:			
Residential	\$ 18,385,380	\$ 17,910	\$ 18,403,290
Commercial	4,661,761	59,100	4,720,861
Industrial	33,911,777	24,168	33,935,945
Public street and outdoor lighting	1,105,369	-	1,105,369
Fiber optic	-	61,978	61,978
Other operating revenue	978,055	-	978,055
Total operating revenue	<u>59,042,342</u>	<u>163,156</u>	<u>59,205,498</u>
<b>OPERATING EXPENSES</b>			
Purchased supply	47,788,626	26,091	47,814,717
Distribution	1,443,060	-	1,443,060
Maintenance	1,675,549	-	1,675,549
Consumer accounts	972,068	-	972,068
Administrative and general	2,743,537	24,412	2,767,949
Other	4,300	-	4,300
Depreciation and amortization	2,554,144	38,548	2,592,692
Tax equivalents	870,775	-	870,775
Total operating expense	<u>58,052,059</u>	<u>89,051</u>	<u>58,141,110</u>
<b>NET OPERATING INCOME</b>	<u>990,283</u>	<u>74,105</u>	<u>1,064,388</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	35,534	1,153	36,687
Interest expense	(86,688)	-	(86,688)
Insurance proceeds	24,325	-	24,325
Loss on disposal of property	(31,202)	-	(31,202)
Other	(24,090)	275	(23,815)
Net nonoperating revenues (expenses)	<u>(82,121)</u>	<u>1,428</u>	<u>(80,693)</u>
Income before capital contributions	908,162	75,533	983,695
<b>CAPITAL CONTRIBUTIONS</b>	<u>168,540</u>	<u>62,500</u>	<u>231,040</u>
<b>CHANGE IN NET POSITION</b>	1,076,702	138,033	1,214,735
Net position, beginning of year	<u>51,611,202</u>	<u>422,418</u>	<u>52,033,620</u>
Net position, end of year	<u>\$ 52,687,904</u>	<u>\$ 560,451</u>	<u>\$ 53,248,355</u>

**ATHENS UTILITIES BOARD  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
June 30, 2023**

	Interest Rate	Maturity Date	Cost	FMV
Federal National Mortgage Association	2.625	09/06/24	\$ 50,914	\$ 47,548
Federal National Mortgage Association	0.875	08/05/30	66,007	64,307
US Treasury Note	2.500	08/15/23	72,628	69,769
US Treasury Note	2.375	08/15/24	61,667	57,094
US Treasury Note	1.500	08/15/26	144,409	132,533
US Treasury Note	2.625	02/15/29	50,686	46,330
US Treasury Note	4.125	11/15/32	103,971	102,188
US Treasury Bond	2.875	05/15/43	118,680	100,374
US Treasury Bond	3.000	11/15/45	113,579	101,198
US Treasury Bond	1.375	08/15/50	201,173	191,750
Arlington County Virginia General Obligation	0.790	08/01/25	100,839	91,622
Chicago IL O'Hare International Airport Revenue	1.704	01/01/26	35,000	32,071
Durham, NC LTD Obligation Revenue Bond	1.550	10/01/31	60,430	47,449
Fort Lauderdale FL Obligation Revenue Bond	1.300	01/01/27	55,619	48,568
Metropolitan Transportation Authority NY Bond	5.175	11/15/49	39,543	27,325
New York City NY Transitional Finance Authority Bond	2.610	02/01/25	59,050	52,675
Port Authority of New York and New Jersey Revenue	2.595	02/15/34	60,000	49,327
Prince Georges County MD General Obligation	1.186	09/15/26	61,517	53,879
San Diego CA Public Water Revenue	2.133	08/01/29	61,433	52,237
VA State College Building Authority Higher Education	1.735	02/01/30	71,492	58,530
VA State Port Authority Commonwealth Revenue Bond	1.407	07/01/28	60,531	50,803
Advance Auto Parts, Inc.	1.750	10/01/27	43,576	39,109
Air Lease Corporation	2.875	01/15/32	49,894	40,950
American Electric Power	3.200	11/13/27	51,099	47,114
BAT Capital Corporation	3.557	08/15/27	46,270	40,461
Berkshire Hathaway	4.300	05/15/43	28,867	20,064
CVS Health Corporation	2.700	08/21/40	54,294	38,392
Capital One Financial Corporation	3.200	02/05/25	60,155	55,162
Carlisle COS, Inc.	3.500	12/01/24	50,124	48,247
Cisco Systems, Inc.	5.500	01/15/40	28,717	20,203
Citigroup, Inc.	3.668	07/24/28	47,219	39,265
Comcast Corporation	1.950	01/15/31	50,465	40,914
Crown Castle Corporation	3.300	07/01/30	50,315	39,748
Discovery Communications	3.950	03/20/28	22,015	18,595
Duke Energy Corporation	3.950	10/15/23	51,676	49,690

(continued)

