NORTHFIELD PUBLIC SCHOOLS
Office of the Superintendent
Memorandum

TO: Board of Education
FROM: Matt Hillmann Ed.D., Superintendent
RE: Table File Items for January 24, 2022, Regular School Board Meeting

5. Items for Discussion and Reports
   a. Results of the 2022A General Obligation Facilities Maintenance Bond Sale. Shelby McQuay with Ehlers, Inc. will review the results of the 2022A general obligation facilities maintenance bond sale. Enclosed is the January 24, 2022 Sale Day Report.

7. Consent Agenda
   b. Gift Agreement
      - Anonymous donor: $50,000.00 unassigned for Northfield High School and $50,000.00 specifically for baseball improvements at Northfield High School, including but not limited to new or updated equipment and field maintenance.

   c. Personnel Items
      i. Appointments
         4. Karen Anderson, Lifeguard with Community Education Recreation, beginning 1/24/2022-5/31/2022; $10.64/hr.
         5. Robyn Dietz, Gen Ed EA for 1.25 hours/day for 4 days/week at Greenvale Park, beginning 1/31/2022-6/9/2022; Step 1-$15.57/hr.
         6. Michelle Murphy, CNA I for 3.75 hours/day at the High School, beginning 2/21/2022; $19.28/hr.
         7. Ashley Opatrny, Special Ed Teacher-Resource Room with .6 FTE Portage/.4 FTE GVP, beginning on or about 2/15/2022-6/9/2022; BA, Step 1-pending obtaining license from PELSB.
         8. Brian Porter, Assistant Boys Swim/Dive Coach at the High School, beginning 1/24/2022; Level 2, Step 10
         9. Ariana Vermilyea, Program Supervisor with Community Education Recreation, beginning 1/24/2022-5/31/2022; $10.89/hr.

      ii. Increase/Decrease/Change in Assignment
         6. Adriana Bermudez, ECFE EA Sib Care for 15.5 hours/week at the NCEC, change to ECFE EA Sib Care for 16 hours/week at the NCEC, effective 1/3/2022.
         7. Craig Johnson, Teacher at the High School, add BASS Fishing Coordinator with Community Education Recreation, effective 2/7/2022-8/31/2022; $25/participant
         8. Julene Johnson, Gen Ed EA at Bridgewater, add Community School Evening Site Assistant at Greenvale Park, effective 1/25/2022-6/3/2022. Step 4-$15.48/hr.

      iii. Leave of Absence
         5. Kimbra Dimick, Teacher at Greenvale Park, Unpaid Leave of Absence, beginning 1/31/2022-3/13/2022.

      iv. Retirements/Resignations/Terminations
         3. Lisa Williams, Special Ed EA Bus with the district, resignation from bus only effective 1/18/2022.

8. Items for Individual Action
   a. Resolution Relating to $3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A; Authorizing Issuance, Awarding Sale, Prescribing the Form and Details and Providing for the Payment Thereof. Attached is the Facsimile Signature Request Form, the completed Bond Resolution for consideration, and the District's Closing Certificate.

   c. COVID-19 Safety Protocols Exit Criteria 2021-22. This document has been revised to indicate close contacts will be identified and follow procedures outlined in the district's updated 2021-22 COVID-19 protocols.

e. Retirement by Agreement. The board is asked to approve the retirement by agreement.
Superintendent's Recommendation: Motion to approve the retirement by agreement.

January 24, 2022

SALE DAY REPORT FOR:

Independent School District No. 659 (Northfield Public Schools), Minnesota

$3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A

EHLERS
PUBLIC FINANCE ADVISORS

Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, MN 55113

Jeff Seeley,
Senior Municipal Advisor

Shelby McQuay,
Senior Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Competitive Sale Results

PURPOSE: To finance deferred maintenance projects; including the replacement of the Middle School roof, included in the District's ten-year facilities maintenance plan approved by the Commissioner of Education.

RATING: **MN Credit Enhancement Rating:** S&P Global Ratings "AAA"
Underlying Rating: S&P Global Ratings "AA+"

NUMBER OF BIDS: 6

LOW BIDDER: FHN Financial Capital Markets, Memphis, Tennessee

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

LOW BID: 1.9538%

HIGH BID: 2.1564%

INTEREST DIFFERENCE: **$104,990**

Summary of Sale Results:	
Principal Amount:	$3,120,000
Underwriter's Discount:	$25,177
Reoffering Premium:	$130,547
True Interest Cost:	1.9538%
Costs of Issuance:	$55,361
Yield:	1.30%-2.20%
Total Net P&I:	$4,051,507

NOTES: The True Interest Cost of 1.95% is lower than the 2.17% estimate used for the Pre-Sale Report dated January 4. The additional premium and favorable interest rates allowed the district to borrow the full amount authorized and will provide the district with approximately $66,000 more for project costs, while total debt payments over the term of the bonds will be approximately $23,000 less than estimated.

CLOSING DATE: February 17, 2022

SCHOOL BOARD ACTION:	Adopt the Resolution Awarding the Sale of $3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A.

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Updated Sources and Uses of Funds
- Updated Debt Service Schedule
- Updated Long-Term Financing Plan for Debt and Capital Payments and Levies
- Rating Report
- Award Resolution (Distributed Separately)

BID TABULATION

$3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A

Independent School District No. 659 (Northfield Public Schools), Minnesota

SALE: January 24, 2022

AWARD: FHN FINANCIAL CAPITAL MARKETS

MN Credit Enhancement Rating: S&P Global Ratings "AAA"
Underlying Rating: S&P Global Ratings "AA+"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
FHN FINANCIAL CAPITAL MARKETS				$3,225,369.96	$826,136.87	1.9538%
Memphis, Tennessee	2028	4.000%	1.300%			
	2029	4.000%	1.350%			
	2030	4.000%	1.400%			
	2031[1]	2.000%	1.500%			
	2032[1]	2.000%	1.500%			
	2033[2]	2.000%	1.600%			
	2034[2]	2.000%	1.600%			
	2035[3]	2.000%	1.800%			
	2036[3]	2.000%	1.800%			
	2037[4]	2.000%	1.900%			
	2038[4]	2.000%	1.900%			
	2039[5]	2.050%	2.050%			
	2040[5]	2.050%	2.050%			
	2041[6]	2.200%	2.200%			
	2042[6]	2.200%	2.200%			

[1] $385,000 Term Bond due 2032 with mandatory redemption in 2031.
[2] $405,000 Term Bond due 2034 with mandatory redemption in 2033.
[3] $425,000 Term Bond due 2036 with mandatory redemption in 2035.
[4] $435,000 Term Bond due 2038 with mandatory redemption in 2037.
[5] $455,000 Term Bond due 2040 with mandatory redemption in 2039.
[6] $475,000 Term Bond due 2042 with mandatory redemption in 2041.

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin				$3,210,787.50	$831,962.61	1.9738%
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota				$3,191,069.90	$843,963.43	2.0104%

PIPER SANDLER & CO. Minneapolis, Minnesota	$3,170,850.65	$855,562.91	2.0363%
BAIRD Milwaukee, Wisconsin	$3,195,084.15	$857,072.24	2.0383%
RAYMOND JAMES & ASSOCIATES, INC. Memphis, Tennessee	$3,341,201.55	$931,127.34	2.1564%

Northfield Public School District, ISD No. 659

Sources and Uses of Funds for LTFM Bond Issue
January 24, 2022

Bond Amount	**$3,120,000**
Project Cost Estimate	**$3,000,000**
Dated Date of Bonds	**February 17, 2022**
Sources of Funds	
Par Amount	$3,120,000
Net Bond Premium	130,547
Total Sources	$3,250,547
Uses of Funds	
Discount	$25,177
Legal and Fiscal Costs *	55,361
Net Available for Project Costs	**3,170,009**
Total Uses	$3,250,547

* Includes fees for municipal advisor, bond counsel, rating agency, paying agent, and county certificates.

