

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Aaron S. Reeves, City Administrator ^{AR}

SUBJECT: Debt Management Study

DATE: November 19, 2013

BACKGROUND

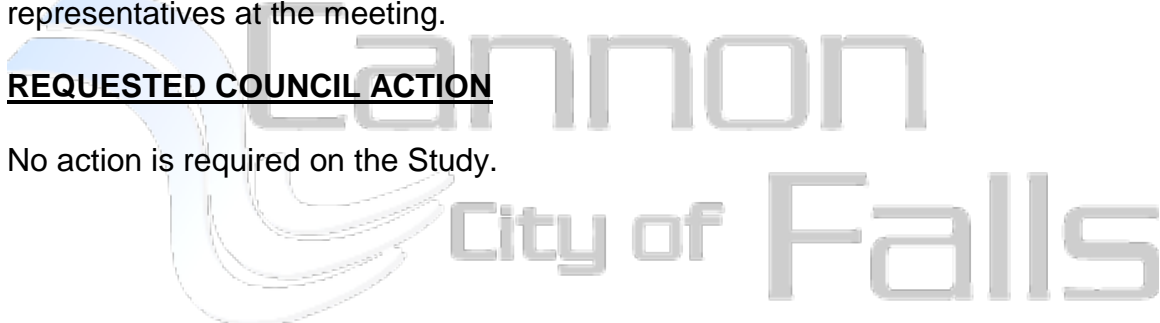
Every few years the City reviews its debt service funds to ensure we are handling these funds properly. Representatives from Northland Securities will be at the meeting to present the study and answer any Council questions.

STAFF RECOMMENDATION

Staff recommends that the City Council review the attached the Debt Management Study and ask any questions to the Northland Securities representatives at the meeting.

REQUESTED COUNCIL ACTION

No action is required on the Study.





City of Cannon Falls, MN
Debt Management Study and Financial Management Plan
FINAL 2013 REPORT

As of November 13, 2013



NORTHLANDSTRATEGIES

Special Projects Group

The information presented in the report is intended solely for financial planning purposes. Northland Securities is not providing advice on the timing, terms, structure or similar matters related to a specific bond issue.

Letter of Transmittal

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November 13, 2013

Aaron Reeves
City Administrator
City of Cannon Falls
918 River Road
Cannon Falls, MN 55009

Lanell Endres
Assistant City Administrator
City of Cannon Falls
918 River Road
Cannon Falls, MN 55009

RE: Debt Management Study and Financial Management Plan

Dear Aaron and Lanell:

Northland Securities, Inc. is pleased to present you with a Debt Management Study and Financial Management Plan. The Study and Financial Management Plan is inclusive of all debt obligations for the City of Cannon Falls. Northland was hired to complete the study and to prepare the financial management plans for each city fund used to account for debt service. The analysis and report includes a review of past financial performance in the debt service funds and a projection for future financial performance.

We appreciate the opportunity to work with the City of Cannon Falls and to provide you with this Report.

Sincerely,

A handwritten signature in black ink that reads "Tammy Omdal".

Tammy Omdal
Manager of Northland Strategies/Senior Vice President

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EXECUTIVE SUMMARY

The City of Cannon Falls (the “City”) uses the issuance of debt as an important and essential tool for financing the construction of public improvements, to acquire capital equipment, and to assist with development and redevelopment.

Ongoing debt management is critical in order to monitor the repayment of existing debt obligations and to be well prepared for the future issuance of debt.

The Debt Management Study and Financial Management Plans (“the Report”) is intended to serve as a guide for the financial management of the City’s debt service obligations. The Report contains information both on the debt service funds and other funds (i.e., utility funds) which are used to account for payment of debt. All debt obligations identified by the City are included in the Report.

The financial plans are built around identified key assumptions, including assumptions for future revenue sources. This includes estimates for the payment of outstanding special assessments. To the extent the assumptions in the Report change in the months and years ahead, which they will, the City will need to continue to adjust the financial plans accordingly.

Study Approach

The Report was prepared by Northland Securities. The following steps were taken as part of the study process:

- City provided information on historical financial information, including debt service payments,

source of funds for payment, and interfund transfers and interfund loans.

- The base year for the study was year 2008.
- The most recent audited financial statements for the City are as of December 31, 2012. The study approach was to balance the financial plans to the most recent audited financial statements.
- City provided information on special assessments. The information provided included special assessment principal and interest outstanding (unbilled) by year as of October 24, 2013.
- Information provided by the City was organized, analyzed, and used to support the development of financial plans for each of the debt service funds.
- Once the initial financial plans were developed different scenarios were considered and analyzed to determine impact on future property tax levy.
- City staff offered input and feedback on the assumptions and desired outcomes.

It is also important to note aspects of financial performance not reviewed as part of the study:

- The study did not include a review of the City’s original special assessment certifications.
- The study did not include a review of the City’s utility funds or other governmental funds to confirm financial condition. The utility funds support outstanding debt through direct payment from within the Sanitary Sewer Fund, Water Fund, and Storm Water Fund and through transfers to debt service funds.
- The study did not include an analysis of the impact of future debt issuance on the financial plans for

the debt service funds. This should be considered as part of future updates to the debt study and the Report.

- The study did not include a review and cross reference of bond resolutions and annual resolutions for certification of debt service tax levy to the County.

Conclusions and Recommendations from Study

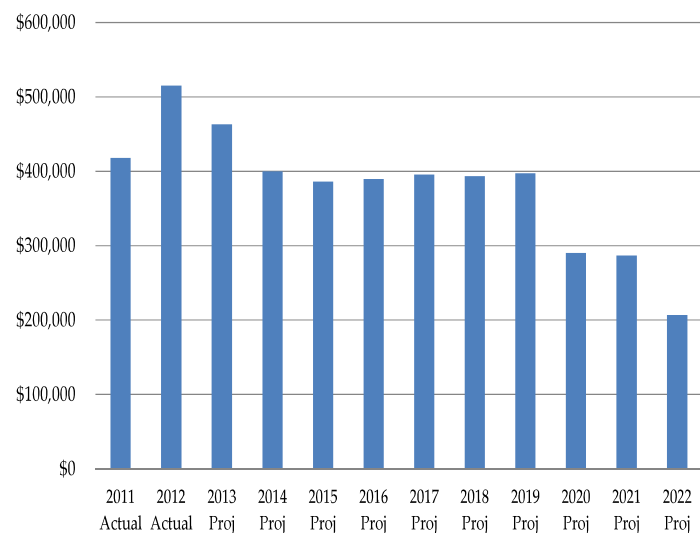
The following conclusions and recommendations were identified as a result of the study:

1. **Property Tax Levy.** The results of the study show that over the next 10 years (2013 to 2022) the annual projected collection of total property tax levy for payment of existing debt service is estimated to average about \$360,000. Current estimates show the amount of total future property tax levy for payment of debt service on existing obligations will

not exceed \$400,000, see Chart 1. Factors that will impact the projection for annual property tax levy for debt include the timing and amount of collection of special assessments and transfers in of revenue from the utility funds. Future projected cash balances within the funds (i.e., Fund 524, 2011A Bonds) may allow for the City to adjust (decrease) the projected tax levy amounts. The study assumes there will not be tax increment revenue available to support debt service.

2. **Collection of Special Assessments.** The collection of special assessment revenue pledged to support debt service has been paid on a current basis and the amount of delinquent or deferred special assessments is minimal. There are no issues outstanding related to the City’s collection of special assessments. The City should continue to carefully monitor receipt of future special assessments outstanding by fund in order to identify any future challenges (i.e., increase in delinquent or other issues with recording of assessments) on a timely basis.
3. **Tax Increment.** The City had anticipated that Tax Increment District No. 2-1 would provide tax increment to support the 2006B G.O. Permanent Improvement Bonds (refunded with the 2012B Bonds). A transfer of cash in the amount of \$270,000 was made in years 2008, 2010, 2011, and 2012, for a combined total of \$1,080,000. The prior finance plan for the 2006B Bonds had anticipated that TIF District 2-1 would provide a combined total \$1,645,000 in tax increment for debt service on these bonds. The 2006B Bonds were refunded with proceeds from the 2012B Bonds. The City does not anticipate any

CHART 1
Property Tax Levy for Debt Service



further use of tax increment revenue for payment of debt service for any existing outstanding debt at this time. Other sources of revenue, including property tax, combined with available cash balance will cover the payments that were otherwise to be supported by tax increment revenues.

4. **Utility Revenue.** Approximately 65% of the City's future debt service payments is projected to be paid from the utility funds (collection of fees and charges). The debt study did not include a review of the ability of these funds to cover these payments. Northland is not aware of any financial challenges that exist related to covering these payments. The City should continue to monitor the financial performance of the utility funds to identify any future challenges on a timely basis.
5. **Financing of Future Projects.** The current projections for property tax levy for debt service show there is capacity beginning in year 2020 (difference between projected 2019 and 2020 property tax levy) for the City to issue new debt supported by property tax levy without necessarily increasing the overall property tax levy for debt service, depending on the size of future bond issuance. Any future issuance of debt should be structured taking into account the structure and timing of repayment of existing obligations.

Organization of Report

The Report is organized into five sections:

1. Executive Summary provides information on the organization of the report, study approach, using the report, and conclusions and recommendations.
2. Background provides information on the overall

financial performance of the debt service funds, including historical and projected source and use of funds.

3. Financial Plans are provided for each of the City's debt service funds and a summary of the debt service payments paid from the utility funds.
4. Debt Service Schedules are provided for each outstanding debt obligation of the City. The schedules included annual principal and interest payments original planned source of funds and current estimated source of funds.
5. Appendix provides additional information to support projections and assumptions used for the debt study.

Using the Report

The Report is intended to be a practical guide for ongoing management of the City's debt service funds. Much of the information in the Report has enduring value and will serve to continue to guide management decisions over a number of years. However, management of the City's debt service funds is a dynamic system given the projected volatility of certain revenue sources, including for example special assessments and tax increment. The Report should continue to be the foundation of an annual review and update.

SOURCES OF REVENUE FOR DEBT SERVICE

BACKGROUND

The City of Cannon Falls has used the authority to issue debt as a means to finance public infrastructure and capital acquisition. The source of planned revenue to repay outstanding debt obligations has included property tax levy, special assessments, tax increment, and utility revenues.

Sources of Revenue for Debt Service

Charts 2 provides the "original" sources of revenue (at time of issuance) for payment of debt service payable between years 2013 and 2034. Chart 3, provides the "current" estimated sources of revenue for payment of the debt. The difference between the two charts is in the estimated debt service to be paid from property tax and cash versus from special assessments and tax increment. Prepayment of special assessments results in collection of revenue (principal balance) earlier than anticipated in the finance plans at time of debt issuance (less interest is collected on the special assessments). The source of cash shown in Chart 3 is cash that is projected to be available in the existing debt service funds.

Table A provides information on the total debt (principal) outstanding by fund and series payable between years 2013 and 2034.

Table B provides total debt service, including principal and interest, by fund and series payable between years 2013 and 2034.

Table C and Table D provide a comparison of total annual debt service with original and current estimated sources of revenue for payment, respectively.

CHART 2
Original Estimated Source of Payment of \$21.04M of Debt Outstanding - Payable in Years 2013 - 2034

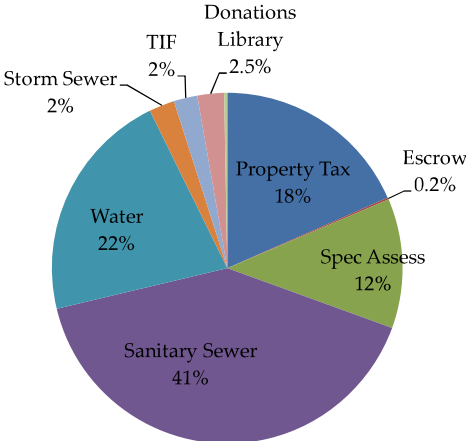
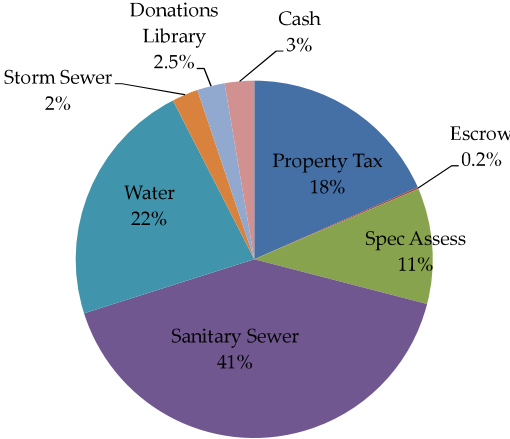


CHART 3
Current Estimated Source of Payment of \$21.04M of Debt Outstanding - Payable in Years 2013 - 2034



Note: Both Chart 2 and Chart 3 provide information on revenue that is projected to be available and used in the future for payment of debt service. The proportionate revenue shown in Chart 2 and Chart 3 includes only revenue needed to pay debt service. For certain debt service funds the total revenue collected from these sources is projected to exceed total expenditures (i.e., to meet coverage). Percentages above are rounded.

TABLE A
CITY OF CANNON FALLS, MN
Total Outstanding Debt (Principal) by Fund and Series Payable as of December 31, 2012 and Including 2013 Bond Issuances

Fund Series	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YEARS 2023	TOTAL
											THROUGH	2034
516 2003A G.O. Improvement and Refunding Bonds	110,000	100,000	-	-	-	-	-	-	-	-	-	210,000
521 2006A G.O. PIR Fund Refunding Bonds	290,000											290,000
522 2006B G.O. PIR Fund Bonds	375,000	130,000	140,000	-								645,000
524 2011A G.O. Improvement Bonds	125,000	160,000	160,000	160,000	160,000	165,000	170,000	170,000	180,000	185,000	1,515,000	3,150,000
526 2012A G.O. Capital Improvement Plan Bonds	135,000	158,000	125,000	64,000	75,000	72,000	73,000	75,000	77,000	78,000	-	932,000
528 2012B G.O. Refunding Bonds	-	325,000	330,000	490,000	475,000	300,000	300,000	310,000	180,000	185,000	190,000	3,085,000
529 2013A G.O. Bonds	-	-	95,000	130,000	135,000	135,000	135,000	145,000	145,000	145,000	1,510,000	2,575,000
SUBTOTAL DEBT SERVICE FUNDS	1,035,000	873,000	850,000	844,000	845,000	672,000	678,000	700,000	582,000	593,000	3,215,000	10,887,000
602 2001 G.O. Sewer Revenue Bonds	247,000	254,000	262,000	270,000	278,000	287,000	296,000	305,000	314,000	-	-	2,513,000
602 2001B G.O. Sewer Revenue Bonds	408,000	420,000	432,000	444,000	457,000	470,000	483,000	497,000	511,000	525,909	-	4,647,909
601 2010A G.O. Water Revenue Refunding Bonds	310,000	315,000	320,000	325,000	330,000	335,000	345,000	350,000	360,000	-	-	2,990,000
SUBTOTAL PROPRIETARY FUNDS	965,000	989,000	1,014,000	1,039,000	1,065,000	1,092,000	1,124,000	1,152,000	1,185,000	525,909	-	10,150,909
TOTAL	2,000,000	1,862,000	1,864,000	1,883,000	1,910,000	1,764,000	1,802,000	1,852,000	1,767,000	1,118,909	3,215,000	21,037,909

Note: Fund 521 (2006A Bonds) will be closed at the end of 2013; the bonds were refunded with the 2012B Refunding Bonds. This report provides information on principal payments by Fund and does not include sources of funds for payment. The source of funds for debt service is provided in reports that follow.

