

May 28, 2024

SALE DAY REPORT FOR:

# Independent School District No. 2143 (Waterville-Elysian-Morristown), Minnesota

\$499,000 General Obligation Tax Abatement Bonds,  
Series 2024A



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# Competitive Sale Results

**PURPOSE:** To finance the costs of parking lot construction and improvement projects at District sites.

**NUMBER OF BIDS:** 1

**LOW BIDDER:** Frandsen Bank & Trust, Waterville, Minnesota

Summary of Sale Results:	
Principal Amount*:	\$499,000
Net Interest Cost:	5.35%
Capitalized Interest:	\$16,389
Costs of Issuance:	\$15,450
Yield:	5.35%
Total Net P&I	\$651,020

*\*After receipt of the bid, the par amount and certain maturities were adjusted.*

**NOTES:** The Net Interest Cost of 5.35% is lower than the 5.75% estimate used in the Pre-Sale Report provided on April 22, 2024. The par amount of the bonds has been increased to match the latest project cost estimates, which changed since the Pre-Sale Report.

**CLOSING DATE:** June 20, 2024

**SCHOOL BOARD ACTION:** Adopt the Resolution Awarding the Sale of \$499,000 General Obligation Tax Abatement Bonds, Series 2024A.

## SUPPLEMENTARY ATTACHMENTS

- Updated Bid Tabulation
- Updated Sources and Uses of Funds
- Net Debt Service Schedule
- Updated Combined Financing Plan for Debt Levies
- Updated Tax Impact Schedule
- Bond Resolution (Distributed in School Board Packets)



**BID TABULATION**

**\$499,000 General Obligation Tax Abatement Bonds, Series 2024A**

**Independent School District No. 2143 (Waterville-Elysian-Morristown), Minnesota**

**SALE: May 28, 2024**

**AWARD: FRANSEN BANK & TRUST**

**MN Credit Enhancement Rating: Non-Rated**

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (August 1)	RATE	PRICE	NET INTEREST RATE
FRANSEN BANK & TRUST Waterville, Minnesota	2025	5.350%	\$499,000.00	5.3500%
	2026	5.350%		
	2026	5.350%		
	2027	5.350%		
	2027	5.350%		
	2028	5.350%		
	2028	5.350%		
	2029	5.350%		
	2029	5.350%		
	2030	5.350%		
	2030	5.350%		
	2031	5.350%		
	2031	5.350%		
	2032	5.350%		
	2032	5.350%		
	2033	5.350%		
	2033	5.350%		
	2034	5.350%		
	2034	5.350%		
	2035	5.350%		

**BOND SALE RESULTS**

**Waterville-Elysian-Morristown Public School District No. 2143**

Sources and Uses for Abatement Bond Issue

Parking Lot Improvements

**May 28, 2024**

<b>Bond Amount</b>	<b>\$499,000</b>
<b>Estimated Project Costs</b>	<b>\$466,925</b>
<b>Closing Date</b>	<b>June 20, 2024</b>
<b>Sources of Funds</b>	
Par Amount	\$499,000
Investment Earnings <sup>1</sup>	0
<b>Total Sources</b>	<b>\$499,000</b>
<b>Uses of Funds</b>	
Capitalized Interest <sup>2</sup>	\$16,389
Legal and Fiscal Costs <sup>3</sup>	15,450
<b>Net Available for Project Costs</b>	<b>467,161</b>
<b>Total Uses</b>	<b>\$499,000</b>
<b>Deposit to Construction Fund</b>	<b>\$467,161</b>

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| <p>1 Because the project is expected to be completed very quickly, investment earnings in the construction fund would be negligible.</p> <p>2 Due to timing of the levy process, the District would not be able to make a tax levy to fund the interest payment due during fiscal year 2025, so that payment would be made from bond proceeds.</p> <p>3 Includes fees for municipal advisor, bond counsel, and paying agent.</p> |
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# Waterville-Elysian-Morristown School District No. 2143