Northfield School District, MN (I.S.D #659)

$3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A
Dated: February 17, 2022

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/17/2022	-	-	-	-	-
08/01/2022	-	-	33,883.08	33,883.08	-
02/01/2023	-	-	37,188.75	37,188.75	71,071.83
08/01/2023	-	-	37,188.75	37,188.75	-
02/01/2024	-	-	37,188.75	37,188.75	74,377.50
08/01/2024	-	-	37,188.75	37,188.75	-
02/01/2025	-	-	37,188.75	37,188.75	74,377.50
08/01/2025	-	-	37,188.75	37,188.75	-
02/01/2026	-	-	37,188.75	37,188.75	74,377.50
08/01/2026	-	-	37,188.75	37,188.75	-
02/01/2027	-	-	37,188.75	37,188.75	74,377.50
08/01/2027	-	-	37,188.75	37,188.75	-
02/01/2028	175,000.00	4.000%	37,188.75	212,188.75	249,377.50
08/01/2028	-	-	33,688.75	33,688.75	-
02/01/2029	180,000.00	4.000%	33,688.75	213,688.75	247,377.50
08/01/2029	-	-	30,088.75	30,088.75	-
02/01/2030	185,000.00	4.000%	30,088.75	215,088.75	245,177.50
08/01/2030	-	-	26,388.75	26,388.75	-
02/01/2031	190,000.00	2.000%	26,388.75	216,388.75	242,777.50
08/01/2031	-	-	24,488.75	24,488.75	-
02/01/2032	195,000.00	2.000%	24,488.75	219,488.75	243,977.50
08/01/2032	-	-	22,538.75	22,538.75	-
02/01/2033	200,000.00	2.000%	22,538.75	222,538.75	245,077.50
08/01/2033	-	-	20,538.75	20,538.75	-
02/01/2034	205,000.00	2.000%	20,538.75	225,538.75	246,077.50
08/01/2034	-	-	18,488.75	18,488.75	-
02/01/2035	210,000.00	2.000%	18,488.75	228,488.75	246,977.50
08/01/2035	-	-	16,388.75	16,388.75	-
02/01/2036	215,000.00	2.000%	16,388.75	231,388.75	247,777.50
08/01/2036	-	-	14,238.75	14,238.75	-
02/01/2037	215,000.00	2.000%	14,238.75	229,238.75	243,477.50
08/01/2037	-	-	12,088.75	12,088.75	-
02/01/2038	220,000.00	2.000%	12,088.75	232,088.75	244,177.50
08/01/2038	-	-	9,888.75	9,888.75	-
02/01/2039	225,000.00	2.050%	9,888.75	234,888.75	244,777.50
08/01/2039	-	-	7,582.50	7,582.50	-
02/01/2040	230,000.00	2.050%	7,582.50	237,582.50	245,165.00
08/01/2040	-	-	5,225.00	5,225.00	-
02/01/2041	235,000.00	2.200%	5,225.00	240,225.00	245,450.00
08/01/2041	-	-	2,640.00	2,640.00	-
02/01/2042	240,000.00	2.200%	2,640.00	242,640.00	245,280.00
Total	**$3,120,000.00**	**-**	**$931,506.83**	**$4,051,506.83**	**-**

Yield Statistics

Bond Year Dollars	$41,686.33
Average Life	13.361 Years
Average Coupon	2.2345617%
Net Interest Cost (NIC)	1.9817931%
True Interest Cost (TIC)	1.9538693%
Bond Yield for Arbitrage Purposes	1.8800976%
All Inclusive Cost (AIC)	2.1065719%

IRS Form 8038

Net Interest Cost	1.8730760%
Weighted Average Maturity	13.155 Years

RESULTS OF BOND SALE

Northfield Public School District, ISD No.659

LTFM Revenue and Bond Payments

$3,120,000 Fac. Maint. Bond Issue
20 Years; Payments Limited to
16% of LTFM Revenue

	Bond Issue
Principal Amount:	$3,120,000
Dated Date:	2/17/2022
Average Interest Rate:	1.95%

January 24, 2022

Levy Pay Year	Fiscal Year	Adjusted Pupil Units	Building Age	Revenue/ Pupil	Est. Total LTFM Revenue	LTFM Aid	Tax Levy	Existing Bond Initial Levy [1]	Existing Bond Net Revenue	Gen. Fund Revenue Remaining	Potential New Bonds Principal	Potential New Bonds Interest	Potential New Bonds Total Debt Service[1]	Total Debt Service	Gen. Fund Revenue Remaining
2021	2022	4,324	38.64	380.00	1,643,044	573,485	1,069,559	162,960	162,960	1,480,084	-	-	-	162,960	1,480,084
2022	2023	4,164	39.96	380.00	1,582,168	555,472	1,026,696	164,115	164,115	1,418,053	-	71,072	74,625 [2]	238,740	1,343,428
2023	2024	4,164	40.96	380.00	1,582,168	480,075	1,102,093	165,113	165,113	1,417,056	-	74,378	78,096	243,209	1,338,959
2024	2025	4,164	41.96	380.00	1,582,168	477,632	1,104,536	160,703	160,703	1,421,466	-	74,378	78,096	238,799	1,343,369
2025	2026	4,164	42.96	380.00	1,582,168	429,484	1,152,684	161,543	161,543	1,420,626	-	74,378	78,096	239,639	1,342,529
2026	2027	4,164	43.96	380.00	1,582,168	435,162	1,147,006	162,225	162,225	1,419,943	-	74,378	78,096	240,321	1,341,847
2027	2028	4,164	44.96	380.00	1,582,168	440,812	1,141,356	-	-	1,582,168	175,000	74,378	261,846	261,846	1,320,322
2028	2029	4,164	45.96	380.00	1,582,168	457,679	1,124,489	-	-	1,582,168	180,000	67,378	259,746	259,746	1,322,422
2029	2030	4,164	46.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	185,000	60,178	257,436	257,436	1,324,732
2030	2031	4,164	47.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	190,000	52,778	254,916	254,916	1,327,252
2031	2032	4,164	48.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	195,000	48,978	256,176	256,176	1,325,992
2032	2033	4,164	49.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	200,000	45,078	257,331	257,331	1,324,837
2033	2034	4,164	50.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	205,000	41,078	258,381	258,381	1,323,787
2034	2035	4,164	51.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	210,000	36,978	259,326	259,326	1,322,842
2035	2036	4,164	52.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	215,000	32,778	260,166	260,166	1,322,002
2036	2037	4,164	53.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	215,000	28,478	255,651	255,651	1,326,517
2037	2038	4,164	54.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	220,000	24,178	256,386	256,386	1,325,782
2038	2039	4,164	55.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	225,000	19,778	257,016	257,016	1,325,152
2039	2040	4,164	56.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	230,000	15,165	257,423	257,423	1,324,745
2040	2041	4,164	57.96	380.00	1,582,168	474,297	1,107,871	-	-	1,582,168	235,000	10,450	257,723	257,723	1,324,446
2041	2042	4,164	58.96	380.00	1,582,168	474,297	1,107,871		-	1,582,168	240,000	5,280	257,544	257,544	1,324,624
2042	2043	4,164	59.96	380.00	1,582,168	474,297	1,107,871		-	1,582,168	-	-	-	0	1,582,168
2043	2044	4,164	60.96	380.00	1,582,168	474,297	1,107,871		-	1,582,168	-	-	-	0	1,582,168
2044	2045	4,164	61.96	380.00	1,582,168	474,297	1,107,871		-	1,582,168	-	-	-	0	1,582,168
Totals					38,032,908	11,438,557	26,594,351	976,658	976,658		3,120,000	931,507	4,254,082	5,230,740	32,802,168