**ATHENS UTILITIES BOARD  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
June 30, 2023  
(continued)**

	Interest Rate	Maturity Date	Cost	FMV
Entergy Louisiana LLC	2.900	03/15/51	\$ 28,842	\$ 17,802
Fifth Third Bancorp	3.650	01/25/24	46,517	43,372
Home Depot, Inc.	3.300	04/15/40	47,036	32,481
JP Morgan Chase & Company	5.600	07/15/41	57,367	39,519
Kimco Realty Corporation	4.250	04/01/45	45,878	32,500
Kinder Morgan, Inc.	4.300	03/01/28	28,472	23,893
Metlife, Inc.	4.875	11/13/43	60,040	42,285
Nvidia Corporation	2.850	04/01/30	53,519	46,248
Owl Rock Capital Corporation	3.400	07/15/26	42,777	36,317
PNC Financial Services	2.600	07/23/26	57,248	49,825
Pfizer, Inc.	3.900	03/15/39	25,992	18,779
Public Service Electric Gas Co.	2.700	05/01/50	28,403	18,042
Regions Financial Corporation	2.250	05/18/25	29,909	27,746
Regions Financial Corporation	1.800	08/12/28	32,304	32,309
Sempra Energy	3.800	02/01/38	30,934	23,195
Sherwin - Williams Company	3.450	06/01/27	50,435	47,128
Target Corporation	3.625	04/15/46	32,936	20,989
United Tech Corporation	4.125	11/16/28	36,897	38,526
Verizon Communications, Inc.	3.550	03/22/51	38,135	29,838
Wells Fargo & Company	3.000	10/23/26	43,105	39,915
Bank of Montreal	2.500	06/28/24	49,993	48,360
Schlumberger Investments	2.650	06/26/30	46,585	40,195
Shell International Financial	2.375	11/07/29	45,876	40,180
Toronto Dominion Bank	2.650	06/12/24	40,368	38,791
Westpac Banking Corporation	4.322	11/23/31	55,562	45,393
Federated MDT Small-Cap Growth R6 Fund	-	-	247,907	225,021
Hotchkis & Wiley Small Cap Diversified Value Fund	-	-	128,644	130,063
Payden Emerging Market Bond SI Fund	-	-	51,092	56,594
Principal Origin Emerging Markets Fund	-	-	223,375	184,325
Touchstone Mid-Cap Growth Institutional Fund	-	-	210,083	219,607
Touchstone Mid-Cap Value Fund	-	-	479,234	507,062
Victory Sopheus Emerging Markets Fund	-	-	214,484	186,094
Allspring Special International Small Cap Fund	-	-	117,562	141,168
Abbott Laboratories	-	-	18,337	19,733
Abbvie, Inc.	-	-	18,088	16,707

(continued)

**ATHENS UTILITIES BOARD  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
June 30, 2023  
(continued)**

	Interest Rate	Maturity Date	Cost	FMV
Aflac, Inc.	-	-	\$ 13,068	\$ 13,960
Air Products & Chemicals, Inc.	-	-	10,116	11,981
Alphabet, Inc. - Class A	-	-	16,231	22,743
Alphabet, Inc. - Class C	-	-	11,172	19,839
Altria Group, Inc.	-	-	17,301	16,489
Amazon.com, Inc.	-	-	31,594	38,326
Ameriprise Financial, Inc.	-	-	17,442	19,265
Analog Devices, Inc.	-	-	14,566	19,481
Automatic Data Processing, Inc.	-	-	18,074	18,023
Autodesk, Inc.	-	-	20,358	20,256
Avery Dennison Corporation	-	-	19,504	18,383
Blackrock, Inc.	-	-	13,740	14,514
Block, Inc. - Class A	-	-	8,117	8,721
Boeing Company Capital	-	-	28,757	36,319
Booz Allen Hamilton Holding - Class A	-	-	15,275	15,736
Charles Schwab Corporation	-	-	15,636	16,437
CVS Health Corporation	-	-	17,002	13,342
Deere & Company	-	-	4,285	5,267
Discover Financial Services	-	-	3,270	3,622
The Walt Disney Company Common	-	-	23,894	15,713
Ebay, Inc.	-	-	14,987	14,792
Elevance Health, Inc.	-	-	22,953	19,104
Expeditors International Wash, Inc.	-	-	7,042	12,113
Factset Research Systems, Inc.	-	-	7,339	10,818
Goldman Sachs Group, Inc.	-	-	17,643	16,450
Home Depot, Inc.	-	-	18,814	19,570
Illumina, Inc.	-	-	18,092	11,249
Intuitive Surgical, Inc.	-	-	6,979	10,600
Johnson & Johnson	-	-	16,805	16,055
Marsh & McLennan COS, Inc.	-	-	16,637	19,184
Merck and Company, Inc.	-	-	7,397	8,308
MetLife, Inc.	-	-	11,309	9,158
Meta Platforms, Inc. - Class A	-	-	36,421	59,405
Microsoft Corporation	-	-	36,302	60,616
Monster Beverage Corporation	-	-	14,954	24,125
Motorola Solutions, Inc.	-	-	7,269	8,505
NASDAQ, Inc.	-	-	16,803	15,105

(continued)