\$499,000 General Obligation Tax Abatement Bonds, Series 2024A

Dated: June 20, 2024

Frandsen Bank & Trust Bid

## Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
06/20/2024	-	-	-	-	-	-	-
02/01/2025	-	-	16,388.68	16,388.68	(16,388.68)	-	-
08/01/2025	19,000.00	5.350%	13,348.25	32,348.25	-	32,348.25	-
02/01/2026	20,000.00	5.350%	12,840.00	32,840.00	-	32,840.00	65,188.25
08/01/2026	20,000.00	5.350%	12,305.00	32,305.00	-	32,305.00	-
02/01/2027	21,000.00	5.350%	11,770.00	32,770.00	-	32,770.00	65,075.00
08/01/2027	21,000.00	5.350%	11,208.25	32,208.25	-	32,208.25	-
02/01/2028	22,000.00	5.350%	10,646.50	32,646.50	-	32,646.50	64,854.75
08/01/2028	22,000.00	5.350%	10,058.00	32,058.00	-	32,058.00	-
02/01/2029	23,000.00	5.350%	9,469.50	32,469.50	-	32,469.50	64,527.50
08/01/2029	24,000.00	5.350%	8,854.25	32,854.25	-	32,854.25	-
02/01/2030	24,000.00	5.350%	8,212.25	32,212.25	-	32,212.25	65,066.50
08/01/2030	25,000.00	5.350%	7,570.25	32,570.25	-	32,570.25	-
02/01/2031	26,000.00	5.350%	6,901.50	32,901.50	-	32,901.50	65,471.75
08/01/2031	26,000.00	5.350%	6,206.00	32,206.00	-	32,206.00	-
02/01/2032	27,000.00	5.350%	5,510.50	32,510.50	-	32,510.50	64,716.50
08/01/2032	28,000.00	5.350%	4,788.25	32,788.25	-	32,788.25	-
02/01/2033	29,000.00	5.350%	4,039.25	33,039.25	-	33,039.25	65,827.50
08/01/2033	29,000.00	5.350%	3,263.50	32,263.50	-	32,263.50	-
02/01/2034	30,000.00	5.350%	2,487.75	32,487.75	-	32,487.75	64,751.25
08/01/2034	31,000.00	5.350%	1,685.25	32,685.25	-	32,685.25	-
02/01/2035	32,000.00	5.350%	856.00	32,856.00	-	32,856.00	65,541.25
<b>Total</b>	<b>\$499,000.00</b>	<b>-</b>	<b>\$168,408.93</b>	<b>\$667,408.93</b>	<b>(16,388.68)</b>	<b>\$651,020.25</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$3,147.83
Average Life	6.308 Years
Average Coupon	5.3499998%
Net Interest Cost (NIC)	5.3499998%
True Interest Cost (TIC)	5.3481287%
All Inclusive Cost (AIC)	5.9637166%
Bond Yield for Arbitrage Purposes	5.3481287%

## IRS Form 8038

Net Interest Cost	5.3499998%
Weighted Average Maturity	6.308 Years

## BOND SALE RESULTS

### Waterville-Elysian-Morristown Public School District No. 2143 Analysis of Possible Structure for Capital and Debt Levies

**\$499,000 Bond Issue**  
**10 Tax Levies**  
**Level Debt**

Type of Bond	Principal Amount	Dated Date	Interest Rate
Tax Abatement	\$499,000	06/20/24	5.35%

