

# BOND SALE RESULTS

FOR

**CITY OF CANNON FALLS, MINNESOTA**

**\$3,920,000**

**GENERAL OBLIGATION BONDS, SERIES 2018A**

❖ **STANDARD & POOR'S RATINGS SERVICES "AA-" BOND  
RATING ASSIGNED**

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150 South 5<sup>th</sup> Street  
Suite 3300  
Minneapolis, MN 55402  
612-851-5900 800-851-2920

**June 19, 2018**

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**City of Cannon Falls, Minnesota**  
**\$3,920,000 General Obligation Bonds, Series 2018A**

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**A). PURPOSE**

Proceeds from the Bonds will be used to finance the following projects (together, the "Projects"):

- an improvement project, which includes the Eastside 2 project (the "Improvement Portion"),
- a utility project, which also includes the Eastside 2 project (the "Utility Portion").

**B). SALE RESULTS / STRUCTURE**

- Bonds purchased by Robert W. Baird & Co., Inc.
- Par Amount of Bonds - \$3,920,000
- Term/Structure of Bonds - The Improvement Portion has been structured over 15 years, with relatively level annual debt service payments. The Utility Portion has been structured over 20 years, with relatively level annual debt service payments.
- Call Date of Bonds - February 1, 2026 and any date thereafter
- Average Coupon of Bonds - 3.19%
- True Interest Cost of Bonds - 3.21%

**C). BOND RATING**

Standard & Poor's Ratings Services assigned the City's long-term and underlying rating at "AA-". Highlights of the assigned bond rating include:

- Strong budgetary performance, with operating surpluses in the general fund and a slight operating surplus at the total governmental fund level.
- Very strong budgetary flexibility, with an available fund balance in fiscal 2017 of 73% of operating expenditures.
- Very strong liquidity, with total government available cash at 139.7% of total governmental fund expenditures and 8.2x governmental debt service.

## EXHIBIT A – TABULATION OF BIDS

TABULATION OF BIDS  
CITY OF CANNON FALLS, MINNESOTA  
\$3,955,000<sup>†</sup>  
GENERAL OBLIGATION BONDS, SERIES 2018A

AWARD: ROBERT W. BAIRD & CO., INC.  
DATE OF SALE: TUESDAY, JUNE 19, 2018  
STANDARD & POOR’S UNDERLYING RATING AA-

BIDDER	PURCHASE PRICE	NET INTEREST COST	TRUE INTEREST COST (TIC)
ROBERT W. BAIRD & CO., INC. Milwaukee, WI Syndicate: C.L. King & Associates WMBE; Dougherty & Company, LLC; Vining-Sparks IBC, Limited Partnership; Edward Jones; Fidelity Capital Markets; SAMCO Capital Markets; WNJ Capital; Crews & Associates, Inc.; Davenport & Co. L.L.C.; Duncan-Williams, Inc.; Ross, Sinclaire & Associates, LLC; Loop Capital Markets; Country Club Bank; Oppenheimer & Co.; SumRidge Partners; R. Seelaus & Company, Inc.; Sierra Pacific Securities; Isaak Bond Investments, Inc.; IFS Securities; Wayne Hummer & Co.; FMS Bonds, Inc.; Central States Capital Markets; Midland Securities; Alamo Capital WMBE; Multi-Bank Securities, Inc.; First Southern Securities	\$3,941,908.90	\$1,333,814.35	3.2154048%
STIFEL, NICOLAUS & CO., INC. Birmingham, AL	\$3,952,349.85	\$1,356,958.90	3.2630321%

<sup>†</sup>Par amount decreased from \$3,955,000 to \$3,920,000. The adjusted purchase price is \$3,907,198.05, plus accrued interest from the date of issue to the date of delivery, and the adjusted TIC is 3.2130126%.

## EXHIBIT B - SOURCES & USES

	Improvement	Utility	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$2,100,000.00	\$1,820,000.00	\$3,920,000.00
Reoffering Premium	21,801.25	11,417.15	33,218.40
<b>Total Sources</b>	<b>\$2,121,801.25</b>	<b>\$1,831,417.15</b>	<b>\$3,953,218.40</b>
<b>Uses Of Funds</b>			
Total Underwriter's Discount (1.174%)	24,653.76	21,366.59	46,020.35
Costs of Issuance	25,017.86	21,682.14	46,700.00
Deposit to Capitalized Interest (CIF) Fund	34,435.09	-	34,435.09
Deposit to Project Construction Fund	1,755,131.00	1,543,091.00	3,298,222.00
Deposit to Project Construction Fund (soft costs)	280,797.00	246,918.00	527,715.00
Rounding Amount	1,766.54	(1,640.58)	125.96
<b>Total Uses</b>	<b>\$2,121,801.25</b>	<b>\$1,831,417.15</b>	<b>\$3,953,218.40</b>