1 Debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.
2 Due to the timing of the levy process, the district will need to make a transfer from the long term facilities maintenance revenue in the General Fund for the payment due during fiscal year 2022-23

EHLERS
PUBLIC FINANCE ADVISORS

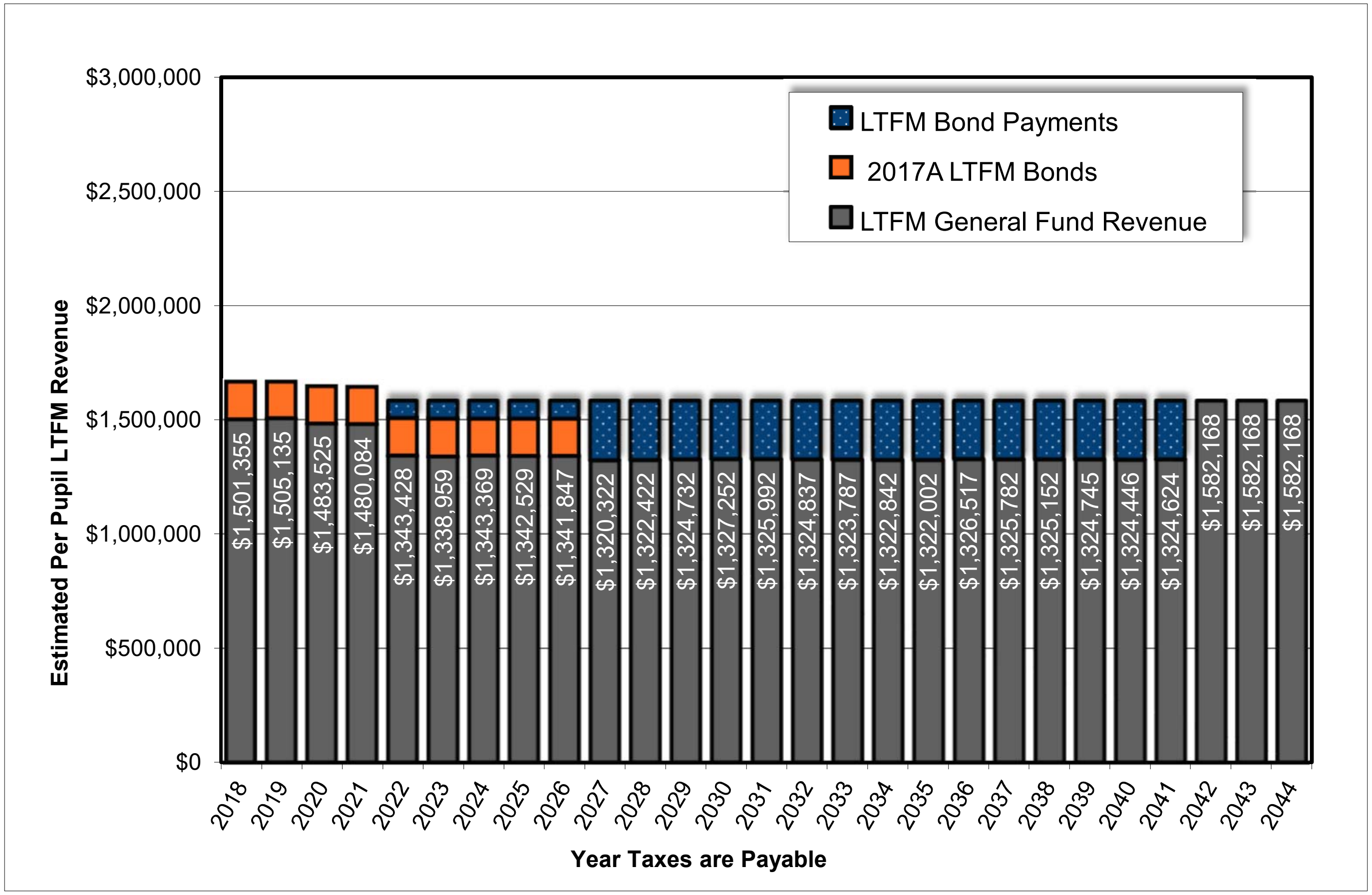
Debt Plan 22a Northfield 20 year DM Results

RESULTS OF BOND SALE

Northfield Public School District, ISD No.659
Estimated $380 Per Pupil Long-Term Facilities Maintenance Revenue
LTFM Revenue and Bond Payments

$3,120,000 Fac. Maint. Bond Issue
20 Years; Payments Limited to
16% of LTFM Revenue

Date Prepared: January 24, 2022



Debt Plan 22a Northfield 20 year DM Results

S&P Global
Ratings

RatingsDirect®

Summary:

Northfield Independent School District No. 659, Minnesota; School State Program

Primary Credit Analyst:
Emily Powers, Santa Fe + 1 (312) 233 7030; emily.powers@spglobal.com

Secondary Contact:
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Summary:

Northfield Independent School District No. 659, Minnesota; School State Program

Credit Profile		
US$3.12 mil GO facs maintenance bnds (MN Sch Dist Credit Enhancement Prog) ser 2022A dtd 02/17/2022 due 02/01/2042		
Long Term Rating	AAA/Stable	New
Underlying Rating for Credit Program	AA+/Stable	New
Northfield Indpt Sch Dist #659 GO sch bldg bnds		
Long Term Rating	AAA/Stable	Current
Underlying Rating for Credit Program	AA+/Stable	Affirmed
Northfield Indpt Sch Dist #659 GO State Credit Enhancement		
Long Term Rating	AAA/Stable	Current
Underlying Rating for Credit Program	AA+/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AAA' long-term rating and 'AA+' underlying rating for credit program and stable outlook to Northfield Independent School District No. 659, Minn.'s roughly $3.12 million series 2022A general obligation (GO) facilities maintenance bonds and affirmed its 'AA+' underlying rating, with a stable outlook, on the district's existing GO debt.

The district's full-faith-credit-and-taxing-power pledge to levy ad valorem property taxes, without limitation as to rate or amount, secures the bonds.

Officials intend to use series 2022A bond proceeds to finance the replacement of the middle-school roof.

The long-term rating reflects our opinion of the additional security provided by the district's eligibility for, and participation in, the Minnesota State Standing Appropriation program, a state standing-appropriation program to prevent a default on the district's bond issues, as authorized by Minnesota State Statutes, Section 126C.55. Under the program, the state will pay debt service on behalf of the district from the state's general fund if the district fails to meet its debt-service obligations for the qualified debt. Payments from the state represent a standing appropriation from Minnesota's general fund. We view this standing-appropriation pledge as equivalent to a general-fund pledge because the standing appropriation does not require budget adoption or any action of the Minnesota Legislature to make payments. Furthermore, the standing appropriation is not subject to executive unallotment authority. In addition, the credit-enhancement program supports projects central to Minnesota's operations and purpose. In our opinion, there is no unusual political, timing, or administrative risk related to debt payments. The credit-enhancement program rating reflects that of Minnesota and moves in tandem with the state GO rating and outlook. (For further information, see the article titled, "Minnesota School District, Minnesota Credit Enhancement Programs Outlook Revised To Stable After GO Outlook Revised," published Aug. 26, 2021, on RatingsDirect.)

Credit overview

While historically maintaining stable operations, even with decreasing enrollment, the district currently faces a budgetary imbalance as management works to close the impending budget gap. After posting a surplus in fiscal 2020, as a direct result of a COVID-19 uncertainty budget freeze, fiscal 2021 followed with a slight deficit, which management was expecting, due to the district's reliance on enrollment-based state aid revenue. However, the current fiscal 2022 budget calls for a much bigger deficit; management notes budgetary performance is tracking closely with the budget. We are likely to see available reserves decrease to roughly 23%, assigned and unassigned, come fiscal year-end 2022. While reserves are not out of line with our historical view of the district's finances, we expect further reductions if management cannot restructure the budget to adjust for continuing enrollment decreases.

