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DATE: April 11, 2018

TO: Honorable Robby Robinson, Mayor & Members of the City Council
Ms. Lanell Endres, Interim Administrator/Finance Director
City of Cannon Falls

FROM: George Eilertson, Sr. Vice President
Northland Securities

Handwritten initials "GE" in black ink, positioned to the right of the "FROM:" line.

RE: April 17, 2018 City Council meeting – Review of Upcoming Bond Issues

I will be attending the April 17th City Council meeting to review the issuance of two upcoming financings for the City:

1. The issuance of general obligation bonds to finance the 2018 Street and Utility Improvement Project (East Side 2).
2. The issuance of general obligation equipment certificates to finance the acquisition of a new fire truck.

Bond Issue Purposes

East Side 2 - General Obligation Improvement Bonds will be issued to finance the 2018 street and utility improvements (Eastside 2). The bonds will be issued with the City's underlying bond rating. The City has a "AA-" rating from Standard & Poor's which was most recently assigned to the \$2,480,000 General Obligation Bonds, Series 2016A. We will work with the Interim Administrator to prepare for the bond rating call associated with the 2018 Bonds.

Fire Truck - The General Obligation Equipment Certificates will be issued to finance the acquisition of a new fire truck. The Certificates will be issued with a 10-year term. The Certificates will be issued non-rated. We will be soliciting quotes from local banks for this financing.

Debt Management Policy (Action Item)

It is my recommendation that the City Council consider the approval of a Debt Management Policy. The Policy provides general guidance relating to the issuance of future debt. Approval of a Debt Management policy will benefit the City by improving the management score when the bond rating agency reviews the City during the upcoming bond rating process.

Reimbursement Resolution (Action Item)

Approval of a reimbursement resolution allows the City to reimburse itself with future bond proceeds for project expenses paid with reserves prior to the issuance of bonds. The City can reimburse itself for expenses paid 60 days prior to the passage of the resolution and those occurring after. New bonds need to be issued within 18 months after the project is completed.

Bond Issue Structures

East Side 2 - The new 2018 Bond has a preliminary size of \$4,325,000. Consistent with previous street and utility projects, the street portion of the bond is structured with a 15 year term and the utility portion of the project is structured with a 20 year term. For the Utility portion of the bond issue, the revenue sources to pay the bond payments include special assessments (22%), sewer revenues (37%), water revenues (32%) and storm revenues (9%). For the Street portion of the bond issue, the revenue sources to pay the bond payments include special assessments (22%) and a tax levy on all taxable property (78%). The 2018 Bonds will be structured with a February 1, 2027 call date which allows the City to refinance or prepay part or the entire remaining principal balance from 2028 until the final maturity in 2039.

Fire Truck - The cost of the new fire truck is approximately \$500,000. The City is planning to contribute \$155,000 to \$156,000 to buy-down the financing need. The financing of the Certificates is structured with a 10 year term and sized at \$360,000.

Bond Issuance Timeline

East Side 2:

- a. Type of Sale – Public Offering
- b. Resolution calling for sale – Tuesday, May 1, 2018
- c. Financing Proposals Received – Tuesday, June 5, 2018 @ 10:30 AM
- d. Council consideration of Proposals – Tuesday, June 5, 2018 @ 6:30 PM
- e. Closing Date – approximately June 27, 2018

Fire Truck:

- a. Type of Sale – Sale amongst local banks
- b. Resolution calling for sale – Tuesday, May 1, 2018
- c. Financing Proposals Received – Friday, May 25, 2018
- d. Council consideration of Proposals – Tuesday, June 5, 2018 @ 6:30 PM
- e. Closing Date – approximately June 27, 2018

Thank you.

City of Cannon Falls, Minnesota

\$4,325,000 General Obligation Bonds, Series 2018A

Preliminary - East Side 2

AA- Interest Rates / Bank Qualified

Total Issue Sources And Uses

Dated 07/17/2018 | Delivered 07/17/2018

	Improvement	Utility	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$2,520,000.00	\$1,805,000.00	\$4,325,000.00
Planned Issuer Equity contribution	39,150.28	-	39,150.28
Total Sources	\$2,559,150.28	\$1,805,000.00	\$4,364,150.28
Uses Of Funds			
Total Underwriter's Discount	27,720.00	19,855.00	47,575.00
Costs of Issuance	25,724.39	18,425.61	44,150.00
Deposit to Project Construction Fund	2,462,900.00	1,767,100.00	4,230,000.00
Debt Service Fund	39,150.28	-	39,150.28
Rounding Amount	3,655.61	(380.61)	3,275.00
Total Uses	\$2,559,150.28	\$1,805,000.00	\$4,364,150.28

