

September 26, 2022

SALE DAY REPORT FOR:

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

**\$800,000 General Obligation School Building Bonds,  
Series 2022A**



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# Competitive Sale Results

**PURPOSE:** To finance the acquisition and betterment of school sites and facilities in the District, as authorized by the passage of the November 6, 2018 school bond election.

**RATING:** MN Credit Enhancement Rating: S&P Global Ratings "AAA"

**NUMBER OF BIDS:** 2

**LOW BIDDER:** Northland Securities, Inc., Minneapolis, Minnesota

## COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

**LOW BID:\*** 3.4334%

**HIGH BID:** 3.6477%

**INTEREST  
DIFFERENCE:** \$5,715

Summary of Sale Results:	
Principal Amount:	\$800,000
Underwriter's Discount:	\$8,003
Reoffering Premium:	\$22,860
True Interest Cost:	3.4334%
Costs of Issuance:	\$30,256
Yield:	3.00%-3.20%
Total Net P&I	\$914,178

**NOTES:** Due to recent increases in interest rates, the True Interest Cost of 3.42% is slightly higher than the 3.15% estimated prior to the bond sale in the August 17 Pre-Sale Report. The estimated tax impact remains the same as the prior projections. The net premium came in higher, adding about \$20,000 to the amount available for project costs.

**CLOSING DATE:** October 20, 2022

**SCHOOL BOARD  
ACTION:** Adopt a resolution awarding the sale of \$800,000 General Obligation School Building Bonds, Series 2022A.

## **SUPPLEMENTARY ATTACHMENTS**

- Bid Tabulation
- Sources and Uses of Funds
- Debt Service Schedules
- Combined Debt Service Schedule
- Tax Impact Schedule
- Bond Award Resolution (Distributed in School Board Packets)

## BID TABULATION

**\$800,000 General Obligation School Building Bonds, Series 2022A**

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

**SALE:** September 26, 2022

**AWARD:** NORTHLAND SECURITIES, INC.

**MN Credit Enhancement Rating:** S&P Global Ratings "AAA"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota	2024	4.000%	3.000%	\$814,857.10	\$99,320.68	3.4334%
D.A. Davidson	2025	4.000%	3.050%			
UBB	2026	4.000%	3.100%			
	2027	4.000%	3.150%			
	2028	4.000%	3.200%			
COLLIERS SECURITIES LLC Minneapolis, Minnesota				\$809,142.30	\$105,035.48	3.6477%

## BOND SALE RESULTS

### ISD # 2143 (Waterville-Elysian-Morristown), Minnesota

Sources and Uses of Funds

September 26, 2022

<b>Bond Type</b>	<b>Voter Approved School Building Bonds</b>
<b>Bond Amount</b>	<b>\$800,000</b>
<b>Dated Date</b>	<b>October 20, 2022</b>
<b>Number of Years</b>	<b>5</b>
<b>Sources of Funds</b>	
Par Amount	\$800,000
Reoffering Premium <sup>1</sup>	22,860
<b>Total Sources</b>	<b>\$822,860</b>
<b>Uses of Funds</b>	
Allowance for Discount Bidding <sup>2</sup>	\$8,003
Legal and Fiscal Costs <sup>3</sup>	30,256
<b>Net Available for Project Costs</b>	<b>784,601</b>
<b>Total Uses</b>	<b>\$822,860</b>
<b>Deposit to Construction Fund</b>	<b>\$784,601</b>

1 The underwriter of the bonds will pay a premium to purchase the bonds, increasing the amount of funds available for the project.

2 The allowance for discount bidding is the amount of compensation taken by the underwriter. Ehlers provides independent municipal advisory services as part of the bond sale process and is not an underwriting firm.

3 Includes fees for municipal advisor, bond counsel, rating agency or agencies, paying agent, and county certificates.

# Waterville-Elysian-Morristown School District No. 2143

\$800,000 General Obligation School Building Bonds, Series 2022A

Dated: October 20, 2022

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/20/2022	-	-	-	-	-
08/01/2023	-	-	24,977.78	24,977.78	-
02/01/2024	105,000.00	4.000%	16,000.00	121,000.00	145,977.78
08/01/2024	-	-	13,900.00	13,900.00	-
02/01/2025	145,000.00	4.000%	13,900.00	158,900.00	172,800.00
08/01/2025	-	-	11,000.00	11,000.00	-
02/01/2026	160,000.00	4.000%	11,000.00	171,000.00	182,000.00
08/01/2026	-	-	7,800.00	7,800.00	-
02/01/2027	195,000.00	4.000%	7,800.00	202,800.00	210,600.00
08/01/2027	-	-	3,900.00	3,900.00	-
02/01/2028	195,000.00	4.000%	3,900.00	198,900.00	202,800.00
<b>Total</b>	<b>\$800,000.00</b>	<b>-</b>	<b>\$114,177.78</b>	<b>\$914,177.78</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$2,854.44
Average Life	3.568 Years
Average Coupon	4.0000001%
Net Interest Cost (NIC)	3.4795100%
True Interest Cost (TIC)	3.4334398%
Bond Yield for Arbitrage Purposes	3.1366457%
All Inclusive Cost (AIC)	4.5915068%

