

July 20, 2026

SALE DAY REPORT FOR:

## City of New Prague, Minnesota

**\$1,505,000 General Obligation Bonds, Series 2026B**



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Prepared by:

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

# Competitive Sale Results

**PURPOSE:** For the purposes of financing the City's 2026 street and water project and to purchase equipment for the City's golf course.

**RATING:** S&P Global Ratings "AA" / Stable

**NUMBER OF BIDS:** 6

**LOW BIDDER:** Brownstone Investment Group, LLC, New York, New York

## COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

**LOW BID:\*** 3.6605%

**HIGH BID:** 4.0359%

| Summary of Sale Results: |             |
|--------------------------|-------------|
| Principal Amount*:       | \$1,505,000 |
| Underwriter's Discount:  | \$12,492    |
| Reoffering Premium:      | \$109,878   |
| True Interest Cost:      | 3.6623%     |
| Costs of Issuance:       | \$56,650    |
| Yield:                   | 2.69%-4.01% |
| Total Net P&I            | \$2,111,892 |

**NOTES:** Zions Bancorporation, National Association, Chicago, Illinois will serve as Paying Agent on the Bonds.

The Bonds maturing February 1, 2037 and thereafter are callable February 1, 2036 or any date thereafter.

Subsequent to bid opening, the issue size was decreased from \$1,635,000 to \$1,505,000 due to a premium bid.

**CLOSING DATE:** August 6, 2026

**CITY COUNCIL ACTION:** Adopt a resolution awarding the sale of \$1,505,000 General Obligation Bonds, Series 2026B.

## **SUPPLEMENTARY ATTACHMENTS**

- Bid Tabulation
- Sources and Uses of Funds
- Updated Debt Service Schedules
- Rating Report
- Bond Resolution (Distributed in City Council Packets)

## BID TABULATION

**\$1,635,000\* General Obligation Bonds, Series 2026B**

**City of New Prague, Minnesota**

**SALE:** July 20, 2026

**AWARD:** BROWNSTONE INVESTMENT GROUP, LLC

**Rating:** S&P Global Ratings "AA" / Stable

Tax Exempt - Non-Bank Qualified

| NAME OF INSTITUTION                                       | MATURITY<br>(February 1) | COUPON<br>RATE | REOFFERING<br>YIELD | PRICE          | TRUE<br>INTEREST<br>RATE |
|-----------------------------------------------------------|--------------------------|----------------|---------------------|----------------|--------------------------|
| BROWNSTONE INVESTMENT GROUP,<br>LLC<br>New York, New York | 2028                     | 5.000%         | 2.690%              | \$1,739,412.90 | 3.6605%                  |
|                                                           | 2029                     | 5.000%         | 2.730%              |                |                          |
|                                                           | 2030                     | 5.000%         | 2.820%              |                |                          |
|                                                           | 2031                     | 5.000%         | 2.920%              |                |                          |
|                                                           | 2032                     | 5.000%         | 2.980%              |                |                          |
|                                                           | 2033                     | 5.000%         | 3.090%              |                |                          |
|                                                           | 2034                     | 5.000%         | 3.170%              |                |                          |
|                                                           | 2035                     | 5.000%         | 3.250%              |                |                          |
|                                                           | 2036                     | 5.000%         | 3.330%              |                |                          |
|                                                           | 2037                     | 5.000%         | 3.450%              |                |                          |
|                                                           | 2038                     | 5.000%         | 3.530%              |                |                          |
|                                                           | 2039                     | 4.000%         | 3.770%              |                |                          |
|                                                           | 2040                     | 4.000%         | 3.910%              |                |                          |
|                                                           | 2041                     | 4.000%         | 3.970%              |                |                          |
|                                                           | 2042                     | 4.000%         | 4.010%              |                |                          |
| TD FINANCIAL PRODUCTS LLC<br>New York, New York           |                          |                |                     |                | 3.6788%                  |
| BAIRD<br>Milwaukee, Wisconsin                             |                          |                |                     |                | 3.7841%                  |

\* Subsequent to bid opening the issue size was decreased to \$1,505,000.