TABLE B
CITY OF CANNON FALLS, MN
Total Debt Service (Principal and Interest) by Fund and Series Payable as of December 31, 2012 and Including 2013 Bond Issuances

Fund Series	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YEARS 2023	TOTAL
											THROUGH 2034 COMBINED	
516 2003A G.O. Improvement and Refunding Bonds	114,905	101,600	-	-	-	-	-	-	-	-	-	216,505
521 2006A G.O. PIR Fund Refunding Bonds	329,320											329,320
522 2006B G.O. PIR Fund Bonds	445,943	191,568	169,565	-								807,076
524 2011A G.O. Improvement Bonds	204,367	236,518	233,318	230,118	226,918	228,668	230,318	226,705	232,768	233,430	1,724,491	4,007,616
526 2012A G.O. Capital Improvement Plan Bonds	151,601	170,002	135,674	73,618	83,674	79,501	79,141	79,604	79,874	78,975	-	1,011,664
528 2012B G.O. Refunding Bonds	25,511	357,390	359,115	515,015	495,190	316,315	313,315	320,032	187,080	189,523	191,568	3,270,054
529 2013A G.O. Bonds	-	76,250	170,300	203,050	205,400	202,700	200,000	207,019	203,575	199,769	1,791,913	3,459,975
SUBTOTAL DEBT SERVICE FUNDS	1,271,647	1,133,328	1,067,972	1,021,801	1,011,182	827,183	822,773	833,360	703,297	701,697	3,707,971	13,102,209
602 2001 G.O. Sewer Revenue Bonds	324,149	323,566	323,768	323,725	323,436	323,901	324,091	324,003	323,640	-	-	2,914,280
602 2001B G.O. Sewer Revenue Bonds	540,930	541,261	541,249	540,894	541,196	541,126	536,684	540,870	540,656	540,950	-	5,405,816
601 2010A G.O. Water Revenue Refunding Bonds	381,710	382,990	383,580	383,140	381,478	378,723	379,845	374,150	372,600	-	-	3,418,216
SUBTOTAL PROPRIETARY FUNDS	1,246,789	1,247,818	1,248,598	1,247,759	1,246,110	1,243,750	1,240,619	1,239,023	1,236,895	540,950	-	11,738,311
TOTAL	2,518,436	2,381,145	2,316,570	2,269,560	2,257,292	2,070,933	2,063,392	2,072,383	1,940,192	1,242,647	3,707,971	24,840,520

Note: Fund 521 (2006A Bonds) will be closed at the end of 2013; the bonds were refunded with the 2012B Refunding Bonds. The 2013 payment for Fund 528 (2012B Bonds) is partially funded with escrow funds (portion relating to the 2006B Bonds). This report provides information on annual principal and interest payments by Fund and does not include sources of funds for payment. The source of funds for debt service is provided in reports that follow.

TABLE C
CITY OF CANNON FALLS, MN

Total General Obligation Debt Service and Original Planned Source of Funds for Payment, as of December 31, 2012 and Including 2013 Issuance

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS									
	Principal	Interest	Total	Property Tax	Escrow	Spec Assess	Sanitary Sewer	Water	Storm Sewer	Donations Library	TIF	Cash	Total
2013	\$2,000,000	\$518,436	\$2,518,436	\$462,800	\$12,840	\$221,265	\$916,703	\$523,602	\$20,000	\$151,601	\$270,000	(\$60,375)	\$2,518,436
2014	\$1,862,000	\$519,145	\$2,381,145	\$399,700	\$17,120	\$221,265	\$961,659	\$539,893	\$24,194	\$170,002	\$270,000	(\$222,688)	\$2,381,145
2015	\$1,864,000	\$452,570	\$2,316,570	\$383,600	\$8,560	\$381,689	\$979,263	\$568,517	\$27,758	\$135,674	\$0	(\$168,492)	\$2,316,570
2016	\$1,883,000	\$386,560	\$2,269,560	\$387,100	\$0	\$217,521	\$964,285	\$548,812	\$29,468	\$73,618	\$0	\$48,756	\$2,269,560
2017	\$1,910,000	\$347,292	\$2,257,292	\$395,676	\$0	\$217,521	\$963,351	\$546,366	\$29,360	\$83,674	\$0	\$21,343	\$2,257,292
2018	\$1,764,000	\$306,933	\$2,070,933	\$393,398	\$0	\$206,199	\$962,800	\$461,526	\$29,252	\$0	\$0	\$17,757	\$2,070,933
2019	\$1,802,000	\$261,392	\$2,063,392	\$397,284	\$0	\$206,199	\$959,037	\$463,746	\$29,144	\$0	\$0	\$7,982	\$2,063,392
2020	\$1,852,000	\$220,383	\$2,072,383	\$289,768	\$0	\$206,199	\$965,066	\$458,562	\$29,623	\$0	\$0	\$123,166	\$2,072,383
2021	\$1,767,000	\$173,192	\$1,940,192	\$286,324	\$0	\$206,199	\$964,720	\$457,917	\$29,480	\$0	\$0	(\$4,448)	\$1,940,192
2022	\$1,118,909	\$123,738	\$1,242,647	\$206,000	\$0	\$206,199	\$640,037	\$84,227	\$29,323	\$0	\$0	\$76,861	\$1,242,647
2023	\$525,000	\$96,085	\$621,085	\$203,100	\$0	\$206,199	\$97,682	\$83,082	\$29,158	\$0	\$0	\$1,865	\$621,085
2024	\$350,000	\$85,136	\$435,136	\$175,600	\$0	\$102,364	\$80,345	\$64,885	\$29,576	\$0	\$0	(\$17,634)	\$435,136
2025	\$355,000	\$74,805	\$429,805	\$177,600	\$0	\$102,364	\$78,646	\$63,494	\$29,378	\$0	\$0	(\$21,677)	\$429,805
2026	\$370,000	\$63,518	\$433,518	\$178,800	\$0	\$102,364	\$78,263	\$63,896	\$29,164	\$0	\$0	(\$18,969)	\$433,518
2027	\$390,000	\$51,268	\$441,268	\$109,000	\$0	\$102,364	\$80,700	\$65,578	\$29,522	\$0	\$0	\$54,103	\$441,268
2028	\$275,000	\$39,990	\$314,990	\$104,300	\$0	\$44,432	\$78,514	\$63,814	\$29,261	\$0	\$0	(\$5,331)	\$314,990
2029	\$280,000	\$29,925	\$309,925	\$18,000	\$0	\$44,432	\$77,653	\$63,824	\$28,991	\$0	\$0	\$77,025	\$309,925
2030	\$170,000	\$21,765	\$191,765	\$18,000	\$0	\$0	\$79,637	\$65,121	\$29,300	\$0	\$0	(\$293)	\$191,765
2031	\$175,000	\$15,510	\$190,510	\$18,000	\$0	\$0	\$78,467	\$64,904	\$28,988	\$0	\$0	\$151	\$190,510
2032	\$180,000	\$9,070	\$189,070	\$0	\$0	\$0	\$78,762	\$64,127	\$29,264	\$0	\$0	\$16,917	\$189,070
2033	\$70,000	\$4,400	\$74,400	\$0	\$0	\$0	\$44,640	\$20,832	\$8,928	\$0	\$0	\$0	\$74,400
2034	\$75,000	\$1,500	\$76,500	\$0	\$0	\$0	\$45,900	\$21,420	\$9,180	\$0	\$0	\$0	\$76,500
Total	\$21,037,909	\$3,802,611	\$24,840,520	\$4,604,049	\$38,520	\$2,994,777	\$10,176,129	\$5,358,144	\$588,310	\$614,570	\$540,000	(\$73,979)	\$24,840,520

TABLE D
CITY OF CANNON FALLS, MN
Total Debt Service and Current Source of Funds for Payment, as of December 31, 2012 and Including 2013 Issuance

Year	DEBT SERVICE PAYMENTS			CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS								
	Principal	Interest	Total	Property Tax	Escrow	Spec Assess	Sanitary Sewer	Water	Storm Sewer	Donations Library	Cash	Total
2013	\$2,000,000	\$518,436	\$2,518,436	\$463,300	\$12,840	\$148,500	\$916,703	\$498,603	\$20,000	\$151,601	\$306,889	\$2,518,436
2014	\$1,862,000	\$519,145	\$2,381,145	\$399,900	\$17,120	\$132,796	\$963,935	\$537,420	\$24,194	\$170,002	\$135,778	\$2,381,145
2015	\$1,864,000	\$452,570	\$2,316,570	\$386,258	\$8,560	\$257,558	\$961,289	\$544,244	\$27,758	\$135,674	(\$4,772)	\$2,316,570
2016	\$1,883,000	\$386,560	\$2,269,560	\$389,599	\$0	\$201,258	\$969,035	\$547,262	\$29,468	\$73,618	\$59,320	\$2,269,560
2017	\$1,910,000	\$347,292	\$2,257,292	\$395,876	\$0	\$201,258	\$968,101	\$544,816	\$29,360	\$83,674	\$34,206	\$2,257,292
2018	\$1,764,000	\$306,933	\$2,070,933	\$393,598	\$0	\$201,258	\$967,550	\$541,276	\$29,252	\$0	(\$62,002)	\$2,070,933
2019	\$1,802,000	\$261,392	\$2,063,392	\$397,484	\$0	\$201,258	\$963,787	\$543,496	\$29,144	\$0	(\$71,778)	\$2,063,392
2020	\$1,852,000	\$220,383	\$2,072,383	\$290,468	\$0	\$201,258	\$969,816	\$538,312	\$29,623	\$0	\$42,906	\$2,072,383
2021	\$1,767,000	\$173,192	\$1,940,192	\$287,024	\$0	\$201,258	\$969,470	\$462,667	\$29,480	\$0	(\$9,707)	\$1,940,192
2022	\$1,118,909	\$123,738	\$1,242,647	\$206,700	\$0	\$201,258	\$644,787	\$88,977	\$29,323	\$0	\$71,602	\$1,242,647
2023	\$525,000	\$96,085	\$621,085	\$189,115	\$0	\$201,260	\$102,432	\$87,832	\$29,158	\$0	\$11,288	\$621,085
2024	\$350,000	\$85,136	\$435,136	\$175,800	\$0	\$103,167	\$80,345	\$64,885	\$29,576	\$0	(\$18,637)	\$435,136
2025	\$355,000	\$74,805	\$429,805	\$177,800	\$0	\$85,795	\$78,646	\$63,494	\$29,378	\$0	(\$5,308)	\$429,805
2026	\$370,000	\$63,518	\$433,518	\$179,000	\$0	\$85,795	\$78,263	\$63,896	\$29,164	\$0	(\$2,600)	\$433,518
2027	\$390,000	\$51,268	\$441,268	\$102,000	\$0	\$85,800	\$80,700	\$65,578	\$29,522	\$0	\$77,667	\$441,268
2028	\$275,000	\$39,990	\$314,990	\$97,300	\$0	\$51,090	\$78,514	\$63,814	\$29,261	\$0	(\$4,989)	\$314,990
2029	\$280,000	\$29,925	\$309,925	\$11,000	\$0	\$51,088	\$77,653	\$63,824	\$28,991	\$0	\$77,369	\$309,925
2030	\$170,000	\$21,765	\$191,765	\$11,000	\$0	\$0	\$79,637	\$65,121	\$29,300	\$0	\$6,707	\$191,765
2031	\$175,000	\$15,510	\$190,510	\$11,000	\$0	\$0	\$78,467	\$64,904	\$28,988	\$0	\$7,151	\$190,510
2032	\$180,000	\$9,070	\$189,070	\$0	\$0	\$0	\$78,762	\$64,127	\$29,264	\$0	\$16,917	\$189,070
2033	\$70,000	\$4,400	\$74,400	\$0	\$0	\$0	\$44,640	\$20,832	\$8,928	\$0	\$0	\$74,400
2034	\$75,000	\$1,500	\$76,500	\$0	\$0	\$0	\$45,900	\$21,420	\$9,180	\$0	\$0	\$76,500
Total	\$21,037,909	\$3,802,611	\$24,840,520	\$4,564,221	\$38,520	\$2,611,660	\$10,198,433	\$5,556,798	\$588,310	\$614,570	\$668,009	\$24,840,520

Property Tax Revenue for Debt Service

The total projected property tax levy needed for debt service over the remaining life of the outstanding debt (years 2013 and 2034) is estimated to be within approximately \$40,000 of the original estimate at time of bond issuance or within less than 1% of the original estimate. The difference is accounted for in years 2018 to 2034, see Table F.

The estimated combined future property tax levy for debt service does not include an estimate for any additional tax revenue that may be needed for future debt issuance. The study did not include a review or analysis of the impact of future debt issuance plans. Table E on the next page shows the estimated tax levy for existing debt service will decline by approximately \$107,000 beginning in year 2020. The projected decrease in tax levy to pay for existing debt in year 2020 provides an opportunity (or capacity) to structure new debt without necessarily increasing the overall tax levy for debt service from its approximate current amount, depending on the total new debt issuance.

Table F provides information on the original and current estimated use of property tax revenue by fund and bond series to pay debt service. For certain funds, the estimated annual property tax levy may exceed the amount needed for annual debt service. The difference or additional tax levy is needed to meet debt service coverage or to provide additional cash flow due to the timing of debt service payments versus property tax collection. Debt service funds need to have sufficient cash to cover payments when due without needing to use cash on a temporary basis (i.e., temporary draw or loan) from other city funds.

**TABLE E
CITY OF CANNON FALLS, MN
ANNUAL DEBT SERVICE PROPERTY TAX LEVY BY FUND**

Fund	Description	ACTUAL						PROJECTED									
		2008	2009	2010	2011	2012	2013 Est.	2014	2015	2016	2017	2018	2019	2020	2021	2022	
516	1997 Improvements - Refunding 2003A	166,251	166,000	166,132	178,104	166,022	166,000	14,000	-	-	-	-	-	-	-	-	
520	2002 G.O. Improvement Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
521	2006A G.O. PIR Refunding Bonds Fund	231,250	225,991	236,281	240,000	260,000	208,000	-	-	-	-	-	-	-	-		
522	2006B G.O. PIR Bond Fund	319	-	-	-	-	-	-	-	-	-	-	-	-	-		
524	2011A G.O. Improvement Bonds	-	-	-	-	89,300	89,300	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000		
526	2012A G.O. CIP Bonds	-	-	-	-	-	-	-	2,458	2,299	83,476	83,098	83,584	83,868	82,924		
528	2012B G.O. Refunding Bonds	-	-	-	-	-	-	208,000	208,000	208,000	135,000	135,000	135,000	30,000	30,000		
529	2013A Bonds	-	-	-	-	-	-	88,900	86,800	90,300	88,400	86,500	89,900	87,600	85,100		
	TOTAL FOR DEBT SERVICE FUNDS	397,820	391,991	402,413	418,104	515,322	463,300	399,900	386,258	389,599	395,876	393,598	397,484	290,468	287,024		
	Annual Dollar Change		(5,829)	10,422	15,691	97,218	(52,022)	(63,400)	(13,642)	3,341	6,277	(2,278)	3,887	(107,017)	(3,444)		

Note: The future projections assume there will be no tax increment revenue used to service debt. The City had originally anticipated use of tax increment for the 2012B Bonds. The 2012B Bonds refunded the 2006A and 2006B Bonds.