## EXHIBIT C - FINAL BOND SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/18/2018	-	-	-	-	-
02/01/2019	-	-	65,472.57	65,472.57	65,472.57
08/01/2019	-	-	61,062.50	61,062.50	-
02/01/2020	180,000.00	3.000%	61,062.50	241,062.50	302,125.00
08/01/2020	-	-	58,362.50	58,362.50	-
02/01/2021	185,000.00	3.000%	58,362.50	243,362.50	301,725.00
08/01/2021	-	-	55,587.50	55,587.50	-
02/01/2022	190,000.00	3.000%	55,587.50	245,587.50	301,175.00
08/01/2022	-	-	52,737.50	52,737.50	-
02/01/2023	200,000.00	3.000%	52,737.50	252,737.50	305,475.00
08/01/2023	-	-	49,737.50	49,737.50	-
02/01/2024	200,000.00	3.000%	49,737.50	249,737.50	299,475.00
08/01/2024	-	-	46,737.50	46,737.50	-
02/01/2025	210,000.00	3.000%	46,737.50	256,737.50	303,475.00
08/01/2025	-	-	43,587.50	43,587.50	-
02/01/2026	215,000.00	3.000%	43,587.50	258,587.50	302,175.00
08/01/2026	-	-	40,362.50	40,362.50	-
02/01/2027	225,000.00	3.000%	40,362.50	265,362.50	305,725.00
08/01/2027	-	-	36,987.50	36,987.50	-
02/01/2028	230,000.00	3.000%	36,987.50	266,987.50	303,975.00
08/01/2028	-	-	33,537.50	33,537.50	-
02/01/2029	240,000.00	3.000%	33,537.50	273,537.50	307,075.00
08/01/2029	-	-	29,937.50	29,937.50	-
02/01/2030	240,000.00	3.000%	29,937.50	269,937.50	299,875.00
08/01/2030	-	-	26,337.50	26,337.50	-
02/01/2031	250,000.00	3.125%	26,337.50	276,337.50	302,675.00
08/01/2031	-	-	22,431.25	22,431.25	-
02/01/2032	255,000.00	3.125%	22,431.25	277,431.25	299,862.50
08/01/2032	-	-	18,446.88	18,446.88	-
02/01/2033	265,000.00	3.250%	18,446.88	283,446.87	301,893.75
08/01/2033	-	-	14,140.63	14,140.63	-
02/01/2034	270,000.00	3.250%	14,140.63	284,140.63	298,281.25
08/01/2034	-	-	9,753.13	9,753.13	-
02/01/2035	105,000.00	3.375%	9,753.13	114,753.13	124,506.25
08/01/2035	-	-	7,981.25	7,981.25	-
02/01/2036	110,000.00	3.375%	7,981.25	117,981.25	125,962.50
08/01/2036	-	-	6,125.00	6,125.00	-
02/01/2037	115,000.00	3.500%	6,125.00	121,125.00	127,250.00
08/01/2037	-	-	4,112.50	4,112.50	-
02/01/2038	115,000.00	3.500%	4,112.50	119,112.50	123,225.00
08/01/2038	-	-	2,100.00	2,100.00	-
02/01/2039	120,000.00	3.500%	2,100.00	122,100.00	124,200.00
<b>Total</b>	<b>\$3,920,000.00</b>	<b>-</b>	<b>\$1,305,603.82</b>	<b>\$5,225,603.82</b>	<b>-</b>

### Date And Term Structure

Dated	7/18/2018
Delivery Date	7/18/2018
First available call date	2/01/2026
Call Price	100.000%

### Yield Statistics

Bond Year Dollars	\$40,976.56
Average Life	10.453 Years
Average Coupon	3.1862215%

Net Interest Cost (NIC)	3.2174636%
True Interest Cost (TIC)	3.2130126%
All Inclusive Cost (AIC)	3.3540539%