Adjusted Price: \$1,602,386.05

Adjusted Net Interest Cost: \$509,506.31

Adjusted TIC: 3.6623%

| NAME OF INSTITUTION                                    | TRUE<br>INTEREST<br>RATE |
|--------------------------------------------------------|--------------------------|
| BANCROFT CAPITAL, LLC<br>Fort Washington, Pennsylvania | 3.7846%                  |
| BERNARDI SECURITIES, INC.<br>Northfield, Illinois      | 3.8084%                  |
| FHN FINANCIAL CAPITAL<br>MARKETS<br>Memphis, Tennessee | 4.0359%                  |

# City of New Prague, Minnesota

\$1,505,000 General Obligation Bonds, Series 2026B

Issue Summary

## Total Issue Sources And Uses

Dated 08/06/2026 | Delivered 08/06/2026

|                                       | Street<br>Improvements | Water Filter<br>Plant | Golf<br>Equipment   | Issue<br>Summary      |
|---------------------------------------|------------------------|-----------------------|---------------------|-----------------------|
| <b>Sources Of Funds</b>               |                        |                       |                     |                       |
| Par Amount of Bonds                   | \$545,000.00           | \$865,000.00          | \$95,000.00         | \$1,505,000.00        |
| Reoffering Premium                    | 40,047.50              | 63,039.15             | 6,790.90            | 109,877.55            |
| <b>Total Sources</b>                  | <b>\$585,047.50</b>    | <b>\$928,039.15</b>   | <b>\$101,790.90</b> | <b>\$1,614,877.55</b> |
| <b>Uses Of Funds</b>                  |                        |                       |                     |                       |
| Total Underwriter's Discount (0.830%) | 4,523.50               | 7,179.50              | 788.50              | 12,491.50             |
| Costs of Issuance                     | 26,529.95              | 29,117.65             | 1,002.40            | 56,650.00             |
| Deposit to Project Construction Fund  | 553,994.05             | 891,742.00            | 100,000.00          | 1,545,736.05          |
| <b>Total Uses</b>                     | <b>\$585,047.50</b>    | <b>\$928,039.15</b>   | <b>\$101,790.90</b> | <b>\$1,614,877.55</b> |

# City of New Prague, Minnesota

## \$1,505,000 General Obligation Bonds, Series 2026B

### Issue Summary

### Debt Service Schedule

| Date         | Principal             | Coupon   | Interest            | Total P+I             | Fiscal Total |
|--------------|-----------------------|----------|---------------------|-----------------------|--------------|
| 08/06/2026   | -                     | -        | -                   | -                     | -            |
| 08/01/2027   | -                     | -        | 69,767.36           | 69,767.36             | -            |
| 02/01/2028   | 55,000.00             | 5.000%   | 35,375.00           | 90,375.00             | 160,142.36   |
| 08/01/2028   | -                     | -        | 34,000.00           | 34,000.00             | -            |
| 02/01/2029   | 100,000.00            | 5.000%   | 34,000.00           | 134,000.00            | 168,000.00   |
| 08/01/2029   | -                     | -        | 31,500.00           | 31,500.00             | -            |
| 02/01/2030   | 100,000.00            | 5.000%   | 31,500.00           | 131,500.00            | 163,000.00   |
| 08/01/2030   | -                     | -        | 29,000.00           | 29,000.00             | -            |
| 02/01/2031   | 100,000.00            | 5.000%   | 29,000.00           | 129,000.00            | 158,000.00   |
| 08/01/2031   | -                     | -        | 26,500.00           | 26,500.00             | -            |
| 02/01/2032   | 105,000.00            | 5.000%   | 26,500.00           | 131,500.00            | 158,000.00   |
| 08/01/2032   | -                     | -        | 23,875.00           | 23,875.00             | -            |
| 02/01/2033   | 95,000.00             | 5.000%   | 23,875.00           | 118,875.00            | 142,750.00   |
| 08/01/2033   | -                     | -        | 21,500.00           | 21,500.00             | -            |
| 02/01/2034   | 95,000.00             | 5.000%   | 21,500.00           | 116,500.00            | 138,000.00   |
| 08/01/2034   | -                     | -        | 19,125.00           | 19,125.00             | -            |
| 02/01/2035   | 100,000.00            | 5.000%   | 19,125.00           | 119,125.00            | 138,250.00   |
| 08/01/2035   | -                     | -        | 16,625.00           | 16,625.00             | -            |
| 02/01/2036   | 100,000.00            | 5.000%   | 16,625.00           | 116,625.00            | 133,250.00   |
| 08/01/2036   | -                     | -        | 14,125.00           | 14,125.00             | -            |
| 02/01/2037   | 100,000.00            | 5.000%   | 14,125.00           | 114,125.00            | 128,250.00   |
| 08/01/2037   | -                     | -        | 11,625.00           | 11,625.00             | -            |
| 02/01/2038   | 105,000.00            | 5.000%   | 11,625.00           | 116,625.00            | 128,250.00   |
| 08/01/2038   | -                     | -        | 9,000.00            | 9,000.00              | -            |
| 02/01/2039   | 105,000.00            | 4.000%   | 9,000.00            | 114,000.00            | 123,000.00   |
| 08/01/2039   | -                     | -        | 6,900.00            | 6,900.00              | -            |
| 02/01/2040   | 110,000.00            | 4.000%   | 6,900.00            | 116,900.00            | 123,800.00   |
| 08/01/2040   | -                     | -        | 4,700.00            | 4,700.00              | -            |
| 02/01/2041   | 115,000.00            | 4.000%   | 4,700.00            | 119,700.00            | 124,400.00   |
| 08/01/2041   | -                     | -        | 2,400.00            | 2,400.00              | -            |
| 02/01/2042   | 120,000.00            | 4.000%   | 2,400.00            | 122,400.00            | 124,800.00   |
| <b>Total</b> | <b>\$1,505,000.00</b> | <b>-</b> | <b>\$606,892.36</b> | <b>\$2,111,892.36</b> | <b>-</b>     |