**ATHENS UTILITIES BOARD  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
June 30, 2023  
(continued)**

	Interest Rate	Maturity Date	Cost	FMV
Netflix, Inc.	-	-	\$ 12,590	\$ 30,834
Nvidia Corporation	-	-	20,255	57,954
Oracle Corporation	-	-	19,156	36,442
PayPal Holdings, Inc.	-	-	7,937	7,140
Pepsico, Inc.	-	-	14,798	15,188
Qualcomm, Inc.	-	-	12,625	11,785
Regeneron Pharmaceuticals, Inc.	-	-	8,854	14,371
SEI Investments Company	-	-	8,196	9,003
Salesforce, Inc.	-	-	19,747	21,760
Skyworks Solutions, Inc.	-	-	12,674	11,844
Starbucks Corporation	-	-	12,227	13,967
Tesla, Inc.	-	-	30,242	43,454
United Parcel Service - Class B	-	-	10,692	11,293
Vertex Pharmaceuticals, Inc.	-	-	12,457	19,003
Visa, Inc. - Class A	-	-	28,286	40,372
Workday, Inc. - Class A	-	-	6,252	8,358
Yum! Brands, Inc.	-	-	6,175	9,698
Yum China Holdings, Inc.	-	-	3,484	4,859
AIA Group LTD	-	-	10,438	10,834
Accenture PLC- Class A	-	-	18,080	19,441
Aena SME S.A. Un-sponsored	-	-	4,946	4,878
Adyen N V Un-sponsored	-	-	7,633	7,521
Air Liquide Un-sponsored	-	-	6,418	8,298
Akzo Nobel N V Sponsored ADR	-	-	6,580	7,289
Alcon, Inc.	-	-	5,323	6,240
Alfa Laval AB Un-sponsored	-	-	4,783	6,235
Alibaba Group Holding - Sponsored	-	-	9,310	7,001
Allianz Society AS Europaea SE	-	-	15,935	16,742
Alstom S.A. Un-sponsored	-	-	5,455	7,351
Amadeus IT Group S.A.	-	-	4,200	5,331
Anheuser Busch Inbev Sponsored	-	-	3,116	3,460
Astrazeneca PLC Sponsored	-	-	4,890	5,654
Atlas Copco AB Sponsored	-	-	10,115	13,228
Axa Sponsored	-	-	4,908	5,831
BNP Paribas Sponsored	-	-	1,446	1,898
BP PLC Sponsored ADR	-	-	7,806	8,293

(continued)

**ATHENS UTILITIES BOARD  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
June 30, 2023  
(continued)**

	Interest Rate	Maturity Date	Cost	FMV
Banco Bilbao Vizcaya Sponsored	-	-	\$ 5,787	\$ 7,572
Banco Bradesco Sponsored	-	-	1,826	2,273
Barclays PLC Sponsored	-	-	7,207	7,443
Bayer AG Sponsored	-	-	5,015	4,257
BHP Group Limited Sponsored	-	-	9,839	9,010
British American Tobacco PLC Sponsored	-	-	4,160	3,486
Canadian National Railway Company	-	-	7,777	7,870
Carrefour S.A. Sponsored ADR	-	-	3,266	3,296
Chubb LTD	-	-	11,983	10,783
Chugai Pharmaceutical Un-sponsored ADR	-	-	6,003	6,209
Compass Group PLC Sponsored ADR	-	-	4,311	5,504
DBS Group Holdings Limited Sponsored	-	-	9,559	10,934
Daifuku Co. LTD Un-sponsored ADR	-	-	3,138	3,492
Danone - Sponsored ADR	-	-	8,476	8,628
Dassault Systems S.A. Sponsored ADR	-	-	6,299	7,421
Deutsche Telekom AG Sponsored	-	-	5,850	6,489
Diageo PLC Sponsored ADR	-	-	5,621	5,551
Enel S.P.A. Un-sponsored ADR	-	-	9,576	10,189
Epiroc Aktiebolag Un-sponsored ADR	-	-	3,981	4,598
Fanuc Corporation Un-sponsored ADR	-	-	9,679	10,553
Ferguson PLC	-	-	17,261	21,237
GSK PLC Sponsored ADR	-	-	5,212	4,598
HDFC Bank Limited Sponsored ADR	-	-	2,394	2,927
Haier Smart Home Company Limited Un-sponsored ADR	-	-	3,702	3,566
Haleon PLC Sponsored	-	-	5,062	4,877
Iberdrola S.A. Sponsored ADR	-	-	3,025	3,554
Inditex Un-sponsored ADR	-	-	2,333	3,925
Infineon Technologies AG Sponsored ADR	-	-	8,830	13,846
ING Groep N V Sponsored ADR	-	-	4,881	6,439
Kering S.A. Un-sponsored ADR	-	-	7,092	7,140
Komatsu Limited Sponsored ADR	-	-	3,947	4,820
Koninklijke Philips N V Un-sponsored ADR	-	-	6,597	7,244
Kubota Sponsored ADR	-	-	5,769	5,258
Legal & General Group PLC Sponsored ADR	-	-	1,177	1,189
Linde PLC	-	-	5,278	5,716
L'Oreal S.A. Un-sponsored ADR	-	-	8,873	10,732
Lonza Group AG Un-sponsored ADR	-	-	7,691	8,236

(continued)