## IRS Form 8038

Net Interest Cost	3.1003039%
Weighted Average Maturity	3.580 Years

## BOND SALE RESULTS

### ISD # 2143 (Waterville-Elysian-Morristown), MN Analysis of Structure for Capital and Debt Levies

**\$800,000 Bond Issue  
5 Tax Levies**

Type of Bond	Principal Amount	Interest Rate
Voter-Approved Building	\$800,000	3.43%

September 26, 2022

Levy Payable		Tax Capacity Value <sup>1</sup>		Existing Commitments				Proposed New School Building Bonds				Combined Totals		
Year	Fiscal Year	(\$000s)	% Chg	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 Levy	Initial Debt Levy	Net Levy	Tax Rate
2021	2022	10,492	3.3%	1,321,554	-	1,321,554	12.60	-	-	-	-	1,321,554	1,321,554	12.60
2022	2023	11,213	3.0%	1,379,514	-	1,379,514	12.30	-	-	-	-	1,379,514	1,379,514	12.30
2023	2024	11,438	2.0%	1,376,364	(57,905)	1,318,459	11.53	105,000	40,978	7,300	160,577	1,463,285	1,463,285	12.79
2024	2025	11,666	2.0%	1,377,414	(55,055)	1,322,359	11.33	145,000	27,800	-	181,440	1,494,402	1,494,402	12.81
2025	2026	11,783	1.0%	1,379,776	(55,097)	1,324,680	11.24	160,000	22,000	-	191,100	1,511,693	1,511,693	12.83
2026	2027	11,901	1.0%	1,374,789	(55,191)	1,319,598	11.09	195,000	15,600	(7,644)	213,486	1,528,942	1,528,942	12.85
2027	2028	11,901	0.0%	1,378,464	(54,992)	1,323,472	11.12	195,000	7,800	(8,539)	204,401	1,529,141	1,529,141	12.85
2028	2029	11,901	0.0%	1,379,776	(55,139)	1,324,638	11.13	-	-	-	-	1,362,439	1,362,439	11.45
2029	2030	11,901	0.0%	1,377,046	(55,191)	1,321,855	11.11	-	-	-	-	1,320,343	1,320,343	11.09
2030	2031	11,901	0.0%	1,379,356	(55,082)	1,324,274	11.13	-	-	-	-	1,324,335	1,324,335	11.13
2031	2032	11,901	0.0%	1,374,579	(55,174)	1,319,404	11.09	-	-	-	-	1,319,402	1,319,402	11.09
2032	2033	11,901	0.0%	1,374,264	(54,983)	1,319,280	11.09	-	-	-	-	1,319,281	1,319,281	11.09
2033	2034	11,901	0.0%	1,378,254	(54,971)	1,323,283	11.12	-	-	-	-	1,323,283	1,323,283	11.12
2034	2035	11,901	0.0%	1,375,891	(55,130)	1,320,761	11.10	-	-	-	-	1,320,761	1,320,761	11.10
2035	2036	11,901	0.0%	1,378,733	(55,036)	1,323,697	11.12	-	-	-	-	1,323,697	1,323,697	11.12
2036	2037	11,901	0.0%	1,380,157	(55,149)	1,325,007	11.13	-	-	-	-	1,325,007	1,325,007	11.13
2037	2038	11,901	0.0%	1,378,608	(55,206)	1,323,402	11.12	-	-	-	-	1,323,402	1,323,402	11.12
2038	2039	11,901	0.0%	1,380,839	(55,144)	1,325,695	11.14	-	-	-	-	1,325,695	1,325,695	11.14
2039	2040	11,901	0.0%	-	-	-	-	-	-	-	-	(0)	(0)	(0.00)
<b>Totals</b>				24,745,375	(884,444)	23,860,931		800,000	114,178	(8,883)	951,003	24,816,175	24,816,175	

- 1 Tax capacity value for taxes payable in 2021 & 2022 are final values. Estimates for future years are based on the percentage changes as shown above.
- 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 2022 is the actual amount. 2023 is an estimate using June 30, 2021 Fund Balance. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.