## EXHIBIT D - PRICING SUMMARY

Maturity	Type of Bond	Coupon	Yield	Maturity		YTM	Call Date	Call Price	Dollar Price
				Value	Price				
02/01/2020	Serial Coupon	3.000%	1.800%	180,000.00	101.809%	-	-	-	183,256.20
02/01/2021	Serial Coupon	3.000%	1.950%	185,000.00	102.585%	-	-	-	189,782.25
02/01/2022	Serial Coupon	3.000%	2.100%	190,000.00	103.051%	-	-	-	195,796.90
02/01/2023	Serial Coupon	3.000%	2.250%	200,000.00	103.216%	-	-	-	206,432.00
02/01/2024	Serial Coupon	3.000%	2.400%	200,000.00	103.092%	-	-	-	206,184.00
02/01/2025	Serial Coupon	3.000%	2.550%	210,000.00	102.692%	-	-	-	215,653.20
02/01/2026	Serial Coupon	3.000%	2.650%	215,000.00	102.376%	-	-	-	220,108.40
02/01/2027	Serial Coupon	3.000%	2.750%	225,000.00	101.690%	c 2.776%	02/01/2026	100.000%	228,802.50
02/01/2028	Serial Coupon	3.000%	2.850%	230,000.00	101.010%	c 2.878%	02/01/2026	100.000%	232,323.00
02/01/2029	Serial Coupon	3.000%	3.000%	240,000.00	100.000%	-	-	-	240,000.00
02/01/2030	Serial Coupon	3.000%	3.050%	240,000.00	99.516%	-	-	-	238,838.40
02/01/2032	Term 1 Coupon	3.125%	3.200%	505,000.00	99.180%	-	-	-	500,859.00
02/01/2034	Term 2 Coupon	3.250%	3.300%	535,000.00	99.395%	-	-	-	531,763.25
02/01/2036	Term 3 Coupon	3.375%	3.400%	215,000.00	99.670%	-	-	-	214,290.50
02/01/2038	Term 4 Coupon	3.500%	3.500%	230,000.00	100.000%	-	-	-	230,000.00
02/01/2039	Serial Coupon	3.500%	3.550%	120,000.00	99.274%	-	-	-	119,128.80
<b>Total</b>	-	-	-	<b>\$3,920,000.00</b>	-	-	-	-	<b>\$3,953,218.40</b>

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**EXHIBIT E - 105% LEVY**

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See attached page.