Levy Payable Year	Fiscal Year	Tax Capacity Value <sup>1</sup>		Existing Commitments				Proposed New Board Approved Bonds				Combined Totals		
				Building Bonds <sup>2</sup>	Est. Debt Excess <sup>3</sup>	Net Levy	Tax Rate	Principal	Interest	Add'l. Debt Excess <sup>3</sup>	Net Debt Levy	Initial Debt Levy	Net Levy	Tax Rate
2023	2024	13,583	21.1%	1,529,641	(50,241)	1,479,399	10.89	-	-	-	-	1,479,399	1,479,399	10.89
2024	2025	15,229	12.1%	1,558,854	(61,729)	1,497,125	9.83	-	16,389 <sup>4</sup>	-	(0)	1,479,916	1,479,916	9.72
2025	2026	15,229	0.0%	1,570,876	(69,019)	1,501,857	9.86	39,000	26,188	3,027	71,475	1,573,332	1,573,332	10.33
2026	2027	15,229	0.0%	1,595,919	(62,835)	1,533,084	10.07	41,000	24,075	-	68,329	1,601,412	1,601,412	10.52
2027	2028	15,229	0.0%	1,591,404	(63,837)	1,527,567	10.03	43,000	21,855	-	68,097	1,595,664	1,595,664	10.48
2028	2029	15,229	0.0%	1,379,776	(63,656)	1,316,120	8.64	45,000	19,528	(2,724)	65,030	1,381,150	1,381,150	9.07
2029	2030	15,229	0.0%	1,377,046	(55,191)	1,321,855	8.68	48,000	17,067	(2,601)	65,719	1,387,574	1,387,574	9.11
2030	2031	15,229	0.0%	1,379,356	(55,082)	1,324,274	8.70	51,000	14,472	(2,629)	66,117	1,390,391	1,390,391	9.13
2031	2032	15,229	0.0%	1,374,579	(55,174)	1,319,404	8.66	53,000	11,717	(2,645)	65,308	1,384,712	1,384,712	9.09
2032	2033	15,229	0.0%	1,374,264	(54,983)	1,319,280	8.66	57,000	8,828	(2,612)	66,507	1,385,787	1,385,787	9.10
2033	2034	15,229	0.0%	1,378,254	(54,971)	1,323,283	8.69	59,000	5,751	(2,660)	65,329	1,388,612	1,388,612	9.12
2034	2035	15,229	0.0%	1,375,891	(55,130)	1,320,761	8.67	63,000	2,541	(2,613)	66,205	1,386,966	1,386,966	9.11
2035	2036	15,229	0.0%	1,378,733	(55,036)	1,323,697	8.69	-	-	-	-	1,323,697	1,323,697	8.69
2036	2037	15,229	0.0%	1,380,157	(55,149)	1,325,007	8.70	-	-	-	-	1,325,007	1,325,007	8.70
2037	2038	15,229	0.0%	1,378,608	(55,206)	1,323,402	8.69	-	-	-	-	1,323,402	1,323,402	8.69
2038	2039	15,229	0.0%	1,380,839	(55,144)	1,325,695	8.71	-	-	-	-	1,325,695	1,325,695	8.71
2039	2040	15,229	0.0%	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>				23,004,195	(922,384)	22,081,811		499,000	168,409	(15,457)	668,114	22,732,717	22,732,717	

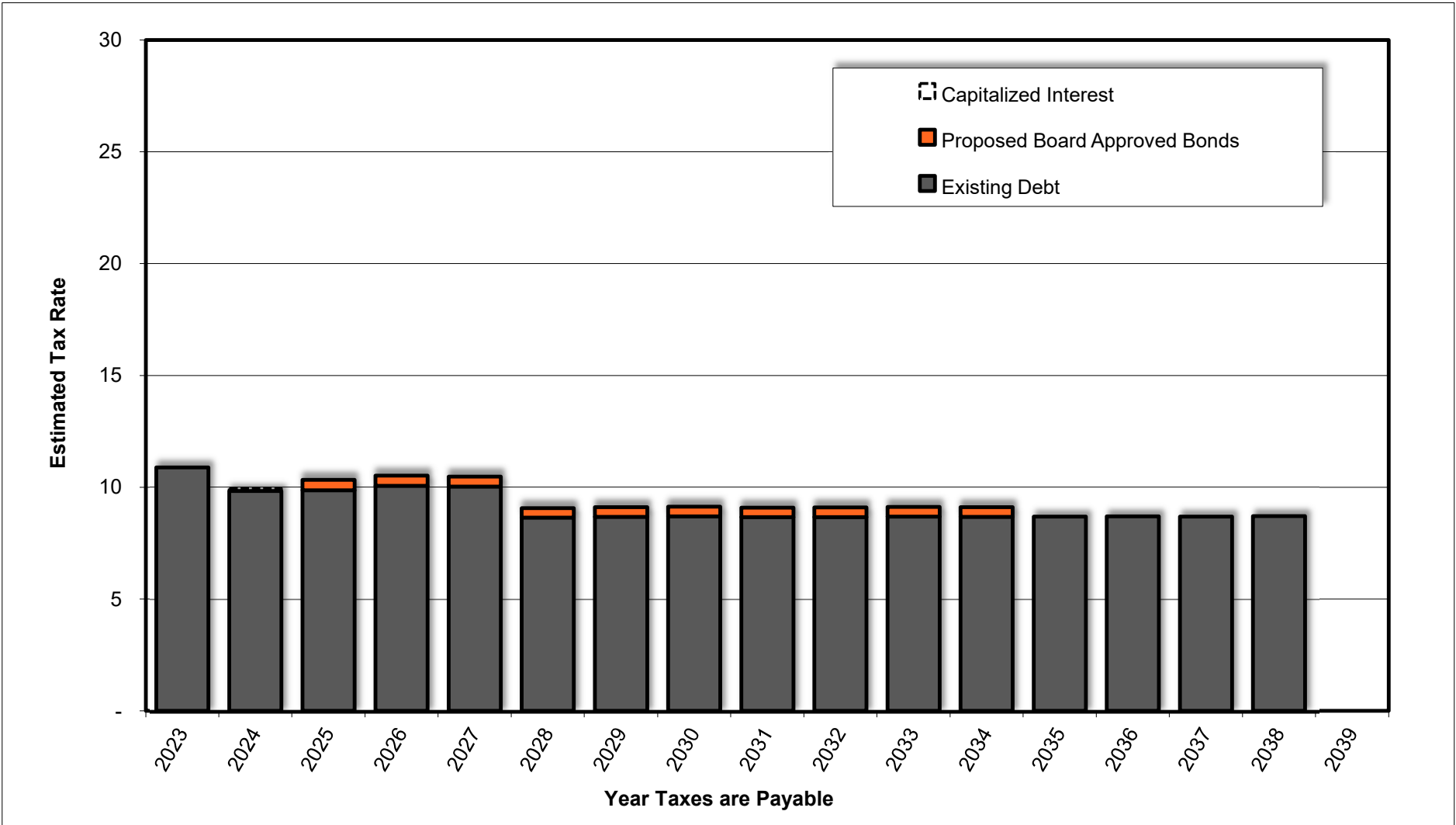
- 1 Tax capacity value for taxes payable in 2023 is the actual value. Tax capacity for taxes payable in 2024 is an estimate from Minnesota Department of Revenue. Estimates for future years are
- 2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.
- 3 Debt excess adjustment for taxes payable in 2023 and 2024 are the actual amounts. The adjustment for 2025 is an estimate using the June 30, 2023 debt service fund balance. Debt excess
- 4 The district would not be able to make a tax levy to fund payments on the new bonds due during fiscal year 2025, so those payments, estimated at \$16,389, would have to be made from bond proceeds.