### Yield Statistics

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$13,401.60 |
| Average Life                      | 8.905 Years |
| Average Coupon                    | 4.5285077%  |
| Net Interest Cost (NIC)           | 3.8018327%  |
| True Interest Cost (TIC)          | 3.6623778%  |
| Bond Yield for Arbitrage Purposes | 3.5264758%  |
| All Inclusive Cost (AIC)          | 4.1705838%  |

### IRS Form 8038

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 3.4900542%  |
| Weighted Average Maturity | 8.819 Years |

# City of New Prague, Minnesota

\$1,505,000 General Obligation Bonds, Series 2026B  
Issue Summary

## Debt Service Schedule

| Date       | Principal      | Coupon | Interest     | Total P+I      | 105% of Total  | Assessments  | Water Revenue  | Levy/(Surplus) |
|------------|----------------|--------|--------------|----------------|----------------|--------------|----------------|----------------|
| 02/01/2027 | -              | -      | -            | -              | -              | -            | -              | -              |
| 02/01/2028 | 55,000.00      | 5.000% | 105,142.36   | 160,142.36     | 168,149.48     | 22,186.44    | 84,118.85      | 61,844.19      |
| 02/01/2029 | 100,000.00     | 5.000% | 68,000.00    | 168,000.00     | 176,400.00     | 21,506.00    | 93,922.50      | 60,971.50      |
| 02/01/2030 | 100,000.00     | 5.000% | 63,000.00    | 163,000.00     | 171,150.00     | 20,825.54    | 91,297.50      | 59,026.96      |
| 02/01/2031 | 100,000.00     | 5.000% | 58,000.00    | 158,000.00     | 165,900.00     | 20,145.10    | 88,672.50      | 57,082.40      |
| 02/01/2032 | 105,000.00     | 5.000% | 53,000.00    | 158,000.00     | 165,900.00     | 19,464.64    | 86,047.50      | 60,387.86      |
| 02/01/2033 | 95,000.00      | 5.000% | 47,750.00    | 142,750.00     | 149,887.50     | 18,784.20    | 93,922.50      | 37,180.80      |
| 02/01/2034 | 95,000.00      | 5.000% | 43,000.00    | 138,000.00     | 144,900.00     | 18,103.76    | 90,772.50      | 36,023.74      |
| 02/01/2035 | 100,000.00     | 5.000% | 38,250.00    | 138,250.00     | 145,162.50     | 17,423.30    | 87,622.50      | 40,116.70      |
| 02/01/2036 | 100,000.00     | 5.000% | 33,250.00    | 133,250.00     | 139,912.50     | 16,742.86    | 84,472.50      | 38,697.14      |
| 02/01/2037 | 100,000.00     | 5.000% | 28,250.00    | 128,250.00     | 134,662.50     | 16,062.40    | 81,322.50      | 37,277.60      |
| 02/01/2038 | 105,000.00     | 5.000% | 23,250.00    | 128,250.00     | 134,662.50     | 15,381.96    | 83,422.50      | 35,858.04      |
| 02/01/2039 | 105,000.00     | 4.000% | 18,000.00    | 123,000.00     | 129,150.00     | 14,701.52    | 80,010.00      | 34,438.48      |
| 02/01/2040 | 110,000.00     | 4.000% | 13,800.00    | 123,800.00     | 129,990.00     | 14,021.06    | 82,530.00      | 33,438.94      |
| 02/01/2041 | 115,000.00     | 4.000% | 9,400.00     | 124,400.00     | 130,620.00     | 13,340.61    | 79,590.00      | 37,689.39      |
| 02/01/2042 | 120,000.00     | 4.000% | 4,800.00     | 124,800.00     | 131,040.00     | 12,660.15    | 81,900.00      | 36,479.85      |
| Total      | \$1,505,000.00 | -      | \$606,892.36 | \$2,111,892.36 | \$2,217,486.98 | \$261,349.54 | \$1,289,623.85 | \$666,513.59   |