TABLE F
CITY OF CANNON FALLS, MN
USE OF PROPERTY TAX LEVY FOR DEBT SERVICE PAYMENTS

Funds	Purpose	ORIGINAL PLAN AT TIME OF ISSUANCE						CURRENT ESTIMATES							
		2013	2014	2015	2016	Yrs 2018 to		2013	2014	2015	2016	Yrs 2018 to			
						2017	2034					2017	2034	Total	Total
516	2003A G.O. Improvement and Refunding Bonds	166,000	14,000					180,000	166,000	14,000	-	-	-	-	180,000
521	2006A G.O. PIR Fund Refunding Bonds	208,000						208,000	208,000	-					208,000
522	2006B G.O. PIR Fund Bonds	-						-							-
524	2011A G.O. Improvement Bonds	88,800	88,800	88,800	88,800	88,800	889,200	1,333,200	89,300	89,000	89,000	89,000	89,000	856,000	1,301,300
526	2012A G.O. Capital Improvement Plan Bonds	-	-	-	-	83,476	333,473	416,949	-	-	2,458	2,299	83,476	333,473	421,706
528	2012B G.O. Refunding Bonds	-	208,000	208,000	208,000	135,000	388,000	1,147,000	-	208,000	208,000	208,000	135,000	375,315	1,134,315
529	2013A G.O. Bonds	-	88,900	86,800	90,300	88,400	964,500	1,318,900	-	88,900	86,800	90,300	88,400	964,500	1,318,900
	SUBTOTAL DEBT SERVICE FUNDS	462,800	399,700	383,600	387,100	395,676	2,575,173	4,604,049	463,300	399,900	386,258	389,599	395,876	2,529,288	4,564,221
602	2001 G.O. Sewer Revenue Bonds							-							-
602	2001B G.O. Sewer Revenue Bonds							-							-
601	2010A G.O. Water Revenue Refunding Bonds							-							-
	SUBTOTAL PROPRIETARY FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		462,800	399,700	383,600	387,100	395,676	2,575,173	4,604,049	463,300	399,900	386,258	389,599	395,876	2,529,288	4,564,221

Special Assessment Revenue for Debt Service

Based on information in the City’s 2012 annual financial report, the City has approximately \$1,361,000 of special assessment (principal) revenue outstanding to support future debt service payments, as shown in Chart 4 below. It is projected that the future special assessments will be collected with interest on a current basis and fully repaid by year 2029.

Table G shows the actual and projected collection of special assessment revenue (principal and interest) by debt service fund. In addition to the special assessment revenue projected to be recorded to the debt service funds, the City also has certified special assessments that will be collected in other city funds including the utility funds.

Table H shows the original estimated special assessment revenue that was estimated to support debt service at time of bond issuance compared to the current estimate of annual special assessment revenue to support debt service. The difference between the original estimates at time of debt issuance and the current estimates is due to pre-payment of special assessments or the fact that final (actual) certified special assessments were greater (or included additional project costs) than the original estimate for special assessments at time of issuance.

CHART 4
Special Assessment Balance Outstanding at Year End
For the City's Debt Service Funds

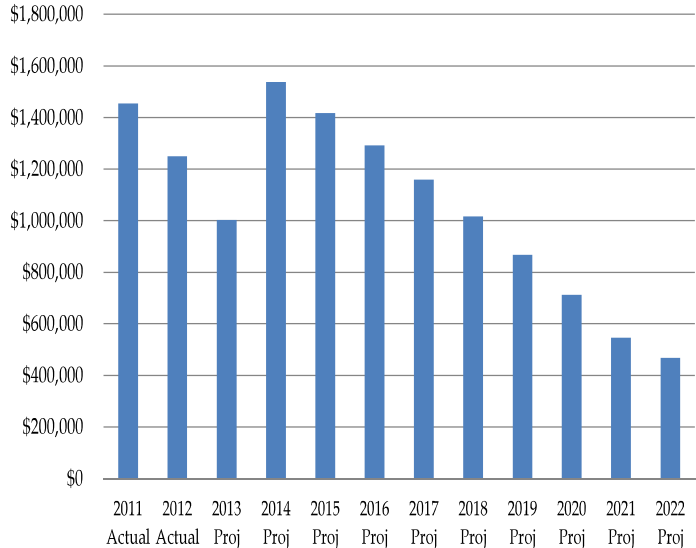


TABLE G
CITY OF CANNON FALLS, MN
ANNUAL SPECIAL ASSESSMENT REVENUE BY FUND

Fund	Description	ACTUAL						PROJECTED									
		2008	2009	2010	2011	2012	2013 Est.	2014	2015	2016	2017	2018	2019	2020	2021	2022	
516	1997 Improvements - Refunding 2003A	103,474	143,724	85,850	83,169	8,442	-	-	-	-	-	-	-	-	-	-	
520	2002 G.O. Improvement Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
521	2006A G.O. PIR Refunding Bonds Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
522	2006B G.O. PIR Bond Fund	181,538	172,764	159,376	119,269	138,650	109,500	98,091	98,091	-	-	-	-	-	-	-	
524	2011A G.O. Improvement Bonds	-	-	-	178,495	107,861	39,000	34,705	34,705	34,705	34,705	34,705	34,705	34,705	34,705	34,705	
526	2012A G.O. CIP Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
528	2012B G.O. Refunding Bonds	-	-	-	-	-	-	-	-	98,091	98,091	98,091	98,091	98,091	98,091	98,093	
529	2013A Bonds	-	-	-	-	-	-	68,463	68,463	68,463	68,463	68,463	68,463	68,463	68,463	68,463	
	TOTAL FOR DEBT SERVICE FUNDS	285,012	316,488	245,226	380,933	254,953	148,500	201,258	201,258	201,258	201,258	201,258	201,258	201,258	201,258	201,260	
	Annual Dollar Change		31,476	(71,262)	135,707	(125,980)	(106,453)	52,758	-	-	-	-	-	-	-	2	

Note: The projected special assessment amounts are based on the City's outstanding principal and interest balances by fund.

**TABLE H
CITY OF CANNON FALLS, MN
USE OF SPECIAL ASSESSMENT REVENUE FOR DEBT SERVICE**

Funds	Purpose	ORIGINAL PLAN AT TIME OF ISSUANCE						CURRENT ESTIMATES							
		2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total	2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total
516	2003A G.O. Improvement and Refunding Bonds	-	-					-							-
521	2006A G.O. PIR Fund Refunding Bonds	-						-							-
522	2006B G.O. PIR Fund Bonds	163,333	163,333	163,333				489,999	109,500	98,091	98,091				305,682
524	2011A G.O. Improvement Bonds	57,932	57,932	57,932	57,932	57,932	579,320	868,980	39,000	34,705	34,705	34,705	34,705	347,054	524,873
526	2012A G.O. Capital Improvement Plan Bonds							-							-
528	2012B G.O. Refunding Bonds	-	-	115,992	115,157	115,157	623,010	969,316	-	-	56,300	98,091	98,091	588,548	841,031
529	2013A G.O. Bonds	-	-	44,432	44,432	44,432	533,186	666,482	-	-	68,463	68,463	68,463	734,687	940,074
	SUBTOTAL DEBT SERVICE FUNDS	221,265	221,265	381,689	217,521	217,521	1,735,516	2,994,777	148,500	132,796	257,558	201,258	201,258	1,670,289	2,611,660
	TOTAL	221,265	221,265	381,689	217,521	217,521	1,735,516	2,994,777	148,500	132,796	257,558	201,258	201,258	1,670,289	2,611,660

Note: In addition to the special assessments amounts shown above for the debt service funds, the City has also certified and plans to collect special assessment revenue into other city funds, including the utility funds. The difference between the original and current estimate for the 2013A Bonds is due to the inclusion of the utility special assessments in the current estimate.

CASH BALANCES AND INTERFUND LOANS DUE TO OTHER FUNDS

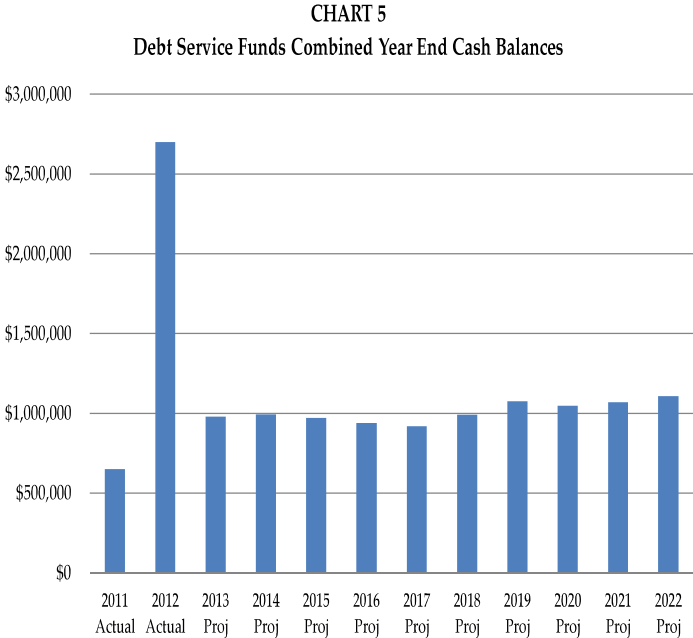
Cash Balances and Interfund Loans

The City has had sufficient cash available within the combined debt service funds to support annual debt service payments. At year-end 2012, the City reported a combined cash balance of \$2,700,801 (not including cash held with fiscal agent). The balance included cash in Fund 528 (2012B G.O. Refunding Bonds) that was from bond proceeds that was subsequently used to refund the 2006A Bonds at the beginning of 2013.

The City did not report any interfund loans receivable or payable within the debt service funds at year-end 2012.

The future year projections for the debt service funds do not anticipate any year-end interfund loan balances, either receivable or payable.

The City should continue to monitor cash balances within the debt service funds to ensure adequate cash is on hand at time of payment to avoid the need for any temporary short-term interfund cash loans (due to the timing of collection of revenue for debt service). The City should process transfers from other city funds (i.e., utility funds) into the debt service funds in advance of debt service payments.



The 2012 year-end reported cash balance included bond proceeds (\$1,655,000) that were used at the beginning of 2013 to current re-fund outstanding maturities for the 2006B Bonds.

**TABLE I
CITY OF CANNON FALLS, MN
YEAR END CASH BALANCES BY FUND (DOES NOT INCLUDE CASH WITH FISCAL AGENT)**

Fund	Description	ACTUAL						PROJECTED									
		2008	2009	2010	2011	2012	2013 Est.	2014	2015	2016	2017	2018	2019	2020	2021	2022	
516	1997 Improvements - Refunding 2003A	(272,864)	(234,253)	(272,570)	(95,772)	36,983	91,583	0	0	0	0	0	0	0	0	0	
520	2002 G.O. Improvement Bonds	24,326	500	-	-	-	-	-	-	-	-	-	-	-	-	-	
521	2006A G.O. PIR Refunding Bonds Fund	228,673	246,526	277,891	240,667	234,044	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
522	2006B G.O. PIR Bond Fund	613,104	344,286	373,070	349,651	363,457	211,819	257,685	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
524	2011A G.O. Improvement Bonds	-	-	-	156,255	416,523	450,913	442,180	435,488	430,876	428,383	423,098	418,381	416,055	409,740	401,299	
526	2012A G.O. CIP Bonds	-	-	-	-	-	150,399	153,405	163,257	170,203	258,408	267,173	276,961	286,763	295,548	222,484	
528	2012B G.O. Refunding Bonds	-	-	-	-	1,649,794	75,414	49,952	232,706	164,523	26,565	64,474	105,878	36,113	22,607	104,170	
529	2013A Bonds	-	-	-	-	-	-	89,210	138,973	174,650	205,805	237,392	274,717	307,358	340,304	378,893	
	TOTAL FOR DEBT SERVICE FUNDS	593,239	357,059	378,391	650,801	2,700,801	980,128	992,432	970,423	940,251	919,161	992,138	1,075,937	1,046,290	1,068,200	1,106,846	
	Annual Dollar Change		(236,180)	21,332	272,410	2,050,000	(1,720,673)	12,304	(22,008)	(30,173)	(21,090)	72,977	83,799	(29,648)	21,910	38,647	

Note: Year end 2012 cash balance included cash from bond proceeds issued to refund the 2006A Bonds in 2013.

Other Revenues for Debt Service**Utility Revenue for Debt Service**

The debt service study did not include a study of the utility funds to confirm that charges for services and other utility revenue is sufficient to cover both operations, depreciation of capital assets, capital spending, and debt service. The debt service study includes information on the annual debt service payments to be funded from utility revenue. Information for the Water Utility Fund is included in Table J; for the Sanitary Sewer Fund in Table K; and for the Storm Water Fund in Table L. The report for each of the funds provides information on the annual projected utility revenue needed for payment of debt service both at time of bond issuance (original estimates) and current estimates.

Tax Increment Revenue for Debt Service

The City issued debt in 2006 supported in part by tax increment financing (TIF) revenue from Tax Increment District No. 2-1. The City transferred in revenue from TIF District No. 2-1 in the amount of \$270,000 in years 2008, 2010, 2011, and 2012. The tax increment revenue provided for payment of debt service to date has been less than originally anticipated at time of bond issuance for the 2006B G.O. Permanent Improvement Revolving Fund Bonds.

Table M on page 21 shows the original annual projected tax increment available for debt service on the 2006B Bonds at time of bond issuance and current estimate for debt service payable between years 2013 and 2034. The 2006B Bonds were refunded with proceeds from the 2012B G.O. Refunding Bonds. The 2012B Bonds do not anticipate any tax increment as a source of revenue for payment of future debt service.

