

CREDIT OPINION

8 May 2026



Send Your Feedback

Contacts

Anik Hoque +1.212.553.3263
AVP-Analyst
anik.hoque@moodys.com

Christopher Coviello +1.212.553.0575
VP-Senior Analyst
christopher.coviello@moodys.com

Orlie Prince +1.212.553.7738
Associate Managing Director
orlie.prince@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653
Asia Pacific 852-3551-3077
Japan 81-3-5408-4100
EMEA 44-20-7772-5454

Bolivar Energy Authority, TN

Update to credit analysis

Summary

Bolivar Energy Authority, TN (A1) benefits from a healthy financial position that is expected to persist, supported by strong debt service coverage, adequate liquidity, and consistently solid operating performance. The authority also benefits from a modest debt burden. These strengths are partially offset by its predominantly rural service area, which is characterized by below-average socioeconomic indicators and limited customer growth.

Credit strengths

- » Strong debt service coverage levels
- » Modest debt burden

Credit challenges

- » Rural service area with below-average socioeconomic indicators
- » Low-growth customer base

Rating outlook

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

Factors that could lead to an upgrade

- » Increase in the service area median family income (MFI) to 90% of the US MFI
- » Significant and sustained growth in the service area
- » Increase in unrestricted liquidity to over 120 days cash on hand

Factors that could lead to a downgrade

- » Decrease in debt service coverage to below 2.0 times
- » Decrease in unrestricted liquidity to below 25 days

Key indicators

Exhibit 1

Bolivar Energy Authority, TN					
System Characteristics					
Asset Condition (Net Fixed Assets / Annual Depreciation)	16 years				
System Size - O&M (in \$000s)	\$28,023				
Service Area Wealth: MFI % of US median	68.0%				
Legal Provisions					
Rate Covenant (x)	1.20				
Debt Service Reserve Requirement	No DSRF (Baa and Below)				
Management					
Rate Management	Aa				
Regulatory Compliance and Capital Planning	Aa				
Financial Strength					
	2021	2022	2023	2024	2025
Operating Revenue (\$000)	\$26,341	\$28,411	\$30,820	\$31,239	\$33,118
System Size - O&M (\$000)	\$23,685	\$24,914	\$27,145	\$26,738	\$28,023
Net Revenues (\$000)	\$1,968	\$2,886	\$3,094	\$4,196	\$4,644
Net Funded Debt (\$000)	\$9,560	\$18,785	\$18,235	\$19,785	\$19,035
Annual Debt Service (\$000)	\$891	\$1,180	\$1,083	\$1,156	\$1,378
Annual Debt Service Coverage (x)	3.0x	3.0x	3.5x	4.3x	4.0x
Cash on Hand	69 days	79 days	52 days	49 days	70 days
Debt to Operating Revenues (x)	0.4x	0.7x	0.6x	0.6x	0.6x

Source: Bolivar Energy Authority, TN's financial statements, Moody's Ratings, US Census Bureau

Profile

Bolivar Energy Authority provides electric distribution services to 11,400 primarily residential customers located in southwestern Tennessee.

Detailed credit considerations

Bolivar Energy Authority, TN distributes electricity purchased exclusively from the Tennessee Valley Authority (TVA, Aa1 stable) to a moderately diverse service area that includes the City of Bolivar, Hardeman County, and portions of Fayette County (Aa2), Chester County, and Benton County, Mississippi. The service area is largely rural, characterized by below-average resident income levels, above-average poverty rates, and limited development activity. As a result, customer growth has been minimal, with only modest increases in residential accounts. We expect growth to remain constrained, with only incremental year-over-year gains.

The customer base is predominantly residential, accounting for 57% of usage, while industrial and commercial customers represent a combined 41%. Revenue concentration is moderate, with the top ten customers comprising 14% of system revenues in fiscal 2025; these customers are primarily correctional facilities, manufacturing firms, and healthcare providers. The service area's median family income is approximately 68% of the U.S. median, reflecting its weaker socioeconomic profile.