**ATHENS UTILITIES BOARD  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
June 30, 2023  
(continued)**

	Interest Rate	Maturity Date	Cost	FMV
Lukoil PJSC Sponsored ADR	-	-	\$ 8,231	\$ 177
Manulife Financial Corporation	-	-	11,475	11,913
Murata Manufacturing Company Limited Unspnsored	-	-	7,111	7,012
Nestle S.A. Sponsored ADR	-	-	9,290	9,748
Nitori Holdings Company Limited Un-sponsored	-	-	4,128	3,492
Novartis AG Sponsored ADR	-	-	14,313	17,054
Novo Nordisk A.S. Sponsored ADR	-	-	5,890	12,299
Novozymes A.S. Un-sponsored ADR	-	-	2,948	2,374
Prudential PLC Sponsored ADR	-	-	6,093	7,561
RWE Aktiengesellschaft Sponsored ADR	-	-	4,490	4,861
Reckitt Benckiser Group Sponsored ADR	-	-	9,471	9,190
Relx PLC Sponsored ADR	-	-	6,467	7,254
Rio Tinto PLC Sponsored ADR	-	-	11,563	11,619
Roche Holding Limited Sponsored ADR	-	-	27,259	25,518
Rolls-Royce Holdings PLC Sponsored ADR	-	-	10,736	15,709
Ryanair Holdings PLC Sponsored ADR	-	-	5,944	7,521
SAP SE Sponsored ADR	-	-	14,413	18,059
Sands China Limited Un-sponsored ADR	-	-	862	1,032
Sanofi Sponsored ADR	-	-	5,420	5,929
Schneider Electric Un-sponsored ADR	-	-	9,007	11,890
Shimano, Inc. Un-sponsored ADR	-	-	2,877	3,267
Shell PLC Sponsored ADR	-	-	8,754	9,419
Shionogi & Company Limited Un-sponsored ADR	-	-	4,927	3,944
Shiseido Limited Sponsored	-	-	3,785	3,959
Shopify, Inc. - Class A	-	-	8,546	13,889
Sonova Holding AG Un-sponsored ADR	-	-	3,620	3,461
Sumitomo Mitsui Financial Group Sponsored ADR	-	-	2,798	3,810
Swedbank AB Sponsored ADR	-	-	1,889	2,121
Symrise AG Un-sponsored ADR	-	-	4,142	4,489
Sysmex Corporation Un-sponsored ADR	-	-	3,891	3,684
Taiwan Semiconductor Manufacturing Company Limited	-	-	5,623	5,853
Takeda Pharmaceutical Sponsored ADR	-	-	5,532	5,200
Telekomunikasi Indonesia Sponsored ADR	-	-	1,268	1,173
Tencent Holdings Limited Un-sponsored ADR	-	-	2,048	2,125
Tokyo Electron Limited	-	-	1,122	1,655
UBS Group AG	-	-	1,638	1,723
Unicharm Corporation Sponsored ADR	-	-	4,990	5,206

(continued)

**ATHENS UTILITIES BOARD  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
June 30, 2023  
(continued)**

	Interest Rate	Maturity Date	Cost	FMV
Unicredit SPA Un-sponsored ADR	-	-	\$ 4,858	\$ 11,509
Unilever PLC Sponsored ADR	-	-	5,950	5,891
United Overseas Bank Sponsored ADR	-	-	2,372	2,285
Valeo S.A. - Sponsored ADR	-	-	2,707	2,165
Vinci S.A. Un-sponsored ADR	-	-	3,468	4,446
Yandex N.V. - Class A	-	-	2,611	-
Zurich Insurance Group Sponsored ADR	-	-	3,165	3,370
 CubeSmart	 -	 -	 14,951	 15,229
Ishares Core MSCI Emerging Markets ETF	-	-	105,815	120,761
Ishares Core MSCI International Developed Markets ETF	-	-	159,968	197,234
Vanguard Short-term Government Bond ETF	-	-	109,816	108,706
Vanguard S&P 500 ETF	-	-	1,009,708	1,213,694
 Sterling Capital Quality Income Fund	 -	 -	 1,390,315	 1,243,635
Total investments			<u>\$ 9,309,709</u>	<u>\$ 9,216,894</u>

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
**June 30, 2023**

Fiscal Year Ending 6/30	Power Division								
	Pooled Loan Program Series 2003			Pooled Loan Program Series 2008			Total Power Division		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 183,750	\$ 50,417	\$ 234,167	\$ 88,000	\$ 52,539	\$ 140,539	\$ 271,750	\$ 102,956	\$ 374,706
2025	183,750	44,639	228,389	92,000	49,754	141,754	275,750	94,393	370,143
2026	183,750	38,861	222,611	96,000	46,842	142,842	279,750	85,703	365,453
2027	183,750	33,083	216,833	100,000	43,804	143,804	283,750	76,887	360,637
2028	183,750	27,305	211,055	105,000	40,639	145,639	288,750	67,944	356,694
2029	183,750	21,527	205,277	109,000	37,315	146,315	292,750	58,842	351,592
2030	183,750	15,750	199,500	114,000	33,865	147,865	297,750	49,615	347,365
2031	183,750	9,972	193,722	119,000	30,257	149,257	302,750	40,229	342,979
2032	133,371	4,194	137,565	125,000	26,491	151,491	258,371	30,685	289,056
2033	-	-	-	130,000	22,535	152,535	130,000	22,535	152,535
2034	-	-	-	136,000	18,420	154,420	136,000	18,420	154,420
2035	-	-	-	142,000	14,116	156,116	142,000	14,116	156,116
2036	-	-	-	149,000	9,622	158,622	149,000	9,622	158,622
2037	-	-	-	155,000	4,906	159,906	155,000	4,906	159,906
TOTAL	<u>\$ 1,603,371</u>	<u>\$ 245,748</u>	<u>\$ 1,849,119</u>	<u>\$ 1,660,000</u>	<u>\$ 431,105</u>	<u>\$ 2,091,105</u>	<u>\$ 3,263,371</u>	<u>\$ 676,853</u>	<u>\$ 3,940,224</u>

(continued)

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
**June 30, 2023**  
**(continued)**