In the coming months, management will begin its priority-based budget process, a more extensive look at the budget, including input from the board, staff, and community members. The expectation is for a deep look into each detail of the budget to expose unnecessary costs, determining long-term strategic goals, and how to manage them due to the current revenue environment. Management expects the resulting five-year plan to balance the budget while keeping reserves in-line with the target of 16% in unassigned reserves. In addition, the federal government allocated roughly $6.5 million: The district has yet to spend $4.4 million. Management has earmarked a portion of unspent money for certain purposes in fiscal 2022, including staff support and learning recovery, with the remainder of roughly $1.5 million set aside for budget stabilization. Due to extensive planning in place for the next several fiscal years, we posit management will likely realize cuts and resume balanced operations. However, if the size of cuts is not sufficient to counter stagnant revenue, leading to continued draws on reserves after deficit operations, we could lower the rating.

Other credit factors include our view of the district's:

- Decreasing enrollment, leading to budgetary imbalance, due to a reliance on per-pupil state aid, which accounts for the largest portion of general revenue;
- Pressured finances with costs outweighing revenue--However, management only expects a slight fund-balance decrease for the fiscal 2022 budget year; it will determine the fiscal 2023 budget based on the results of a large districtwide, zero-based budgeting that should reveal several million dollars in cost savings;
- Steadily growing property tax base in southern Minnesota in a city highlighted by higher education, characterized by good-to-strong income but extremely strong per capita market value; and
- Good financial management under our Financial Management Assessment (FMA) methodology, indicating that financial practices exist in most areas but that governance officials might not formalize or regularly monitor all of them, with sound budgeting and long-term financial plans.

Environmental, social, and governance

We have analyzed environmental, social, and governance (ESG) factors with regard to the district's economy, financial profile, management, and debt metrics and have concluded all are in-line with sector peers.

Stable Outlook

Downside scenario

We could lower the rating if the district cannot realize significant expenditure cuts in upcoming budget years, leading to continued outpacing of costs compared with revenue, because enrollment decreases should continue, or if deficit spending were to continue, leading to reserves we no longer consider comparable at the rating level.

Upside scenario

We could raise the rating if finances were to improve significantly, showing consistent stable-to-surplus operations, leading to sustained reserves we consider comparable with higher-rated peers, or if economic metrics were to improve, specifically income, coupled with strengthening debt.

Credit Opinion

Recent deficit spending with additional draws expected due to decreasing enrollment, high reliance on state aid

While still maintaining, what we consider, very strong reserves at fiscal year-end 2021, management posted a small deficit; it has another, more-sizable deficit planned for fiscal 2022, estimated at roughly $2.5 million, or 4.2% of operating expenditures. Long-term decreasing enrollment supports the deficit; this is meaningful because the state's basic general-education-revenue funding formula, determined by pupil count, is the primary operating revenue source for Minnesota school districts. Therefore, enrollment increases or decreases can lead to corresponding revenue increases or decreases. In fiscal 2021, state aid accounted for approximately 69% of district revenue, followed by property taxes at 25%.

Because this has been ongoing for several years, management has been working on a plan to address enrollment decreases in future budget years to return to balanced operations. In spring 2022, officials will begin a priority-based budget process during which district and community-based committees will work through each line item in the budget to determine minimum needs while rethinking programming and aligning costs with projected revenue. Within this process, management expects approximately $4 million in potential budget cuts for fiscal 2023. It expects additional cost savings from planned retirements. As management completes this process for upcoming budget years, it plans to use roughly $1.5 million in unspent Elementary & Secondary School Emergency Relief funds for budget stabilization in the interim.

The long-term financial plan, prior to the new budget's completion, shows expenditures outpacing revenue for several fiscal years. While we understand management's awareness of the unstable financial situation, and we imagine it is making certain necessary adjustments to return the budget back to balance, we expect continued interim pressure if expenditure cuts are not substantial enough to balance the budget. If management cannot realize cost savings large enough to offset decreasing enrollment-based revenue, leading to lower reserves, we could lower the rating.

A stable local economy, centered on private higher-education institutions, with ongoing residential development

The nearly 200-square-mile district is approximately 35 miles south of the Minneapolis-St. Paul metropolitan area in southeastern Minnesota. The $3.5 billion tax base has experienced steady growth with the appreciation of existing homes and some new residential development; the tax base has grown by an average of 4.7% between 2017 and 2021.

While residences make up the largest portion of net tax capacity at 56%, the remainder of valuations are diversified with commercial and industrial properties accounting for 17% and agricultural properties at 14%.

The city of Northfield is best known as the home of Carleton and St. Olaf colleges, both of which we consider a stabilizing presence in the city; together, they serve more than 5,000 undergraduates and are among the leading employers. We think district income could be slightly understated due to a significant college student population. We understand attendance remains steady at both colleges, which are currently offering full in-person learning with heavy COVID-19 guidelines.

District enrollment has been steadily decreasing for several years. While there were some larger fluctuations due to COVID-19, overall enrollment has been decreasing for a while now; current student counts and expectations are still in-line with pre-COVID-19 projections. While the area has seen some growth, management notes a significant lack of housing is one of the primary factors for lower enrollment.

Good financial management with sound budgeting practices, some long-term financial planning

The district uses historical data and available outside sources of information when preparing budgetary forecasts. It also incorporates a budget-to-actual report in monthly financial reports to the school board, which also includes monthly cash balances. The district projects operating revenue and expenditures two years past the current budget year, and it usually updates the plan annually. Management also maintains a detailed long-term facilities-maintenance plan that projects capital needs during the next 10 years. It shares monthly investment reports with the board, in-line with the formal investment-management policy.

While the district lacks a debt-management policy, it follows statutory guidelines. It maintains a fund-balance policy, focusing on compliance with Governmental Accounting Standards Board Statement No. 54, and a reserve target of 16% unassigned reserves; as of fiscal year-end 2021, the district remained in-line with its target, ending with about 18% in unassigned reserves. Reserves could decrease below this target in fiscal 2022 with the prosed deficit. While the district lacks a debt-management policy, it follows statutory guidelines.

Moderate debt with average amortization

With the issuance of the series 2022A bonds, the district will have approximately $51.7 million of debt outstanding, including lease purchases and other capital leases. We note the district privately placed the 2019 lease-purchase bonds; however, we confirm this debt does not pose a liquidity risk. Management is in the early stages of determining additional capital needs; it will likely approach the electorate within the next couple of years to address needs, specifically high-school-facility needs. However, the timing and amount of any potential issuance is currently unknown. We view debt as manageable; we, however, recognize some debt metrics could weaken slightly, depending on how management layers new-money issuances into existing debt.

Minimal pension pressure, albeit with some potential for long-term cost acceleration

We do not think pension and other postemployment benefit (OPEB) liabilities represent a medium-term credit pressure because contributions are only a modest share of the budget; pension-plan actuarial assumptions and methods and plan-funding practices, however, introduce long-term cost-acceleration risk. We expect medium-term costs will likely remain only a small share of total spending and, therefore, not a significant budgetary pressure.

As of June 30, 2020, the district participates in:

- Minnesota Teachers' Retirement Assn. (MTRA), which was 76% funded, with a proportionate share of the plan's net pension liability at $27.6 million;
- Minnesota General Employees' Retirement Fund (MGERF), which was 79% funded, with a proportionate share of the plan's net pension liability at $7.5 million; and
- Northfield Independent School District No. 659's OPEB, as of the July 1, 2021, measurement date, totaling $14 million.