The authority maintains a well-managed financial position that is expected to remain sound over the near to medium-term. Recent operations benefit from increased revenue associated with leasing fiber infrastructure to a third-party internet service provider, along with a demonstrated willingness to adjust rates as necessary. For fiscal 2025, debt service coverage was strong at 3.97x, while days cash on hand totaled 106 days including restricted cash and 70 days excluding restricted cash. Following the issuance of the Series 2026

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

bonds, debt service coverage is projected to moderate but remain healthy at approximately 2.7x. Liquidity is expected to improve, supported in part by anticipated FEMA reimbursements related to a recent ice storm and tornado.

Post issuance of the Series 2026 bonds, debt to operating revenues will increase to 0.85x, which remains low. The proceeds will be used to construct a new headquarters for the authority. Management does not anticipate significant capital needs or additional debt issuances in the near-term.

ESG considerations

Environmental

Environmental considerations are not a material driver of the authority's rating. According to data from Moody's ESG Solutions, Hardeman County's most notable climate hazard risks are heat stress and wildfires. These risks, however, are minimized by the authority's historically stable financial position and prudent management, in addition to FEMA support, which allows for flexibility to respond to contingencies and resilience against potential short-term climate shocks.

Social

Social considerations factored into the system's credit rating include the demographic profile of the service area as discussed under the detailed credit considerations section.

Governance

Bolivar Energy Authority has a history of prudent management reflected in its healthy coverage and liquidity that while somewhat narrow, has exhibited a good deal of stability. The authority is governed by a five member board of directors appointed by the mayor of the City of Bolivar. The board has full rate setting authority, and has showed strong willingness to increase rates in pace with growing O&M and capital needs. Additionally, TVA requires its distributors to maintain a sound rate structure that allows utilities to be selfsupporting with financially sound fiscal performance. The board reviews rates annually to ensure continued financial stability.

Rating methodology and scorecard factors

The US Municipal Utility Revenue Debt methodology includes a scorecard that summarizes the factors that are generally most important to utilities' credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not match an assigned rating.

Exhibit 2

Bolivar Energy Authority, TN (815015196)

Rating Factors	Input	Weight	Score
System Characteristics (30%)			
Asset Condition (Years of Annual Depreciation)	16.4	10%	A
System Size (O&M in Thousands of Dollars)	\$28,023	7.5%	A
Service Area Wealth (Median Family Income as % of US)	68%	12.5%	Baa
Financial Strength (40%)			
Annual Debt Service Coverage (x)	2.68	15%	Aaa
Days Cash on Hand	70	15%	A
Debt to Operating Revenue (x)	0.85	10%	Aaa
Management (20%)			
Rate Management	Aa	10%	Aa
Regulatory Compliance and Capital Planning	Aa	10%	Aa
Legal Provisions (10%)			
Rate Covenant (x)	1.2	5%	A
Debt Service Reserve Requirement	Baa and Below	5%	Baa
Notching Factors			Up/Down
No Notching Factors Applied			N/A
Scorecard-Indicated Outcome			A1
Assigned Rating			A1

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt issued or proposed to be issued after the close of the fiscal year.

Source: Moody's Ratings

© 2026 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE LEGAL, COMPLIANCE, INVESTMENT, FINANCIAL OR OTHER PROFESSIONAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating or assessment is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating or assessment process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating or assessment assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moody.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., Moody's Local PA Calificadora de Riesgo S.A., Moody's Local CR Calificadora de Riesgo S.A., Moody's Local ES S.A. de CV Clasificadora de Riesgo, Moody's Local RD Sociedad Calificadora de Riesgo S.R.L. and Moody's Local GT S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. EU: In the European Union, each of Moody's Deutschland GmbH and Moody's France SAS provide services as an external reviewer in accordance with the applicable requirements of the EU Green Bond Regulation. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used

within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

REPORT NUMBER 1483913

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454