

Bond Sale Summary

Public Utilities Commission of the City of Princeton, Minnesota

\$6,510,000

Electric Revenue Bonds, Series 2023A

June 28, 2023



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Minneapolis, MN 55402

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www.northlandsecurities.com

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PURPOSE: Proceeds from the Bonds will be used to finance Phase 1 of the Princeton Public Utilities 10-year Capital Improvement Plan. The Phase 1 bond issue will finance distribution improvements and rate, coordination and arc flash studies as well as pay the costs associated with the issuance of the Bonds.

FINANCE PLAN: The Bonds have been structured to result in slightly lower annual debt service payments in 2024 and 2025 to phase in rate increases and relatively level annual debt service payments over the remaining 20-year life of the Bonds.

SECURITY: Net revenues of the electric utility will be pledged for payment of the Bonds.

RATING: The Bonds received an underlying rating of "A3" and a rating of "AA" based on a municipal bond insurance policy through Assured Guaranty Municipal Corp.

RESULTS:

- Method of Sale: Negotiated. The Bonds were underwritten by Northland Securities, Inc., Minneapolis, Minnesota.
- Final Maturity: April 1, 2043
- Optional Call: April 1, 2031

	Final on <u>06/27/2023</u>
Par Amount	\$6,510,000
True Interest Cost (TIC)	4.04%



EXHIBIT A - SOURCES AND USES

Sources Of Funds

Par Amount of Bonds	\$6,510,000.00
Reoffering Premium	168,550.20
Total Sources	\$6,678,550.20

Uses Of Funds

Deposit to Project Construction Fund	6,000,000.00
Deposit to Debt Service Reserve Fund (DSRF)	493,125.00
Total Underwriter's Discount (1.750%)	113,925.00
Costs of Issuance	51,915.00
Gross Bond Insurance Premium (18.0 bp)	17,442.00
Rounding Amount	2,143.20
Total Uses	\$6,678,550.20



EXHIBIT B - PRICING SUMMARY

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
04/01/2024	Serial Coupon	5.000%	3.650%	85,000.00	100.915%	-	-	-	85,777.75
04/01/2025	Serial Coupon	5.000%	3.500%	175,000.00	102.445%	-	-	-	179,278.75
04/01/2026	Serial Coupon	5.000%	3.350%	230,000.00	104.216%	-	-	-	239,696.80
04/01/2027	Serial Coupon	5.000%	3.250%	245,000.00	106.045%	-	-	-	259,810.25
04/01/2028	Serial Coupon	5.000%	3.250%	255,000.00	107.561%	-	-	-	274,280.55
04/01/2029	Serial Coupon	5.000%	3.250%	270,000.00	109.030%	-	-	-	294,381.00
04/01/2030	Serial Coupon	5.000%	3.200%	280,000.00	110.768%	-	-	-	310,150.40
04/01/2031	Serial Coupon	5.000%	3.200%	295,000.00	112.190%	-	-	-	330,960.50
04/01/2032	Serial Coupon	4.000%	3.250%	310,000.00	105.067%	c 3.324%	04/01/2031	100.000%	325,707.70
04/01/2033	Serial Coupon	4.000%	3.300%	325,000.00	104.720%	c 3.423%	04/01/2031	100.000%	340,340.00
04/01/2035	Term 1 Coupon	4.000%	3.550%	685,000.00	103.003%	c 3.681%	04/01/2031	100.000%	705,570.55
04/01/2037	Term 2 Coupon	4.000%	3.850%	745,000.00	100.986%	c 3.906%	04/01/2031	100.000%	752,345.70
04/01/2039	Term 3 Coupon	4.000%	4.000%	805,000.00	100.000%	-	-	-	805,000.00
04/01/2041	Term 4 Coupon	4.000%	4.100%	865,000.00	98.745%	-	-	-	854,144.25
04/01/2043	Term 5 Coupon	4.000%	4.150%	940,000.00	97.990%	-	-	-	921,106.00
Total	-	-	-	\$6,510,000.00	-	-	-	-	\$6,678,550.20

Bid Information

Par Amount of Bonds	\$6,510,000.00
Reoffering Premium or (Discount)	168,550.20
Gross Production	\$6,678,550.20
Total Underwriter's Discount (1.750%)	\$(113,925.00)
Bid (100.839%)	6,564,625.20
Total Purchase Price	\$6,564,625.20



