



**Report on \$9,995,000 Electric System Revenue Bonds, Series 2025
The Milan Public Utilities Authority, Milan Tennessee**

This report is being issued pursuant to Tenn. Code Ann. Title 7 Chapter 36, and is based upon information as presented in a plan of finance (the “Plan”) received by our office on September 30, 2024, from the Milan Public Utilities Authority (the “Authority”). Our report provides information to assist the governing body in its responsibility to understand the nature of the transaction, including the costs, prior to approving the issuance of the bonds and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan. This report and the Authority’s Plan must be presented to the governing body prior to the adoption of a resolution authorizing the bonds.

PROPOSED BORROWING AND PROJECT:

The Authority plans to issue an estimated \$9,995,000 in Electric System Revenue Bonds, Series 2025 to refinance the City of Milan's debt issued for electric improvements prior to the formation of the Authority and to finance capital improvements to the electric system. The refinancing portion is pursuant to the creation of the Authority and their assumption of debt directly associated with the electric system assets that are being purchased from the City of Milan.

COSTS:

Estimated costs of issuance for the Series 2025 Bonds are:

	Refunding of City Electric Debt		New Funds		Total	
	Amount	Price per \$1,000 Bond	Amount	Price per \$1,000 Bond	Amount	Price per \$1,000 Bond
Underwriter's Discount (TBD)	\$ 23,451	\$ 13.21	\$ 126,084	\$ 15.34	\$ 149,534	\$ 14.96
Municipal Advisor (Cumberland Securities)	8,879	5.00	41,121	5.00	50,000	5.00
Bound Counsel (Bass, Berry, and Sims)	5,328	3.00	24,672	3.00	30,000	3.00
Rating Agency Fee	4,085	2.30	18,915	2.30	23,000	2.30
Misc (Paying Agent, Misc.)	3,018	1.70	13,977	1.70	16,995	1.70
Total Cost of Issuance:	\$ 44,760	\$ 25.21	\$ 224,769	\$ 27.34	\$ 269,529	\$ 26.96

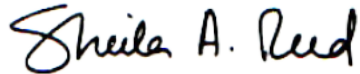
FINANCIAL POSITION:

For fiscal year 2023, the electric system increased its total net position by \$499,064 and reported current assets sufficient to pay its current liabilities. For fiscal year 2023 the electric system reported a debt service coverage ratio of 10.13x and estimates that after the Series 2025 Bonds are issued the debt service coverage ratios will be 2.94x, 3.27x, and 3.30x for fiscal years 2025, 2026, and 2027, respectively.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the transaction has not been priced during this ninety (90) day period, a new plan, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the Authority's governing body to review prior to adopting a new authorizing resolution for the bonds.

Sheila Reed



Director of the Division of Local Government Finance
Date: October 10, 2024