City of Cannon Falls, Minnesota

\$4,325,000 General Obligation Bonds, Series 2018A

Preliminary - East Side 2

AA- Interest Rates / Bank Qualified

Debt Service Schedule (Combined schedule)

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/17/2018	-	-	-	-	-
02/01/2019	-	-	69,852.13	69,852.13	69,852.13
08/01/2019	-	-	64,811.25	64,811.25	-
02/01/2020	210,000.00	1.950%	64,811.25	274,811.25	339,622.50
08/01/2020	-	-	62,763.75	62,763.75	-
02/01/2021	215,000.00	2.100%	62,763.75	277,763.75	340,527.50
08/01/2021	-	-	60,506.25	60,506.25	-
02/01/2022	215,000.00	2.250%	60,506.25	275,506.25	336,012.50
08/01/2022	-	-	58,087.50	58,087.50	-
02/01/2023	225,000.00	2.350%	58,087.50	283,087.50	341,175.00
08/01/2023	-	-	55,443.75	55,443.75	-
02/01/2024	230,000.00	2.500%	55,443.75	285,443.75	340,887.50
08/01/2024	-	-	52,568.75	52,568.75	-
02/01/2025	230,000.00	2.650%	52,568.75	282,568.75	335,137.50
08/01/2025	-	-	49,521.25	49,521.25	-
02/01/2026	240,000.00	2.800%	49,521.25	289,521.25	339,042.50
08/01/2026	-	-	46,161.25	46,161.25	-
02/01/2027	245,000.00	2.900%	46,161.25	291,161.25	337,322.50
08/01/2027	-	-	42,608.75	42,608.75	-
02/01/2028	255,000.00	3.000%	42,608.75	297,608.75	340,217.50
08/01/2028	-	-	38,783.75	38,783.75	-
02/01/2029	260,000.00	3.100%	38,783.75	298,783.75	337,567.50
08/01/2029	-	-	34,753.75	34,753.75	-
02/01/2030	270,000.00	3.200%	34,753.75	304,753.75	339,507.50
08/01/2030	-	-	30,433.75	30,433.75	-
02/01/2031	275,000.00	3.250%	30,433.75	305,433.75	335,867.50
08/01/2031	-	-	25,965.00	25,965.00	-
02/01/2032	285,000.00	3.350%	25,965.00	310,965.00	336,930.00
08/01/2032	-	-	21,191.25	21,191.25	-
02/01/2033	300,000.00	3.450%	21,191.25	321,191.25	342,382.50
08/01/2033	-	-	16,016.25	16,016.25	-
02/01/2034	305,000.00	3.550%	16,016.25	321,016.25	337,032.50
08/01/2034	-	-	10,602.50	10,602.50	-
02/01/2035	105,000.00	3.650%	10,602.50	115,602.50	126,205.00
08/01/2035	-	-	8,686.25	8,686.25	-
02/01/2036	110,000.00	3.700%	8,686.25	118,686.25	127,372.50
08/01/2036	-	-	6,651.25	6,651.25	-
02/01/2037	115,000.00	3.750%	6,651.25	121,651.25	128,302.50
08/01/2037	-	-	4,495.00	4,495.00	-
02/01/2038	115,000.00	3.800%	4,495.00	119,495.00	123,990.00
08/01/2038	-	-	2,310.00	2,310.00	-
02/01/2039	120,000.00	3.850%	2,310.00	122,310.00	124,620.00
Total	\$4,325,000.00	-	\$1,454,574.63	\$5,779,574.63	-

Date And Term Structure

Dated	7/17/2018
Delivery Date	7/17/2018
First available call date	2/01/2027
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$44,535.69
Average Life	10.297 Years
Average Coupon	3.2660872%

Net Interest Cost (NIC)	3.3729116%
True Interest Cost (TIC)	3.3670244%
All Inclusive Cost (AIC)	3.4904382%

IRS Form 8038

Net Interest Cost (NIC)	3.3729116%
Weighted Average Maturity	10.297 Years
Bond Yield for Arbitrage Purposes	3.2360406%

Northland Securities, Inc.

