

September 28, 2020

Pre-Sale Report for

# Independent School District No. 272 (Eden Prairie), Minnesota

\$26,870,000 General Obligation Facilities  
Maintenance and Refunding Bonds, Series 2020A



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**Prepared by:**

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**Advisors:**

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# EXECUTIVE SUMMARY OF PROPOSED DEBT

## Proposed Issue:

\$26,870,000 General Obligation Facilities Maintenance and Refunding Bonds, Series 2020A

The School Board will authorize the issuance of up to \$28,150,000 in bonds. \$26,870,000 is our current estimate of the bond amount necessary based on that authorization and the expected premium pricing structure explained in more detail on page 3.

## Purposes:

The proposed issue includes financing for two purposes:

- The Facilities Maintenance portion will finance deferred maintenance projects included in the District's ten-year facilities maintenance plan as approved by the Commissioner of Education.
- The refunding portion will finance a current refunding of the 2022 through 2027 maturities of the District's General Obligation Alternative Facilities Bonds, Series 2011A and a current refunding of the 2022 through 2024 maturities of the District's General Obligation Alternative Facilities Bonds, 2013A.

Debt service will be paid from property tax levies received as part of the Long Term Facilities Maintenance program.

## Refunding Savings:

The existing 2011A bonds have interest rates of 4.00% to 4.375% and an average coupon of 4.20% (see Page 10). The existing 2013A bonds have interest rates of 2.00% to 2.25% and an average coupon of 2.22% (see Page 13). Based on current market conditions, we estimate that the new refunding bonds would have interest rates of 3.00% and expect that the underwriter of the bonds will pay a premium (a price in excess of the par amount of the bonds), as shown on page 7. Any net premium will be used to reduce the par amount of the new issue. The estimated True Interest Cost rate is 0.93% for the refunding of the 2011A bonds (see Page 11) and 0.82% for the refunding of the 2013A bonds (see page 14).

The net effect of the premium paid by the underwriter and the new interest rates would reduce future debt service payments by an estimated \$1,264,199 for the 2011A bonds over fiscal years 2022 through 2027 (see Page 12) and \$172,621 for the 2013A bonds over fiscal years 2022 through 2024 (see Page 15). This would cause a reduction in property tax levies for taxes payable in 2021 through 2026. The Net Present Value Benefit of the refunding is estimated to be \$1,218,905, equal to 10.783% of the refunded debt service for the 2011A bonds and \$168,496, equal to 2.41% of the refunded debt service for the 2013A bonds. Actual results will be determined based on market conditions on the day of sale.

This refunding is considered to be a Current Refunding as the obligations being refunded will be callable within 90 days of the date of issue of the new Bonds.

**Authority:**

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 123B.595, 475, and 475.67. The Bonds will be general obligations of the District for which its full faith, credit and taxing powers are pledged.

**Term/Call Feature:**

The Bonds are being issued for a term of 20 years and 3 months. Principal on the Bonds will be due on February 1 of 2022 through 2027 and 2032 through 2041. Interest will be due every six months beginning August 1, 2021.

The Bonds maturing in 2032 and later will be subject to prepayment at the discretion of the District on February 1, 2028 or any date thereafter.

**Bank Qualification:**

Because the District is issuing more than \$10,000,000 in tax-exempt obligations during the calendar year, the District will be not able to designate the Bonds as "bank qualified" obligations.

**State Credit Enhancement:**

By resolution the District will covenant and obligate itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation. To qualify for the credit enhancement, the District must submit an application to the State. Ehlers will coordinate the application process to the State on your behalf.

**Rating:**

Under current bond ratings, the state credit enhancement would bring a Moody's "Aa2" rating. The District's most recent bond issues were rated by Moody's Investors Service. The current ratings on those bonds are "Aa2" (credit enhanced rating) and "Aa2" (underlying rating). The District will request a new rating for the Bonds.

**Basis for Recommendation:**

Based on our knowledge of your situation and characteristics of various municipal financing options, you have chosen the issuance of General Obligation Facilities Maintenance and Refunding Bonds as a suitable option to meet the District's objective of financing planned deferred maintenance projects and reducing future debt service payments.

- General Obligation Bonds will result in lower interest rates than some other financing options.
- Unlike with some other financing options, the District will be able to finance the payments with an additional debt service levy as part of the Long-Term Facilities Maintenance program.

### **Method of Sale/Placement:**

We will solicit competitive bids for the purchase of the Bonds from underwriters and banks. We will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction. If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

### **Premium Pricing:**

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the District. Any net premium received may be used to reduce the principal amount of the Bonds, increase the net proceeds for the project, or to fund a portion of the interest on the Bonds.

### **Review of Existing Debt:**

We have reviewed all outstanding indebtedness for the District and find that, other than the obligations proposed to be refunded by the Bonds, there are no other refunding opportunities at this time. We will continue to monitor the market and the call dates for the District’s outstanding debt and will alert you to any future refunding opportunities.

### **Continuing Disclosure:**

The District will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The District is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.

### **Arbitrage Monitoring:**

Because the Bonds are tax-exempt obligations, the District must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be defined in the Tax Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or contract with Ehlers to assist you.

## **Investment of Bond Proceeds:**

Proceeds from the Facilities Maintenance portion of the new Bonds will be available for investment from the closing date (November 19, 2020) until project costs are paid. Proceeds from the refunding portion of new Bonds will be available for investment by the District from the closing date (November 19, 2020) until shortly before the February 1, 2021 call date. To maximize interest earnings, we recommend using an SEC registered investment advisor to assist with the investment of bond proceeds until they are needed to pay project costs.