**City of Cannon Falls, Minnesota**  
**\$3,920,000 General Obligation Bonds, Series 2018A**  
*Eastside 2 Project*

(a)	(b)	(c)	(d)	(e)	(f)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)		(o)
														Year Certified/Collected	Tax Levy	
02/01/2019	34,435.09	31,037.48	65,472.57	67,024.44	-	-	34,435.09	15,642.89	13,035.74	3,910.72	(0.00)	-	-	2018 / 2019	-	148,500.00
02/01/2020	179,231.25	122,893.75	302,125.00	317,231.25	39,863.06	29,145.57	-	47,948.58	39,957.15	11,987.14	148,329.75	170.25	170.25	2019 / 2020	148,500.00	146,000.00
01/31/2021	175,781.25	125,943.75	301,725.00	316,811.25	39,863.06	29,145.56	-	49,485.78	41,238.15	12,371.45	144,707.25	292.75	462.99	2020 / 2021	146,000.00	148,000.00
02/01/2022	177,331.25	123,843.75	301,175.00	316,233.75	39,863.05	29,145.57	-	48,427.38	40,356.15	12,106.84	146,334.76	(334.76)	128.23	2021 / 2022	148,000.00	144,000.00
02/01/2023	178,731.25	126,743.75	305,475.00	320,748.75	39,863.05	29,145.57	-	49,888.98	41,574.15	12,472.24	147,804.76	195.24	323.47	2022 / 2023	144,000.00	145,000.00
02/01/2024	174,981.25	124,493.75	299,475.00	314,448.75	39,863.06	29,145.57	-	48,754.98	40,629.15	12,188.74	143,867.25	132.75	456.22	2023 / 2024	145,000.00	146,500.00
01/31/2025	176,231.25	127,243.75	303,475.00	318,648.75	39,863.06	29,145.57	-	50,140.98	41,784.15	12,535.24	145,179.75	(179.75)	276.46	2024 / 2025	147,000.00	148,500.00
02/01/2026	177,331.25	124,843.75	302,175.00	317,283.75	39,863.05	29,145.57	-	49,931.38	40,776.15	12,232.84	146,334.76	165.24	441.70	2025 / 2026	148,500.00	149,500.00
02/01/2027	178,281.25	127,443.75	305,725.00	321,011.25	39,863.05	29,145.57	-	50,241.78	41,868.15	12,560.44	147,332.26	(332.26)	109.44	2026 / 2027	149,500.00	150,500.00
02/01/2028	179,081.25	124,893.75	303,975.00	319,173.75	39,863.05	29,145.57	-	48,956.58	40,797.15	12,239.14	148,172.26	327.74	437.18	2027 / 2028	150,500.00	151,500.00
01/31/2029	179,731.25	127,343.75	307,075.00	322,428.75	39,863.06	29,145.57	-	50,191.38	41,826.15	12,547.84	148,854.75	(354.75)	82.42	2028 / 2029	151,500.00	152,500.00
02/01/2030	175,231.25	124,643.75	299,875.00	314,868.75	39,863.06	29,145.57	-	48,830.58	40,692.15	12,207.64	144,129.75	370.25	452.67	2029 / 2030	152,500.00	153,500.00
02/01/2031	175,731.25	126,943.75	302,675.00	317,808.75	39,863.06	29,145.57	-	49,989.78	41,658.15	12,497.44	144,654.75	(154.75)	297.92	2030 / 2031	153,500.00	154,500.00
02/01/2032	175,887.50	123,975.00	299,862.50	314,855.63	39,863.06	29,145.57	-	48,493.53	40,411.27	12,123.38	144,818.82	181.18	479.10	2031 / 2032	154,500.00	155,500.00
01/31/2033	175,887.50	126,006.25	301,893.75	316,988.44	39,863.06	29,145.57	-	49,517.28	41,264.40	12,379.32	144,818.82	(318.82)	160.29	2032 / 2033	155,500.00	156,500.00
02/01/2034	175,525.00	122,756.25	298,281.25	313,195.31	39,863.05	29,145.57	-	47,879.28	39,899.40	11,969.82	144,438.20	61.80	222.09	2033 / 2034	156,500.00	157,500.00
02/01/2035	-	124,506.25	124,506.25	130,731.56	-	29,145.57	-	48,761.28	40,634.40	12,190.32	-	-	222.09	2034 / 2035	157,500.00	158,500.00
02/01/2036	-	125,962.50	125,962.50	132,260.63	-	29,145.57	-	49,495.23	41,246.02	12,373.81	-	-	222.09	2035 / 2036	158,500.00	159,500.00
01/31/2037	-	127,250.00	127,250.00	133,612.50	-	29,145.57	-	50,144.13	41,786.77	12,536.03	-	-	222.09	2036 / 2037	159,500.00	160,500.00
02/01/2038	-	123,225.00	123,225.00	129,386.25	-	29,145.56	-	48,115.53	40,096.28	12,028.88	-	-	222.09	2037 / 2038	160,500.00	161,500.00
02/01/2039	-	124,200.00	124,200.00	130,410.00	-	29,145.57	-	49,606.93	40,505.77	12,151.73	-	-	222.09	2038 / 2039	161,500.00	162,500.00
<b>Total</b>	<b>\$2,689,410.09</b>	<b>\$2,536,193.73</b>	<b>\$5,225,603.82</b>	<b>\$5,485,162.26</b>	<b>\$597,945.84</b>	<b>\$582,911.38</b>	<b>\$34,435.09</b>	<b>\$998,444.18</b>	<b>\$832,036.81</b>	<b>\$249,611.04</b>	<b>\$2,199,777.91</b>	<b>-</b>	<b>222.09</b>		<b>\$2,190,000.00</b>	

**Revenue Footnotes:**

- (f) The special assessment revenue is based on assessments of 20%, totaling \$420,000 for the Improvement Portion, \$364,000 for the Utility Portion and filed in 2018 for first collection in 2019, assessed at 4.75% and 4.95% 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.

**Northland Securities**  
Public Finance



# BOND SALE RESULTS

FOR

**CITY OF CANNON FALLS, MINNESOTA**

**\$359,000**

**GENERAL OBLIGATION EQUIPMENT CERTIFICATE OF  
INDEBTEDNESS, SERIES 2018B**

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150 South 5<sup>th</sup> Street  
Suite 3300  
Minneapolis, MN 55402  
612-851-5900 800-851-2920

June 19, 2018

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**City of Cannon Falls, Minnesota**  
**\$359,000 General Obligation Equipment Certificate of Indebtedness,**  
**Series 2018B**

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**A). PURPOSE**

Proceeds from the Certificate will be used to finance the purchase of a fire truck and to pay costs associated with the issuance of the Certificate.

**B). SALE RESULTS / STRUCTURE**

- The Certificate was purchased by Merchants Bank, N.A.
- Par Amount of the Certificate - \$359,000
- Term/Structure of Certificate - The Certificate has been structured over 9 years with relatively level annual debt service payments. Based on the maximum term allowed, the final payment is within ten years from the issuance date of the Certificate.
- Call Date of Bonds - February 1, 2026 and any date thereafter
- Average Coupon of the Certificate - 4.0000%
- True Interest Cost of the Certificate - 3.9997%

**C). BOND RATING**

The City did not seek a rating on the Certificate.