Plan-level contributions to MGERF exceeded our static-funding metric in the most recent year but MTRA contributions did not; both fell short of minimum-funding-progress metrics. Annual contributions reflect a statutory formula that has typically produced contributions less than the actuarially determined contribution; we think this increases the risk of underfunding over time if the state legislature does not offset future funding shortfalls with adjustments. The plans' 7.5% rate-of-return assumption exceeds our 6% guideline and introduces substantial market risk and potential contribution volatility; we also think the use of a lengthy 30-year amortization period, based on a level percent of payroll, significantly defers contributions, creating long-term cost-acceleration risk. Still, costs remain only a modest share of total spending and are unlikely to pressure medium-term operational health.

Northfield Independent School District No. 659, Minnesota Select Key Credit Metrics

	Characterization	Most recent	--Historical information--		
			2021	2020	2019
Economic indicators					
Population				29,423	29,158
Median household effective buying income (EBI) as a % of U.S.	Strong			116.0	125.0
Per capita EBI as a % of U.S.	Good			95.0	99.0
Market value ($000)			3,541,628	3,404,658	3,353,620
Market value per capita ($)	Extremely strong		120,369	115,714	115,015
Top 10 taxpayers as a % of taxable value	Very diverse		7.6	7.4	8.2
Financial indicators					
Total available reserves ($000)			15,373	16,705	14,898
Available reserves as a % of operating expenditures	Very strong		26.1	29.6	26.2
Total government cash as a % of governmental fund expenditures			43.8	50.4	103.2
Operating fund result as a % of expenditures			(0.7)	1.9	0.5
Financial Management Assessment	Good				
Enrollment		3,785	3,856	3,975	4,050
Debt and long-term liabilities					
Overall net debt as a % of market value	Low	2.5	2.5	2.8	2.5
Overall net debt per capita ($)	Moderate	2,869	3,008	3,248	2,913
Debt service as a % of governmental fund noncapital expenditures	Moderate		12.1	12.0	12.0
Direct debt 10-year amortization (%)	Average	51.0	56.0	57.0	57.0

Northfield Independent School District No. 659, Minnesota Select Key Credit Metrics (cont.)

	Characterization	Most recent	--Historical information--		
			2021	2020	2019
Required pension contribution as a % of governmental fund expenditures			3.0	2.7	3.7
Other postemployment benefits actual contribution as a % of governmental fund expenditures				1.1	1.5
Minimum funding progress, largest pension plan (%)			85.3	70.1	72.5

Related Research

- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

NORTHFIELD SCHOOL DISTRICT GIFT AGREEMENT

This agreement made this 20th day of January, 2022, by and between Anonymous, hereinafter the "Donor", and Independent School District No. 659, Northfield, Minnesota, pursuant to the District's policy for receiving gifts and donations, as follows:

TERMS

$50,000 unassigned for Northfield High School
$50,000 specifically for baseball improvements at Northfield High School, including but not limited to new or updated equipment and field maintenance.

VM on behalf of anonymous donor
Donor

By:

Approved by resolution of the School Board on the _______ day of ______, _____.

INDEPENDENT SCHOOL DISTRICT No. 659

By: ________________________________

Clerk

RESOLUTION ACCEPTING DONATIONS

The following resolution was moved by ________ and seconded by ________:

WHEREAS, Minnesota Statutes 123B.02, Sub. 6 provides: " The board may receive, for the benefit of the district, bequests, donations, or gifts for any proper purpose and apply the same to the purpose designated. In that behalf, the board may act as trustee of any trust created for the benefit of the district, or for the benefit of pupils thereof, including trusts created to provide pupils of the district with advanced education after completion of high school, in the advancement of education."; and

WHEREAS, Minnesota Statutes 465.03 provides: "Any city, county, school district or town may accept a grant or devise of real or personal property and maintain such property for the benefit of its citizens in accordance with the terms prescribed by the donor. Nothing herein shall authorize such acceptance or use for religious or sectarian purposes. Every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members, expressing such terms in full."; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members, expressing such terms in full;

THEREFORE, BE IT RESOLVED, that the School Board of Northfield Public Schools, ISD 659, gratefully accepts the following donations as identified below:

Donor	Item	Designated Purpose (if any)
Cannon Strength, LLC	$4,506.16	JV softball scoreboard
Anonymous	$100,000.00	$50,000.00 unassigned for Northfield High School, and $50,000.00 specifically for baseball improvements at Northfield High School, including but not limited to new or updated equipment and field maintenance.

The vote on adoption of the Resolution was as follows:

Aye:
Nay:
Absent:

Whereupon, said Resolution was declared duly adopted.

By: Claudia Gonzalez-George, Chair   By: Noel Stratmoen, Clerk

Independent School District No. 659 (Northfield Public Schools), Minnesota
General Obligation Facilities Maintenance Bonds, Series 2022A

Facsimile signature for Bonds as of the closing date of February 17, 2022

INDEPENDENT SCHOOL DISTRICT NO. 659
(NORTHFIELD PUBLIC SCHOOLS), MINNESOTA

Chairperson	Clerk

CERTIFICATION OF MINUTES RELATING TO
$3,120,000 GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS,
SERIES 2022A

Issuer: Independent School District No. 659 (Northfield Public Schools), Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held on January 24, 2022 at 6:00 p.m. in the Northfield School District Office Boardroom.

Members present:

Members absent:

Documents attached:

Minutes of said meeting (including):

RESOLUTION RELATING TO $3,120,000 GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS, SERIES 2022A; AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT THEREOF

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 24th day of January, 2022.

____
School District Clerk

It was reported that six (6) proposals for the purchase of the District's $3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A, were received prior to 11:00 A.M., Central Time, on Monday, January 24, 2022, pursuant to the Preliminary Official Statement distributed to potential purchasers of the Bonds by Ehlers & Associates, Inc., independent municipal advisor to the District. The proposals have been publicly opened, read, and tabulated and were found to be as follows:

(See Attached)

EHLERS
PUBLIC FINANCE ADVISORS

BID TABULATION

$3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A

Independent School District No. 659 (Northfield Public Schools), Minnesota

SALE: January 24, 2022

AWARD: FHN FINANCIAL CAPITAL MARKETS

MN Credit Enhancement Rating: S&P Global Ratings "AAA"
Underlying Rating: S&P Global Ratings "AA+"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
FHN FINANCIAL CAPITAL MARKETS				$3,225,369.96	$826,136.87	1.9538%
Memphis, Tennessee	2028	4.000%	1.300%			
	2029	4.000%	1.350%			
	2030	4.000%	1.400%			
	2031[1]	2.000%	1.500%			
	2032[1]	2.000%	1.500%			
	2033[2]	2.000%	1.600%			
	2034[2]	2.000%	1.600%			
	2035[3]	2.000%	1.800%			
	2036[3]	2.000%	1.800%			
	2037[4]	2.000%	1.900%			
	2038[4]	2.000%	1.900%			
	2039[5]	2.050%	2.050%			
	2040[5]	2.050%	2.050%			
	2041[6]	2.200%	2.200%			
	2042[6]	2.200%	2.200%			

[1] $385,000 Term Bond due 2032 with mandatory redemption in 2031.
[2] $405,000 Term Bond due 2034 with mandatory redemption in 2033.
[3] $425,000 Term Bond due 2036 with mandatory redemption in 2035.
[4] $435,000 Term Bond due 2038 with mandatory redemption in 2037.
[5] $455,000 Term Bond due 2040 with mandatory redemption in 2039.
[6] $475,000 Term Bond due 2042 with mandatory redemption in 2041.