## **Risk Factors:**

A portion of the Bonds are being issued to finance a current refunding of prior District debt obligations. Those prior debt obligations are “callable” on February 1, 2021, so refunding bonds can be issued 90 days or less prior to that date. Because the refunding portion of the new Bonds will not be callable, there will not be an opportunity to refund them again in the future. This refunding is being undertaken based in part on an assumption that market conditions warrant the refinancing at this time.

## **Other Service Providers:**

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

**Bond Counsel:** Kennedy & Graven, Chartered

**Paying Agent:** Bond Trust Services Corporation

**Rating Agency:** Moody's Investors Service, Inc.

*This presale report summarizes our understanding of the District's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the District's objectives.*

# PROPOSED DEBT ISSUANCE SCHEDULE

School Board Approves Resolution Authorizing Sale of the Bonds; Ehlers Presents Pre-Sale Report to School Board:	September 28, 2020
Due Diligence Call to Review Official Statement:	Week of October 12, 2020
Conference with Rating Agency:	Week of October 12, 2020
Distribute Official Statement:	October 15, 2020
Ehlers Receives and Evaluates Proposals for Purchase of Bonds:	October 26, 2020
School Board Meeting to Award Sale of Bonds:	October 26, 2020
Estimated Closing Date:	November 19, 2020
Redemption Date for Bonds Being Refunded:	February 1, 2021

## Attachments

Estimated Combined Sources and Uses of Funds

Estimated Combined Debt Service Schedule

Estimated Debt Service Schedule for Facilities Maintenance Portion

Existing Debt Service Schedule for Callable Portion of 2011A Bonds

Estimated Debt Service Schedule for Refunding Portion (2011A Bonds)

Estimated Debt Service Comparison and Savings for Refunding Portion (2011A Bonds)

Existing Debt Service Schedule for Callable Portion of 2013A Bonds

Estimated Debt Service Schedule for Refunding Portion (2013A Bonds)

Estimated Debt Service Comparison and Savings for Refunding Portion (2013A Bonds)

Updated Long-Term Financing Plan for Debt and Capital Payments and Levies

Interest Rate Trends (Bond Buyer Index)

Resolution Authorizing Ehlers to Proceed with Bond Sale/Credit Enhancement Resolution (Distributed Separately)

## EHLERS' CONTACTS

Jodie Zesbaugh, Senior Municipal Advisor	(651) 697-8526
Matthew Hammer, Municipal Advisor	(651) 697-8592
Silvia Johnson, Public Finance Analyst	(651) 697-8580
Brian Shannon, Manager, Senior Financial Analyst	(651) 697-8515

The Preliminary Official Statement for this financing will be sent to the School Board at their home or email address for review prior to the sale date.

ESTIMATES PRIOR TO BOND SALE

**Eden Prairie School District No. 272**  
**Estimated Sources and Uses of Funds**

September 23, 2020

	Facilities Maintenance	Alternative Facilities Refunding		Total
		2011A	2013A	
<b>Authorized Bond Amount</b>	<b>\$11,090,000</b>	<b>\$10,175,000</b>	<b>\$6,885,000</b>	<b>\$28,150,000</b>
<b>Estimated Bond Amount</b>	<b>\$11,020,000</b>	<b>\$9,335,000</b>	<b>\$6,515,000</b>	<b>\$26,870,000</b>
<b>Estimated Project Costs</b>	<b>\$10,635,000</b>	<b>\$10,085,000</b>	<b>\$6,825,000</b>	<b>\$27,545,000</b>
<b>Dated Date of Bonds</b>	<b>11/19/2020</b>	<b>11/19/2020</b>	<b>11/19/2020</b>	<b>11/19/2020</b>
<b>Sources of Funds</b>				
Par Amount	\$11,020,000	\$9,335,000	\$6,515,000	\$26,870,000
Investment Earnings <sup>1</sup>	26,525	0	0	26,525
Reoffering Premium <sup>2</sup>	106,356	864,057	388,552	1,358,964
<b>Total Sources</b>	<b>\$11,152,880</b>	<b>\$10,199,057</b>	<b>\$6,903,552</b>	<b>\$28,255,489</b>
<b>Uses of Funds</b>				
Allowance for Discount Bidding	\$88,160	\$74,680	\$52,120	\$214,960
Capitalized Interest <sup>3</sup>	384,300	0	0	384,300
Rounding/Contingency <sup>4</sup>	0	2,146	448	2,595
Legal and Fiscal Costs <sup>5</sup>	43,950	37,230	25,983	107,164
<b>Net Available for Project Costs</b>	<b>10,636,470</b>	<b>10,085,000</b>	<b>6,825,000</b>	<b>27,546,470</b>
<b>Total Uses</b>	<b>\$11,152,880</b>	<b>\$10,199,057</b>	<b>\$6,903,552</b>	<b>\$28,255,489</b>
<b>Initial Deposit to Construction Fund</b>	<b>\$10,609,945</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,609,945</b>
<b>Initial Deposit to Refunding Fund</b>	<b>\$0</b>	<b>\$10,085,000</b>	<b>\$6,825,000</b>	<b>\$16,910,000</b>

- 1 Estimated investment earnings for the Facilities Maintenance bond issue is based on an average interest rate of 0.25%, and an average life of 12 months. Estimated investment earnings on the refunding bond issues are estimated to be minimal.
- 2 The underwriter of the bonds may pay a premium to purchase the bonds. The amount will be determined based on the competitive bidding process. If any premium is received, it will be used either to reduce the par amount of the bonds or to pay a portion of the first year's interest on the bonds.
- 3 In order to keep the levy for taxes payable in 2021 (for payments in fiscal year 2022) consistent with taxes payable in 2020, the interest payments due in fiscal year 2022 on the Facilities Maintenance portion of the bonds will be made from bond proceeds.
- 4 Represents additional funds available for debt service due to the requirement to issue bonds in \$5,000 increments.
- 5 Includes fees for municipal advisor, bond counsel, rating agency, paying agent, and county certificate.