## BOND SALE RESULTS

**Waterville-Elysian-Morristown Public School District No. 2143**  
**Estimated Tax Rates for Capital and Debt Service Levies**  
**Existing Commitments and Proposed New Debt**

**\$499,000 Bond Issue**  
**10 Tax Levies**  
**Level Debt**



Date Prepared: May 28, 2024



## BOND SALE RESULTS

### Waterville-Elysian-Morristown Public School District No. 2143

Analysis of Tax Impact for Potential Bond Issue

May 28, 2024

<b>Bond Issue Amount</b>	<b>\$499,000</b>
<b>Average Interest Rate</b>	<b>5.35%</b>
<b>Number of Years</b>	<b>10 Tax Levies</b>

Type of Property	Estimated Market Value	Estimated Annual Tax Impact Payable 2024 Compared to 2025*
Residential Homestead **	\$50,000	\$2
	75,000	3
	100,000	-5
	125,000	-4
	150,000	-2
	175,000	0
	200,000	1
	250,000	5
	300,000	8
	400,000	15
Commercial/ Industrial	\$50,000	\$5
	100,000	9
	250,000	26
	500,000	57
	750,000	87
Agricultural Homestead*** (average value per acre of land & buildings)	\$5,000	\$0.05
	6,000	0.06
	7,000	0.06
	8,000	0.07
	9,000	0.08
Agricultural Non-Homestead*** (average value per acre of land & buildings)	\$5,000	\$0.09
	6,000	0.11
	7,000	0.13
	8,000	0.15
	9,000	0.17
Seasonal Recreational Residential	\$100,000	\$6
	200,000	12
	300,000	18
	400,000	25
	500,000	31
	750,000	50

\* Estimated tax impact includes principal and interest payments on the new bonds. The amounts in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the homeowner's Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This will change the net effect of the proposed bond issue for those property owners.

\*\* The Homestead Market Value Exclusion was modified starting with 2024 assessments (taxes payable in 2025) during Minnesota's 2023 legislative session. The change provides additional property tax relief for residential homestead properties with a value greater than \$76,000 and less than \$517,200.

\*\*\* For all agricultural property, includes a 70% reduction due to the School Building Bond Agricultural Credit. Average value per acre is the total estimated market value of all land & buildings divided by total acres. If the property includes a home, then the tax impact on the house, garage, and one acre of land will be calculated in addition to the taxes per acre, on the same basis as a residential homestead or non-homestead property. If the same property owner owns more than \$3.5 million of agricultural homestead land and buildings, a portion of the property will be taxed at the higher non-homestead rate.