## Significant Dates

|                   |           |
|-------------------|-----------|
| Dated             | 8/06/2026 |
| First Coupon Date | 8/01/2027 |

## Yield Statistics

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$13,401.60 |
| Average Life                      | 8.905 Years |
| Average Coupon                    | 4.5285077%  |
| Net Interest Cost (NIC)           | 3.8018327%  |
| True Interest Cost (TIC)          | 3.6623778%  |
| Bond Yield for Arbitrage Purposes | 3.5264758%  |
| All Inclusive Cost (AIC)          | 4.1705838%  |



# City of New Prague, Minnesota

\$545,000 General Obligation Bonds, Series 2026

Street Improvements

## Debt Service Schedule

| Date         | Principal           | Coupon   | Interest            | Total P+I           | 105% of<br>Total    | Assessments         | Levy/(Surplus)      |
|--------------|---------------------|----------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 02/01/2027   | -                   | -        | -                   | -                   | -                   | -                   | -                   |
| 02/01/2028   | 20,000.00           | 5.000%   | 37,970.14           | 57,970.14           | 60,868.65           | 22,186.44           | 38,682.21           |
| 02/01/2029   | 30,000.00           | 5.000%   | 24,550.00           | 54,550.00           | 57,277.50           | 21,506.00           | 35,771.50           |
| 02/01/2030   | 30,000.00           | 5.000%   | 23,050.00           | 53,050.00           | 55,702.50           | 20,825.54           | 34,876.96           |
| 02/01/2031   | 30,000.00           | 5.000%   | 21,550.00           | 51,550.00           | 54,127.50           | 20,145.10           | 33,982.40           |
| 02/01/2032   | 35,000.00           | 5.000%   | 20,050.00           | 55,050.00           | 57,802.50           | 19,464.64           | 38,337.86           |
| 02/01/2033   | 35,000.00           | 5.000%   | 18,300.00           | 53,300.00           | 55,965.00           | 18,784.20           | 37,180.80           |
| 02/01/2034   | 35,000.00           | 5.000%   | 16,550.00           | 51,550.00           | 54,127.50           | 18,103.76           | 36,023.74           |
| 02/01/2035   | 40,000.00           | 5.000%   | 14,800.00           | 54,800.00           | 57,540.00           | 17,423.30           | 40,116.70           |
| 02/01/2036   | 40,000.00           | 5.000%   | 12,800.00           | 52,800.00           | 55,440.00           | 16,742.86           | 38,697.14           |
| 02/01/2037   | 40,000.00           | 5.000%   | 10,800.00           | 50,800.00           | 53,340.00           | 16,062.40           | 37,277.60           |
| 02/01/2038   | 40,000.00           | 5.000%   | 8,800.00            | 48,800.00           | 51,240.00           | 15,381.96           | 35,858.04           |
| 02/01/2039   | 40,000.00           | 4.000%   | 6,800.00            | 46,800.00           | 49,140.00           | 14,701.52           | 34,438.48           |
| 02/01/2040   | 40,000.00           | 4.000%   | 5,200.00            | 45,200.00           | 47,460.00           | 14,021.06           | 33,438.94           |
| 02/01/2041   | 45,000.00           | 4.000%   | 3,600.00            | 48,600.00           | 51,030.00           | 13,340.61           | 37,689.39           |
| 02/01/2042   | 45,000.00           | 4.000%   | 1,800.00            | 46,800.00           | 49,140.00           | 12,660.15           | 36,479.85           |
| <b>Total</b> | <b>\$545,000.00</b> | <b>-</b> | <b>\$226,620.14</b> | <b>\$771,620.14</b> | <b>\$810,201.15</b> | <b>\$261,349.54</b> | <b>\$548,851.61</b> |

