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ISD 31
BEMIDJI AREA SCHOOLS

G.O. SCHOOL BUILDING REFUNDING BONDS, SERIES 2026A

October 20, 2025

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G.O. SCHOOL BUILDING REFUNDING BONDS, SERIES 2026A

Purpose

- Current refund the G.O. School Building Bonds, Series 2015A that are callable on April 1, 2026, for debt service savings

Mechanism

- General Obligation Refunding Bonds

Authority

- MN Statutes, Chapter 475

REFUNDING – 2015A BONDS

Refunding Candidate	G.O. School Building Bonds, Series 2015A
Callable Maturities	2027 - 2036
Callable Bonds	$24,550,000
Interest Rate on Current Bonds	3.00% - 4.00%
Estimated True Interest Cost on Refunding Bonds*	3.10%
Estimated Gross Savings*	$888,412

- Based on market interest rates as of October 8, 2025, plus 0.15%.
- Assumes proceeds are held in escrow and invested in State and Local Government Securities (SLGS) until the redemption date, April 1, 2026. SLGS rate as of October 8, 2025 is 4.08%.

SAVINGS

Date	Total P+I	New Payment	Old Payment	Savings
04/01/2026	-	2,485,312.50	2,485,312.50	-
04/01/2027	2,900,538.19	2,900,538.19	2,991,625.00	91,086.81
04/01/2028	2,902,250.00	2,902,250.00	2,993,825.00	91,575.00
04/01/2029	2,903,750.00	2,903,750.00	2,992,625.00	88,875.00
04/01/2030	2,905,500.00	2,905,500.00	2,995,425.00	89,925.00
04/01/2031	2,902,250.00	2,902,250.00	2,991,125.00	88,875.00
04/01/2032	2,904,000.00	2,904,000.00	2,991,125.00	87,125.00
04/01/2033	2,905,250.00	2,905,250.00	2,992,325.00	87,075.00
04/01/2034	2,905,750.00	2,905,750.00	2,994,525.00	88,775.00
04/01/2035	2,905,250.00	2,905,250.00	2,992,525.00	87,275.00
04/01/2036	2,908,500.00	2,908,500.00	2,996,325.00	87,825.00
Total	**$29,043,038.19**	**$31,528,350.69**	**$32,416,762.50**	**$888,411.81**

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BOARD RESOLUTION – OCTOBER 20, 2025

- Approval of proceeding with the bond sale subject to certain parameters
- Allows the submission of the State Credit Enhancement Application

Bond Parameters:

- Authority given to the Superintendent or Director of Business Services AND a School Board Officer to execute the documents to complete the bond sale:
  - Results in positive present value savings
  - Establishes a maximum true interest cost of 5.00%
  - Establishes a maximum par amount of $24,575,000
  - Expires on December 31, 2026
- Full Board ratifies the sale at its next Board Meeting

BOND PROCESS CALENDAR

Date	Action Item
October 20, 2025	Board Considers Parameters Resolution
By November 3, 2025	Draft of POS distributed for review & sent to Rating agency
Week of November 10, 2025	Rating Call
November 26, 2025	Rating Received & POS released to Market
December 3, 2025	Bond Pricing (Interest Rates Locked)
December 15, 2025	Board Considers Ratifying Resolution
January 6, 2026	Bond Closing
April 1, 2026	Bond Call

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