

Independent School District No. 716, Belle Plaine, Minnesota

Refunding Feasibility Analysis

To: Dr. Kelly Smith, Superintendent
Mr. Chuck Keller, Business Manager

From: Patty Heminover, Vice President

Dated: July 5, 2012

Introduction

As part of Springsted's ongoing services, we routinely identify opportunities for public entities to refund outstanding bonds for interest cost savings. While other reasons exist to refund outstanding issues, our initial focus is on interest cost savings. We recently reviewed the following debt issue on your behalf and have summarized its potential for interest cost savings in the current market.

If the district is interested in moving forward on this refunding, it is Springsted's recommendation that a competitive sale be used to ensure that you achieve the lowest rate possible given the markets at the time of sale. I look forward to discussing this information with you, and possibly refining our analysis to ensure that any refunding is structured in your best long-term interest.

Summary of Outstanding Issue

Issue	Refunding Type	Est. Net Future Value	Present Value Benefit	PV Savings/PV of Refunded Debt Service
2005A \$26,945,000 Par Amount	Crossover Refunding	\$2,485,344.54	\$2,098,088.40	7.544%

The estimated net future savings in the middle column in the chart above is the amount taxpayers in your school district would have saved in reduced debt service payments had the refunding been done this week. This is net savings after factoring in all issuance costs including expenses such as the rating agency, attorney, and financial advisory fees.

Refunding a bond is approximately a three-month process: school board authorizes in month one; sell in month two; and close in month three. Springsted is prepared to facilitate the following refunding schedule:

- August**– school board approves authorization resolutions (Springsted coordinates with bond counsel)
- September**– competitive sale in morning with consideration by the school board at their regular meeting
- October**– closing on refunding within 40 days of sale (no meeting necessary)

This is a great opportunity to reduce taxes for your community, while it also provides excellent public relations on the fiscal responsibility of the school district administration. I have attached a summary of the refunding for your reference. If you have any questions regarding this, please feel free to contact me

I appreciate your consideration of the preliminary analysis and the potential for financial savings for your school district.

\$26,945,000

Independent School District No. 716, Belle Plaine, Minnesota

General Obligation School Building Refunding Bonds, Series 2012

Crossover Refunding of Series 2005A

Preliminary Feasibility Summary

Dated 09/01/2012 | Delivered 09/01/2012

Sources Of Funds

Par Amount of Bonds.....	\$26,945,000.00
Total Sources.....	\$26,945,000.00

Uses Of Funds

Deposit to Crossover Escrow Fund.....	26,596,907.96
Total Underwriter's Discount (0.950%).....	255,977.50
Costs of Issuance.....	90,000.00
Rounding Amount.....	2,114.54
Total Uses.....	\$26,945,000.00

ISSUES REFUNDED AND CALL INFORMATION

Prior Issue Call Price.....	100.000%
Prior Issue Call Date.....	2/01/2015

SAVINGS INFORMATION

Net Future Value Benefit.....	\$2,485,344.54
Net Present Value Benefit.....	\$2,098,088.40
Net PV Benefit / \$27,948,571.20 PV Refunded Debt Service.....	7.544%

BOND STATISTICS

Average Life.....	8.783 Years
Average Coupon.....	4.6863327%
Net Interest Cost (NIC).....	2.2864318%
True Interest Cost (TIC).....	2.2817191%