Fiscal Year Ending 6/30	Water Division					
	Rural and Development Loan Series 2009			State Revolving Loan Series 2013		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 29,519	\$ 35,473	\$ 64,992	\$ 75,789	\$ 32,427	\$ 108,216
2025	30,497	34,495	64,992	78,234	29,982	108,216
2026	31,508	33,484	64,992	80,759	27,457	108,216
2027	32,552	32,440	64,992	83,365	24,851	108,216
2028	33,631	31,361	64,992	86,055	22,161	108,216
2029	34,745	30,247	64,992	88,831	19,385	108,216
2030	35,897	29,095	64,992	91,698	16,518	108,216
2031	37,086	27,906	64,992	94,657	13,559	108,216
2032	38,316	26,676	64,992	97,711	10,505	108,216
2033	39,585	25,407	64,992	100,864	7,352	108,216
2034	40,897	24,095	64,992	104,118	4,098	108,216
2035	42,253	22,739	64,992	64,048	846	64,894
2036	43,653	21,339	64,992	-	-	-
2037	45,100	19,892	64,992	-	-	-
2038	46,594	18,398	64,992	-	-	-
2039	48,138	16,854	64,992	-	-	-
2040	49,734	15,258	64,992	-	-	-
2041	51,382	13,610	64,992	-	-	-
2042	53,085	11,907	64,992	-	-	-
2043	54,844	10,148	64,992	-	-	-
2044	56,662	8,330	64,992	-	-	-
2045	58,540	6,452	64,992	-	-	-
2046	60,480	4,512	64,992	-	-	-
2047	62,484	2,508	64,992	-	-	-
2048	39,614	526	40,140	-	-	-
TOTAL	<u>\$ 1,096,796</u>	<u>\$ 503,152</u>	<u>\$ 1,599,948</u>	<u>\$ 1,046,129</u>	<u>\$ 209,141</u>	<u>\$ 1,255,270</u>

(continued)

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
**June 30, 2023**  
**(continued)**

Fiscal Year Ending 6/30	Water Division					
	State Revolving Loan Series 2014			Total Water Division		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 93,972	\$ 24,312	\$ 118,284	\$ 199,280	\$ 92,212	\$ 291,492
2025	95,568	22,716	118,284	204,299	87,193	291,492
2026	97,200	21,084	118,284	209,467	82,025	291,492
2027	98,856	19,428	118,284	214,773	76,719	291,492
2028	100,536	17,748	118,284	220,222	71,270	291,492
2029	102,252	16,032	118,284	225,828	65,664	291,492
2030	103,992	14,292	118,284	231,587	59,905	291,492
2031	105,756	12,528	118,284	237,499	53,993	291,492
2032	107,568	10,716	118,284	243,595	47,897	291,492
2033	109,392	8,892	118,284	249,841	41,651	291,492
2034	111,264	7,020	118,284	256,279	35,213	291,492
2035	113,160	5,124	118,284	219,461	28,709	248,170
2036	115,080	3,204	118,284	158,733	24,543	183,276
2037	117,012	1,272	118,284	162,112	21,164	183,276
2038	9,994	14	10,008	56,588	18,412	75,000
2039	-	-	-	48,138	16,854	64,992
2040	-	-	-	49,734	15,258	64,992
2041	-	-	-	51,382	13,610	64,992
2042	-	-	-	53,085	11,907	64,992
2043	-	-	-	54,844	10,148	64,992
2044	-	-	-	56,662	8,330	64,992
2045	-	-	-	58,540	6,452	64,992
2046	-	-	-	60,480	4,512	64,992
2047	-	-	-	62,484	2,508	64,992
2048	-	-	-	39,614	526	40,140
<b>TOTAL</b>	<b>\$ 1,481,602</b>	<b>\$ 184,382</b>	<b>\$ 1,665,984</b>	<b>\$ 3,624,527</b>	<b>\$ 896,675</b>	<b>\$ 4,521,202</b>

(continued)  
- 50 -

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
**June 30, 2023**  
**(continued)**

Fiscal Year Ending 6/30	Department of Sewer								
	Public Building Authority of the City of Clarksville, TN Notes Payable			State Revolving Fund Loans			Total Department of Sewer		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,041,250	\$ 295,708	\$ 1,336,958	\$ 149,538	\$ 29,498	\$ 179,036	\$ 1,190,788	\$ 325,206	\$ 1,515,994
2025	1,041,250	262,967	1,304,217	153,151	25,885	179,036	1,194,401	288,852	1,483,253
2026	1,041,250	230,226	1,271,476	156,852	22,184	179,036	1,198,102	252,410	1,450,512
2027	1,041,250	197,484	1,238,734	160,642	18,394	179,036	1,201,892	215,878	1,417,770
2028	1,041,250	164,743	1,205,993	164,523	14,513	179,036	1,205,773	179,256	1,385,029
2029	1,041,250	132,002	1,173,252	168,499	10,537	179,036	1,209,749	142,539	1,352,288
2030	1,041,250	99,260	1,140,510	172,571	6,465	179,036	1,213,821	105,725	1,319,546
2031	1,041,250	66,519	1,107,769	176,718	2,295	179,013	1,217,968	68,814	1,286,782
2032	1,074,202	33,777	1,107,979	-	-	-	1,074,202	33,777	1,107,979
<b>TOTAL</b>	<b>\$ 9,404,202</b>	<b>\$ 1,482,686</b>	<b>\$ 10,886,888</b>	<b>\$ 1,302,494</b>	<b>\$ 129,771</b>	<b>\$ 1,432,265</b>	<b>\$ 10,706,696</b>	<b>\$ 1,612,457</b>	<b>\$ 12,319,153</b>

