MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns Aa1 to City of Cookeville, TN's Series 2025 Bonds

22 Sep 2025

New York, September 22, 2025 -- Moody's Ratings (Moody's) has assigned a Aa1 rating to the City of Cookeville, TN's proposed $10.525 million General Obligation Bonds Series 2025. We maintain the city's Aa1 issuer rating and outstanding general obligation unlimited tax (GOULT) ratings. Post issuance, the city will have approximately $45 million in outstanding GOULT debt.

RATINGS RATIONALE

The Aa1 issuer rating reflects the city's strong financial position, conservative budgeting and prudent fiscal management. As of fiscal 2024, the city's reserve and cash positions reached all time highs, with available fund balance of 94.1% of annual revenues and a liquidity ratio of 95.9% of annual revenues. The rating also takes into consideration a diverse and growing economic base which acts as a hub for the upper Cumberland region. Resident wealth and income levels are below average with an adjusted median household income (MHI) of 72.7% of the US MHI, however this figure is somewhat skewed due to the large student population enrolled at Tennessee Tech University. The rating is further reflective of a low long-term liabilities ratio, which will increase modestly with the current issuance but will remain highly affordable.

The absence of distinction between the Aa1 issuer and GOULT ratings reflects the city's general obligation full faith and credit pledge.

RATING OUTLOOK

We do not assign outlooks to local government issuers with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Improved resident income levels with MHI 110% or higher

- Evolving into a major economic hub for middle Tennessee

- Maintenance of strong financial ratios and affordable debt metrics

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Increase in long-term liabilities ratio to 200% or higher

- Deterioration of financial position, with available fund balance ratio decreasing below 40% of annual revenues

PROFILE

The City of Cookeville is the county seat of Putnam County, located in north central Tennessee, approximately 80 miles east of Nashville.

METHODOLOGY

The principal methodology used in this rating was US Cities and Counties published in July 2024 and available at https://ratings.moodys.com/rmc-documents/425429. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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