**TABLE J
CITY OF CANNON FALLS, MN
USE OF WATER UTILITY REVENUE FOR DEBT SERVICE**

Funds	Purpose	ORIGINAL PLAN AT TIME OF ISSUANCE						CURRENT ESTIMATES							
		2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total	2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total
516	2003A G.O. Improvement and Refunding Bonds							-							-
521	2006A G.O. PIR Fund Refunding Bonds	81,300						81,300	-						-
522	2006B G.O. PIR Fund Bonds	22,724	22,724	22,724	-			68,171	22,724	20,250	-				42,974
524	2011A G.O. Improvement Bonds	37,869	43,094	42,562	42,030	41,498	636,566	843,618	37,869	43,094	42,562	42,030	41,498	636,566	843,618
526	2012A G.O. Capital Improvement Plan Bonds							-							-
528	2012B G.O. Refunding Bonds	-	81,300	101,550	101,550	101,550	121,500	507,450	56,300	81,300	100,000	100,000	100,000	375,000	812,600
529	2013A G.O. Bonds	-	9,786	18,102	22,092	21,840	367,570	439,390	-	9,786	18,102	22,092	21,840	367,570	439,390
	SUBTOTAL DEBT SERVICE FUNDS	141,892	156,903	184,937	165,672	164,888	1,125,636	1,939,929	116,893	154,430	160,664	164,122	163,338	1,379,136	2,138,582
602	2001 G.O. Sewer Revenue Bonds							-							-
602	2001B G.O. Sewer Revenue Bonds							-							-
601	2010A G.O. Water Revenue Refunding Bonds	381,710	382,990	383,580	383,140	381,478	1,505,318	3,418,216	381,710	382,990	383,580	383,140	381,478	1,505,318	3,418,216
	SUBTOTAL PROPRIETARY FUNDS	381,710	382,990	383,580	383,140	381,478	1,505,318	3,418,216	381,710	382,990	383,580	383,140	381,478	1,505,318	3,418,216
	TOTAL	523,602	539,893	568,517	548,812	546,366	2,630,953	5,358,144	498,603	537,420	544,244	547,262	544,816	2,884,453	5,556,798

TABLE K
CITY OF CANNON FALLS, MN
USE OF SANITARY SEWER UTILITY REVENUE FOR DEBT SERVICE

Funds	Purpose	ORIGINAL PLAN AT TIME OF ISSUANCE						CURRENT ESTIMATES							
		2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total	2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total
516	2003A G.O. Improvement and Refunding Bonds							-							-
521	2006A G.O. PIR Fund Refunding Bonds							-							-
522	2006B G.O. PIR Fund Bonds	22,724	22,724	22,724	-			68,171	22,724	20,250	-				42,974
524	2011A G.O. Improvement Bonds	28,900	32,887	32,481	32,075	31,669	485,800	643,814	28,900	32,887	32,481	32,075	31,669	485,800	643,814
526	2012A G.O. Capital Improvement Plan Bonds							-							-
528	2012B G.O. Refunding Bonds	-	20,250	20,250	20,250	20,250	121,500	202,500	-	25,000	25,000	25,000	25,000	150,000	250,000
529	2013A G.O. Bonds	-	20,970	38,790	47,340	46,800	787,650	941,550	-	20,970	38,790	47,340	46,800	787,650	941,550
	SUBTOTAL DEBT SERVICE FUNDS	51,623	96,831	114,245	99,665	98,719	1,394,950	1,856,034	51,624	99,107	96,271	104,415	103,469	1,423,450	1,878,338
602	2001 G.O. Sewer Revenue Bonds	324,149	323,566	323,768	323,725	323,436	1,295,635	2,914,280	324,149	323,566	323,768	323,725	323,436	1,295,635	2,914,280
602	2001B G.O. Sewer Revenue Bonds	540,930	541,261	541,249	540,894	541,196	2,700,285	5,405,816	540,930	541,261	541,249	540,894	541,196	2,700,285	5,405,816
601	2010A G.O. Water Revenue Refunding Bonds							-							-
	SUBTOTAL PROPRIETARY FUNDS	865,079	864,828	865,018	864,619	864,632	3,995,920	8,320,095	865,079	864,828	865,018	864,619	864,632	3,995,920	8,320,095
	TOTAL	916,703	961,659	979,263	964,285	963,351	5,390,870	10,176,129	916,703	963,935	961,289	969,035	968,101	5,419,370	10,198,433

TABLE L
CITY OF CANNON FALLS, MN
USE OF STORM WATER UTILITY REVENUE FOR DEBT SERVICE

Funds	Purpose	ORIGINAL PLAN AT TIME OF ISSUANCE							CURRENT ESTIMATES							
		2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total	2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total	
516	2003A G.O. Improvement and Refunding Bonds							-								-
521	2006A G.O. PIR Fund Refunding Bonds							-								-
522	2006B G.O. PIR Fund Bonds							-								-
524	2011A G.O. Improvement Bonds	20,000	20,000	20,000	20,000	20,000	300,000	400,000	20,000	20,000	20,000	20,000	20,000	300,000	400,000	
526	2012A G.O. Capital Improvement Plan Bonds							-								-
528	2012B G.O. Refunding Bonds							-								-
529	2013A G.O. Bonds	-	4,194	7,758	9,468	9,360	157,530	188,310	-	4,194	7,758	9,468	9,360	157,530	188,310	
	SUBTOTAL DEBT SERVICE FUNDS	20,000	24,194	27,758	29,468	29,360	457,530	588,310	20,000	24,194	27,758	29,468	29,360	457,530	588,310	
602	2001 G.O. Sewer Revenue Bonds							-								-
602	2001B G.O. Sewer Revenue Bonds							-								-
601	2010A G.O. Water Revenue Refunding Bonds							-								-
	SUBTOTAL PROPRIETARY FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	TOTAL	20,000	24,194	27,758	29,468	29,360	457,530	588,310	20,000	24,194	27,758	29,468	29,360	457,530	588,310	

**TABLE M
CITY OF CANNON FALLS, MN
USE OF TAX INCREMENT REVENUE FOR DEBT SERVICE**

Funds	Purpose	ORIGINAL PLAN AT TIME OF ISSUANCE						CURRENT ESTIMATES							
		2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total	2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total
516	2003A G.O. Improvement and Refunding Bonds							-							-
521	2006A G.O. PIR Fund Refunding Bonds							-							-
522	2006B G.O. PIR Fund Bonds	270,000	-	-	-			270,000	-	-	-	-			-
524	2011A G.O. Improvement Bonds							-							-
526	2012A G.O. Capital Improvement Plan Bonds							-							-
528	2012B G.O. Refunding Bonds	-	270,000					270,000							-
529	2013A G.O. Bonds							-							-
	SUBTOTAL DEBT SERVICE FUNDS	270,000	270,000	-	-	-	-	540,000	-	-	-	-	-	-	-
602	2001 G.O. Sewer Revenue Bonds							-							-
602	2001B G.O. Sewer Revenue Bonds							-							-
601	2010A G.O. Water Revenue Refunding Bonds							-							-
	SUBTOTAL PROPRIETARY FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	270,000	270,000	-	-	-	-	540,000	-	-	-	-	-	-	-

**TABLE N
CITY OF CANNON FALLS, MN
USE OF PRIVATE DONATIONS FOR DEBT SERVICE**

Funds	Purpose	ORIGINAL PLAN AT TIME OF ISSUANCE						CURRENT ESTIMATES							
		2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total	2013	2014	2015	2016	2017	Yrs 2018 to 2034	Total
516	2003A G.O. Improvement and Refunding Bonds							-							-
521	2006A G.O. PIR Fund Refunding Bonds							-							-
522	2006B G.O. PIR Fund Bonds							-							-
524	2011A G.O. Improvement Bonds							-							-
526	2012A G.O. Capital Improvement Plan Bonds	151,601	170,002	135,674	73,618	83,674	-	614,570	151,601	170,002	135,674	73,618	83,674	-	614,570
528	2012B G.O. Refunding Bonds							-							-
529	2013A G.O. Bonds							-							-
	SUBTOTAL DEBT SERVICE FUNDS	151,601	170,002	135,674	73,618	83,674	-	614,570	151,601	170,002	135,674	73,618	83,674	-	614,570
602	2001 G.O. Sewer Revenue Bonds							-							-
602	2001B G.O. Sewer Revenue Bonds							-							-
601	2010A G.O. Water Revenue Refunding Bonds							-							-
	SUBTOTAL PROPRIETARY FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	151,601	170,002	135,674	73,618	83,674	-	614,570	151,601	170,002	135,674	73,618	83,674	-	614,570

FINANCIAL PLANS

Based on historical financial performance and current projections for future revenue, including for special assessments and property tax levy, the following financial plans have been prepared. The amounts included for annual property tax revenue are estimates for the purpose of preparing the financial plans. The future actual property tax revenue available for the debt service funds will depend on the actual amount certified annually by the City and the collection rate.

A financial plan was developed for each of the City's debt service funds.

Key Assumptions for Debt Service Funds

The financial plans for each of the debt service funds was developed based on several key assumptions which are as follows:

- Outstanding special assessments will be paid on a current basis with interest, as originally certified.
- Property tax revenue will be set at a level to avoid any reporting of internal borrowing of cash at year-end to meet debt service.
- Interest investment income will be earned on cash balances at an annual rate of 2%. This rate of return is in excess of the City's current rate of return (estimated for year-end 2013). The 2% estimate is for the life of the outstanding debt payable 2013 to 2034.
- Utility revenue will be available and sufficient to cover all debt service for which utility revenue is pledged.

CITY OF CANNON FALLS, MN
COMBINED DEBT SERVICE FUNDS

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax	397,820	391,991	402,413	418,104	515,322	463,300	399,900	386,258	389,599	395,876	393,598	397,484	290,468	287,024	206,700
Tax increment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Interest	376	1,974	718	2,687	2,581	21,020	19,603	19,849	19,408	18,805	18,383	19,843	21,519	20,926	21,364
Special assessments	285,012	316,488	245,226	380,933	254,953	148,500	201,258	201,258	201,258	201,258	201,258	201,258	201,258	201,258	201,260
Refunding bond proceeds	-	-	-	-	3,085,000	-	-	-	-	-	-	-	-	-	-
Intergovernmental and Other	-	-	-	-	152,000	150,000	170,000	140,000	75,000	85,000	-	-	-	-	-
Total Sources	683,208	710,453	648,357	801,724	4,009,856	782,820	888,852	747,365	685,266	700,939	613,239	618,586	513,245	509,208	429,324
Uses															
Principal	1,010,000	1,875,000	1,650,000	720,000	740,000	1,035,000	873,000	850,000	844,000	845,000	672,000	678,000	700,000	582,000	593,000
Interest and service charges	388,975	338,181	249,473	214,764	212,459	236,647	260,328	217,972	177,801	166,182	155,183	144,773	133,360	121,297	108,697
Other (Incl. Future Bond Pmts from Escrow)	-	-	-	-	33,879	1,657,450	-	1,365,000	-	-	-	-	-	-	-
Total Uses	1,398,975	2,213,181	1,899,473	934,764	986,338	2,929,097	1,133,328	2,432,972	1,021,801	1,011,182	827,183	822,773	833,360	703,297	701,697
Net Sources and Uses before Transfers	(715,767)	(1,502,728)	(1,251,116)	(133,040)	3,023,518	(2,146,277)	(244,475)	(1,685,607)	(336,535)	(310,243)	(213,944)	(204,187)	(320,115)	(194,089)	(272,372)
Plus transfer in from Fund 601	104,024	81,300	104,024	104,024	151,760	116,893	154,430	160,664	164,122	163,338	162,554	163,651	164,162	90,067	88,977
Plus transfer in from Fund 602	22,724	-	22,724	22,724	56,865	51,624	99,107	96,271	104,415	103,469	102,523	103,013	104,943	105,175	103,837
Plus transfer in from Fund 603	-	-	-	-	20,000	20,000	24,194	27,758	29,468	29,360	29,252	29,144	29,623	29,480	29,323
Plus transfer in from Fund 502	139,721	77,052	77,049	16,766	16,766	16,120	16,120	15,000	15,000	-	-	-	-	-	-
Plus transfer in from Fund 521	-	-	-	-	-	115,405	-	-	-	-	-	-	-	-	-
Plus transfer in from Fund 522	-	-	-	-	-	-	-	252,909	-	-	-	-	-	-	-
Plus transfer in from Fund 528	-	-	-	-	-	1,655,000	-	1,365,000	-	-	-	-	-	-	-
Plus transfer in from Fund 244	270,000	-	270,000	270,000	270,000	-	-	-	-	-	-	-	-	-	-
Plus transfer in from Fund 516	-	-	-	-	-	-	5,814	-	-	-	-	-	-	-	-
Less transfer out to Fund 528	-	-	-	-	-	-	-	(252,909)	-	-	-	-	-	-	-
Less transfer out to Fund 529	-	-	-	-	-	-	(5,814)	-	-	-	-	-	-	-	-
Less transfer out to Fund 521	-	-	-	-	-	(1,655,000)	-	-	-	-	-	-	-	-	-
Less transfer out to Fund 522	-	-	-	-	-	(115,405)	-	(1,365,000)	-	-	-	-	-	-	-
Total Net Sources and Uses After Transfers	190,665	584,848	(776,569)	280,474	3,538,909	(1,941,640)	49,376	(1,385,913)	(23,529)	(14,075)	80,386	91,621	(21,388)	30,633	(50,236)
Ending Fund Balance	740,766	1,325,614	549,045	829,519	4,368,428	2,426,788	2,476,164	1,090,251	1,066,721	1,052,646	1,133,031	1,224,652	1,203,264	1,233,897	1,183,661
Assets															
Cash and investments	580,274	1,171,460	378,391	650,801	2,700,801	980,128	992,432	970,423	940,251	919,161	992,138	1,075,937	1,046,290	1,068,200	1,106,846
Cash with fiscal agent	-	-	-	-	1,395,708	1,370,197	1,370,197	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special assessment current	124,310	119,721	123,647	145,748	81,921	76,463	113,535	119,827	126,471	133,485	140,893	148,715	156,975	165,698	76,815
Special assessments delinquent	35,973	40,319	47,007	41,047	29,798	-	-	-	-	-	-	-	-	-	-
Special assessments deferred	1,583,805	1,343,469	1,175,483	1,453,716	1,249,682	1,002,912	1,537,665	1,417,837	1,291,367	1,157,882	1,016,988	868,274	711,299	545,601	468,786
Other	208	114	-	-	160,200	-	-	-	-	-	-	-	-	-	-
Total Assets	2,324,570	2,675,083	1,724,528	2,291,312	5,618,110	3,429,700	4,013,829	2,508,088	2,358,088	2,210,528	2,150,020	2,092,926	1,914,564	1,779,499	1,652,448
Liabilities															
Due to other funds /advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts payable	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	1,583,804	1,343,469	1,175,483	1,461,793	1,249,682	1,002,912	1,537,665	1,417,837	1,291,367	1,157,882	1,016,988	868,274	711,299	545,601	468,786
Total Liabilities	1,583,804	1,349,469	1,175,483	1,461,793	1,249,682	1,002,912	1,537,665	1,417,837	1,291,367	1,157,882	1,016,988	868,274	711,299	545,601	468,786
Total Liabilities and Fund Balance	2,324,570	2,675,083	1,724,528	2,291,312	5,618,110	3,429,700	4,013,829	2,508,088	2,358,088	2,210,528	2,150,020	2,092,926	1,914,564	1,779,499	1,652,448

Financial Plans

Fund No: 516
 Fund Description: 1997 Improvements - Refunding 2003A
 History of Fund (Authority): The City issued the 2003A G.O. Improvement and Refunding Bonds to fund improvements to County Road 25 and refinance the outstanding maturities of the City's 1997 G.O. Improvement Bonds, Series 1997, and the G.O. Improvement Bonds, Series 1997B.