# Eden Prairie School District No. 272

\$26,870,000 General Obligation Facilities Maintenance and Refunding Bonds, Series 2020A  
Issue Summary

Dated: November 19, 2020 - New Money and Current Refund Series 2011A & 2013A

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/19/2020	-	-	-	-	-
08/01/2021	-	-	557,025.00	557,025.00	-
02/01/2022	1,510,000.00	3.000%	397,875.00	1,907,875.00	2,464,900.00
08/01/2022	-	-	375,225.00	375,225.00	-
02/01/2023	4,340,000.00	3.000%	375,225.00	4,715,225.00	5,090,450.00
08/01/2023	-	-	310,125.00	310,125.00	-
02/01/2024	4,375,000.00	3.000%	310,125.00	4,685,125.00	4,995,250.00
08/01/2024	-	-	244,500.00	244,500.00	-
02/01/2025	1,820,000.00	3.000%	244,500.00	2,064,500.00	2,309,000.00
08/01/2025	-	-	217,200.00	217,200.00	-
02/01/2026	1,875,000.00	3.000%	217,200.00	2,092,200.00	2,309,400.00
08/01/2026	-	-	189,075.00	189,075.00	-
02/01/2027	1,930,000.00	3.000%	189,075.00	2,119,075.00	2,308,150.00
08/01/2027	-	-	160,125.00	160,125.00	-
02/01/2028	-	-	160,125.00	160,125.00	320,250.00
08/01/2028	-	-	160,125.00	160,125.00	-
02/01/2029	-	-	160,125.00	160,125.00	320,250.00
08/01/2029	-	-	160,125.00	160,125.00	-
02/01/2030	-	-	160,125.00	160,125.00	320,250.00
08/01/2030	-	-	160,125.00	160,125.00	-
02/01/2031	-	-	160,125.00	160,125.00	320,250.00
08/01/2031	-	-	160,125.00	160,125.00	-
02/01/2032	500,000.00	2.000%	160,125.00	660,125.00	820,250.00
08/01/2032	-	-	155,125.00	155,125.00	-
02/01/2033	535,000.00	2.000%	155,125.00	690,125.00	845,250.00
08/01/2033	-	-	149,775.00	149,775.00	-
02/01/2034	540,000.00	3.000%	149,775.00	689,775.00	839,550.00
08/01/2034	-	-	141,675.00	141,675.00	-
02/01/2035	560,000.00	3.000%	141,675.00	701,675.00	843,350.00
08/01/2035	-	-	133,275.00	133,275.00	-
02/01/2036	575,000.00	3.000%	133,275.00	708,275.00	841,550.00
08/01/2036	-	-	124,650.00	124,650.00	-
02/01/2037	1,375,000.00	3.000%	124,650.00	1,499,650.00	1,624,300.00
08/01/2037	-	-	104,025.00	104,025.00	-
02/01/2038	1,310,000.00	3.000%	104,025.00	1,414,025.00	1,518,050.00
08/01/2038	-	-	84,375.00	84,375.00	-
02/01/2039	1,265,000.00	3.000%	84,375.00	1,349,375.00	1,433,750.00
08/01/2039	-	-	65,400.00	65,400.00	-
02/01/2040	1,410,000.00	3.000%	65,400.00	1,475,400.00	1,540,800.00
08/01/2040	-	-	44,250.00	44,250.00	-
02/01/2041	2,950,000.00	3.000%	44,250.00	2,994,250.00	3,038,500.00
<b>Total</b>	<b>\$26,870,000.00</b>	<b>-</b>	<b>\$7,233,500.00</b>	<b>\$34,103,500.00</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$245,159.00
Average Life	9.124 Years
Average Coupon	2.9505341%
Net Interest Cost (NIC)	2.4838967%
True Interest Cost (TIC)	2.3940989%
Bond Yield for Arbitrage Purposes	2.2282286%
All Inclusive Cost (AIC)	2.4442651%

## IRS Form 8038

Net Interest Cost	2.3335454%
Weighted Average Maturity	8.918 Years

2020A New Money and CR 20 | Issue Summary | 9/23/2020 | 9:17 AM



# Eden Prairie School District No. 272

\$11,020,000 General Obligation Facilities Maintenance and Refunding Bonds, Series 2020A