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin				$3,210,787.50	$831,962.61	1.9738%
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota				$3,191,069.90	$843,963.43	2.0104%

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
PIPER SANDLER & CO. Minneapolis, Minnesota				$3,170,850.65	$855,562.91	2.0363%
BAIRD Milwaukee, Wisconsin				$3,195,084.15	$857,072.24	2.0383%
RAYMOND JAMES & ASSOCIATES, INC. Memphis, Tennessee				$3,341,201.55	$931,127.34	2.1564%

Member ___________, introduced the following resolution and moved its adoption, which motion was seconded by Member ____________:

RESOLUTION RELATING TO $3,120,000 GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS, SERIES 2022A; AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT THEREOF

BE IT RESOLVED by the School Board (the Board) of Independent School District No. 659 (Northfield Public Schools), Minnesota (the District), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. Pursuant to a resolution adopted on November 22, 2021, this Board determined it is in the best interests of the District to authorize the issuance and sale of its General Obligation Facilities Maintenance Bonds, Series 2022A in the approximate principal amount of $3,120,000 (the Bonds) pursuant to Minnesota Statutes, Section 123B.595 and Chapter 475. The proceeds of the Bonds will be used, together with any funds of the District which might be required, to finance deferred capital maintenance projects, including roof replacement, at District facilities (collectively, the Projects), as described in the District's ten-year facility plan (the Facility Plan) approved by both the Board and the Commissioner of the Department of Education of the State of Minnesota. The District has published a notice in its official newspaper describing the Projects, the amount of such Bonds, and the total amount of District indebtedness.

1.02. Sale. The District has retained Ehlers and Associates, Inc., in Roseville, Minnesota (Ehlers) as independent municipal advisor in connection with the sale of the Bonds. Pursuant to Minnesota Statutes, Section 475.60, subdivision 2, paragraph 9, the requirements as to a public sale do not apply to the issuance of the Bonds. Pursuant to the Preliminary Official Statement prepared on behalf of the District by Ehlers, proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of FHN Financial Capital Markets, in Memphis, Tennessee (the Purchaser). It is hereby determined to issue the Bonds at a purchase price of $3,225,369.96 (representing the principal amount of $3,120,000, plus an original issue premium of $130,546.50, and less an underwriter's discount of $25,176.54) plus accrued interest, if any, and upon the further terms and conditions set forth herein.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Chairperson and Clerk are hereby authorized and directed on behalf of the District to execute a contract for the sale of the Bonds with the Purchaser in accordance with the terms of the proposal. The good faith deposit of the Purchaser shall be retained and deposited by the District until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement. Any good faith deposit of other bidders shall be returned to them forthwith.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done prior to the issuance of the Bonds having been done, existing and having happened, it is necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to issue the Bonds forthwith.

2.02. Maturities, Interest Rates and Denominations. The Bonds shall be originally dated as of February 17, 2022, shall be in denominations of $5,000 or any integral multiple thereof of single maturities, shall mature on February 1 in the years and amounts stated below and shall bear interest from date of issue until paid or duly called for redemption at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2028	$175,000	4.000%	2036	$425,000	2.000%
2029	180,000	4.000	2038	435,000	2.000
2030	185,000	4.000	2040	455,000	2.050
2032	385,000	2.000	2042	475,000	2.200
2034	405,000	2.000			

For purposes of complying with the maturity provisions of Minnesota Statutes, Section 475.54, subdivision 1, the maturity schedule for the Bonds shall be combined with the maturity schedules for the District's outstanding general obligation bonds.

The Bonds shall be issuable only in fully registered form. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest thereon and, upon surrender of each Bond, the principal amount thereof, shall be payable by check or draft issued by the Registrar described herein; provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. The interest on the Bonds shall be payable on February 1 and August 1, commencing August 1, 2022, to the owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

2.04. Redemption. The Bonds maturing on and after February 1, 2031 shall be subject to redemption and prepayment at the option of the District, in whole or in part, in such order as the District shall determine and within a maturity by lot as selected by the Registrar in multiples of $5,000, on February 1, 2030, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The Clerk shall cause notice of the call for redemption thereof to be published as required by law and, at least thirty (30) days prior to the designated redemption date, shall cause notice of the call for redemption to be mailed, by first class mail, to the registered owners of any Bonds to be redeemed at their addresses as they appear on the bond register described in Section 2.06 hereof but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

Bonds maturing on February 1, 2032, 2034, 2036, 2038, 2040, and 2042 (the Term Bonds) shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Year	Principal Amount
2031	$190,000

The remaining $195,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2032.

Year	Principal Amount
2033	$200,000

The remaining $205,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2034.

Year	Principal Amount
2035	$210,000

The remaining $215,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2036.

Year	Principal Amount
2037	$215,000

The remaining $220,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2038.

Year	Principal Amount
2039	$225,000

The remaining $230,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2040.

Year	Principal Amount
2041	$235,000

The remaining $240,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2042.

Notice of redemption shall be given as provided in the preceding paragraph.

2.05. Appointment of Initial Registrar. The District hereby appoints Bond Trust Services Corporation, in Roseville, Minnesota, as the initial bond registrar, transfer agent and paying agent (the Registrar). The Chairperson and the Clerk are authorized to execute and deliver, on behalf of the District, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution; Authentication and Delivery. The Bonds shall be prepared under the direction of the Clerk and shall be executed on behalf of the District by the signatures of the Chairperson and the Clerk, provided that all signatures may be printed, engraved, or lithographed facsimiles of the originals. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of the Registrar. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so delivered and authenticated, they shall be delivered by the Clerk to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the District agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chairperson or Clerk, if not previously filed or if required to be re-filed with DTC, is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

SECTION 3. <u>FORM OF BONDS</u>. The Bonds shall be prepared in substantially the form found at EXHIBIT A hereto.

SECTION 4. USE OF PROCEEDS.

4.01. General Obligation Facilities Maintenance Bonds, Series 2022A Construction Fund. There is hereby established on the official books and records of the District a General Obligation Facilities Maintenance Bonds, Series 2022A Construction Fund (the Construction Fund), and the District shall continue to maintain the Construction Fund until payment of all costs and expenses incurred in connection with the Projects financed by the Bonds have been paid. To the Construction Fund there shall be credited from the proceeds of the Bonds an amount equal to the estimated construction costs and expenses of the Projects and from the Construction Fund there shall be paid all such construction costs and expenses. After payment of all such construction costs and expenses, the Construction Fund shall be discontinued and any Bond proceeds remaining therein shall be credited to the Debt Service Fund established by Section 4.02 hereof.

4.02. General Obligation Facilities Maintenance Bonds, Series 2022A Debt Service Fund. So long as any of the Bonds are outstanding and any principal of or interest thereon unpaid, the District shall maintain a separate debt service fund on the official books and records of the District to be known as the General Obligation Facilities Maintenance Bonds, Series 2022A Debt Service Fund (the Debt Service Fund), which the District agrees to maintain until the Bonds have been paid in full, and the principal of and interest on the Bonds shall be payable from the Debt Service Fund. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 5(c), the portion of long-term facilities maintenance revenue for bonded debt must be recognized in the Debt Service Fund. The moneys on hand in the Debt Service Fund from time to time shall be used only to pay the principal of and interest on the Bonds. The District irrevocably appropriates to the Debt Service Fund: (a) any funds received from the Purchaser upon delivery of the Bonds in excess of (i) the amount required by Section 4.01 above to be credited to the Construction Fund and (ii) the amount required by Section 7.04 hereof to be set aside for payment of the costs of issuance of the Bonds; (b) the amounts specified in Section 4.01 above, after payment of all costs and expenses of the Projects; (c) all taxes levied and collected in accordance with this resolution or any additional resolutions of the Board; (d) amounts, if any, transferred from the general fund account for long-term facilities maintenance to the Debt Service Fund, pursuant to Minnesota Statutes, Section 123B.595, subdivision 10(a)(4); (e) any long-term facilities maintenance equalized aid receivable under Minnesota Statutes, Section 123B.595, subdivision 9; and (f) all other moneys as shall be appropriated by the Board to the Debt Service Fund from time to time. If any payment of principal of and interest on the Bonds shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the Clerk shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds when available. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 12, the portion, if any, of long-term facilities maintenance revenue not recognized in the Debt Service Fund shall be maintained with the general fund of the District in a reserve account pledged to the payment of Facility Plan costs not financed by the Bonds.