## Significant Dates

|                   |           |
|-------------------|-----------|
| Dated             | 8/06/2026 |
| First Coupon Date | 8/01/2027 |

## Yield Statistics

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$5,009.93  |
| Average Life                      | 9.193 Years |
| Average Coupon                    | 4.5234188%  |
| Net Interest Cost (NIC)           | 3.8143471%  |
| True Interest Cost (TIC)          | 3.6752765%  |
| Bond Yield for Arbitrage Purposes | 3.5264758%  |
| All Inclusive Cost (AIC)          | 4.3187161%  |

# City of New Prague, Minnesota

\$865,000 General Obligation Bonds, Series 2026

Water Filter Plant

## Debt Service Schedule

|              |                     |          |                     |                       | Water<br>Revenue<br>105%<br>Overlevy |
|--------------|---------------------|----------|---------------------|-----------------------|--------------------------------------|
| Date         | Principal           | Coupon   | Interest            | Total P+I             |                                      |
| 02/01/2027   | -                   | -        | -                   | -                     | -                                    |
| 02/01/2028   | 20,000.00           | 5.000%   | 60,113.19           | 80,113.19             | 84,118.85                            |
| 02/01/2029   | 50,000.00           | 5.000%   | 39,450.00           | 89,450.00             | 93,922.50                            |
| 02/01/2030   | 50,000.00           | 5.000%   | 36,950.00           | 86,950.00             | 91,297.50                            |
| 02/01/2031   | 50,000.00           | 5.000%   | 34,450.00           | 84,450.00             | 88,672.50                            |
| 02/01/2032   | 50,000.00           | 5.000%   | 31,950.00           | 81,950.00             | 86,047.50                            |
| 02/01/2033   | 60,000.00           | 5.000%   | 29,450.00           | 89,450.00             | 93,922.50                            |
| 02/01/2034   | 60,000.00           | 5.000%   | 26,450.00           | 86,450.00             | 90,772.50                            |
| 02/01/2035   | 60,000.00           | 5.000%   | 23,450.00           | 83,450.00             | 87,622.50                            |
| 02/01/2036   | 60,000.00           | 5.000%   | 20,450.00           | 80,450.00             | 84,472.50                            |
| 02/01/2037   | 60,000.00           | 5.000%   | 17,450.00           | 77,450.00             | 81,322.50                            |
| 02/01/2038   | 65,000.00           | 5.000%   | 14,450.00           | 79,450.00             | 83,422.50                            |
| 02/01/2039   | 65,000.00           | 4.000%   | 11,200.00           | 76,200.00             | 80,010.00                            |
| 02/01/2040   | 70,000.00           | 4.000%   | 8,600.00            | 78,600.00             | 82,530.00                            |
| 02/01/2041   | 70,000.00           | 4.000%   | 5,800.00            | 75,800.00             | 79,590.00                            |
| 02/01/2042   | 75,000.00           | 4.000%   | 3,000.00            | 78,000.00             | 81,900.00                            |
| <b>Total</b> | <b>\$865,000.00</b> | <b>-</b> | <b>\$363,213.19</b> | <b>\$1,228,213.19</b> | <b>\$1,289,623.85</b>                |