New Money Portion

## Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
11/19/2020	-	-	-	-	-	-	-
08/01/2021	-	-	224,175.00	224,175.00	(224,175.00)	-	-
02/01/2022	-	-	160,125.00	160,125.00	(160,125.00)	-	-
08/01/2022	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2023	-	-	160,125.00	160,125.00	-	160,125.00	320,250.00
08/01/2023	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2024	-	-	160,125.00	160,125.00	-	160,125.00	320,250.00
08/01/2024	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2025	-	-	160,125.00	160,125.00	-	160,125.00	320,250.00
08/01/2025	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2026	-	-	160,125.00	160,125.00	-	160,125.00	320,250.00
08/01/2026	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2027	-	-	160,125.00	160,125.00	-	160,125.00	320,250.00
08/01/2027	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2028	-	-	160,125.00	160,125.00	-	160,125.00	320,250.00
08/01/2028	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2029	-	-	160,125.00	160,125.00	-	160,125.00	320,250.00
08/01/2029	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2030	-	-	160,125.00	160,125.00	-	160,125.00	320,250.00
08/01/2030	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2031	-	-	160,125.00	160,125.00	-	160,125.00	320,250.00
08/01/2031	-	-	160,125.00	160,125.00	-	160,125.00	-
02/01/2032	500,000.00	2.000%	160,125.00	660,125.00	-	660,125.00	820,250.00
08/01/2032	-	-	155,125.00	155,125.00	-	155,125.00	-
02/01/2033	535,000.00	2.000%	155,125.00	690,125.00	-	690,125.00	845,250.00
08/01/2033	-	-	149,775.00	149,775.00	-	149,775.00	-
02/01/2034	540,000.00	3.000%	149,775.00	689,775.00	-	689,775.00	839,550.00
08/01/2034	-	-	141,675.00	141,675.00	-	141,675.00	-
02/01/2035	560,000.00	3.000%	141,675.00	701,675.00	-	701,675.00	843,350.00
08/01/2035	-	-	133,275.00	133,275.00	-	133,275.00	-
02/01/2036	575,000.00	3.000%	133,275.00	708,275.00	-	708,275.00	841,550.00
08/01/2036	-	-	124,650.00	124,650.00	-	124,650.00	-
02/01/2037	1,375,000.00	3.000%	124,650.00	1,499,650.00	-	1,499,650.00	1,624,300.00
08/01/2037	-	-	104,025.00	104,025.00	-	104,025.00	-
02/01/2038	1,310,000.00	3.000%	104,025.00	1,414,025.00	-	1,414,025.00	1,518,050.00
08/01/2038	-	-	84,375.00	84,375.00	-	84,375.00	-
02/01/2039	1,265,000.00	3.000%	84,375.00	1,349,375.00	-	1,349,375.00	1,433,750.00
08/01/2039	-	-	65,400.00	65,400.00	-	65,400.00	-
02/01/2040	1,410,000.00	3.000%	65,400.00	1,475,400.00	-	1,475,400.00	1,540,800.00
08/01/2040	-	-	44,250.00	44,250.00	-	44,250.00	-
02/01/2041	2,950,000.00	3.000%	44,250.00	2,994,250.00	-	2,994,250.00	3,038,500.00
<b>Total</b>	<b>\$11,020,000.00</b>	<b>-</b>	<b>\$5,591,900.00</b>	<b>\$16,611,900.00</b>	<b>(384,300.00)</b>	<b>\$16,227,600.00</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$190,439.00
Average Life	17.281 Years
Average Coupon	2.9363208%
Net Interest Cost (NIC)	2.9267664%
True Interest Cost (TIC)	2.9183164%
Bond Yield for Arbitrage Purposes	2.2282286%
All Inclusive Cost (AIC)	2.9479979%

### IRS Form 8038

Net Interest Cost	2.8564399%
Weighted Average Maturity	17.260 Years

# Eden Prairie School District No. 272

\$11,000,000 G.O. Alternative Facilities Bonds, **Series 2011A**

## Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2021	-	-	-	-	-
08/01/2021	-	-	209,384.38	209,384.38	-
02/01/2022	355,000.00	4.000%	209,384.38	564,384.38	773,768.76
08/01/2022	-	-	202,284.38	202,284.38	-
02/01/2023	1,800,000.00	4.000%	202,284.38	2,002,284.38	2,204,568.76
08/01/2023	-	-	166,284.38	166,284.38	-
02/01/2024	1,865,000.00	4.000%	166,284.38	2,031,284.38	2,197,568.76
08/01/2024	-	-	128,984.38	128,984.38	-
02/01/2025	1,940,000.00	4.125%	128,984.38	2,068,984.38	2,197,968.76
08/01/2025	-	-	88,971.88	88,971.88	-
02/01/2026	2,020,000.00	4.250%	88,971.88	2,108,971.88	2,197,943.76
08/01/2026	-	-	46,046.88	46,046.88	-
02/01/2027	2,105,000.00	4.375%	46,046.88	2,151,046.88	2,197,093.76
<b>Total</b>	<b>\$10,085,000.00</b>	<b>-</b>	<b>\$1,683,912.56</b>	<b>\$11,768,912.56</b>	<b>-</b>

## Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/19/2020
Average Life	4.170 Years
<b>Average Coupon</b>	<b>4.2030252%</b>
Weighted Average Maturity (Par Basis)	4.170 Years
Weighted Average Maturity (Original Price Basis)	4.170 Years

## Refunding Bond Information

Refunding Dated Date	11/19/2020
Refunding Delivery Date	11/19/2020

# Eden Prairie School District No. 272

\$9,335,000 General Obligation Facilities Maintenance and Refunding Bonds, Series 2020A

Current Refund Series 2011A Portion

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/19/2020	-	-	-	-	-
08/01/2021	-	-	196,035.00	196,035.00	-
02/01/2022	225,000.00	3.000%	140,025.00	365,025.00	561,060.00
08/01/2022	-	-	136,650.00	136,650.00	-
02/01/2023	1,720,000.00	3.000%	136,650.00	1,856,650.00	1,993,300.00
08/01/2023	-	-	110,850.00	110,850.00	-
02/01/2024	1,765,000.00	3.000%	110,850.00	1,875,850.00	1,986,700.00
08/01/2024	-	-	84,375.00	84,375.00	-
02/01/2025	1,820,000.00	3.000%	84,375.00	1,904,375.00	1,988,750.00
08/01/2025	-	-	57,075.00	57,075.00	-
02/01/2026	1,875,000.00	3.000%	57,075.00	1,932,075.00	1,989,150.00
08/01/2026	-	-	28,950.00	28,950.00	-
02/01/2027	1,930,000.00	3.000%	28,950.00	1,958,950.00	1,987,900.00
<b>Total</b>	<b>\$9,335,000.00</b>	<b>-</b>	<b>\$1,171,860.00</b>	<b>\$10,506,860.00</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$39,062.00
Average Life	4.184 Years
Average Coupon	3.000000%
Net Interest Cost (NIC)	0.9791699%
<b>True Interest Cost (TIC)</b>	<b>0.9295608%</b>
Bond Yield for Arbitrage Purposes	2.2282286%
All Inclusive Cost (AIC)	1.0224354%