Public Finance

City of Cannon Falls, Minnesota

\$2,520,000 General Obligation Bonds, Series 2018

Preliminary - East Side 2

Improvement Portion

Debt Service Schedule (Street portion)

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/17/2018	-	-	-	-	-
02/01/2019	-	-	39,150.28	39,150.28	39,150.28
08/01/2019	-	-	36,325.00	36,325.00	-
02/01/2020	140,000.00	1.950%	36,325.00	176,325.00	212,650.00
08/01/2020	-	-	34,960.00	34,960.00	-
02/01/2021	145,000.00	2.100%	34,960.00	179,960.00	214,920.00
08/01/2021	-	-	33,437.50	33,437.50	-
02/01/2022	145,000.00	2.250%	33,437.50	178,437.50	211,875.00
08/01/2022	-	-	31,806.25	31,806.25	-
02/01/2023	150,000.00	2.350%	31,806.25	181,806.25	213,612.50
08/01/2023	-	-	30,043.75	30,043.75	-
02/01/2024	155,000.00	2.500%	30,043.75	185,043.75	215,087.50
08/01/2024	-	-	28,106.25	28,106.25	-
02/01/2025	155,000.00	2.650%	28,106.25	183,106.25	211,212.50
08/01/2025	-	-	26,052.50	26,052.50	-
02/01/2026	160,000.00	2.800%	26,052.50	186,052.50	212,105.00
08/01/2026	-	-	23,812.50	23,812.50	-
02/01/2027	165,000.00	2.900%	23,812.50	188,812.50	212,625.00
08/01/2027	-	-	21,420.00	21,420.00	-
02/01/2028	170,000.00	3.000%	21,420.00	191,420.00	212,840.00
08/01/2028	-	-	18,870.00	18,870.00	-
02/01/2029	175,000.00	3.100%	18,870.00	193,870.00	212,740.00
08/01/2029	-	-	16,157.50	16,157.50	-
02/01/2030	180,000.00	3.200%	16,157.50	196,157.50	212,315.00
08/01/2030	-	-	13,277.50	13,277.50	-
02/01/2031	185,000.00	3.250%	13,277.50	198,277.50	211,555.00
08/01/2031	-	-	10,271.25	10,271.25	-
02/01/2032	190,000.00	3.350%	10,271.25	200,271.25	210,542.50
08/01/2032	-	-	7,088.75	7,088.75	-
02/01/2033	200,000.00	3.450%	7,088.75	207,088.75	214,177.50
08/01/2033	-	-	3,638.75	3,638.75	-
02/01/2034	205,000.00	3.550%	3,638.75	208,638.75	212,277.50
Total	\$2,520,000.00	-	\$709,685.28	\$3,229,685.28	-

Date And Term Structure

Dated	7/17/2018
Delivery Date	7/17/2018
First available call date	2/01/2027
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$22,793.00
Average Life	9.045 Years
Average Coupon	3.1136107%

Net Interest Cost (NIC)	3.2352269%
True Interest Cost (TIC)	3.2375118%
All Inclusive Cost (AIC)	3.3736468%

IRS Form 8038

Net Interest Cost (NIC)	3.2352269%
Weighted Average Maturity	9.045 Years
Bond Yield for Arbitrage Purposes	3.2360406%

Northland Securities, Inc.

Public Finance

City of Cannon Falls, Minnesota

\$1,805,000 General Obligation Bonds, Series 2018

Preliminary - East Side 2

Utility Portion

Debt Service Schedule (Utility portion)

