



JASON E. MUMPOWER  
*Comptroller*

July 29, 2025

Mr. Alex Smith, General Manager  
and Board of Directors  
Humboldt Utilities Authority  
P.O. Box 850  
Humboldt, TN 38343

Dear Mr. Smith and Members of the Board:

Thank you for your request. We acknowledge receipt on July 15, 2025, of a request from the Humboldt Utilities Authority (the "Authority") for a report on a plan of finance (the "Plan") for the Authority's proposed issuance of an estimated \$8,250,000 Electric System Revenue Bonds, Series 2025.

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.

This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The Authority should discuss these issues with bond counsel.

### **Balloon Indebtedness**

The proposed structure of the Series 2025 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 Authority adopting the resolution authorizing the issuance of the debt.

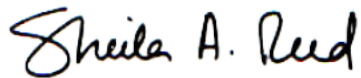
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### **After Issuance**

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.

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, Adam Tschida, at 615.747.5340 or [Adam.Tschida@cot.tn.gov](mailto:Adam.Tschida@cot.tn.gov).

Sincerely,



Sheila Reed, Director  
Division of Local Government Finance

cc:

Mr. Jeff Oldham, Bass Berry & Sims  
Ms. Betsy Knotts, Bass Berry & Sims  
Mr. Scott Gibson, Cumberland Securities Inc.  
Ms. Jenny Skelton, Accounting Manager, Humboldt Utilities Authority

Enclosure: Report of the Director of the Division of Local Government Finance

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**Report on Electric System Revenue Bonds, Series 2025  
The Humboldt Utilities Authority, Humboldt 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 July 15, 2025, from the Humboldt 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 \$8,250,000 in Electric System Revenue Bonds, Series 2025 to finance capital improvements to the electric system including construction and installation of fiber optic infrastructure.

**COSTS:**

Estimated costs of issuance for the Series 2025 Bonds are:

	Amount	Price per \$1,000 Bond
Estimated Gross Bond Insurance Premium	\$ 125,000	\$ 15.15
Estimated Underwriter's Discount	123,750	15.00
Financial Advisor (Cumberland Securities)	50,000	6.06
Rating Agency Fee (S&P)	23,000	2.79
Bound Counsel (Bass, Berry, and Sims)	20,000	2.42
POS / Official Statement	9,255	1.12
Misc (Paying Agent - Regions Bank, Advertising, etc.)	6,695	0.81
Local Counsel (Floyd Flippin)	1,000	0.12
<b>Total Cost of Issuance:</b>	<b>\$ 358,700</b>	<b>\$ 43.47</b>

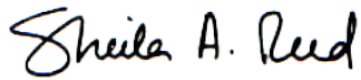
**FINANCIAL POSITION:**

For fiscal year 2024, the Authority's electric system increased its total net position by \$348,954 and reported current assets sufficient to pay its current liabilities. For fiscal year 2024 the electric system reported a debt service coverage ratio of 3.74 prior to the issuance of the Series 2025 Bonds and estimates that after the debt is issued the debt service coverage ratio will be 2.21 and 1.91 for fiscal years 2026 and 2027, respectively.

Report on Electric System Revenue Bonds, Series 2025  
Humboldt Utilities Authority

**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: July 29, 2025