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
**June 30, 2023**  
**(continued)**

Fiscal Year Ending 6/30	Total Board Debt Service		
	Principal	Interest	Total
2024	\$ 1,661,818	\$ 520,374	\$ 2,182,192
2025	1,674,450	470,438	2,144,888
2026	1,687,319	420,138	2,107,457
2027	1,700,415	369,484	2,069,899
2028	1,714,745	318,470	2,033,215
2029	1,728,327	267,045	1,995,372
2030	1,743,158	215,245	1,958,403
2031	1,758,217	163,036	1,921,253
2032	1,576,168	112,359	1,688,527
2033	379,841	64,186	444,027
2034	392,279	53,633	445,912
2035	361,461	42,825	404,286
2036	307,733	34,165	341,898
2037	317,112	26,070	343,182
2038	56,588	18,412	75,000
2039	48,138	16,854	64,992
2040	49,734	15,258	64,992
2041	51,382	13,610	64,992
2042	53,085	11,907	64,992
2043	54,844	10,148	64,992
2044	56,662	8,330	64,992
2045	58,540	6,452	64,992
2046	60,480	4,512	64,992
2047	62,484	2,508	64,992
2048	39,614	526	40,140
<b>TOTAL</b>	<b>\$ 17,594,594</b>	<b>\$ 3,185,985</b>	<b>\$ 20,780,579</b>

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE**  
**June 30, 2023**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2022	Paid and/or Matured During Period	Outstanding 6/30/2023
Power Division:							
Pooled Loan Program:							
Public Building Authority of the City of Clarksville, TN, Series 2003	\$ 3,000,000	Variable	2/3/2004	5/25/2032	\$ 1,781,731	\$ 178,360	\$ 1,603,371
Public Building Authority of the City of Clarksville, TN, Series 2008	2,600,000	Variable	5/13/2008	5/25/2037	1,744,000	84,000	1,660,000
Water Division:							
Rural Development, U.S. Department of Agriculture, Series 2009	1,414,000	3.25%	2/25/2010	2/25/2048	1,125,368	28,572	1,096,796
Tennessee Department of Environment and Conservation State Revolving Fund:							
Series 2013	2,000,000 (1)	3.18%	10/19/2010	1/20/2035	1,120,121	73,992	1,046,129
Series 2014	2,550,000 (2)	1.69%	3/20/2014	7/20/2037	1,574,002	92,400	1,481,602
Department of Sewer:							
Public Building Authority of the City of Clarksville, TN, Series 2003	17,500,000	Variable	2/3/2004	5/25/2032	10,450,842	1,046,640	9,404,202
Tennessee Department of Environment and Conservation State Revolving Fund:							
2009-242 CWA	2,370,198	2.39%	1/27/2010	6/20/2031	1,207,088	121,678	1,085,410
2009-242 ARRA	2,370,197 (3)	2.39%	1/27/2010	6/20/2031	241,419	24,335	217,084
Total Board long-term debt					<u>\$ 19,244,571</u>	<u>\$ 1,649,977</u>	<u>\$ 17,594,594</u>

Principal was forgiven on the following loans as noted below:

- (1) \$400,000
- (2) \$501,500
- (3) \$1,896,158



**ATHENS UTILITIES BOARD**  
**SCHEDULE OF LEASE OBLIGATIONS, PRINCIPAL,**  
**AND INTEREST REQUIREMENTS**  
**June 30, 2023**

Fiscal Year Ending 6/30	Gas Division		
	Leased Asset		
	Principal	Interest	Total
2024	\$ 17,226	\$ 774	\$ 18,000
2025	17,312	688	18,000
2026	17,399	601	18,000
2027	17,486	514	18,000
2028	17,574	426	18,000
2029	17,662	338	18,000
2030	17,751	249	18,000
2031	17,840	160	18,000
2032	17,929	71	18,000
2033	4,496	4	4,500
TOTAL	<u>\$162,675</u>	<u>\$ 3,825</u>	<u>\$ 166,500</u>

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF CHANGES IN LEASE OBLIGATIONS**  
**June 30, 2023**

<u>Description of Indebtedness</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding 7/1/2022</u>	<u>Issued During Period</u>	<u>Paid and/or Matured During Period</u>	<u>Outstanding 6/30/2023</u>
Lease payable through Gas Division:								
Land	\$ 175,538	0.50%	9/12/2022	9/12/2032	<u>\$ -</u>	<u>\$ 175,538</u>	<u>\$ 12,863</u>	<u>\$ 162,675</u>

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF RATES IN FORCE**  
**June 30, 2023**

Power Division

Residential rates - RS:

Customer availability charge per month		\$ 16.32
Energy charge per kwh:	Summer	0.10138
	Winter	0.10283
	Transition	0.09257

General power - GSA:

Part 1 (0 - 50 kw demand and 0 - 15,000 kwh):

Customer availability charge per month		\$ 33.23
Energy charge per kwh (first 15,000 kwh)	Summer	0.11184
	Winter	0.11323
	Transition	0.10306

Part 2 (51 - 1,000 kw or over 15,000 kwh):

Customer availability charge per month		\$ 169.32
--	--	-----------

Summer

Demand charge per kw:	First 50 kw	No Charge
	Above 50 kw	15.66
Energy charge per kwh:	First 15,000 kwh	0.11065
	Additional kwh	0.06854

Winter

Demand charge per kw:	First 50 kw	No Charge
	Above 50 kw	14.71
Energy charge per kwh:	First 15,000 kwh	0.11204
	Additional kwh	0.07030