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/17/2018	-	-	-	-	-
02/01/2019	-	-	30,701.85	30,701.85	30,701.85
08/01/2019	-	-	28,486.25	28,486.25	-
02/01/2020	70,000.00	1.950%	28,486.25	98,486.25	126,972.50
08/01/2020	-	-	27,803.75	27,803.75	-
02/01/2021	70,000.00	2.100%	27,803.75	97,803.75	125,607.50
08/01/2021	-	-	27,068.75	27,068.75	-
02/01/2022	70,000.00	2.250%	27,068.75	97,068.75	124,137.50
08/01/2022	-	-	26,281.25	26,281.25	-
02/01/2023	75,000.00	2.350%	26,281.25	101,281.25	127,562.50
08/01/2023	-	-	25,400.00	25,400.00	-
02/01/2024	75,000.00	2.500%	25,400.00	100,400.00	125,800.00
08/01/2024	-	-	24,462.50	24,462.50	-
02/01/2025	75,000.00	2.650%	24,462.50	99,462.50	123,925.00
08/01/2025	-	-	23,468.75	23,468.75	-
02/01/2026	80,000.00	2.800%	23,468.75	103,468.75	126,937.50
08/01/2026	-	-	22,348.75	22,348.75	-
02/01/2027	80,000.00	2.900%	22,348.75	102,348.75	124,697.50
08/01/2027	-	-	21,188.75	21,188.75	-
02/01/2028	85,000.00	3.000%	21,188.75	106,188.75	127,377.50
08/01/2028	-	-	19,913.75	19,913.75	-
02/01/2029	85,000.00	3.100%	19,913.75	104,913.75	124,827.50
08/01/2029	-	-	18,596.25	18,596.25	-
02/01/2030	90,000.00	3.200%	18,596.25	108,596.25	127,192.50
08/01/2030	-	-	17,156.25	17,156.25	-
02/01/2031	90,000.00	3.250%	17,156.25	107,156.25	124,312.50
08/01/2031	-	-	15,693.75	15,693.75	-
02/01/2032	95,000.00	3.350%	15,693.75	110,693.75	126,387.50
08/01/2032	-	-	14,102.50	14,102.50	-
02/01/2033	100,000.00	3.450%	14,102.50	114,102.50	128,205.00
08/01/2033	-	-	12,377.50	12,377.50	-
02/01/2034	100,000.00	3.550%	12,377.50	112,377.50	124,755.00
08/01/2034	-	-	10,602.50	10,602.50	-
02/01/2035	105,000.00	3.650%	10,602.50	115,602.50	126,205.00
08/01/2035	-	-	8,686.25	8,686.25	-
02/01/2036	110,000.00	3.700%	8,686.25	118,686.25	127,372.50
08/01/2036	-	-	6,651.25	6,651.25	-
02/01/2037	115,000.00	3.750%	6,651.25	121,651.25	128,302.50
08/01/2037	-	-	4,495.00	4,495.00	-
02/01/2038	115,000.00	3.800%	4,495.00	119,495.00	123,990.00
08/01/2038	-	-	2,310.00	2,310.00	-
02/01/2039	120,000.00	3.850%	2,310.00	122,310.00	124,620.00
Total	\$1,805,000.00	-	\$744,889.35	\$2,549,889.35	-

Date And Term Structure

Dated	7/17/2018
Delivery Date	7/17/2018
First available call date	2/01/2027
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$21,742.69
Average Life	12.046 Years
Average Coupon	3.4259293%

Net Interest Cost (NIC)	3.5172474%
True Interest Cost (TIC)	3.5102015%
All Inclusive Cost (AIC)	3.6198040%

IRS Form 8038

Net Interest Cost (NIC)	3.5172474%
Weighted Average Maturity	12.046 Years
Bond Yield for Arbitrage Purposes	3.2360406%

Northland Securities, Inc.

Public Finance

City of Cannon Falls, Minnesota
\$4,325,000 General Obligation Bonds, Series 2018A
East Side 2