## IRS Form 8038

Net Interest Cost	0.7153850%
Weighted Average Maturity	4.219 Years

# Eden Prairie School District No. 272

\$9,335,000 General Obligation Facilities Maintenance and Refunding Bonds, Series 2020A  
**Current Refund Series 2011A Portion**

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2021	-	(2,146.43)	-	2,146.43
02/01/2022	561,060.00	561,060.00	773,768.76	212,708.76
02/01/2023	1,993,300.00	1,993,300.00	2,204,568.76	211,268.76
02/01/2024	1,986,700.00	1,986,700.00	2,197,568.76	210,868.76
02/01/2025	1,988,750.00	1,988,750.00	2,197,968.76	209,218.76
02/01/2026	1,989,150.00	1,989,150.00	2,197,943.76	208,793.76
02/01/2027	1,987,900.00	1,987,900.00	2,197,093.76	209,193.76
<b>Total</b>	<b>\$10,506,860.00</b>	<b>\$10,504,713.57</b>	<b>\$11,768,912.56</b>	<b>\$1,264,198.99</b>

## PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	1,216,758.37
Net PV Cashflow Savings @ 1.022%(AIC).....	1,216,758.37
Contingency or Rounding Amount.....	2,146.43
Net Present Value Benefit	\$1,218,904.80
Net PV Benefit / \$11,303,904.80 PV Refunded Debt Service	10.783%
Net PV Benefit / \$10,085,000 Refunded Principal...	12.086%
Net PV Benefit / \$9,335,000 Refunding Principal..	13.057%

## Refunding Bond Information

Refunding Dated Date	11/19/2020
Refunding Delivery Date	11/19/2020

# Eden Prairie School District No. 272

\$11,000,000 General Obligation Alternative Facilities Bonds, **Series 2013A**

## **Prior Original Debt Service**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2021	-	-	-	-	-
08/01/2021	-	-	75,000.00	75,000.00	-
02/01/2022	1,425,000.00	<b>2.000%</b>	75,000.00	1,500,000.00	1,575,000.00
08/01/2022	-	-	60,750.00	60,750.00	-
02/01/2023	2,715,000.00	2.250%	60,750.00	2,775,750.00	2,836,500.00
08/01/2023	-	-	30,206.25	30,206.25	-
02/01/2024	2,685,000.00	<b>2.250%</b>	30,206.25	2,715,206.25	2,745,412.50
<b>Total</b>	<b>\$6,825,000.00</b>	-	<b>\$331,912.50</b>	<b>\$7,156,912.50</b>	-

## **Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	11/19/2020
Average Life	2.385 Years
<b>Average Coupon</b>	<b>2.2237327%</b>
Weighted Average Maturity (Par Basis)	2.385 Years
Weighted Average Maturity (Original Price Basis)	2.385 Years

## **Refunding Bond Information**

Refunding Dated Date	11/19/2020
Refunding Delivery Date	11/19/2020

# Eden Prairie School District No. 272

\$6,515,000 General Obligation Facilities Maintenance and Refunding Bonds, Series 2020A

Current Refund Series 2013A Portion

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/19/2020	-	-	-	-	-
08/01/2021	-	-	136,815.00	136,815.00	-
02/01/2022	1,285,000.00	3.000%	97,725.00	1,382,725.00	1,519,540.00
08/01/2022	-	-	78,450.00	78,450.00	-
02/01/2023	2,620,000.00	3.000%	78,450.00	2,698,450.00	2,776,900.00
08/01/2023	-	-	39,150.00	39,150.00	-
02/01/2024	2,610,000.00	3.000%	39,150.00	2,649,150.00	2,688,300.00
<b>Total</b>	<b>\$6,515,000.00</b>	<b>-</b>	<b>\$469,740.00</b>	<b>\$6,984,740.00</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$15,658.00
Average Life	2.403 Years
Average Coupon	3.0000000%
Net Interest Cost (NIC)	0.8513753%
True Interest Cost (TIC)	0.8228684%
Bond Yield for Arbitrage Purposes	2.2282286%
All Inclusive Cost (AIC)	0.9857237%

## IRS Form 8038

Net Interest Cost	0.4868750%
Weighted Average Maturity	2.415 Years

# Eden Prairie School District No. 272

\$6,515,000 General Obligation Facilities Maintenance and Refunding Bonds, Series 2020A  
**Current Refund Series 2013A Portion**

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2021	-	(448.27)	-	448.27
02/01/2022	1,519,540.00	1,519,540.00	1,575,000.00	55,460.00
02/01/2023	2,776,900.00	2,776,900.00	2,836,500.00	59,600.00
02/01/2024	2,688,300.00	2,688,300.00	2,745,412.50	57,112.50
<b>Total</b>	<b>\$6,984,740.00</b>	<b>\$6,984,291.73</b>	<b>\$7,156,912.50</b>	<b>\$172,620.77</b>

## PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	168,048.20
Net PV Cashflow Savings @ 0.986%(AIC).....	168,048.20
Contingency or Rounding Amount.....	448.27
Net Present Value Benefit	\$168,496.47
Net PV Benefit / \$6,993,496.47 PV Refunded Debt Service	2.409%
Net PV Benefit / \$6,825,000 Refunded Principal...	2.469%
Net PV Benefit / \$6,515,000 Refunding Principal..	2.586%

## Refunding Bond Information

Refunding Dated Date	11/19/2020
Refunding Delivery Date	11/19/2020



**PRELIMINARY INFORMATION - FOR DISCUSSION ONLY**

**Eden Prairie School District No. 272**  
Preliminary Financing Plan for Future Projects

**\$11,020,000 Facilities Maintenance Bonds**  
**Four Potential Future Facilities Maintenance**  
**Bond Issues in 2023, 2025, 2027 and 2029**

**Future Bond Issues**

Type of Bond	Amount	Dated	Average Interest Rate
Facilities Maintenance	\$11,020,000	11/19/2020	2.92%
Facilities Maintenance	\$9,890,000	3/1/2023	4.00%
Facilities Maintenance	\$6,425,000	3/1/2025	4.00%
Facilities Maintenance	\$2,280,000	3/1/2027	4.00%
Facilities Maintenance	\$2,375,000	3/1/2029	4.00%

September 23, 2020

Levy	Pay	Fiscal Year	Estimated Tax Capacity Value <sup>1</sup>	Debt Service Levies - Existing Bonds <sup>2</sup>						Other Levies		Facilities Maintenance Funding					Combined Totals			
				Building Bonds	Alt. Fac. / FM Bonds	Est. Refunding Savings <sup>7</sup>	Est. Debt Excess <sup>3</sup>	Net Levy	Tax Rate	Lease Levy <sup>4</sup>	Capital Project Levy <sup>5</sup>	General Fund Revenue	Principal	Interest	Addl. Debt Excess <sup>3</sup>	Est. LTFM Aid	Debt Levy	Total Levy	Tax Rate	
2020	2021	110,296	3.7%	2,025,289	7,994,595	-	-	10,019,885	9.08	1,208,717	7,312,021	1,776,969	-	-	-	-	20,317,591	18.42		
2021	2022	113,605	3.0%	2,167,725	7,813,523	(281,577)	(546,735)	9,152,936	8.06	843,083	7,599,850	3,328,476	-	384,300	6	-	20,924,345	18.42		
2022	2023	113,605	0.0%	2,235,975	6,329,663	(284,412)	(436,485)	7,844,741	6.91	843,083	7,827,846	4,073,730	-	320,250	-	-	20,925,662	18.42		
2023	2024	113,605	0.0%	2,361,975	6,226,671	(281,380)	(372,655)	7,934,611	6.98	843,083	7,827,846	3,983,795	-	682,883	6	-	20,925,597	18.42		
2024	2025	113,605	0.0%	2,406,075	6,158,408	(219,680)	(373,827)	7,970,976	7.02	843,083	7,827,846	3,535,405	-	715,850	-	-	20,928,952	18.42		
2025	2026	115,309	1.5%	2,434,950	6,047,711	(219,233)	(375,516)	7,887,911	6.84	843,083	7,827,846	3,965,014	-	951,433	6	(33,824)	21,241,672	18.42		
2026	2027	117,039	1.5%	2,470,125	6,047,186	(219,653)	(371,854)	7,925,803	6.77	843,083	7,945,263	3,855,886	-	972,850	-	(32,302)	21,559,226	18.42		
2027	2028	118,794	1.5%	2,505,825	4,126,585	-	(373,395)	6,259,015	5.27	843,083	8,064,442	5,738,115	-	1,056,450	6	(44,514)	21,881,634	18.42		
2028	2029	120,576	1.5%	2,536,538	3,643,585	-	(298,458)	5,881,665	4.88	843,083	8,185,409	6,228,224	-	1,064,050	-	(43,964)	22,211,669	18.42		
2029	2030	121,782	1.0%	2,541,263	3,718,975	-	(278,106)	5,982,132	4.91	843,083	8,308,190	6,233,224	-	1,151,133	6	(48,298)	22,435,584	18.42		
2030	2031	123,000	1.0%	2,563,050	3,847,338	-	(281,711)	6,128,677	4.98	843,083	8,391,272	6,126,243	-	1,159,050	-	(48,103)	22,658,175	18.42		
2031	2032	124,230	1.0%	1,887,690	3,325,593	-	(288,467)	4,924,816	3.96	843,083	8,475,185	6,951,243	500,000	1,159,050	-	(52,600)	22,883,728	18.42		
2032	2033	125,472	1.0%	2,953,440	2,347,006	-	(234,598)	5,065,848	4.04	843,083	8,559,936	6,951,243	535,000	1,149,050	-	(76,023)	23,112,340	18.42		
2033	2034	125,472	0.0%	2,924,880	2,302,834	-	(238,520)	4,989,194	3.98	843,083	8,645,536	6,951,243	540,000	1,138,350	-	(76,150)	23,115,173	18.42		
2034	2035	125,472	0.0%	2,921,415	2,300,209	-	(235,247)	4,986,377	3.97	843,083	8,645,536	6,951,243	560,000	1,122,150	-	(75,875)	23,116,621	18.42		
2035	2036	125,472	0.0%	3,010,560	2,211,615	-	(234,973)	4,987,202	3.97	843,083	8,645,536	6,951,243	575,000	1,105,350	-	(76,067)	23,115,364	18.42		
2036	2037	125,472	0.0%	4,402,230	-	-	(234,998)	4,167,232	3.32	843,083	8,645,536	6,951,243	1,375,000	1,088,100	-	(75,974)	23,117,375	18.42		
2037	2038	125,472	0.0%	4,510,958	-	-	(198,100)	4,312,858	3.44	843,083	8,645,536	6,951,243	1,310,000	1,046,850	-	(112,963)	23,114,449	18.42		
2038	2039	125,472	0.0%	4,597,163	-	-	(202,993)	4,394,170	3.50	843,083	8,645,536	6,951,243	1,265,000	1,007,550	-	(106,278)	23,113,931	18.42		
2039	2040	125,472	0.0%	4,482,818	-	-	(206,872)	4,275,946	3.41	843,083	8,645,536	6,951,243	1,410,000	969,600	-	(102,595)	23,111,792	18.42		
2040	2041	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	4,340,000	927,300	-	(107,819)	21,862,707	17.42		
2041	2042	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	4,610,000	783,200	-	(244,028)	21,858,694	17.42		
2042	2043	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	4,795,000	598,800	-	(243,847)	21,859,504	17.42		
2043	2044	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	4,990,000	407,000	-	(243,884)	21,862,828	17.42		
2044	2045	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	5,185,000	207,400	-	(244,033)	21,857,848	17.42		
2045	2046	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	-	-	-	-	16,439,862	13.10		
2046	2047	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	-	-	-	-	16,439,862	13.10		
2047	2048	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	-	-	-	-	16,439,862	13.10		
2048	2049	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	-	-	-	-	16,439,862	13.10		
2049	2050	125,472	0.0%	-	-	-	-	-	-	843,083	8,645,536	6,951,243	-	-	-	-	16,439,862	13.10		
<b>Totals</b>				<b>57,939,944</b>	<b>74,441,497</b>	<b>(1,505,936)</b>	<b>(5,783,511)</b>	<b>125,091,994</b>			<b>25,658,124</b>	<b>251,127,057</b>	<b>180,918,698</b>	<b>31,990,000</b>	<b>21,168,000</b>	<b>(2,089,142)</b>	<b>-</b>	<b>52,515,898</b>	<b>635,311,770</b>	