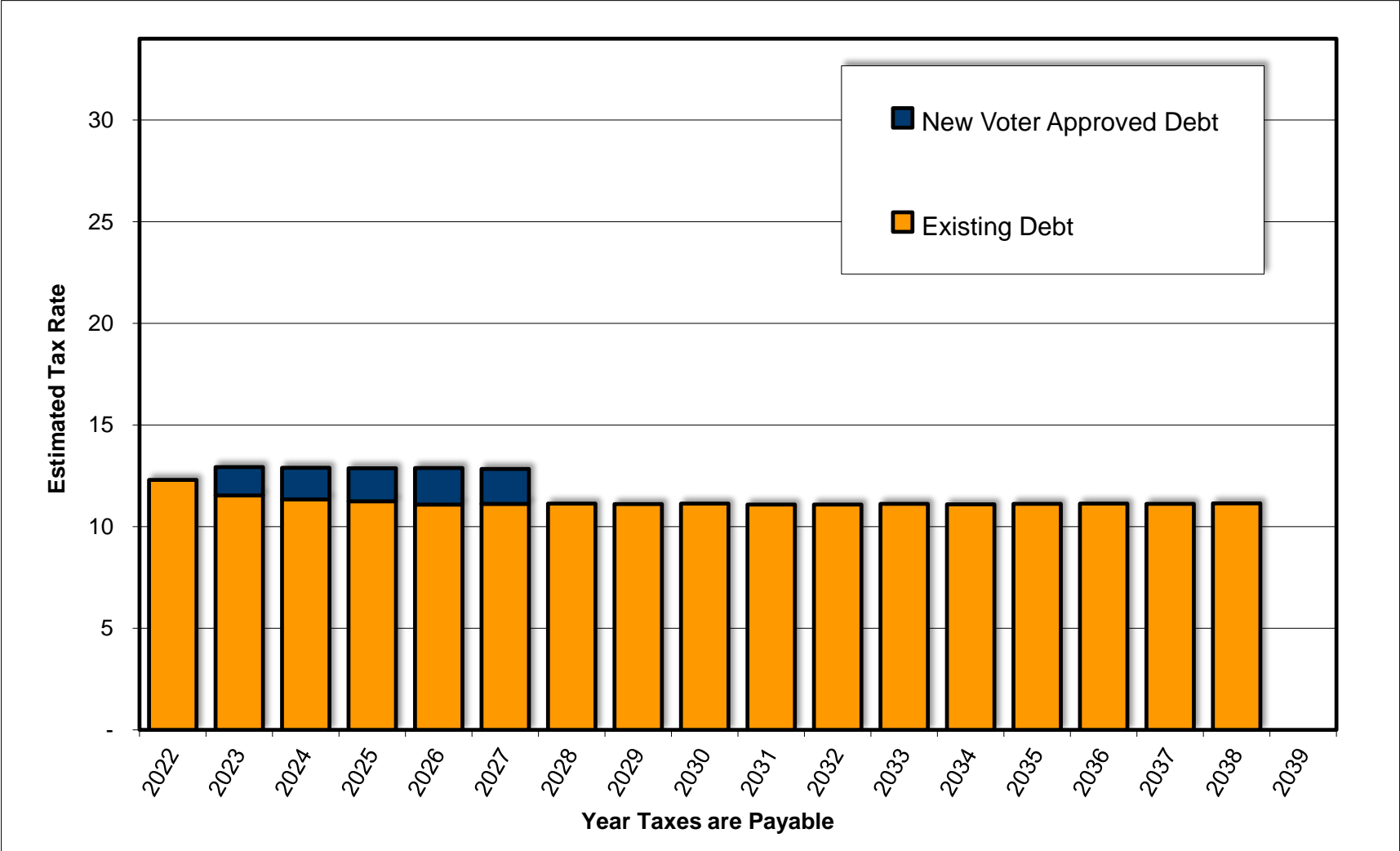


# BOND SALE RESULTS

**ISD # 2143 (Waterville-Elysian-Morristown), MN**  
**Estimated Tax Rates for Capital and Debt Service Levies**  
**Existing Commitments and New Debt**

**\$800,000 Bond Issue**  
**5 Tax Levies**

Date Prepared: September 26, 2022





## BOND SALE RESULTS

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

Analysis of Tax Impact for New Bond Issue

September 26, 2022

Unused Authority from November 6, 2018 Election

<b>Bond Issue Amount</b>	<b>\$800,000</b>
<b>Average Interest Rate</b>	<b>3.43%</b>
<b>Number of Years</b>	<b>5</b>

Type of Property	Estimated Market Value	Estimated Impact on Annual Taxes Payable in 2023*
Residential Homestead	\$100,000	\$9
	125,000	12
	150,000	16
	175,000	19
	200,000	23
	225,000	26
	250,000	30
	275,000	33
	300,000	37
	400,000	50
	500,000	63
Commercial/ Industrial #	\$50,000	\$9
	100,000	19
	200,000	41
	400,000	91
	600,000	142
Agricultural Homestead** (average value per acre of land & buildings)	\$7,000	\$0.13
	8,000	0.15
	9,000	0.17
	10,000	0.19
	11,000	0.21
Agricultural Non-Homestead** (average value per acre of land & buildings)	\$7,000	\$0.26
	8,000	0.30
	9,000	0.34
	10,000	0.38
	11,000	0.42

\* 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.

\*\* For all agricultural property, estimated tax impact for 2023 includes a 70% reduction due to the School Building Bond Agricultural Credit. Under current law, the School Building Agricultural Credit will remain at that higher level. 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 approximately \$1.9 million of agricultural homestead land and buildings, a portion of the property will be taxed at the higher non-homestead rate.