Recommended Management Strategies:

The Bonds will be repaid at the end of 2014 at which time the Fund should be closed. The estimated remaining balance should be transferred to another debt service fund, proposed to be Fund 529.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax	166,251	166,000	166,132	178,104	166,022	166,000	14,000								
Tax increment															
Investment Interest						740	1,832	0	0	0	0	0	0	0	0
Special assessments	103,474	143,724	85,850	83,169	8,442										
Refunding bond proceeds															
Intergovernmental and Other															
Total Sources	269,725	309,724	251,982	261,273	174,464	166,740	15,832	0	0	0	0	0	0	0	0
Uses															
Principal (includes interest for 2008-2012)	440,000	255,000	265,000	100,000	100,000	110,000	100,000								
Interest and service charges	30,708	24,291	16,662	11,441	8,541	4,905	1,600								
Other (Incl. Future Bond Pmts from Escrow)															
Total Uses	470,708	279,291	281,662	111,441	108,541	114,905	101,600	-	-	-	-	-	-	-	-
Net Sources and Uses before Transfers	(200,983)	30,433	(29,680)	149,832	65,923	51,835	(85,768)	0	0	0	0	0	0	0	0
Less transfer out to Fund 529							(5,814)								
Total Net Sources and Uses After Transfers	(200,983)	30,433	(29,680)	149,832	65,923	51,835	(91,582)	0	0	0	0	0	0	0	0
Ending Fund Balance	(176,760)	(146,327)	(176,007)	(26,175)	39,748	91,583	0	0	0	0	0	0	0	0	0
Assets															
Cash and investments	(272,864)	(234,253)	(272,570)	(95,772)	36,983	91,583	0	0	0	0	0	0	0	0	0
Cash with fiscal agent															
Due from other funds															
Due from other governments															
Special assessment current	69,904	65,091	68,145	67,398	2,765										
Special assessments delinquent	26,200	24,335	28,418	-											
Special assessments deferred	442,888	319,607	247,695	176,186	170,307										
Other															
Total Assets	266,128	174,780	71,688	147,812	210,055	91,583	0	0	0	0	0	0	0	0	0
Liabilities															
Due to other funds /advances															
Other accounts payable		1,500													
Deferred revenues (specials)	442,888	319,607	247,695	173,987	170,307										
Total Liabilities	442,888	321,107	247,695	173,987	170,307	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	266,128	174,780	71,688	147,812	210,055	91,583	0	0	0	0	0	0	0	0	0

Note: No outstanding items.

Financial Plans

Fund No: 312
 Fund Description: 2004 Capital Improvement Plan Bonds
 History of Fund (Authority): The City issued the 2004A G.O. Capital Improvement Plan Bonds in the amount of \$800,000 to fund the construction of improvements to the new city hall building.

Recommended Management Strategies:

This Fund was closed at the end of 2010.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax															
Tax increment															
Investment Interest						-	-	-	-	-	-	-	-	-	-
Special assessments															
Refunding bond proceeds															
Intergovernmental and Other															
Total Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uses															
Principal			800,000												
Interest and service charges	29,471	29,234	14,776												
Other (Incl. Future Bond Pmts from Escrow)															
Total Uses	29,471	29,234	814,776	-	-	-	-	-	-	-	-	-	-	-	-
Net Sources and Uses before Transfers	(29,471)	(29,234)	(814,776)	-	-	-	-	-	-	-	-	-	-	-	-
Plus transfer in	28,803	856,400	375												
Total Net Sources and Uses After Transfers	(668)	827,166	(814,401)	-	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Balance	(12,765)	814,401	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets															
Cash and investments	(12,765)	814,401													
Cash with fiscal agent															
Due from other funds															
Due from other governments															
Special assessment current															
Special assessments delinquent															
Special assessments deferred															
Other															
Total Assets	(12,765)	814,401	-	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities															
Due to other funds /advances															
Other accounts payable															
Deferred revenues (specials)															
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	(12,765)	814,401	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes: The Fund is closed.

Financial Plans

Fund No: 313
 Fund Description: 2004 Taxable Revenue Bonds
 History of Fund (Authority): The \$1,220,000 Taxable Revenue Bonds, Series 2004B, were issued to finance the purchase of land in the industrial park. The Bonds were retired with revenue collected from assessments against the benefited properties.

Recommended Management Strategies:
 This Fund was closed at the end of 2009.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax															
Tax increment															
Investment Interest						-	-	-	-	-	-	-	-	-	-
Special assessments															
Refunding bond proceeds															
Intergovernmental and Other															
Total Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uses															
Principal	180,000	500,000													
Interest and service charges	30,497	20,396													
Other (Incl. Future Bond Pmts from Escrow)															
Total Uses	210,497	520,396	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Sources and Uses before Transfers	(210,497)	(520,396)	-	-	-	-	-	-	-	-	-	-	-	-	-
Plus transfer in	210,260	520,596													
Total Net Sources and Uses After Transfers	(237)	200	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Balance	(200)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets															
Cash and investments	(200)														
Cash with fiscal agent															
Due from other funds															
Due from other governments															
Special assessment current															
Special assessments delinquent															
Special assessments deferred															
Other															
Total Assets	(200)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities															
Due to other funds /advances															
Other accounts payable															
Deferred revenues (specials)															
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	(200)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes: The Fund is closed.

Financial Plans

Fund No: 520
 Fund Description: 2002 G.O. Improvement Bonds
 History of Fund (Authority): The \$1,120,000 G.O. Permanent Improvement Revolving Fund Bonds, Series 2002A, were issued to fund the construction of improvements to the City's south annexation area.

Recommended Management Strategies:
 This Fund was closed at the end of 2010.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax															
Tax increment															
Investment Interest						-	-	-	-	-	-	-	-	-	-
Special assessments															
Refunding bond proceeds															
Intergovernmental and Other															
Total Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uses															
Principal	100,000	555,000													
Interest and service charges	23,274	21,554	375												
Other (Incl. Future Bond Pmts from Escrow)															
Total Uses	123,274	576,554	375	-	-	-	-	-	-	-	-	-	-	-	-
Net Sources and Uses before Transfers	(123,274)	(576,554)	(375)	-	-	-	-	-	-	-	-	-	-	-	-
Plus transfer in	130,900	552,228	375												
Total Net Sources and Uses After Transfers	7,626	(24,326)	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Balance	24,326	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets															
Cash and investments	24,326	500													
Cash with fiscal agent															
Due from other funds															
Due from other governments															
Special assessment current															
Special assessments delinquent															
Special assessments deferred															
Other															
Total Assets	24,326	500	-	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities															
Due to other funds /advances															
Other accounts payable		500													
Deferred revenues (specials)															
Total Liabilities	-	500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	24,326	500	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes: This Fund is closed.

Financial Plans

Fund No: 521
 Fund Description: 2006A G.O. PIR Refunding Bonds Fund
 History of Fund (Authority): The 2006A Bond issue refunded a portion of the 2000A Bonds and the 2000B Bonds. The 2006A Bonds were then refunded with the 2012B Bonds. The original bond issuances funded improvements.

Recommended Management Strategies:

This Fund should be closed at the end of 2013. The financial plan anticipates the remaining balance will be transferred to Fund 522 (2006B Bonds) to provide cash flow in Fund 522.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax	231,250	225,991	236,281	240,000	260,000	208,000	-								
Tax increment															
Investment Interest						4,681	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Special assessments															
Refunding bond proceeds															
Intergovernmental and Other															
Total Sources	231,250	225,991	236,281	240,000	260,000	212,681	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Uses															
Principal	240,000	250,000	255,000	275,000	280,000	290,000									
Interest and service charges	126,752	117,990	106,765	100,290	84,689	39,320									
Other (Incl. Future Bond Pmts from Escrow)						1,657,000									
Total Uses	366,752	367,990	361,765	375,290	364,689	1,986,320	-	-	-	-	-	-	-	-	-
Net Sources and Uses before Transfers	(135,502)	(141,999)	(125,484)	(135,290)	(104,689)	(1,773,639)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Plus transfer in from Fund 601	81,300	81,300	81,300	81,300	81,300										
Plus transfer in from Fund 502	139,721	77,052	77,049	16,766	16,766										
Plus transfer in from Fund 528						1,655,000									
Less transfer out to Fund 522						(115,405)									
Total Net Sources and Uses After Transfers	85,519	16,353	32,865	(37,224)	(6,623)	(234,044)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Ending Fund Balance	228,673	245,026	277,891	240,667	234,044	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Assets															
Cash and investments	228,673	246,526	277,891	240,667	234,044	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Cash with fiscal agent															
Due from other funds															
Due from other governments															
Special assessment current															
Special assessments delinquent															
Special assessments deferred															
Other															
Total Assets	228,673	246,526	277,891	240,667	234,044	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Liabilities															
Due to other funds /advances															
Other accounts payable		1,500													
Deferred revenues (specials)															
Total Liabilities	-	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	228,673	246,526	277,891	240,667	234,044	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Notes: The proceeds from the 2012B Bonds for the refunding of the 2006A Bonds was recorded to Fund 528 in 2012. This is shown as a transfer in for year 2013.

Financial Plans

Fund No: 522
 Fund Description: 2006B G.O. PIR Bond Fund
 History of Fund (Authority): This fund was established to account for the bonds issued to finance the 2nd St. Area and Cedar Hills Improvements. The original source of funds for debt service was to come from special assessments and property taxes. The City has also been providing revenue from TIF District 2-1 (Fund 244). The 2012B Bonds refunded maturities 2016 through 2023 of the 2006B Bonds.

Recommended Management Strategies:

After the 2006B Bonds are defeased the City should close Fund 522. For purposes of the financial plan, the future special assessment revenue for the original project are shown as recorded to Fund 528 (2012B Refunding Bonds) beginning with year 2016. The projected cash balance remaining cash balance is shown as being transferred to Fund 528 in year 2015. The amount of cash available for transfer will depend on actual receipt of special assessments in years 2013-2015.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax	319														
Tax increment															
Investment Interest	376	1,974	718			7,269	4,236	5,154	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Special assessments	181,538	172,764	159,376	119,269	138,650	109,500	98,091	98,091							
Refunding bond proceeds															
Intergovernmental and Other															
Total Sources	182,233	174,738	160,094	119,269	138,650	116,769	200,419	103,245	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Uses															
Principal	50,000	315,000	330,000	345,000	360,000	375,000	130,000	140,000	-						
Interest and service charges	148,273	124,716	110,895	103,033	89,294	70,943	61,568	29,565	-						
Other (Incl. Future Bond Pmts from Escrow)						450		1,365,000							
Total Uses	198,273	439,716	440,895	448,033	449,294	446,393	191,568	1,534,565	-	-	-	-	-	-	-
Net Sources and Uses before Transfers	(16,040)	(264,978)	(280,801)	(328,764)	(310,644)	(329,624)	8,851	(1,431,320)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Plus transfer in from Fund 601	22,724		22,724	22,724	22,724	22,724	20,250								
Plus transfer in from Fund 602	22,724		22,724	22,724	22,724	22,724	20,250								
Plus transfer in from Fund 521						115,405									
Plus transfer in from Fund 528								1,365,000							
Plus transfer in from Fund 244	270,000		270,000	270,000	270,000										
Less transfer out to Fund 528								(252,909)							
Total Net Sources and Uses After Transfers	299,408	(264,978)	34,647	(13,316)	4,804	(168,771)	49,351	(319,229)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Ending Fund Balance	677,492	412,514	447,161	433,845	438,649	269,878	319,229	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Assets															
Cash and investments	613,104	344,286	373,070	349,651	363,457	211,819	257,685	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Cash with fiscal agent															
Due from other funds															
Due from other governments															
Special assessment current	54,406	54,630	55,502	58,561	56,728	58,059	61,544								
Special assessments delinquent	9,773	15,984	18,589	25,633	18,463										
Special assessments deferred	1,140,917	1,023,862	927,788	865,166	737,962	679,903	618,359								
Other	208	114													
Total Assets	1,818,408	1,438,876	1,374,949	1,299,011	1,176,610	949,781	937,588	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Liabilities															
Due to other funds /advances															
Other accounts payable		2,500													
Deferred revenues (specials)	1,140,916	1,023,862	927,788	865,166	737,961	679,903	618,359	-	-	-	-	-	-	-	-
Total Liabilities	1,140,916	1,026,362	927,788	865,166	737,961	679,903	618,359	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	1,818,408	1,438,876	1,374,949	1,299,011	1,176,610	949,781	937,588	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Notes: The Transfer in from Fund 521 (2006A Bonds) in year 2013 is to provide cash flow for Fund 522. The transfer from Fund 521 will occur at time of closing Fund 521. The analysis assumes the delinquent special assessments will be paid in 2013. The November 2009 Debt Study reported that TIF District 2-2 was to provide support on the 2006B Bonds; however the transfers in of cash have come from TIF District 2-1. The City has confirmed for planning purposes it should be assumed that no additional tax increment revenue (from any district) shall be available for transfer to the debt service funds (for the 2012B Bonds issued to refund a portion of the 2006B Bonds).

Financial Plans

Fund No: 524
 Fund Description: 2011A G.O. Improvement Bonds
 History of Fund (Authority): The 2011A Bonds were issued to finance the street and utility portion of the Westside Improvement Project No. 1.

Recommended Management Strategies:

The annual property tax levy will depend on the actual receipt of future special assessments and the annual transfer in from the proprietary funds to support debt service. The City will need to evaluate the financial condition of the proprietary funds to support the annual transfer in determining what amount of property tax levy may be needed for debt service on the 2011A Bonds. If the other sources of revenue are realized as projected, the future tax levy may be reduced.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax					89,300	89,300	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000
Tax increment															
Investment Interest				2,687		8,330	9,018	8,844	8,710	8,618	8,568	8,462	8,368	8,321	8,195
Special assessments				178,495	107,861	39,000	34,705	34,705	34,705	34,705	34,705	34,705	34,705	34,705	34,705
Total Sources	-	-	-	181,182	197,161	136,630	132,723	132,548	132,415	132,322	132,272	132,167	132,072	132,026	131,900
Uses															
Principal						125,000	160,000	160,000	160,000	160,000	165,000	170,000	170,000	180,000	185,000
Interest and service charges					29,935	79,367	76,518	73,318	70,118	66,918	63,668	60,318	56,705	52,768	48,430
Other (Incl. Future Bond Pmts from Escrow)															
Total Uses	-	-	-	-	29,935	204,367	236,518	233,318	230,118	226,918	228,668	230,318	226,705	232,768	233,430
Net Sources and Uses before Transfers	-	-	-	181,182	167,226	(67,737)	(103,794)	(100,769)	(97,703)	(94,595)	(96,395)	(98,151)	(94,633)	(100,742)	(101,530)
Plus transfer in from Fund 601					47,736	37,869	43,094	42,562	42,030	41,498	40,966	42,315	41,709	42,947	42,225
Plus transfer in from Fund 602					34,141	28,900	32,887	32,481	32,075	31,669	31,263	32,293	31,831	32,775	32,224
Plus transfer in from Fund 603					20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Net Sources and Uses After Transfers	-	-	-	181,182	269,103	19,032	(7,813)	(5,726)	(3,598)	(1,428)	(4,166)	(3,543)	(1,093)	(5,020)	(7,082)
Ending Fund Balance	-	-	-	181,182	450,285	469,317	461,504	455,779	452,181	450,753	446,587	443,045	441,952	436,932	429,851
Assets															
Cash and investments				156,255	416,523	450,913	442,180	435,488	430,876	428,383	423,098	418,381	416,055	409,740	401,299
Cash with fiscal agent															
Due from other funds															
Due from other governments															
Special assessment current				19,789	22,428	18,404	19,325	20,291	21,305	22,370	23,489	24,664	25,897	27,192	28,551
Special assessments delinquent				15,414	11,335										
Special assessments deferred				412,364	341,413	323,009	303,684	283,394	262,088	239,718	216,229	191,565	165,668	138,477	109,926
Other															
Total Assets	-	-	-	603,822	791,699	792,326	765,189	739,172	714,269	690,471	662,816	634,610	607,621	575,409	539,776
Liabilities															
Due to other funds /advances															
Other accounts payable															
Deferred revenues (specials)				422,640	341,414	323,009	303,684	283,394	262,088	239,718	216,229	191,565	165,668	138,477	109,926
Total Liabilities	-	-	-	422,640	341,414	323,009	303,684	283,394	262,088	239,718	216,229	191,565	165,668	138,477	109,926
Total Liabilities and Fund Balance	-	-	-	603,822	791,699	792,326	765,189	739,172	714,269	690,471	662,816	634,610	607,621	575,409	539,776

Notes: Future year transfer in from other funds is based on the proportionate share of debt service. The amounts should be evaluated against the ability of the proprietary funds to support this transfer.