EXHIBIT C - DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2023	-	-	-	-
04/01/2024	85,000.00	5.000%	194,350.69	279,350.69
10/01/2024	-	-	137,250.00	137,250.00
04/01/2025	175,000.00	5.000%	137,250.00	312,250.00
10/01/2025	-	-	132,875.00	132,875.00
04/01/2026	230,000.00	5.000%	132,875.00	362,875.00
10/01/2026	-	-	127,125.00	127,125.00
04/01/2027	245,000.00	5.000%	127,125.00	372,125.00
10/01/2027	-	-	121,000.00	121,000.00
04/01/2028	255,000.00	5.000%	121,000.00	376,000.00
10/01/2028	-	-	114,625.00	114,625.00
04/01/2029	270,000.00	5.000%	114,625.00	384,625.00
10/01/2029	-	-	107,875.00	107,875.00
04/01/2030	280,000.00	5.000%	107,875.00	387,875.00
10/01/2030	-	-	100,875.00	100,875.00
04/01/2031	295,000.00	5.000%	100,875.00	395,875.00
10/01/2031	-	-	93,500.00	93,500.00
04/01/2032	310,000.00	4.000%	93,500.00	403,500.00
10/01/2032	-	-	87,300.00	87,300.00
04/01/2033	325,000.00	4.000%	87,300.00	412,300.00
10/01/2033	-	-	80,800.00	80,800.00
04/01/2034	335,000.00	4.000%	80,800.00	415,800.00
10/01/2034	-	-	74,100.00	74,100.00
04/01/2035	350,000.00	4.000%	74,100.00	424,100.00
10/01/2035	-	-	67,100.00	67,100.00
04/01/2036	365,000.00	4.000%	67,100.00	432,100.00
10/01/2036	-	-	59,800.00	59,800.00
04/01/2037	380,000.00	4.000%	59,800.00	439,800.00
10/01/2037	-	-	52,200.00	52,200.00
04/01/2038	395,000.00	4.000%	52,200.00	447,200.00
10/01/2038	-	-	44,300.00	44,300.00
04/01/2039	410,000.00	4.000%	44,300.00	454,300.00
10/01/2039	-	-	36,100.00	36,100.00
04/01/2040	425,000.00	4.000%	36,100.00	461,100.00
10/01/2040	-	-	27,600.00	27,600.00
04/01/2041	440,000.00	4.000%	27,600.00	467,600.00
10/01/2041	-	-	18,800.00	18,800.00
04/01/2042	460,000.00	4.000%	18,800.00	478,800.00
10/01/2042	-	-	9,600.00	9,600.00
04/01/2043	480,000.00	4.000%	9,600.00	489,600.00
Total	\$6,510,000.00	-	\$3,180,000.69	\$9,690,000.69

Yield Statistics

Bond Year Dollars	\$77,308.92
Average Life	11.875 Years
Average Coupon	4.1133686%
Net Interest Cost (NIC)	4.0427102%
True Interest Cost (TIC)	4.0380761%
Bond Yield for Arbitrage Purposes	3.8700612%
All Inclusive Cost (AIC)	4.1573301%

IRS Form 8038

Net Interest Cost	3.8524835%
Weighted Average Maturity	11.704 Years

Optional Redemption

04/01/2031	@ 100.000%
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EXHIBIT D - COVERAGE

Calendar Year	Total Revenues	Total D/S	Coverage
2024	1,415,357.00	416,600.69	3.3973948x
2025	1,415,357.00	445,125.00	3.1796844x
2026	1,415,357.00	490,000.00	2.8884837x
2027	1,415,357.00	493,125.00	2.8701790x
2028	1,415,357.00	490,625.00	2.8848041x
2029	1,415,357.00	492,500.00	2.8738213x
2030	1,415,357.00	488,750.00	2.8958711x
2031	1,415,357.00	489,375.00	2.8921727x
2032	1,415,357.00	490,800.00	2.8837755x
2033	1,415,357.00	493,100.00	2.8703245x
2034	1,415,357.00	489,900.00	2.8890733x
2035	1,415,357.00	491,200.00	2.8814271x
2036	1,415,357.00	491,900.00	2.8773267x
2037	1,415,357.00	492,000.00	2.8767419x
2038	1,415,357.00	491,500.00	2.8796684x
2039	1,415,357.00	490,400.00	2.8861277x
2040	1,415,357.00	488,700.00	2.8961674x
2041	1,415,357.00	486,400.00	2.9098623x
2042	1,415,357.00	488,400.00	2.8979464x
2043	1,415,357.00	489,600.00	2.8908435x
Total	\$28,307,140.00	\$9,690,000.69	-