(a)	(b)	(c)	(d)	(e)	(f)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n) (o)		
Improvement Portion Date	Scheduled P+I	Utility Portion Scheduled P+I	Total Scheduled P+I	105% Debt Service	Less: Special Assessment Revenue (Improvement Portion)	Less: Special Assessment Revenue (Utility Portion)	Less: Cash on Hand, Estimated Unused Discount	Less: Sewer Utility Revenue	Less: Water Utility Revenue	Less: Storm Sewer Utility Revenue	Net City Share (Tax Levy)	Annual Surplus / Deficit	Cumulative Cash Balance	Tax Levy Cycle		
														Year Certified/ Collected	Tax Levy	
02/01/2019	39,150.28	30,701.85	69,852.13	71,387.22	-	-	39,150.28	15,473.73	12,894.78	3,868.43	-	-	-	-	-	-
02/01/2020	212,650.00	126,972.50	339,622.50	356,603.63	48,328.98	29,276.70	-	49,941.32	41,617.77	12,485.33	174,953.52	46.48	46.48	2018 / 2019	175,000.00	
01/31/2021	214,920.00	125,607.50	340,527.50	357,553.88	48,328.98	29,276.70	-	49,253.36	41,044.47	12,313.34	177,337.02	162.98	209.46	2019 / 2020	177,500.00	
02/01/2022	211,875.00	124,137.50	336,012.50	352,813.13	48,328.98	29,276.71	-	48,512.48	40,427.07	12,128.12	174,139.77	(139.77)	69.69	2020 / 2021	174,000.00	
02/01/2023	213,612.50	127,562.50	341,175.00	358,233.75	48,328.99	29,276.70	-	50,238.68	41,865.57	12,559.67	175,964.14	35.86	105.56	2021 / 2022	176,000.00	
02/01/2024	215,087.50	125,800.00	340,887.50	357,931.88	48,328.98	29,276.71	-	49,350.38	41,125.32	12,337.59	177,512.90	(12.90)	92.66	2021 / 2022	177,500.00	
01/31/2025	211,212.50	123,925.00	335,137.50	351,894.38	48,328.98	29,276.70	-	48,405.38	40,337.82	12,101.35	173,444.15	55.85	148.52	2023 / 2024	173,500.00	
02/01/2026	212,105.00	126,937.50	339,042.50	355,994.63	48,328.98	29,276.70	-	49,923.68	41,603.07	12,480.92	174,381.27	118.73	267.24	2024 / 2025	174,500.00	
02/01/2027	212,625.00	124,697.50	337,322.50	354,188.63	48,328.98	29,276.70	-	48,794.72	40,662.27	12,198.68	174,927.27	72.73	339.97	2025 / 2026	175,000.00	
02/01/2028	212,840.00	127,377.50	340,217.50	357,228.38	48,328.98	29,276.70	-	50,145.44	41,787.87	12,536.36	175,153.02	(153.02)	186.95	2026 / 2027	175,000.00	
01/31/2029	212,740.00	124,827.50	337,567.50	354,445.88	48,328.98	29,276.71	-	48,860.24	40,716.87	12,215.06	175,048.02	451.98	638.93	2027 / 2028	175,500.00	
02/01/2030	212,315.00	127,192.50	339,507.50	356,482.88	48,328.98	29,276.70	-	50,052.20	41,710.17	12,513.05	174,601.77	(601.77)	37.16	2028 / 2029	174,000.00	
02/01/2031	211,555.00	124,312.50	335,867.50	352,660.88	48,328.98	29,276.70	-	48,600.68	40,500.57	12,150.17	173,803.77	196.23	233.39	2029 / 2030	174,000.00	
02/01/2032	210,542.50	126,387.50	336,930.00	353,776.50	48,328.98	29,276.70	-	49,646.48	41,372.07	12,411.62	172,740.65	259.35	492.75	2030 / 2031	173,000.00	
01/31/2033	214,177.50	128,205.00	342,382.50	359,501.63	48,328.98	29,276.70	-	50,562.50	42,135.42	12,640.63	176,557.40	(57.40)	435.35	2031 / 2032	176,500.00	
02/01/2034	212,277.50	124,755.00	337,032.50	353,884.13	48,328.98	29,276.70	-	48,823.70	40,686.42	12,205.93	174,562.40	(62.40)	372.96	2032 / 2033	174,500.00	
02/01/2035	-	126,205.00	126,205.00	132,515.25	-	29,276.70	-	49,554.50	41,295.42	12,388.63	-	-	372.96	2033 / 2034	-	
02/01/2036	-	127,372.50	127,372.50	133,741.13	-	29,276.71	-	50,142.92	41,785.77	12,535.73	-	-	372.96	2034 / 2035	-	
01/31/2037	-	128,302.50	128,302.50	134,717.63	-	29,276.71	-	50,611.64	42,176.37	12,652.91	-	-	372.96	2035 / 2036	-	
02/01/2038	-	123,990.00	123,990.00	130,189.50	-	29,276.70	-	48,438.14	40,365.12	12,109.54	-	-	372.96	2036 / 2037	-	
02/01/2039	-	124,620.00	124,620.00	130,851.00	-	29,276.70	-	48,755.66	40,629.72	12,188.92	-	-	372.96	2037 / 2038	-	
Total	\$3,229,685.28	\$2,549,889.35	\$5,779,574.63	\$6,066,595.85	\$724,934.71	\$585,534.05	\$39,150.28	\$1,004,087.89	\$836,739.91	\$251,021.97	\$2,625,127.04	-	372.96		\$2,625,500.00	

Revenue Footnotes:

- (f) The special assessment revenue is based on assessments of 20%, totaling \$504,000 for the Improvement Portion, \$361,000 for the Utility Portion and filed in 2018 for first collection in 2019, assessed at 4.90% and 5.10% for the Improvement Portion and Utility Portion, respectively (1.50% over the respective All Inclusive Cost Rate), with equal annual payments.
- (h) Sewer revenues will pay 48% of the debt service of the Utility Improvement Portion after assessment revenue has been applied.
- (i) Water revenues will pay 40% of the debt service of the Utility Improvement Portion after assessment revenue has been applied.
- (j) Storm sewer revenues will pay 12% of the debt service of the Utility Improvement Portion after assessment revenue has been applied.