Transition

Demand charge per kw:	First 50 kw	No Charge
	Above 50 kw	14.71
Energy charge per kwh:	First 15,000 kwh	0.10187
	Additional kwh	0.06720

Part 3 (1,001 - 2,500 kw):

Customer availability charge per month		\$ 643.03
--	--	-----------

Summer

Demand charge per kw:	First 1,000 kw	17.29
	Additional kw	16.78
Energy charge per kwh (all kwh)		0.07218

Winter

Demand charge per kw:	First 1,000 kw	16.34
	Additional kw	15.83
Energy charge per kwh (all kwh)		0.07366

Transition

Demand charge per kw:	First 1,000 kw	16.34
	Additional kw	15.83
Energy charge per kwh (all kwh)		0.06436

(continued)

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF RATES IN FORCE**  
**June 30, 2023**  
**(continued)**

Power Division (continued)

General power - MSB:		
Customer availability charge per month		\$ 1,500.00
Administrative charge		350.00
Summer		
Demand charge	On peak per kw	10.24
	Max peak	2.26
Energy charge	All On peak kwh	0.08139
	Off peak 1 <sup>st</sup> 200 hours use	0.05639
	Off peak next 200 hours use	0.02670
	Off peak over 400 hours use	0.02415
Winter		
Demand charge	On peak per kw	9.27
	Max peak	2.26
Energy charge	All On peak kwh	0.05432
	Off peak 1 <sup>st</sup> 200 hours use	0.05432
	Off peak next 200 hours use	0.02153
	Off peak over 400 hours use	0.01898
Transition		
Demand charge	On peak per kw	9.27
	Max peak	2.26
Energy charge	All On peak kwh	0.07430
	Off peak 1 <sup>st</sup> 200 hours use	0.06293
	Off peak next 200 hours use	0.03101
	Off peak over 400 hours use	0.02846
General power - MSC:		
Customer availability charge per month		\$ 1,500.00
Administrative charge		350.00
Summer		
Demand charge	On peak per kw	10.24
	Max peak	1.64
Energy charge	All On peak kwh	0.08027
	Off peak 1 <sup>st</sup> 200 hours use	0.05526
	Off peak next 200 hours use	0.02811
	Off peak over 400 hours use	0.02811
Winter		
Demand charge	On peak per kw	9.27
	Max peak	2.26
Energy charge	All On peak kwh	0.07317
	Off peak 1 <sup>st</sup> 200 hours use	0.06179
	Off peak next 200 hours use	0.03242
	Off peak over 400 hours use	0.03242

(continued)

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF RATES IN FORCE**  
**June 30, 2023**  
**(continued)**

Power Division (continued)

General power - MSC: (continued)

Transition

Demand charge	On peak per kw	\$ 9.27
	Max peak	1.65
Energy charge	All On peak kwh	0.05319
	Off peak 1 <sup>st</sup> 200 hours use	0.05319
	Off peak next 200 hours use	0.02294
	Off peak over 400 hours use	0.02294

General power - MSD:

Customer availability charge per month	\$ 1,500.00
Administrative charge	350.00

Summer

Demand charge	On peak per kw	10.24
	Max peak	1.64
Energy charge	All On peak kwh	0.07800
	Off peak 1 <sup>st</sup> 200 hours use	0.05299
	Off peak next 200 hours use	0.02642
	Off peak over 400 hours use	0.02583

Winter

Demand charge	On peak per kw	9.27
	Max peak	2.26
Energy charge	All On peak per kwh	0.07890
	Off peak 1 <sup>st</sup> 200 hours use	0.05952
	Off peak next 200 hours use	0.03730
	Off peak over 400 hours use	0.03014

Transition

Demand charge	On peak per kw	9.27
	Max peak	1.64
Energy charge	All On peak kwh	0.05091
	Off peak 1 <sup>st</sup> 200 hours use	0.05091
	Off peak next 200 hours use	0.02125
	Off peak over 400 hours use	0.02066

Outdoor lighting - LS:

Part A - Street lighting systems, traffic signal systems, and athletic field lighting installation:

Customer availability charge per month	\$ 2.50
Investment charge: (annual rate per \$1 investment)	0.12
Investment charge for athletic lighting systems: (annual rate per \$1 investment)	0.12
Energy charge: all kwh	0.07810

(continued)

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF RATES IN FORCE**  
**June 30, 2023**  
**(continued)**

Power Division (continued)

Outdoor lighting - LS: (continued)

Part B - Individual outdoor lighting:

Mercury vapor - per light per month:	175w	\$ 10.90
	400w	20.95
	1,000w	41.39
High pressure sodium - per light per month:	100w	8.66
	100w - decorative	14.55
	250w	18.11
	400w	22.23
High pressure sodium (floods)		
- per light per month:	250w	22.52
	400w	24.85
Metal halide - per light per month:	175w	23.04
	400w - flood	24.35
	400w - box	29.20
	1,000w - flood	46.22
LED - per light per month:	64w	8.47
	72w - decorative	14.38
	216w	17.81
	216w - flood	22.22
	284w	23.30
	284w - flood	24.23
Pole charge per month		2.00

Number of customers at year-end:

Residential	11,502
Commercial	2,095
Industrial	257
Street and athletic	20
Outdoor lighting	2,148

Fiber Optic Services

Residential - 300 megabyte	\$ 60.00
Residential - 1 terabyte	100.00
Wireless	70.00
Industrial - charge per megabyte	100.00
Small commercial - charge per megabyte	75.00
Dark fiber - charge per month	200.00

Number of customers at year-end:

Residential	17
Industrial	1
Small commercial	3
Dark fiber	4

(continued)

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF RATES IN FORCE**  
**June 30, 2023**  
**(continued)**

Water Division

	<u>Inside City</u>	<u>Outside City</u>
Service availability charge per month	\$ 10.50	\$ 11.50
Charge per 1,000 gallons per month	3.70	3.70
Charge per 1,000 gallons over 5,000	4.25	4.25

Charges over 5,000 as disclosed are based on 5/8 inch residential service. The volume tier and water rate charged vary for larger meters.