4.03. Tax Levies. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing power of the District shall be and are hereby irrevocably pledged. To provide moneys for the payment of principal of and interest on the Bonds as required by Minnesota Statutes, Section 475.61, subdivision 1, there is hereby levied on all taxable property in the District a direct, annual ad valorem tax which shall be spread upon the tax rolls for collection in the years and amounts as follows, as a part of other general taxes of the District, as follows:

Levy Years	Collection Years	Amount

(See attached levy computation)

The taxes shall be irrepealable as long as any of the Bonds are outstanding and unpaid; provided that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61. It is estimated that the ad valorem taxes will be collected in amounts not less than five percent in excess of the annual principal and interest requirements of the Bonds. If, as of the date tax levies are certified in any year, the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of Bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all Bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 4.02, an additional direct, irrepealable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this resolution. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 6, if the debt service revenue required to pay the principal and interest on the Bonds exceeds the District's long-term facilities maintenance revenue for the same fiscal year, the District's general fund levy must be reduced by the amount of the excess.

4.04. Debt Service Fund Balance Restriction. In order to ensure compliance with the Internal Revenue Code of 1986 (the Code), and applicable Treasury Regulations (the Regulations), upon allocation of any funds to the Debt Service Fund, the balance then on hand in the Fund shall be ascertained. If it exceeds the amount of principal and interest on the Bonds to become due and payable through February 1 next following, plus a reasonable carryover equal to 1/12th of the debt service due in the following bond year, the excess shall (unless an opinion is otherwise received from bond counsel) be used to prepay or purchase Bonds, or invested at a yield which does not exceed the yield on the Bonds calculated in accordance with Section 148 of the Code.

SECTION 5. DEFEASANCE. When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the registered owners of the Bonds shall cease. The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The District may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due, provided that notice of such redemption has been duly given as provided herein. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or earlier designated redemption date. Provided, however, that if such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the District shall have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 6. TAX COVENANTS, ARBITRAGE MATTERS, REIMBURSEMENT AND CONTINUING DISCLOSURE.

6.01. Restrictive Action. The Projects will be owned and maintained by the District and used to carry out its program of public education. The District shall not enter into any lease, management agreement, use agreement or other contract with any nongovernmental entity relating to the Projects or a portion thereof which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to the provisions of Section 141 of the Code. The District covenants and agrees with the registered owners of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any actions that would cause interest on the Bonds to become includable in gross income of the recipient under the Code and applicable Regulations and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations.

6.02. Arbitrage Certification. The Chairperson and Clerk being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and the Regulations.

6.03. Arbitrage Rebate Exemption. (a) It is hereby found that the District has general taxing powers, that no Bond is a "private activity bond" within the meaning of Section 141 of the Code, that 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the District, and that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the District and all subordinate entities thereof during calendar year 2022 is not reasonably expected to exceed $5,000,000 plus the lesser of $10,000,000 or so much of the aggregate face amount of the tax-exempt obligations as are attributable to financing or refinancing the construction of public school facilities. Therefore, pursuant to Section 148(f)(4)(D) of the Code, the District shall be treated as meeting the arbitrage rebate requirements of paragraphs (2) and (3) of Section 148(f) of the Code.

(b) If, notwithstanding the provisions of paragraph (a) of this Section 6.03, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the District hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

6.04. Qualified Tax-Exempt Obligations. The District hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt obligations which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of the Code as private activity bonds for the purpose of this representation) which will be issued by the District and all subordinate entities during calendar year 2022 does not exceed $10,000,000.

6.05. Reimbursement. The District certifies that the proceeds of the Bonds will not be used by the District to reimburse itself for any expenditure with respect to the Projects which the District paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the District shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the Projects as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

6.06. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the District hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The District is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the District fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The District will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the District, the following information at the following times:

(1) on or before twelve (12) months after the end of each fiscal year of the District, commencing with the fiscal year ending June 30, 2022, the following financial information and operating data in respect of the District (the Disclosure Information):

(A) the audited financial statements of the District for such fiscal year, prepared in accordance with generally accepted accounting principles in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the District, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the District; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: "Valuations – Current Property Valuations;" "Debt – Direct Debt;" "Tax Levies and Collections;" "The Issuer – Student Body;" and "General Information – Employment/Unemployment Data," which information may be unaudited. .

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the District shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the District shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (the MSRB) through its Electronic Municipal Market Access System (EMMA) or the SEC. The District shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the District have materially changed or been discontinued, such Disclosure Information need no longer be provided if the District includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other District operations in respect of which data is not included in the Disclosure Information and the District determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the District shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner, not in excess of 10 business days, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a "Material Fact," as hereinafter defined):

(A) principal and interest payment delinquencies;
(B) non-payment related defaults, if material;
(C) unscheduled draws on debt service reserves reflecting financial difficulties;
(D) unscheduled draws on credit enhancements reflecting financial difficulties;
(E) substitution of credit or liquidity providers, or their failure to perform;
(F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
(G) modifications to rights of Bond holders, if material;
(H) Bond calls, if material and tender offers;
(I) defeasances;
(J) release, substitution, or sale of property securing repayment of the Bonds if material;
(K) rating changes;
(L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
(M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(N) appointment of a successor or additional trustee or the change of name of a trustee, if material;
(O) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; "financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule; and

(P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

As used herein, for those events that must be reported if material, a "Material Fact" is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also a fact that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

For purposes of the events identified in paragraphs (O) and (P) above, the term "financial obligation" means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:

(A) the failure of the District to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the District under subsection (d)(2);

(C) the termination of the obligations of the District under this section pursuant to subsection (d);

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and

(E) any change in the fiscal year of the District.

(c) <u>Manner of Disclosure</u>.

(1) The District agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).

(2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the District in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the District under this section shall terminate and be without further effect as of any date on which the District delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the District to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the District from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the District accompanied by an opinion of Bond Counsel, who may rely on certificates of the District and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the District or the type of operations conducted by the District, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the District agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 7. CERTIFICATION OF PROCEEDINGS.

7.01. Filing with County Auditors. The Clerk is hereby authorized and directed to file with the County Auditors of Rice, Dakota and Goodhue Counties a certified copy of this resolution together with such other information as the County Auditors shall require and to obtain from the County Auditors a certificate that the Bonds have been entered upon the bond registers and that the tax for the payment of the Bonds has been levied as required by law.

7.02. Certification of Proceedings. The officers of the District and the County Auditors are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under the officer's custody and control or as otherwise known to the them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District to the correctness of all statements contained herein.

7.03. Official Statement. The Preliminary Official Statement relating to the Bonds prepared and distributed by Ehlers, is hereby approved. Ehlers, is hereby authorized on behalf of the District to prepare and distribute to the Purchaser within seven business days from the date hereof, a Final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The officers of the District are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

7.04. Authorization of Payment of Certain Costs of Issuance of the Bonds. The District authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Wells Fargo Bank, National Association, on the closing date for further distribution as directed by Ehlers.

SECTION 8. STATE PAYMENT; DISTRICT AND REGISTRAR OBLIGATIONS. The District hereby covenants and obligates itself to notify the Commissioner of Education (the Commissioner) of any potential default in the payment of the principal of or interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the State Payment Law), to guarantee, to the extent permitted by law, payment of the principal of and interest on the Bonds when due. The District further covenants to deposit with the Registrar not less than three business days prior to each February 1 and August 1 as set forth in Section 2.03 hereof, an amount sufficient to make that payment or to notify the Commissioner as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar will notify the Commissioner if it becomes aware of a potential default in the payment of principal of and interest on the Bonds on any payment date or if, on the date two business days prior to the date on which a payment is due, there are insufficient funds on deposit with the Registrar to make the required payment on such date. The Registrar will cooperate with the District, the Commissioner and the Commissioner of Management and Budget in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent and invested as authorized by Minnesota Statutes, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Registrar the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Registrar prior to the payment date of such interest or principal shall be deemed satisfied and neither the District nor the Registrar shall be required to notify the Commissioner that insufficient funds are available to pay such interest or principal on such payment date. The District shall do all other things which may be necessary to perform the Bonds hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner of Management and Budget or the Commissioner.