1 Tax capacity value is final value for taxes payable in 2020, with estimated percentage changes for later years as shown above.  
 2 Initial debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.  
 3 The debt excess adjustment for taxes payable in 2020 is the actual amount and the estimate for 2021 is based on the audited fund balance for fiscal year 2019. Estimates for future years are based on 4.5% of the prior years' total debt service levy.  
 4 Lease levy amounts for future years are based on the best available estimates of payments for all current and planned leases.  
 5 These estimates assume that the current Capital Project Levy would be renewed at the same tax rate when it expires.  
 6 For each of the Facilities Maintenance bond issues, interest payments due during the first year would be paid from funds on hand in the debt service fund or bond proceeds.  
 7 Estimated savings from a planned current refunding of the District's 2011A and 2013A Bonds as of 9/14/2020.

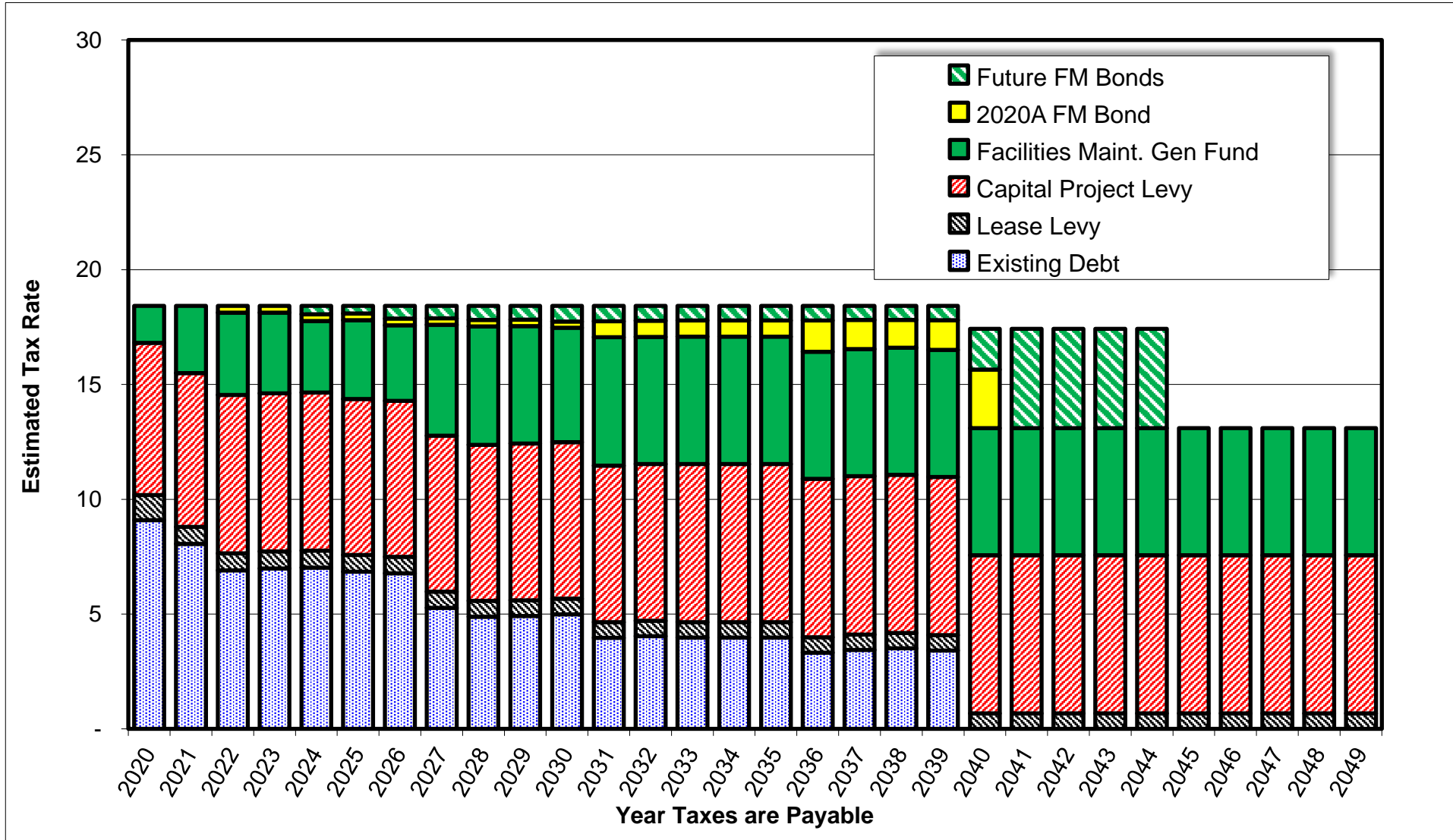


PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

**Eden Prairie School District No. 272**  
**Estimated Tax Rates for Capital and Debt Service Levies**

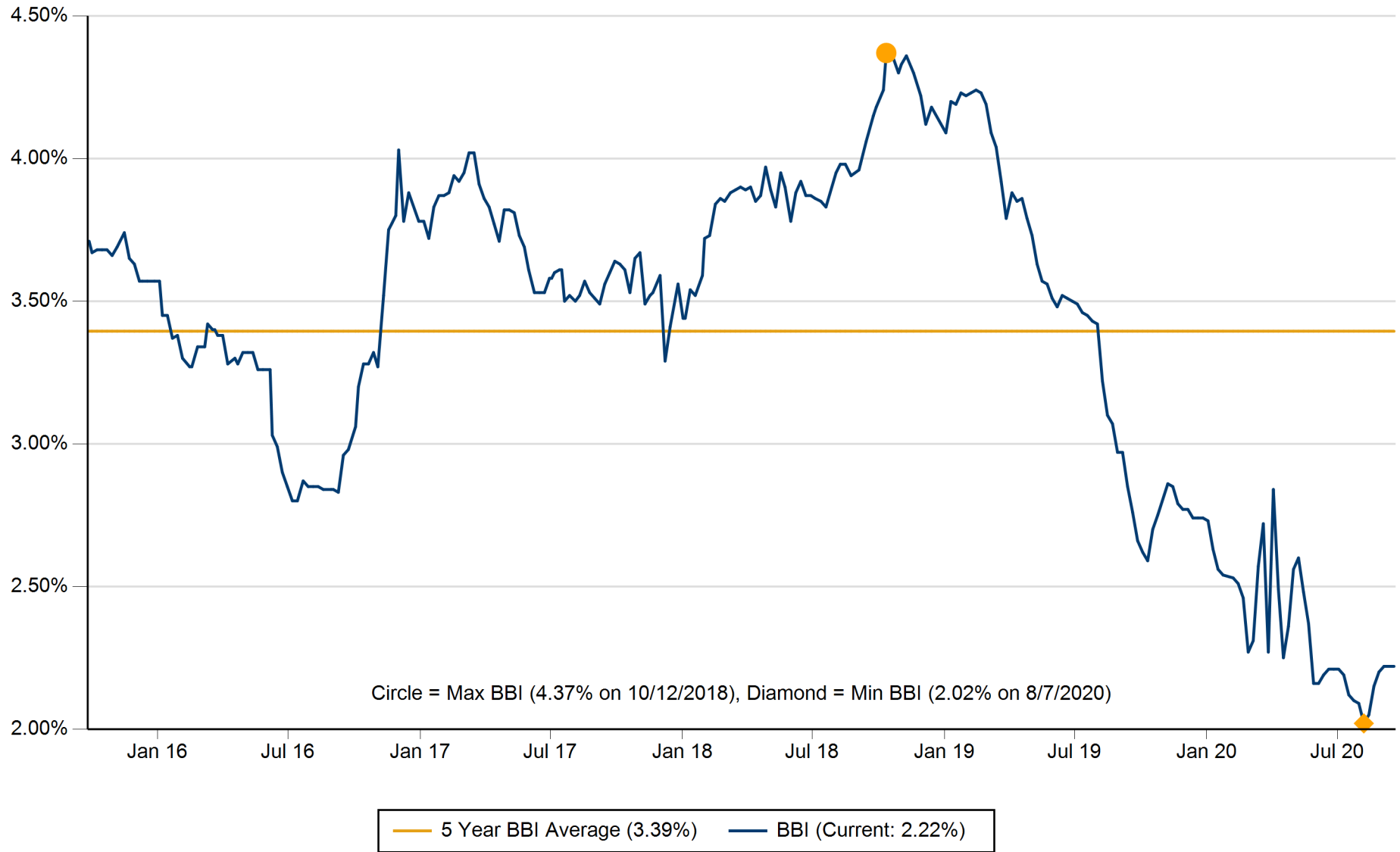
**\$11,020,000 Facilities Maintenance Bonds**  
**Four Potential Future Facilities Maintenance**  
**Bond Issues in 2023, 2025, 2027 and 2029**

Date Prepared: September 23, 2020



# 5 YEAR TREND IN MUNICIPAL BOND INDICES

## Weekly Rates September, 2015 - September, 2020



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.