## Significant Dates

|                   |           |
|-------------------|-----------|
| Dated             | 8/06/2026 |
| First Coupon Date | 8/01/2027 |

## Yield Statistics

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$8,050.49  |
| Average Life                      | 9.307 Years |
| Average Coupon                    | 4.5116926%  |
| Net Interest Cost (NIC)           | 3.8178259%  |
| True Interest Cost (TIC)          | 3.6812491%  |
| Bond Yield for Arbitrage Purposes | 3.5264758%  |
| All Inclusive Cost (AIC)          | 4.1170793%  |

## IRS Form 8038

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 3.5121090%  |
| Weighted Average Maturity | 9.210 Years |

# City of New Prague, Minnesota

\$95,000 General Obligation Bonds, Series 2026

Golf Equipment

## Debt Service Schedule

| Date         | Principal          | Coupon   | Interest           | Total P+I           | 105%<br>Overlevy    |
|--------------|--------------------|----------|--------------------|---------------------|---------------------|
| 02/01/2027   | -                  | -        | -                  | -                   | -                   |
| 02/01/2028   | 15,000.00          | 5.000%   | 7,059.03           | 22,059.03           | 23,161.98           |
| 02/01/2029   | 20,000.00          | 5.000%   | 4,000.00           | 24,000.00           | 25,200.00           |
| 02/01/2030   | 20,000.00          | 5.000%   | 3,000.00           | 23,000.00           | 24,150.00           |
| 02/01/2031   | 20,000.00          | 5.000%   | 2,000.00           | 22,000.00           | 23,100.00           |
| 02/01/2032   | 20,000.00          | 5.000%   | 1,000.00           | 21,000.00           | 22,050.00           |
| <b>Total</b> | <b>\$95,000.00</b> | <b>-</b> | <b>\$17,059.03</b> | <b>\$112,059.03</b> | <b>\$117,661.98</b> |

## Significant Dates

|                   |           |
|-------------------|-----------|
| Dated             | 8/06/2026 |
| First Coupon Date | 8/01/2027 |

## Yield Statistics

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$341.18    |
| Average Life                      | 3.591 Years |
| Average Coupon                    | 5.0000007%  |
| Net Interest Cost (NIC)           | 3.2406976%  |
| True Interest Cost (TIC)          | 3.1020884%  |
| Bond Yield for Arbitrage Purposes | 3.5264758%  |
| All Inclusive Cost (AIC)          | 3.4055597%  |

## IRS Form 8038

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 2.7859664%  |
| Weighted Average Maturity | 3.621 Years |

## Research Update:

# New Prague, MN Series 2026B General Obligation Bonds Assigned 'AA' Rating; Outlook Is Stable

July 9, 2026

## Overview

- S&P Global Ratings assigned its 'AA' long-term rating to **New Prague**, Minnesota's anticipated \$1.635 million series 2026B general obligation (GO) bonds.
- At the same time, we affirmed our 'AA' rating on New Prague's GO debt outstanding and our 'AA-' rating on **New Prague Economic Development Authority** (EDA)'s series 2025C lease revenue bonds.
- The outlook is stable.

## Rationale

### Security

The city's unlimited property tax GO pledge secures the series 2026B bonds and GO debt outstanding. Certain issuances, including the series 2026B bonds, are payable from special assessments and net utility revenues, but we rate to the city's general creditworthiness because the revenue pledges lack sufficient information to rate under our criteria. The city intends to use the series 2026B bonds for street projects, a water filter rehabilitation project, and golf equipment.

The series 2025C bonds represent an interest in lease rental payments by the city, as lessee, to the EDA, as lessor. The city intends to increase its property tax levy and potentially other sources to make these rental payments, including using a \$1 million U.S. Department of Agriculture (USDA) grant for a portion of near-term debt service. We rate the bonds one notch lower than the city's GO rating to account for appropriation risk associated with the lease payments.

### Credit highlights

The rating reflects New Prague's healthy, well-managed finances and economic metrics that are consistent with those of its similarly rated peers. Limiting the rating are the city's higher, although manageable, net direct debt per capita and fixed costs, and lower market value and gross county product (GCP) per capita metrics, relative to those of higher-rated cities.