City of Cannon Falls, Minnesota

\$360,000 General Obligation Equipment Certificates of Indebtedness, Series 2018B

Preliminary

Sources & Uses

Dated 07/17/2018 | Delivered 07/17/2018

Sources Of Funds

Par Amount of Bonds	\$360,000.00
Planned Issuer Equity Contribution	155,820.00

Total Sources **\$515,820.00**

Uses Of Funds

Costs of Issuance	9,183.00
Deposit to Project Construction Fund	500,000.00
Deposit to Debt Service Fund	5,820.00
Rounding Amount	817.00

Total Uses **\$515,820.00**

City of Cannon Falls, Minnesota

\$360,000 General Obligation Equipment Certificates of Indebtedness, Series 2018B

Preliminary

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/17/2018	-	-	-	-	-
02/01/2019	-	-	5,820.00	5,820.00	5,820.00
08/01/2019	-	-	5,400.00	5,400.00	-
02/01/2020	35,000.00	3.000%	5,400.00	40,400.00	45,800.00
08/01/2020	-	-	4,875.00	4,875.00	-
02/01/2021	36,000.00	3.000%	4,875.00	40,875.00	45,750.00
08/01/2021	-	-	4,335.00	4,335.00	-
02/01/2022	38,000.00	3.000%	4,335.00	42,335.00	46,670.00
08/01/2022	-	-	3,765.00	3,765.00	-
02/01/2023	39,000.00	3.000%	3,765.00	42,765.00	46,530.00
08/01/2023	-	-	3,180.00	3,180.00	-
02/01/2024	40,000.00	3.000%	3,180.00	43,180.00	46,360.00
08/01/2024	-	-	2,580.00	2,580.00	-
02/01/2025	41,000.00	3.000%	2,580.00	43,580.00	46,160.00
08/01/2025	-	-	1,965.00	1,965.00	-
02/01/2026	42,000.00	3.000%	1,965.00	43,965.00	45,930.00
08/01/2026	-	-	1,335.00	1,335.00	-
02/01/2027	44,000.00	3.000%	1,335.00	45,335.00	46,670.00
08/01/2027	-	-	675.00	675.00	-
02/01/2028	45,000.00	3.000%	675.00	45,675.00	46,350.00
Total	\$360,000.00	-	\$62,040.00	\$422,040.00	-

Date And Term Structure

Dated	7/17/2018
Delivery Date	7/17/2018
First available call date	
Call Price	-

Yield Statistics

Bond Year Dollars	\$2,068.00
Average Life	5.744 Years
Average Coupon	3.0000000%
Net Interest Cost (NIC)	3.0000000%
True Interest Cost (TIC)	2.9998209%
All Inclusive Cost (AIC)	3.5030217%

IRS Form 8038

Net Interest Cost (NIC)	3.0000000%
Weighted Average Maturity	5.744 Years
Bond Yield for Arbitrage Purposes	2.9998209%

City of Cannon Falls, Minnesota

\$360,000 General Obligation Equipment Certificates of Indebtedness, Series 2018B

Preliminary

105% Levy

Date	Total P+I	Less: Cash on Hand	Net Levy	Levy Year	Collection Year
02/01/2019	5,820.00	5,820.00	-		
02/01/2020	45,800.00	-	48,090.00	2018	2019
02/01/2021	45,750.00	-	48,037.50	2019	2020
02/01/2022	46,670.00	-	49,003.50	2020	2021
02/01/2023	46,530.00	-	48,856.50	2021	2022
02/01/2024	46,360.00	-	48,678.00	2022	2023
02/01/2025	46,160.00	-	48,468.00	2023	2024
02/01/2026	45,930.00	-	48,226.50	2024	2025
02/01/2027	46,670.00	-	49,003.50	2025	2026
02/01/2028	46,350.00	-	48,667.50	2026	2027
Total	\$422,040.00	-	\$437,031.00		