



JASON E. MUMPOWER  
*Comptroller*

March 18, 2026

Mr. Tony Kirk, President  
and Board of Directors  
Bolivar Energy Authority  
815 Tennessee Street  
Bolivar, TN 38008

Dear President Kirk and Board of Directors:

Thank you for your request. We acknowledge receipt on March 2, 2026, of a request from the President of the Bolivar Energy Authority (the "Authority") for a report on a plan of finance (the "Plan") for the Authority's proposed issuance of an estimated \$10,000,000 Electric System Revenue Bonds, Series 2026.

In accordance with the provisions of Tenn. Code Ann. Title 7 Chapter 36, enclosed is a report based upon our review of the Authority's Plan. The Plan, this letter, and the enclosed report should be presented to each member of the governing board for review prior to the adoption of the authorizing bond resolution. Pursuant to Tenn. Code Ann. § 7-36-113, the enclosed report is required to be published on the Authority's website during the week following the report's receipt and must be made part of the bond transcript.

### **Balloon Indebtedness**

The proposed structure of the Series 2026 Bonds is not balloon indebtedness as defined in Tenn. Code Ann. § 9-21-133. If the structure is revised, the Authority should determine if the new structure complies with state law balloon indebtedness. If it is determined that the revised bond structure constitutes balloon indebtedness, the Authority must submit a Plan of Balloon Indebtedness to our office for approval prior to the Board of Commissioners adopting the resolution authorizing the issuance of the debt.

### **After Issuance**

Our website contains specific compliance requirements your local government will be responsible for once the bonds are issued: <http://tncot.cc/debt>. The listing is not all inclusive and you should work with your financial advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed indebtedness.

March 18, 2026  
Bolivar Energy Authority

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, Nate Fontenot, at 615.747.5238 or [Nate.Fontenot@cot.tn.gov](mailto:Nate.Fontenot@cot.tn.gov).

Sincerely,

A handwritten signature in black ink that reads "Sheila A. Reed". The signature is written in a cursive, flowing style.

Sheila Reed, Director  
Division of Local Government Finance

cc:

Mr. Jeff Oldham, Bass Berry & Sims  
Mr. Scott Gibson, Cumberland Securities

SR: nf



**Report on Electric System Revenue Bonds, Series 2026  
The Bolivar Energy Authority, Bolivar 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 March 2, 2026 from the Bolivar Energy 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 \$10,000,000 in Electric System Revenue Bonds, Series 2026 to finance improvements to the Authority's electric system and pay costs of issuance.

**COSTS:**

Estimated costs of issuance for the Series 2026 Bonds are:

	<b>Amount</b>	<b>Price per \$1,000 Bond</b>
Underwriter's Discount	\$ 150,000	\$ 15.00
Financial Advisor (Cumberland Securities)	59,500	5.95
Bound Counsel (Bass, Berry & Sims)	25,000	2.50
Bond Insurance	125,000	12.50
Rating Agency Fees	25,000	2.50
Miscellaneous and Paying Agent	15,500	1.55
<b>Total Cost of Issuance:</b>	<b>\$ 400,000</b>	<b>40.00</b>

**FINANCIAL POSITION:**

The Authority is currently not under the oversight of the Tennessee Board of Utility Regulation. For fiscal year 2025, the Authority increased its total net position by \$1,666,055. For fiscal year 2025 the Authority reported a debt service coverage ratio of 3.93x prior to the issuance of the Series 2026 Bonds and estimates that after the debt is issued the debt service coverage ratio will be 2.63x and 2.65x for fiscal years 2027 and 2028, respectively.

**Effective Date for this Report**

This report is effective for a period of 90 days. 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 new report 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: March 18, 2026