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## **New Prague, MN Series 2026B General Obligation Bonds Assigned 'AA' Rating; Outlook Is Stable**

In fiscal 2026, New Prague drew \$1.7 million from its general fund reserves to purchase a building that will replace its aging city hall. The city plans to draw an additional \$700,000 from its reserves to cover renovation costs. Despite these draws we expect reserves will remain in compliance with the city's 50% fund balance policy and stronger as a percentage of operating revenues relative to those typical of similarly rated cities.

The fiscal 2026 budget includes a roughly \$450,000 operating deficit, which management attributes to debt service on the city's series 2025C lease revenue bonds and public safety equipment purchases. However, New Prague is receiving a \$1 million U.S. Department of Agriculture grant this summer that it plans to gradually draw on to cover a portion of this deficit and to reduce its debt service levy for the series 2025C bonds during the next few years. The city plans to increase its debt service levy to cover the full amount of series 2025C debt service once it depletes the grant. After fiscal 2026, New Prague has no other plans to draw down reserves and we expect the city's finances will remain stable.

The rating further reflects our view of the following factors:

- Population and market value growth are healthy (10% and 105% in the past 10 years, respectively), with ongoing residential and industrial development. The GCP per capita reflects that of Scott County, although about 40% of the city's tax base is in Le Sueur County, which has a lower GCP per capita equal to 50% of the U.S.
- We expect operating results will remain generally positive, benefitting from sound management practices and a predictable operating revenue mix mainly comprising property tax revenue and state local government aid. Management attributes the stronger-than-budgeted fiscal 2025 surplus to permit revenue from a new apartment complex. We have separately assigned an 'A/Stable' rating to the city's series 2026A electric revenue bonds. The electric fund's cash is healthy relative to operating revenues, there are no ongoing material transfers between the electric and governmental funds, and we do not expect pressure on the governmental funds from the electric fund. For more information, see our report for the electric revenues bonds, "[\*\*New Prague, MN Series 2026A Electric Revenue Bonds Assigned 'A' Rating; Outlook Stable,\*\*](#)" July 9, 2026.
- Management practices support financial stability, including monthly budget-to-actual reporting, annually updated and rolling long-term capital planning for utility fund, general fund, and bond-funded projects, though with some straight-lined cost estimates, and a 50% fund balance policy. We believe the city's cyber risk posture helps mitigate exposure to risk consistent with our overall view of its management and governance.
- Due to recent issuances, governmental fund fixed costs of debt and liabilities could increase to about 28% of total governmental fund revenue, a relatively elevated level. However, we expect these costs will be manageable for the city given its expanding tax base and that governmental fund debt service is supported by a dedicated levy and special assessments. After excluding \$30 million in GO debt that is self-supported by utilities, the city's net direct debt per capita is about \$2,800. The city plans to issue debt in 2027 for street and utility projects (the principal amount is currently undetermined) and annually issue about \$1.5 million in GO debt for street projects thereafter, roughly in line with annual amortization on existing governmental fund-supported debt. The city has one privately placed debt series with no nonstandard events of default.
- We do not believe pension liabilities represent a medium-term rating pressure given their low liability on a per capita basis.

New Prague, MN Series 2026B General Obligation Bonds Assigned 'AA' Rating; Outlook Is Stable

- For more information on our institutional framework assessment for Minnesota municipalities, see “[Institutional Framework Assessment: Minnesota Local Governments](#),” Sept. 10, 2024.
- Although physical risks are relevant for the local government sector, we consider New Prague's exposure to natural hazards, including flooding and extreme weather, low compared with its national peers and in a nominal sense, and therefore not a material factor in our credit analysis.

Outlook

The stable outlook reflects our view that the city's reserves will remain healthy and supported by sound management practices and healthy tax base growth.

Downside scenario

We could take a negative rating action if the city's reserves materially weaken due to capital or operational pressures, or if its debt levels increase beyond expectations.

Upside scenario

We could take a positive rating action if the city's economic metrics strengthen and debt metrics moderate relative to those of its higher-rated peers.