Financial Plans

Fund No: 526
 Fund Description: 2012A G.O. CIP Bonds
 History of Fund (Authority): The 2012A Bonds were issued to finance improvements for the Library. The Bonds are supported by donations for the Library and property tax levy.

Recommended Management Strategies:

The timing and the amount of property tax levy needed for debt service will need to be reviewed annually based on actual collection of donations. The property tax levy projections could be adjusted depending on actual receipt of donations and the need for the City to manage its overall debt service levy changes from year to year.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax								2,458	2,299	83,476	83,098	83,584	83,868	82,924	0
Tax increment															
Investment Interest						-	3,008	3,068	3,265	3,404	5,168	5,343	5,539	5,735	5,911
Special assessments															
Refunding bond proceeds															
Intergovernmental and Other (Donations)					152,000	150,000	170,000	140,000	75,000	85,000					
Total Sources	-	-	-	-	152,000	150,000	173,008	145,526	80,564	171,880	88,266	88,928	89,407	88,659	5,911
Uses															
Principal						135,000	158,000	125,000	64,000	75,000	72,000	73,000	75,000	77,000	78,000
Interest and service charges						16,601	12,002	10,674	9,618	8,674	7,501	6,141	4,604	2,874	975
Other (Incl. Future Bond Pmts from Escrow)															
Total Uses	-	-	-	-	-	151,601	170,002	135,674	73,618	83,674	79,501	79,141	79,604	79,874	78,975
Net Sources and Uses before Transfers	-	-	-	-	152,000	(1,601)	3,006	9,852	6,946	88,205	8,765	9,787	9,803	8,785	(73,064)
Plus transfer in															
Total Net Sources and Uses After Transfers	-	-	-	-	152,000	(1,601)	3,006	9,852	6,946	88,205	8,765	9,787	9,803	8,785	(73,064)
Ending Fund Balance	-	-	-	-	152,000	150,399	153,405	163,257	170,203	258,408	267,173	276,961	286,763	295,548	222,484
Assets															
Cash and investments						150,399	153,405	163,257	170,203	258,408	267,173	276,961	286,763	295,548	222,484
Cash with fiscal agent															
Due from other funds															
Due from other governments															
Special assessment current															
Special assessments delinquent															
Special assessments deferred															
Other					152,000										
Total Assets	-	-	-	-	152,000	150,399	153,405	163,257	170,203	258,408	267,173	276,961	286,763	295,548	222,484
Liabilities															
Due to other funds /advances															
Other accounts payable															
Deferred revenues (specials)															
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	-	-	-	-	152,000	150,399	153,405	163,257	170,203	258,408	267,173	276,961	286,763	295,548	222,484

Notes: The property tax levy amounts shown in the financial plan for years 2021 and 2022 will be able to be reduced if cash balances are realized at the levels projected in the financial plan.

Fund No: 528
 Fund Description: 2012B G.O. Refunding Bonds
 History of Fund (Authority): The 2012B Bonds were issued to refund the 2006A and the 2006B Bonds. The 2006A Bonds were supported by property tax levy and transfers from the utility funds. The 2006B Bonds were supported by a combination of special assessments, transfers from the utility funds, and transfers from tax increment funds.

Recommended Management Strategies:

The City should evaluate the financial status of the tax increment funds to determine whether increment is available to support debt service for the 2012B Bonds (originally issued as 2006B supported in part by tax increment). The financial plan assumes there will not be any tax increment to support debt service in future years. The transfer in of revenue from the utility funds should be evaluated to determine the ability of these funds to support this transfer. Property tax levy will need to be adjusted if there are changes to these other revenues shown as available to support debt service on the 2012B Bonds.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax							208,000	208,000	208,000	135,000	135,000	135,000	30,000	30,000	30,000
Tax increment															
Investment Interest					2,581		1,508	999	4,654	3,290	531	1,289	2,118	722	452
Special assessments									98,091	98,091	98,091	98,091	98,091	98,091	98,091
Street construction aid															
Refunding bond proceeds					3,085,000										
Intergovernmental and Other															
Total Sources	-	-	-	-	3,087,581	-	209,508	208,999	310,745	236,382	233,622	234,381	130,209	128,813	128,545
Uses															
Principal						-	325,000	330,000	490,000	475,000	300,000	300,000	310,000	180,000	185,000
Interest and service charges						25,511	32,390	29,115	25,015	20,190	16,315	13,315	10,032	7,080	4,523
Other (Incl. Future Bond Pmts from Escrow)					33,879										
Total Uses	-	-	-	-	33,879	25,511	357,390	359,115	515,015	495,190	316,315	313,315	320,032	187,080	189,523
Net Sources and Uses before Transfers	-	-	-	-	3,053,702	(25,511)	(147,882)	(150,116)	(204,270)	(258,808)	(82,693)	(78,934)	(189,823)	(58,267)	(60,978)
Plus transfer in from Fund 601						56,300	81,300	100,000	100,000	100,000	100,000	100,000	100,000	25,000	25,000
Plus transfer in from Fund 602							25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Plus transfer in from Fund 603															
Plus transfer in from Fund 502						16,120	16,120	15,000	15,000						
Plus transfer in from Fund 521															
Plus transfer in from Fund 522								252,909	-	-	-	-	-	-	-
Less transfer out to Fund 521						(1,655,000)									
Less transfer out to Fund 522								(1,365,000)							
Total Net Sources and Uses After Transfers	-	-	-	-	3,053,702	(1,608,091)	(25,462)	(1,122,207)	(64,270)	(133,808)	42,307	46,066	(64,823)	(8,267)	(10,978)
Ending Fund Balance	-	-	-	-	3,053,702	1,445,611	1,420,149	297,942	233,673	99,864	142,172	188,237	123,414	115,147	104,170
Assets															
Cash and investments					1,649,794	75,414	49,952	232,706	164,523	26,565	64,474	105,878	36,113	22,607	104,170
Cash with fiscal agent					1,395,708	1,370,197	1,370,197								
Due from other funds															
Due from other governments															
Special assessment current								65,236	69,150	73,299	77,697	82,359	87,301	92,540	-
Special assessments delinquent															
Special assessments deferred								553,123	483,973	410,674	332,977	250,618	163,317	70,777	70,777
Other					8,200										
Total Assets	-	-	-	-	3,053,702	1,445,611	1,420,149	851,065	717,645	510,538	475,148	438,855	286,731	185,924	174,946
Liabilities															
Due to other funds /advances															
Other accounts payable															
Deferred revenues (specials)						-	-	553,123	483,973	410,674	332,977	250,618	163,317	70,777	70,777
Total Liabilities	-	-	-	-	-	-	-	553,123	483,973	410,674	332,977	250,618	163,317	70,777	70,777
Total Liabilities and Fund Balance	-	-	-	-	3,053,702	1,445,611	1,420,149	851,065	717,645	510,538	475,148	438,855	286,731	185,924	174,946

Note: The financial plan assumes no tax increment revenue will be available for transfer in to service debt. The 2006B Bonds were to be supported in part by tax increment.

Financial Plans

Fund No: 529
 Fund Description: 2013A Bonds
 History of Fund (Authority): The 2013A Bonds were issued to finance the East Side 1 Project, both the street and utility portion of the project.

Recommended Management Strategies:

The annual property tax levy shown in the financial plan reflects what was planned at time of issuance. The City should adjust the actual annual tax levy certified based on actual collection of special assessment revenue and transfer in from the utility funds. The final special assessment amount is greater than what was estimated at time of bond issuance; therefore the actual property tax levy needed may be less if the other revenue sources are realized at levels projected in the plan.

Description	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Proj 2013	Proj 2014	Proj 2015	Proj 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020	Proj 2021	Proj 2022
Sources															
Property tax							88,900	86,800	90,300	88,400	86,500	89,900	87,600	85,100	87,700
Tax increment															
Investment Interest							-	1,784	2,779	3,493	4,116	4,748	5,494	6,147	6,806
Special assessments							68,463	68,463	68,463	68,463	68,463	68,463	68,463	68,463	68,463
Street construction aid															
Refunding bond proceeds															
Intergovernmental and Other															
Total Sources	-	-	-	-	-	-	157,363	157,047	161,542	160,355	159,079	163,110	161,557	159,710	162,969
Uses															
Principal						-	-	95,000	130,000	135,000	135,000	135,000	145,000	145,000	145,000
Interest and service charges						-	76,250	75,300	73,050	70,400	67,700	65,000	62,019	58,575	54,769
Other (Incl. Future Bond Pmts from Escrow)															
Total Uses	-	-	-	-	-	-	76,250	170,300	203,050	205,400	202,700	200,000	207,019	203,575	199,769
Net Sources and Uses before Transfers	-	-	-	-	-	-	81,113	(13,253)	(41,508)	(45,045)	(43,621)	(36,890)	(45,462)	(43,865)	(36,800)
Plus transfer in from Fund 601						-	9,786	18,102	22,092	21,840	21,588	21,336	22,453	22,120	21,753
Plus transfer in from Fund 602						-	20,970	38,790	47,340	46,800	46,260	45,720	48,113	47,400	46,613
Plus transfer in from Fund 603						-	4,194	7,758	9,468	9,360	9,252	9,144	9,623	9,480	9,323
Plus transfer in from Fund 516							5,814								
Total Net Sources and Uses After Transfers	-	-	-	-	-	-	121,877	51,397	37,392	32,955	33,479	39,310	34,726	35,135	40,887
Ending Fund Balance	-	-	-	-	-	-	121,877	173,273	210,665	243,621	277,099	316,410	351,135	386,270	427,157
Assets															
Cash and investments						-	89,210	138,973	174,650	205,805	237,392	274,717	307,358	340,304	378,893
Cash with fiscal agent						-	-								
Due from other funds															
Due from other governments															
Special assessment current							32,667	34,300	36,015	37,816	39,707	41,692	43,777	45,966	48,264
Special assessments delinquent															
Special assessments deferred							615,622	581,321	545,306	507,490	467,783	426,091	382,314	336,348	288,084
Other															
Total Assets	-	-	-	-	-	-	737,498	754,594	755,971	751,110	744,882	742,500	733,449	722,618	715,241
Liabilities															
Due to other funds /advances															
Other accounts payable															
Deferred revenues (specials)						-	615,622	581,321	545,306	507,490	467,783	426,091	382,314	336,348	288,084
Total Liabilities	-	-	-	-	-	-	615,622	581,321	545,306	507,490	467,783	426,091	382,314	336,348	288,084
Total Liabilities and Fund Balance	-	-	-	-	-	-	737,498	754,594	755,971	751,110	744,882	742,500	733,449	722,618	715,241

Notes: No items outstanding.

Debt Service Schedules

This section includes a debt service schedule for each outstanding debt obligation for the City. This includes general obligation and all other forms of debt obligations, including contracts. The source of revenue amounts shown in the schedules represent revenue needed to pay annual debt service and does not include revenue needed in excess of this amount to meet statutory coverage (i.e., pledge to provide net revenues of 5% in excess of amount needed for principal and interest payment).

Original Planned Source of Funds

The amounts shown under Original Planned Source of funds for Debt Service Payments represent the planned source of funding for annual debt service at time of issuance. The source of funds does not include revenue that may be needed in excess of annual principal and interest payments to meet statutory coverage.

Current Estimated Source of Funds for Debt Service Payments

The amounts shown under the Current Estimates Source of Funds for Debt Service represent the current planned source of funding for debt service at this time. For some debt obligations the original and current estimated source of funds is different. The cause for the difference in most instances relates to collection of special revenue being less than originally anticipated. This is due to either delinquent payments or to deferred special assessments not yet becoming payable. The source of funds does not include revenue that may be needed in excess of annual principal and interest payments to meet statutory coverage. The financial plans in the previous section provide information on

total estimated sources of revenue by Fund (and bond issuance).