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## EXHIBIT A - TABULATION OF BIDS

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TABULATION OF BIDS  
CITY OF CANNON FALLS, MINNESOTA

\$359,000

GENERAL OBLIGATION EQUIPMENT CERTIFICATE OF INDEBTEDNESS, SERIES 2018B

AWARD: MERCHANTS BANK N.A.

DATE OF SALE: TUESDAY, JUNE 12, 2018

BIDDER	PURCHASE PRICE	NET INTEREST COST	TRUE INTEREST COST (TIC)
MERCHANTS BANK, N.A. Cannon Falls, MN	\$359,000	\$83,218.56	3.9997000%

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## EXHIBIT B - SOURCES & USES

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### Sources Of Funds

Par Amount of Bonds	\$359,000.00
Planned Issuer Equity Contribution	157,698.56

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<b>Total Sources</b>	<b>\$516,698.56</b>
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### Uses Of Funds

Costs of Issuance	8,500.00
Deposit to Project Fund	500,000.00
Deposit to Debt Service Fund	7,698.56
Rounding Amount	500.00

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<b>Total Uses</b>	<b>\$516,698.56</b>
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## EXHIBIT C - FINAL CERTIFICATE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/18/2018	-	-	-	-	-
02/01/2019	-	-	7,698.56	7,698.56	7,698.56
08/01/2019	-	-	7,180.00	7,180.00	-
02/01/2020	34,000.00	4.000%	7,180.00	41,180.00	48,360.00
08/01/2020	-	-	6,500.00	6,500.00	-
02/01/2021	35,000.00	4.000%	6,500.00	41,500.00	48,000.00
08/01/2021	-	-	5,800.00	5,800.00	-
02/01/2022	37,000.00	4.000%	5,800.00	42,800.00	48,600.00
08/01/2022	-	-	5,060.00	5,060.00	-
02/01/2023	38,000.00	4.000%	5,060.00	43,060.00	48,120.00
08/01/2023	-	-	4,300.00	4,300.00	-
02/01/2024	40,000.00	4.000%	4,300.00	44,300.00	48,600.00
08/01/2024	-	-	3,500.00	3,500.00	-
02/01/2025	41,000.00	4.000%	3,500.00	44,500.00	48,000.00
08/01/2025	-	-	2,680.00	2,680.00	-
02/01/2026	43,000.00	4.000%	2,680.00	45,680.00	48,360.00
08/01/2026	-	-	1,820.00	1,820.00	-
02/01/2027	45,000.00	4.000%	1,820.00	46,820.00	48,640.00
08/01/2027	-	-	920.00	920.00	-
02/01/2028	46,000.00	4.000%	920.00	46,920.00	47,840.00
<b>Total</b>	<b>\$359,000.00</b>	<b>-</b>	<b>\$83,218.56</b>	<b>\$442,218.56</b>	<b>-</b>

### Date And Term Structure

Dated	7/18/2018
Delivery Date	7/18/2018
First available call date	2/01/2026
Call Price	100.000%

### Yield Statistics

Bond Year Dollars	\$2,080.46
Average Life	5.795 Years
Average Coupon	4.0000000%
Net Interest Cost (NIC)	4.0000000%
True Interest Cost (TIC)	3.9997000%
All Inclusive Cost (AIC)	4.4787629%

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## EXHIBIT D - PRICING SUMMARY

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<b>Maturity</b>	<b>Type of Bond</b>	<b>Coupon</b>	<b>Yield</b>	<b>Maturity Value</b>	<b>Price</b>	<b>Dollar Price</b>
02/01/2028	Term I Coupon	4.000%	4.000%	359,000.00	100.000%	359,000.00
<b>Total</b>	-	-	-	<b>\$359,000.00</b>	-	<b>\$359,000.00</b>

## EXHIBIT E - 105% LEVY

Date	Total P+I	Less: Cash on Hand	105% Net Levy	Levy Year	Collection Year
02/01/2019	7,698.56	7,698.56	-		
02/01/2020	48,360.00	-	50,778.00	2018	2019
02/01/2021	48,000.00	-	50,400.00	2019	2020
02/01/2022	48,600.00	-	51,030.00	2020	2021
02/01/2023	48,120.00	-	50,526.00	2021	2022
02/01/2024	48,600.00	-	51,030.00	2022	2023
02/01/2025	48,000.00	-	50,400.00	2023	2024
02/01/2026	48,360.00	-	50,778.00	2024	2025
02/01/2027	48,640.00	-	51,072.00	2025	2026
02/01/2028	47,840.00	-	50,232.00	2026	2027
<b>Total</b>	<b>\$442,218.56</b>	<b>\$7,698.56</b>	<b>\$456,246.00</b>		