The single use monthly minimum bill shall be determined by the size of the meter serving the account as shown below:

<u>Meter Size</u>	<u>Net Minimum</u>
5/8 inch – inside city	\$ 10.50
5/8 inch – outside city	11.50
1 inch	28.00
1 ¼ & 1 ½ inch	55.00
2 inch	115.00
3 inch	225.00
4 inch	450.00
6 inch	675.00

Number of customers at year-end:

Residential	7,478
Commercial	1,272
Industrial	37

Department of Sewer

Sewer rates:

Service availability charge per month:

Residential	\$ 17.00
Commercial	25.00
Industrial	25.00
Charge per 1,000 gallons per month	6.50

Number of customers at year-end:

Residential	4,689
Commercial	915
Industrial	24

(continued)

**ATHENS UTILITIES BOARD**  
**SCHEDULE OF RATES IN FORCE**  
**June 30, 2023**  
**(continued)**

<u>Gas Division</u>	<u>Customer Charge (per month)</u>	<u>Commodity Charge (per therm)</u>	<u>PGA (per therm)</u>
Residential	\$ 6.00	\$ 0.4348	\$ 0.43534
Residential discount	5.00	0.4048	0.43534
Small commercial	10.00	0.2819	0.43534

  

	<u>Industrial</u>		<u>Interruptible</u>	
	<u>Load factor .50 or greater (discounted)</u>	<u>Load factor less than .50</u>	<u>Load factor .50 or greater (discounted)</u>	<u>Load factor less than .50</u>
Customer charge (per month)	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Commodity charge (per therm):				
Demand	-	-	0.1540	0.1960
For firm plus PGA	-	-	0.2070	0.2280
First 10,000 plus PGA	0.2070	0.2280	0.2000	0.2210
From 10,001-20,000 plus PGA	0.1930	0.2140	0.1860	0.2070
From 20,001-40,000 plus PGA	0.1790	0.2006	0.1720	0.1930
Over 40,000 plus PGA	0.1651	0.1866	0.1380	0.1590
PGA	0.2212	0.2212	0.2212	0.2212
Unauthorized (in addition to interruptible charge)			1.5000	1.5000

  

Number of customers at year-end:	
Residential	5,681
Commercial	941
Industrial	10
Interruptible	6



## **OTHER INFORMATION**

**ATHENS UTILITIES BOARD  
LIST OF PRINCIPAL OFFICIALS  
June 30, 2023**

Frank Snyder  
Jeff Zabo  
Larry Eaton  
Shirley Woodcock  
Patti Geek

Chairman  
Vice-Chairman  
Board Member  
Board Member  
Board Member

Eric Newberry  
Michelle Millsaps  
Kevin Goins  
Craig Brymer  
Wayne Scarbrough  
Phil Graves

General Manager  
Superintendent of Accounting  
Superintendent of Power  
Superintendent of Water/Gas/Wastewater  
Assistant General Manager  
Director of Management Services

Report of Independent Certified Public Accountants  
on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of the Financial Statements Performed in  
Accordance With Government Auditing Standards

Suite 1440 Republic Centre  
633 Chestnut Street  
Chattanooga, TN 37450-1440  
Telephone (423) 267-4400  
Facsimile (423) 266-2444

NEAL, SCOUTEN & McCONNELL, P.C.  
Certified Public Accountants

To the Commissioners  
Athens Utilities Board  
Athens, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities, each of the major funds, and the aggregate remaining fund information, the Pension Trust Fund, of Athens Utilities Board, a component unit of the City of Athens, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Athens Utilities Board's basic financial statements and have issued our report thereon dated October 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Athens Utilities Board'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Athens Utilities Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Athens Utilities Board'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. 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 may exist that have not been identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Athens Utilities Board'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.

*Neul, Scouten & McConnell, P.C.*

Chattanooga, Tennessee  
October 6, 2023

**ATHENS UTILITIES BOARD  
SCHEDULE OF PRIOR YEAR FINDINGS AND  
QUESTIONED COSTS  
June 30, 2023**

**FINANCIAL STATEMENT FINDINGS**

There were no prior year findings or questioned costs.

October 23, 2023

Ms. Michelle Millsaps  
Athens Utilities Board  
P.O. Box 689  
Athens, TN 37371-0689

Dear Ms. Millsaps:

Enclosed please find the PDF of the June 30, 2023, financial report. We will run your 12 bound copies of the report next week. We have forwarded one copy to the State of Tennessee.

After you have an opportunity to review the financial statements, I will be glad to discuss any questions or comments that you may have.

Very truly yours,

**NEAL, SCOUTEN & McCONNELL, P.C.**

A handwritten signature in cursive script, appearing to read "Scott Scouten".

Scott B. Scouten

SBS/jbs

Enclosures