New Prague, Minnesota--credit summary

|                                 |      |
|---------------------------------|------|
| Institutional framework (IF)    | 1    |
| Individual credit profile (ICP) | 2.32 |
| Economy                         | 2.5  |
| Financial performance           | 2    |
| Reserves and liquidity          | 1    |
| Management                      | 2.35 |
| Debt and liabilities            | 3.75 |

New Prague, Minnesota--key credit metrics

|                                      | Most recent | 2025      | 2024      | 2023      |
|--------------------------------------|-------------|-----------|-----------|-----------|
| <b>Economy</b>                       |             |           |           |           |
| Real GCP per capita % of U.S.        | 78          | --        | 78        | 74        |
| County PCPI % of U.S.                | 116         | --        | 116       | 116       |
| Market value (\$000s)                | 1,228,533   | 1,178,988 | 1,137,062 | 1,097,942 |
| Market value per capita (\$)         | 145,647     | 139,773   | 134,803   | 130,863   |
| Top 10 taxpayers % of taxable value  | 11.0        | 11.4      | 11.5      | 10.3      |
| County unemployment rate (%)         | 3.5         | 3.4       | 2.8       | 2.4       |
| Local median household EBI % of U.S. | 124         | --        | 124       | 127       |
| Local per capita EBI % of U.S.       | 113         | --        | 113       | 112       |
| Local population                     | 8,435       | --        | 8,435     | 8,390     |
| <b>Financial performance</b>         |             |           |           |           |
| Operating fund revenues (\$000s)     | --          | 7,397     | 6,626     | 7,010     |

## New Prague, Minnesota--key credit metrics

|                                              | Most recent | 2025   | 2024   | 2023   |
|----------------------------------------------|-------------|--------|--------|--------|
| Operating fund expenditures (\$000s)         | --          | 6,836  | 6,564  | 7,566  |
| Net transfers and other adjustments (\$000s) | --          | 333    | 567    | 120    |
| Operating result (\$000s)                    | --          | 894    | 629    | (436)  |
| Operating result % of revenues               | --          | 12.1   | 9.5    | (6.2)  |
| Operating result three-year average %        | --          | 5.1    | 2.6    | (0.2)  |
| <b>Reserves and liquidity</b>                |             |        |        |        |
| Available reserves % of operating revenues   | --          | 90.7   | 78.8   | 62.6   |
| Available reserves (\$000s)                  | --          | 6,711  | 5,222  | 4,388  |
| <b>Debt and liabilities</b>                  |             |        |        |        |
| Debt service cost % of revenues              | --          | 14.7   | 14.9   | 13.9   |
| Net direct debt per capita (\$)              | 6,350       | 6,311  | 4,948  | 4,815  |
| Net direct debt (\$000s)                     | 53,563      | 53,230 | 41,735 | 40,401 |
| Direct debt 10-year amortization (%)         | 62          | 63     | 71     | --     |
| Pension and OPEB cost % of revenues          | --          | 7.0    | 7.0    | 6.0    |
| NPLs per capita (\$)                         | --          | 294    | 327    | 491    |
| Combined NPLs (\$000s)                       | --          | 2,482  | 2,761  | 4,115  |

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

### Ratings List

#### New Issue Ratings

US\$1,635,000 New Prague, Minnesota, General Obligation Bonds, Series 2026B, dated: August 6, 2026, due: February 1, 2042

Long Term Rating AA/Stable

#### New Rating

##### Local Government

New Prague, MN Unlimited Tax General Obligation with Special Assessments and Water and Sewer System Revenues AA/Stable

#### Ratings Affirmed

##### Local Government

New Prague, MN Lease Appropriation AA-/Stable

New Prague, MN Unlimited Tax General Obligation AA/Stable

New Prague, MN Unlimited Tax General Obligation and Special Assessments AA/Stable

New Prague, MN Unlimited Tax General Obligation, Sewer and Storm Water System, and Special Assessments AA/Stable

New Prague, MN Unlimited Tax General Obligation, Water System Revenue and Special Assessments AA/Stable

New Prague, MN Unlimited Tax General Obligation, Water, Sewer and Storm Water System, and Special Assessments AA/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have

## **New Prague, MN Series 2026B General Obligation Bonds Assigned 'AA' Rating; Outlook Is Stable**

different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

## New Prague, MN Series 2026B General Obligation Bonds Assigned 'AA' Rating; Outlook Is Stable

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