Use of Available Cash

Current estimated source of funds for future years includes the planned use of projected cash available within the debt service fund. The cash is estimated to be available in the future as estimated deferred and delinquent special assessments are collected in the future and from the certification of property tax levy at 105% and other revenue sources such as transfers from other funds and investment earnings. The projected use of cash as shown in the debt service schedules does not represent internally borrowing but rather estimated cash that will be available within a specific fund.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 602
Purpose: 2001 G.O. Sewer Revenue Bonds
Dated: 06/27/01 **Refunding:** No
Original Amount: \$4,529,000 **Refunded:** No
Maturity: 20-Aug
Interest Rates: 3.070%

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS		CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS	
	Principal	Interest	Total	Sanitary Sewer	Total	Sanitary Sewer	Total
2013	\$247,000	\$77,149	\$324,149	\$324,149	\$324,149	\$324,149	\$324,149
2014	\$254,000	\$69,566	\$323,566	\$323,566	\$323,566	\$323,566	\$323,566
2015	\$262,000	\$61,768	\$323,768	\$323,768	\$323,768	\$323,768	\$323,768
2016	\$270,000	\$53,725	\$323,725	\$323,725	\$323,725	\$323,725	\$323,725
2017	\$278,000	\$45,436	\$323,436	\$323,436	\$323,436	\$323,436	\$323,436
2018	\$287,000	\$36,901	\$323,901	\$323,901	\$323,901	\$323,901	\$323,901
2019	\$296,000	\$28,091	\$324,091	\$324,091	\$324,091	\$324,091	\$324,091
2020	\$305,000	\$19,003	\$324,003	\$324,003	\$324,003	\$324,003	\$324,003
2021	\$314,000	\$9,640	\$323,640	\$323,640	\$323,640	\$323,640	\$323,640
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$2,513,000	\$401,280	\$2,914,280	\$2,914,280	\$2,914,280	\$2,914,280	\$2,914,280

Note: These bonds are payable primarily from net revenues of the municipal sewer utility system and additionally secured by ad valorem taxes on all taxable property within the City and without limitation of amount. These bonds were purchased through a private placement agreement with the Minnesota Public Facilities Authority.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 602
Purpose: 2001B G.O. Sewer Revenue Bonds
Dated: 11/20/01 **Refunding:** No
Original Amount: \$8,021,909 **Refunded:** No
Maturity: 20-Aug
Interest Rates: 2.860%

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS		CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS	
	Principal	Interest	Total	Sanitary Sewer	Total	Sanitary Sewer	Total
2013	\$408,000	\$132,930	\$540,930	\$540,930	\$540,930	\$540,930	\$540,930
2014	\$420,000	\$121,261	\$541,261	\$541,261	\$541,261	\$541,261	\$541,261
2015	\$432,000	\$109,249	\$541,249	\$541,249	\$541,249	\$541,249	\$541,249
2016	\$444,000	\$96,894	\$540,894	\$540,894	\$540,894	\$540,894	\$540,894
2017	\$457,000	\$84,196	\$541,196	\$541,196	\$541,196	\$541,196	\$541,196
2018	\$470,000	\$71,126	\$541,126	\$541,126	\$541,126	\$541,126	\$541,126
2019	\$483,000	\$53,684	\$536,684	\$536,684	\$536,684	\$536,684	\$536,684
2020	\$497,000	\$43,870	\$540,870	\$540,870	\$540,870	\$540,870	\$540,870
2021	\$511,000	\$29,656	\$540,656	\$540,656	\$540,656	\$540,656	\$540,656
2022	\$525,909	\$15,041	\$540,950	\$540,950	\$540,950	\$540,950	\$540,950
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$4,647,909	\$757,907	\$5,405,816	\$5,405,816	\$5,405,816	\$5,405,816	\$5,405,816

Note: These bonds were purchased through a private placement agreement with the Minnesota Public Facilities Authority.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 516
Purpose: 2003A G.O. Improvement and Refunding Bonds
Dated: 07/01/03 **Refunding:** Yes
Original Amount: \$2,860,000 **Refunded:** No
Maturity: 1-Mar
Interest Rates: 1.10% - 3.20%

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS			CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS		
	Principal	Interest	Total	Property Tax	Cash	Total	Property Tax	Cash	Total
2013	\$110,000	\$4,905	\$114,905	\$166,000	(\$51,095)	\$114,905	\$166,000	(\$51,095)	\$114,905
2014	\$100,000	\$1,600	\$101,600	\$14,000	\$87,600	\$101,600	\$14,000	\$87,600	\$101,600
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$210,000	\$6,505	\$216,505	\$180,000	\$36,505	\$216,505	\$180,000	\$36,505	\$216,505

Note: These bonds refunded the outstanding maturities of the City's \$2,130,000 General Obligation Improvement Bonds of 1997, dated March 1, 1997 as well as the \$1,275,000 General Obligation Improvement Bonds of 1997B, dated December 1, 1997. Final payment will be made in 2014.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 521
Purpose: 2006A G.O. PIR Fund Refunding Bonds
Dated: 06/15/06 **Refunding:** Yes
Original Amount: \$3,245,000 **Refunded:** Yes
Maturity: 1-Feb
Interest Rates: 4.000%

Maturities for 2014 through 2020 were refunded with proceeds from the 2012B Bonds.

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS				CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS			
	Principal	Interest	Total	Property Tax	Water	Cash	Total	Property Tax	Water	Cash	Total
2013	\$290,000	\$39,320	\$329,320	\$208,000	\$81,300	\$40,020	\$329,320	\$208,000	\$0	\$121,320	\$329,320
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$290,000	\$39,320	\$329,320	\$208,000	\$81,300	\$40,020	\$329,320	\$208,000	\$0	\$121,320	\$329,320

Notes:

The 2006A Bonds refunded a portion of the 2000A Bonds and 2000B Bonds. The 2006A Bonds were defeased in 2013 with proceeds from the 2012B Bonds. The 2012B Bonds refunded maturities 2014 through 2020 for the 2006A Bonds, on February 1, 2013. See the financial plan on page 29 for more information.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 522
Purpose: 2006B G.O. PIR Fund Bonds
Dated: 06/15/06 **Refunding:** No
Original Amount: \$1,135,000 **Refunded:** Yes Maturities 2016 through 2023 were refunded with proceeds from the 2012B Bonds.
Maturity: 1-Feb
Interest Rates: 3.70% to 4.25%

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS							CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS					
	Principal	Interest	Total	Property Tax	Spec Assess	Sanitary Sewer	Water	TIF	Cash	Total	Property Tax	Spec Assess	Sanitary Sewer	Water	Cash	Total
2013	\$375,000	\$70,943	\$445,943	\$0	\$163,333	\$22,724	\$22,724	\$270,000	(\$32,837)	\$445,943	\$0	\$109,500	\$22,724	\$22,724	\$290,995	\$445,943
2014	\$130,000	\$61,568	\$191,568	\$0	\$163,333	\$22,724	\$22,724	\$0	(\$17,212)	\$191,568	\$0	\$98,091	\$20,250	\$20,250	\$52,977	\$191,568
2015	\$140,000	\$29,565	\$169,565	\$0	\$163,333	\$22,724	\$22,724	\$0	(\$39,215)	\$169,565	\$0	\$98,091	\$0	\$0	\$71,474	\$169,565
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$645,000	\$162,076	\$807,076	\$0	\$489,999	\$68,171	\$68,171	\$270,000	(\$89,264)	\$807,076	\$0	\$305,682	\$42,974	\$42,974	\$415,446	\$807,076

Notes: The Bonds will be defeased in year 2015 with proceeds from the 2012B Bonds. See the financial plan on page 30 for more information. TIF is tax increment revenue that was originally anticipated to be transferred in from TIF No. 2-1.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 601
Purpose: 2010A G.O. Water Revenue Refunding Bonds
Dated: 12/09/10 **Refunding:** Yes
Original Amount: \$3,560,000 **Refunded:** No
Maturity: 1-Aug
Interest Rates: 1.00% - 3.50%

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS		CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS	
	Principal	Interest	Total	Water	Total	Water	Total
2013	\$310,000	\$71,710	\$381,710	\$381,710	\$381,710	\$381,710	\$381,710
2014	\$315,000	\$67,990	\$382,990	\$382,990	\$382,990	\$382,990	\$382,990
2015	\$320,000	\$63,580	\$383,580	\$383,580	\$383,580	\$383,580	\$383,580
2016	\$325,000	\$58,140	\$383,140	\$383,140	\$383,140	\$383,140	\$383,140
2017	\$330,000	\$51,478	\$381,478	\$381,478	\$381,478	\$381,478	\$381,478
2018	\$335,000	\$43,723	\$378,723	\$378,723	\$378,723	\$378,723	\$378,723
2019	\$345,000	\$34,845	\$379,845	\$379,845	\$379,845	\$379,845	\$379,845
2020	\$350,000	\$24,150	\$374,150	\$374,150	\$374,150	\$374,150	\$374,150
2021	\$360,000	\$12,600	\$372,600	\$372,600	\$372,600	\$372,600	\$372,600
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$2,990,000	\$428,216	\$3,418,216	\$3,418,216	\$3,418,216	\$3,418,216	\$3,418,216

Notes:

These bonds current refunded \$3,499,000 of the \$5,331,000 General Obligation Water Revenue Note of 2001, dated June 15, 2001. Maturities 2011 through 2021, inclusive, were called for redemption on February 1, 2011, at a price of par plus accrued interest.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 524
Purpose: 2011A G.O. Improvement Bonds
Dated: 10/01/11 **Refunding:** No
Original Amount: \$3,150,000 **Refunded:** No
Maturity: 1-Feb
Interest Rates: 2.00% - 3.40%

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS							CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS						
	Principal	Interest	Total	Property Tax	Spec Assess	Sanitary Sewer	Water	Storm Sewer	Cash	Total	Property Tax	Spec Assess	Sanitary Sewer	Water	Storm Sewer	Cash	Total
2013	\$125,000	\$79,367	\$204,367	\$88,800	\$5,932	\$28,900	\$37,869	\$20,000	(\$29,134)	\$204,367	\$89,300	\$39,000	\$28,900	\$37,869	\$20,000	(\$10,702)	\$204,367
2014	\$160,000	\$76,518	\$236,518	\$88,800	\$5,932	\$32,887	\$43,094	\$20,000	(\$6,196)	\$236,518	\$89,000	\$34,705	\$32,887	\$43,094	\$20,000	\$16,831	\$236,518
2015	\$160,000	\$73,318	\$233,318	\$88,800	\$5,932	\$32,481	\$42,562	\$20,000	(\$8,458)	\$233,318	\$89,000	\$34,705	\$32,481	\$42,562	\$20,000	\$14,569	\$233,318
2016	\$160,000	\$70,118	\$230,118	\$88,800	\$5,932	\$32,075	\$42,030	\$20,000	(\$10,720)	\$230,118	\$89,000	\$34,705	\$32,075	\$42,030	\$20,000	\$12,307	\$230,118
2017	\$160,000	\$66,918	\$226,918	\$88,800	\$5,932	\$31,669	\$41,498	\$20,000	(\$12,982)	\$226,918	\$89,000	\$34,705	\$31,669	\$41,498	\$20,000	\$10,045	\$226,918
2018	\$165,000	\$63,668	\$228,668	\$88,800	\$5,932	\$31,263	\$40,966	\$20,000	(\$10,294)	\$228,668	\$89,000	\$34,705	\$31,263	\$40,966	\$20,000	\$12,733	\$228,668
2019	\$170,000	\$60,318	\$230,318	\$88,800	\$5,932	\$32,293	\$42,315	\$20,000	(\$11,022)	\$230,318	\$89,000	\$34,705	\$32,293	\$42,315	\$20,000	\$12,005	\$230,318
2020	\$170,000	\$56,705	\$226,705	\$88,800	\$5,932	\$31,831	\$41,709	\$20,000	(\$13,567)	\$226,705	\$89,000	\$34,705	\$31,831	\$41,709	\$20,000	\$9,460	\$226,705
2021	\$180,000	\$52,768	\$232,768	\$88,800	\$5,932	\$32,775	\$42,947	\$20,000	(\$9,686)	\$232,768	\$89,000	\$34,705	\$32,775	\$42,947	\$20,000	\$13,341	\$232,768
2022	\$185,000	\$48,430	\$233,430	\$88,800	\$5,932	\$32,224	\$42,225	\$20,000	(\$7,751)	\$233,430	\$89,000	\$34,705	\$32,224	\$42,225	\$20,000	\$15,276	\$233,430
2023	\$185,000	\$43,805	\$228,805	\$88,800	\$5,932	\$31,644	\$41,465	\$20,000	(\$11,036)	\$228,805	\$89,000	\$34,705	\$31,644	\$41,465	\$20,000	\$11,991	\$228,805
2024	\$195,000	\$38,811	\$233,811	\$88,800	\$5,932	\$32,465	\$42,541	\$20,000	(\$7,926)	\$233,811	\$89,000	\$34,705	\$32,465	\$42,541	\$20,000	\$15,101	\$233,811
2025	\$195,000	\$33,205	\$228,205	\$88,800	\$5,932	\$31,756	\$41,612	\$20,000	(\$11,895)	\$228,205	\$89,000	\$34,705	\$31,756	\$41,612	\$20,000	\$11,132	\$228,205
2026	\$205,000	\$27,205	\$232,205	\$88,800	\$5,932	\$32,445	\$42,514	\$20,000	(\$9,487)	\$232,205	\$89,000	\$34,705	\$32,445	\$42,514	\$20,000	\$13,540	\$232,205
2027	\$215,000	\$20,905	\$235,905	\$18,000	\$5,932	\$33,090	\$43,360	\$20,000	\$63,523	\$235,905	\$11,000	\$34,710	\$33,090	\$43,360	\$20,000	\$93,745	\$235,905
2028	\$95,000	\$16,065	\$111,065	\$18,000	\$0	\$32,209	\$42,205	\$20,000	(\$1,349)	\$111,065	\$11,000	\$0	\$32,209	\$42,205	\$20,000	\$5,651	\$111,065
2029	\$100,000	\$12,750	\$112,750	\$18,000	\$0	\$32,698	\$42,845	\$20,000	(\$793)	\$112,750	\$11,000	\$0	\$32,698	\$42,845	\$20,000	\$6,208	\$112,750
2030	\$105,000	\$9,265	\$114,265	\$18,000	\$0	\$33,137	\$43,421	\$20,000	(\$293)	\$114,265	\$11,000	\$0	\$33,137	\$43,421	\$20,000	\$6,707	\$114,265
2031	\$110,000	\$5,610	\$115,610	\$18,000	\$0	\$33,527	\$43,932	\$20,000	\$151	\$115,610	\$11,000	\$0	\$33,527	\$43,932	\$20,000	\$7,151	\$115,610
2032	\$110,000	\$1,870	\$111,870	\$0	\$0	\$32,442	\$42,511	\$20,000	\$16,917	\$111,870	\$0	\$0	\$32,442	\$42,511	\$20,000	\$16,917	\$111,870
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$3,150,000	\$857,616	\$4,007,616	\$1,333,200	\$868,980	\$643,814	\$843,618	\$400,000	(\$81,996)	\$4,007,616	\$1,301,300	\$524,873	\$643,814	\$843,618	\$400,000	\$294,011	\$4,007,616

Notes: The source of funds, both original and current estimate, equal the annual amount needed to pay principal and interest. The bond issuance included \$1,670,00 for utility improvements supported by Sanitary Sewer revenues (60%); Water revenues (38%); Storm Sewer revenues \$20,000 per year; and the balance from property tax. The remaining \$1,480,000 of bond issuance was for street improvements paid from special assessments and property tax revenue. Revenues of the Sanitary Sewer Fund, Water Fund, and Storm Sewer Fund need to be sufficient to pay when due the proportionate share of principal and interest on the bonds and a sum at least 5% in excess thereof. The report above assumes the City will transfer from the utility funds to the debt service fund and amount that is sufficient to pay principal and interest and will not transfer the additional 5% to the debt service fund. The property tax amounts shown represents the portion of principal and interest that will be paid from property tax versus other sources, including cash available in the debt service fund. The amount of property tax levy to be certified may differ from the amount in this report. The current estimated special assessment revenue is based on final certified special assessments, less prepayments. See the financial plan on page 31 for more information.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 526
Purpose: 2012A G.O. Capital Improvement Plan Bonds
Dated: 05/01/12 **Refunding:** No
Original Amount: \$932,000 **Refunded:** No
Maturity: 1-Feb
Interest Rates: 0.75% - 2.50%

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS				CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS			
	Principal	Interest	Total	Property Tax	Donations Library	Cash	Total	Property Tax	Donations Library	Cash	Total
2013	\$135,000	\$16,601	\$151,601	\$0	\$151,601	\$0	\$151,601	\$0	\$151,601	\$0	\$151,601
2014	\$158,000	\$12,002	\$170,002	\$0	\$170,002	\$0	\$170,002	\$0	\$170,002	\$0	\$170,002
2015	\$125,000	\$10,674	\$135,674	\$0	\$135,674	\$0	\$135,674	\$2,458	\$135,674	(\$2,458)	\$135,674
2016	\$64,000	\$9,618	\$73,618	\$0	\$73,618	\$0	\$73,618	\$2,299	\$73,618	(\$2,299)	\$73,618
2017	\$75,000	\$8,674	\$83,674	\$83,476	\$83,674	(\$83,476)	\$83,674	\$83,476	\$83,674	(\$83,476)	\$83,674
2018	\$72,000	\$7,501	\$79,501	\$83,098	\$0	(\$3,597)	\$79,501	\$83,098	\$0	(\$3,597)	\$79,501
2019	\$73,000	\$6,141	\$79,141	\$83,584	\$0	(\$4,444)	\$79,141	\$83,584	\$0	(\$4,444)	\$79,141
2020	\$75,000	\$4,604	\$79,604	\$83,868	\$0	(\$4,263)	\$79,604	\$83,868	\$0	(\$4,263)	\$79,604
2021	\$77,000	\$2,874	\$79,874	\$82,924	\$0	(\$3,050)	\$79,874	\$82,924	\$0	(\$3,050)	\$79,874
2022	\$78,000	\$975	\$78,975	\$0	\$0	\$78,975	\$78,975	\$0	\$0	\$78,975	\$78,975
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$932,000	\$79,664	\$1,011,664	\$416,949	\$614,570	(\$19,855)	\$1,011,664	\$421,706	\$614,570	(\$24,612)	\$1,011,664

Notes:

The 2012A Bonds are supported by donations for the Library and property tax levy. The property tax amounts shown above include the amount needed to cover debt service payment; the property tax amounts do not include the amount levied in excess to meet the coverage requirement.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 528
Purpose: 2012B G.O. Refunding Bonds
Dated: 11/01/12 **Refunding:** Yes Refunded the 2006A and 2006B Bonds.
Original Amount: \$3,085,000 **Refunded:** No
Maturity: 1-Feb
Interest Rates: 1.00% - 1.65%

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS								CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS						
	Principal	Interest	Total	Property Tax	Spec Escrow	Sanitary Assess	Sanitary Sewer	Water	TIF	Cash	Total	Property Tax	Spec Escrow	Sanitary Assess	Sanitary Sewer	Water	Cash	Total
2013	\$0	\$25,511	\$25,511	\$0	\$12,840	\$0	\$0	\$0	\$0	\$12,671	\$25,511	\$0	\$12,840	\$0	\$0	\$56,300	(\$43,629)	\$25,511
2014	\$325,000	\$32,390	\$357,390	\$208,000	\$17,120	\$0	\$20,250	\$81,300	\$270,000	(\$239,280)	\$357,390	\$208,000	\$17,120	\$0	\$25,000	\$81,300	\$25,970	\$357,390
2015	\$330,000	\$29,115	\$359,115	\$208,000	\$8,560	\$115,992	\$20,250	\$101,550	\$0	(\$95,237)	\$359,115	\$208,000	\$8,560	\$56,300	\$25,000	\$100,000	(\$38,745)	\$359,115
2016	\$490,000	\$25,015	\$515,015	\$208,000	\$0	\$115,157	\$20,250	\$101,550	\$0	\$70,058	\$515,015	\$208,000	\$0	\$98,091	\$25,000	\$100,000	\$83,924	\$515,015
2017	\$475,000	\$20,190	\$495,190	\$135,000	\$0	\$115,157	\$20,250	\$101,550	\$0	\$123,233	\$495,190	\$135,000	\$0	\$98,091	\$25,000	\$100,000	\$137,099	\$495,190
2018	\$300,000	\$16,315	\$316,315	\$135,000	\$0	\$103,835	\$20,250	\$20,250	\$0	\$36,980	\$316,315	\$135,000	\$0	\$98,091	\$25,000	\$100,000	(\$41,776)	\$316,315
2019	\$300,000	\$13,315	\$313,315	\$135,000	\$0	\$103,835	\$20,250	\$20,250	\$0	\$33,980	\$313,315	\$135,000	\$0	\$98,091	\$25,000	\$100,000	(\$44,776)	\$313,315
2020	\$310,000	\$10,032	\$320,032	\$29,500	\$0	\$103,835	\$20,250	\$20,250	\$0	\$146,197	\$320,032	\$30,000	\$0	\$98,091	\$25,000	\$100,000	\$66,941	\$320,032
2021	\$180,000	\$7,080	\$187,080	\$29,500	\$0	\$103,835	\$20,250	\$20,250	\$0	\$13,245	\$187,080	\$30,000	\$0	\$98,091	\$25,000	\$25,000	\$8,989	\$187,080
2022	\$185,000	\$4,523	\$189,523	\$29,500	\$0	\$103,835	\$20,250	\$20,250	\$0	\$15,688	\$189,523	\$30,000	\$0	\$98,091	\$25,000	\$25,000	\$11,432	\$189,523
2023	\$190,000	\$1,568	\$191,568	\$29,500	\$0	\$103,835	\$20,250	\$20,250	\$0	\$17,733	\$191,568	\$15,315	\$0	\$98,093	\$25,000	\$25,000	\$28,160	\$191,568
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$3,085,000	\$185,054	\$3,270,054	\$1,147,000	\$38,520	\$969,316	\$202,500	\$507,450	\$270,000	\$135,268	\$3,270,054	\$1,134,315	\$38,520	\$841,031	\$250,000	\$812,600	\$193,588	\$3,270,054

Notes: The original planned source of funds is based on the schedule for the 2006A Bonds and 2006B Bonds at time of issuance. The current estimated source of funds shows a net use of cash, the cash will come from a transfer in of cash from Fund 522 (2006B Bonds) when the bonds are defeased and the fund is closed and from interest income and additional revenue for coverage.

Debt Service Schedules

CITY OF CANNON FALLS, MN

City Funds: 529
Purpose: 2013A G.O. Bonds
Dated: 08/01/13 **Refunding:** No
Original Amount: \$2,575,000 **Refunded:** No
Maturity: 1-Feb
Interest Rates: 2.00% - 4.00%

Year	DEBT SERVICE PAYMENTS			ORIGINAL PLANNED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS							CURRENT ESTIMATED SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS						
	Principal	Interest	Total	Property Tax	Spec Assess	Sanitary Sewer	Water	Storm Sewer	Cash	Total	Property Tax	Spec Assess	Sanitary Sewer	Water	Storm Sewer	Cash	Total
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	\$0	\$76,250	\$76,250	\$88,900	\$0	\$20,970	\$9,786	\$4,194	(\$47,600)	\$76,250	\$88,900	\$0	\$20,970	\$9,786	\$4,194	(\$47,600)	\$76,250
2015	\$95,000	\$75,300	\$170,300	\$86,800	\$44,432	\$38,790	\$18,102	\$7,758	(\$25,582)	\$170,300	\$86,800	\$68,463	\$38,790	\$18,102	\$7,758	(\$49,613)	\$170,300
2016	\$130,000	\$73,050	\$203,050	\$90,300	\$44,432	\$47,340	\$22,092	\$9,468	(\$10,582)	\$203,050	\$90,300	\$68,463	\$47,340	\$22,092	\$9,468	(\$34,613)	\$203,050
2017	\$135,000	\$70,400	\$205,400	\$88,400	\$44,432	\$46,800	\$21,840	\$9,360	(\$5,432)	\$205,400	\$88,400	\$68,463	\$46,800	\$21,840	\$9,360	(\$29,463)	\$205,400
2018	\$135,000	\$67,700	\$202,700	\$86,500	\$44,432	\$46,260	\$21,588	\$9,252	(\$5,332)	\$202,700	\$86,500	\$68,463	\$46,260	\$21,588	\$9,252	(\$29,363)	\$202,700
2019	\$135,000	\$65,000	\$200,000	\$89,900	\$44,432	\$45,720	\$21,336	\$9,144	(\$10,532)	\$200,000	\$89,900	\$68,463	\$45,720	\$21,336	\$9,144	(\$34,563)	\$200,000
2020	\$145,000	\$62,019	\$207,019	\$87,600	\$44,432	\$48,113	\$22,453	\$9,623	(\$5,201)	\$207,019	\$87,600	\$68,463	\$48,113	\$22,453	\$9,623	(\$29,231)	\$207,019
2021	\$145,000	\$58,575	\$203,575	\$85,100	\$44,432	\$47,400	\$22,120	\$9,480	(\$4,957)	\$203,575	\$85,100	\$68,463	\$47,400	\$22,120	\$9,480	(\$28,988)	\$203,575
2022	\$145,000	\$54,769	\$199,769	\$87,700	\$44,432	\$46,613	\$21,753	\$9,323	(\$10,051)	\$199,769	\$87,700	\$68,463	\$46,613	\$21,753	\$9,323	(\$34,081)	\$199,769
2023	\$150,000	\$50,713	\$200,713	\$84,800	\$44,432	\$45,788	\$21,368	\$9,158	(\$4,832)	\$200,713	\$84,800	\$68,463	\$45,788	\$21,368	\$9,158	(\$28,863)	\$200,713
2024	\$155,000	\$46,325	\$201,325	\$86,800	\$44,432	\$47,880	\$22,344	\$9,576	(\$9,707)	\$201,325	\$86,800	\$68,462	\$47,880	\$22,344	\$9,576	(\$33,737)	\$201,325
2025	\$160,000	\$41,600	\$201,600	\$88,800	\$44,432	\$46,890	\$21,882	\$9,378	(\$9,782)	\$201,600	\$88,800	\$51,090	\$46,890	\$21,882	\$9,378	(\$16,440)	\$201,600
2026	\$165,000	\$36,313	\$201,313	\$90,000	\$44,432	\$45,818	\$21,382	\$9,164	(\$9,482)	\$201,313	\$90,000	\$51,090	\$45,818	\$21,382	\$9,164	(\$16,140)	\$201,313
2027	\$175,000	\$30,363	\$205,363	\$91,000	\$44,432	\$47,610	\$22,218	\$9,522	(\$9,420)	\$205,363	\$91,000	\$51,090	\$47,610	\$22,218	\$9,522	(\$16,078)	\$205,363
2028	\$180,000	\$23,925	\$203,925	\$86,300	\$44,432	\$46,305	\$21,609	\$9,261	(\$3,982)	\$203,925	\$86,300	\$51,090	\$46,305	\$21,609	\$9,261	(\$10,640)	\$203,925
2029	\$180,000	\$17,175	\$197,175	\$0	\$44,432	\$44,955	\$20,979	\$8,991	\$77,818	\$197,175	\$0	\$51,088	\$44,955	\$20,979	\$8,991	\$71,162	\$197,175
2030	\$65,000	\$12,500	\$77,500	\$0	\$0	\$46,500	\$21,700	\$9,300	\$0	\$77,500	\$0	\$0	\$46,500	\$21,700	\$9,300	\$0	\$77,500
2031	\$65,000	\$9,900	\$74,900	\$0	\$0	\$44,940	\$20,972	\$8,988	\$0	\$74,900	\$0	\$0	\$44,940	\$20,972	\$8,988	\$0	\$74,900
2032	\$70,000	\$7,200	\$77,200	\$0	\$0	\$46,320	\$21,616	\$9,264	\$0	\$77,200	\$0	\$0	\$46,320	\$21,616	\$9,264	\$0	\$77,200
2033	\$70,000	\$4,400	\$74,400	\$0	\$0	\$44,640	\$20,832	\$8,928	\$0	\$74,400	\$0	\$0	\$44,640	\$20,832	\$8,928	\$0	\$74,400
2034	\$75,000	\$1,500	\$76,500	\$0	\$0	\$45,900	\$21,420	\$9,180	\$0	\$76,500	\$0	\$0	\$45,900	\$21,420	\$9,180	\$0	\$76,500
Total	\$2,575,000	\$884,975	\$3,459,975	\$1,318,900	\$666,482	\$941,550	\$439,390	\$188,310	(\$94,657)	\$3,459,975	\$1,318,900	\$940,074	\$941,550	\$439,390	\$188,310	(\$368,249)	\$3,459,975

Notes: The source of funds, both original and current estimate, equal the annual amount needed to pay principal and interest. Sewer revenues will pay 60%; Water revenues will pay 28%; and Storm Sewer revenues will pay 12% of the Utility Improvement Portion, which equals \$1,100,000 of the total bond issuance. The remaining portion of the bond issuance for street improvements and the South of School Project will be paid from special assessments and property tax revenue. Revenues of the Sanitary Sewer, Water, and Storm Sewer funds need to be sufficient to pay when due the proportionate share of principal and interest on the bonds and a sum at least 5% in excess thereof. The report above assumes the City will transfer from the utility funds to the debt service fund and amount that is sufficient to pay principal and interest and will not transfer the additional 5% to the debt service fund. The property tax amounts shown represents the portion of principal and interest that will be paid from property tax versus other sources, including cash available in the debt service fund. The amount of property tax levy to be certified may differ from the amount in this report. The current estimated special assessment revenue is based on final certified special assessments, less prepayments. See the financial plan on page 34 for more information.

**APPENDIX - ATTACHMENT A
CITY OF CANNON FALLS, MN
TOTAL OUTSTANDING OBLIGATIONS - RECONCILIATION OF DEBT STUDY TO 2012 AUDIT REPORT**

	Issue Year	Original Issue	Refunding Bond Issue	Principal Outstanding as of 12/31/2012	Less Obligations Not Subject to Debt Study	Unexplained Reconciling Difference Needs Review	Less Principal Outstanding Refunded with Escrow	Add Estimated 2013 Issuance	Adjusted Principal Outstanding
G.O. Improvement Bonds, Including Refunding Bonds:									
G.O. Improvement Bonds of 2003A	2003	2,860,000		210,000					210,000
G.O. Refunding Permanent Imp. Revolving Bonds 2006A	2006	3,245,000	2012B	1,945,000			1,655,000		290,000
G.O. Permanent Imp. Revolving Bonds 2006B	2006	3,410,000		2,010,000			1,365,000		645,000
G.O. Improvement Bonds of 2011A	2011	3,150,000		3,150,000					3,150,000
G.O. Improvement Bonds of 2012A	2012	932,000		932,000					932,000
G.O. Refunding Permanent Imp. Bonds 2012B	2012	3,085,000		3,085,000					3,085,000
G.O. Bonds of 2013A	2013	2,575,000						2,575,000	2,575,000
Subtotal		19,257,000		11,332,000	-	-	3,020,000	-	10,887,000
G.O. Revenue Bonds:									
G.O. MN Public Facilities Auth. Sewer Revenue Bonds 2001	2001	4,529,000		2,513,000					2,513,000
G.O. MN Public Facilities Auth. Bonds Wastewater 2001B	2001	8,021,909		4,647,909					4,647,909
G.O. Water Revenue Refunding Bonds 2010A	2010	3,560,000		2,990,000					2,990,000
Subtotal		16,110,909		10,150,909	-	-	-	-	10,150,909
Other (capital lease, discount/premium, other)		300,500		187,227	187,227				-
TOTAL ALL LONG TERM LIABILITIES		35,668,409		21,670,136	187,227	-	3,020,000	-	21,037,909



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