Upon vote being taken on the foregoing resolution, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted

TAX LEVIES

TAX LEVY CALCULATION | Issue ID# 340444

Independent School District No. 659 (Northfield Public Schools), MN | Dated Date: 2/17/2022

$3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A | Call Date: 2/1/2030

Tax Levy Year		Tax Collect Year		Bond Pay Year	Total P & I	P & I @ 105%	Net Levy	
2021	/	2022	/	2023	71,071.83	74,625.42	74,625.42	*
2022	/	2023	/	2024	74,377.50	78,096.38	78,096.38	
2023	/	2024	/	2025	74,377.50	78,096.38	78,096.38	
2024	/	2025	/	2026	74,377.50	78,096.38	78,096.38	
2025	/	2026	/	2027	74,377.50	78,096.38	78,096.38	
2026	/	2027	/	2028	249,377.50	261,846.38	261,846.38	
2027	/	2028	/	2029	247,377.50	259,746.38	259,746.38	
2028	/	2029	/	2030	245,177.50	257,436.38	257,436.38	
2029	/	2030	/	2031	242,777.50	254,916.38	254,916.38	
2030	/	2031	/	2032	243,977.50	256,176.38	256,176.38	
2031	/	2032	/	2033	245,077.50	257,331.38	257,331.38	
2032	/	2033	/	2034	246,077.50	258,381.38	258,381.38	
2033	/	2034	/	2035	246,977.50	259,326.38	259,326.38	
2034	/	2035	/	2036	247,777.50	260,166.38	260,166.38	
2035	/	2036	/	2037	243,477.50	255,651.38	255,651.38	
2036	/	2037	/	2038	244,177.50	256,386.38	256,386.38	
2037	/	2038	/	2039	244,777.50	257,016.38	257,016.38	
2038	/	2039	/	2040	245,165.00	257,423.25	257,423.25	
2039	/	2040	/	2041	245,450.00	257,722.50	257,722.50	
2040	/	2041	/	2042	245,280.00	257,544.00	257,544.00	
Totals					4,051,506.83	4,254,082.17	4,254,082.17	

* The District will transfer funds from the General Fund Long Term Facilities Maintenance Revenue to the Debt Service Fund in an amount sufficient to make the first year's interest payments.

EXHIBIT A

UNITED STATES OF AMERICA

STATE OF MINNESOTA
RICE, DAKOTA AND GOODHUE COUNTIES

INDEPENDENT SCHOOL DISTRICT NO. 659 (NORTHFIELD PUBLIC SCHOOLS)

GENERAL OBLIGATION FACILITIES MAINTENANCE BOND, SERIES 2022A

R-1 $_______

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
__%	February 1, 20__	February 17, 2022	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

INDEPENDENT SCHOOL DISTRICT NO. 659 (NORTHFIELD PUBLIC SCHOOLS), RICE, DAKOTA AND GOODHUE COUNTIES, STATE OF MINNESOTA (the District), acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner specified above, or registered assigns, the principal sum specified above on the maturity date specified above, and to pay interest thereon from the date of original issue specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2022, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month, all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond prior to its stated maturity. The interest hereon and, upon presentation and surrender hereof at the principal office of the Registrar described below, the principal hereof, are payable in lawful money of the United States of America by check or draft drawn on Bond Trust Services Corporation, in Roseville, Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the resolution described herein (the Registrar). For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the District have been and are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of $3,120,000 (the Bonds), issued by the District to finance deferred capital maintenance projects, including roof replacement, at District facilities and is issued pursuant to and in full conformity with a resolution adopted by the School Board on January 24, 2022 (the Bond Resolution), pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 123B.595. The Bonds are issuable only in fully registered form, in denominations of $5,000 or any integral multiple thereof, of single maturities.

The Bonds maturing on and after February 1, 2031 are each subject to redemption and prepayment at the option of the District, in whole or in part, in such order as the District shall determine and, within a maturity, by lot as selected by the Registrar in multiples of $5,000, on February 1, 2030, and on any date thereafter, at a price equal to the principal amount thereof plus interest accrued to the date of redemption. The District will cause notice of the call for redemption to be published as required by law and, at least thirty (30) days prior to the designated redemption date, will cause notice of the call thereof to be mailed by first class mail to the registered owner of any Bond to be redeemed at the owner's address as it appears on the bond register maintained by the Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

Bonds maturing in the years 2032, 2034, 2036, 2038, 2040, and 2042 shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

Term Bonds Maturing in 2032

Sinking Fund Payment Date	Aggregate Principal Amount
2031	$190,000
2032 (final maturity)	195,000

Term Bonds Maturing in 2034

Sinking Fund Payment Date	Aggregate Principal Amount
2033	$200,000
2034 (final maturity)	205,000

Term Bonds Maturing in 2036

Sinking Fund Payment Date	Aggregate Principal Amount
2035	$210,000
2036 (final maturity)	215,000

Term Bonds Maturing in 2038

Sinking Fund Payment Date	Aggregate Principal Amount
2037	$215,000
2038 (final maturity)	220,000

Term Bonds Maturing in 2040		Term Bonds Maturing in 2042	
Sinking Fund Payment Date	Aggregate Principal Amount	Sinking Fund Payment Date	Aggregate Principal Amount
2039	$225,000	2041	$235,000
2040 (final maturity)	230,000	2042 (final maturity)	240,000

Notice of redemption shall be given as provided in the preceding paragraph.

The Bonds have been designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

As provided in the Bond Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the District.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen, to exist and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District according to its terms have been done, have happened, do exist and have been performed in regular and due form, time and manner as so required; that, prior to the issuance hereof, a direct, annual, ad valorem tax has been duly levied upon all taxable property in the District for the years and in amounts not less than five percent in excess of sums sufficient to pay the interest hereon and the principal hereof as the same respectively become due; that additional taxes, if needed to meet the principal and interest requirements of the Bonds, shall be levied upon all such property without limitation as to rate or amount; and that the issuance of the Bonds does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Independent School District No. 659 (Northfield Public Schools), Rice, Dakota and Goodhue Counties, State of Minnesota, by its School Board, has caused this Bond to be executed on its behalf by the facsimile signatures of the Chairperson and Clerk.

INDEPENDENT SCHOOL DISTRICT NO. 659
(NORTHFIELD PUBLIC SCHOOLS),
MINNESOTA

(Facsimile Signature – Chairperson)

(Facsimile Signature - Clerk)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Bond Resolution mentioned within.

Date of Authentication: ____________

BOND TRUST SERVICES CORPORATION, as Registrar

By____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM --as tenants in common UTMA …………. as Custodian for …………..
(Cust) (Minor)

TEN ENT --as tenants by the entireties under Uniform Transfers to Minors Act ....……..
(State)

JT TEN --as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto ________________________________ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint ____________________________ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _________________

____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: ________________________________

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please insert social security or other identifying number of assignee:______________________

CERTIFICATE OF RICE COUNTY AUDITOR
AS TO REGISTRATION OF BONDS AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Rice County, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on January 24, 2022, by the School Board of Independent School District No. 659 (Northfield Public Schools), Minnesota, setting forth the form and details of an issue of $3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A, dated as of February 17, 2022, and levying taxes for their payment.

I further certify that the issue has been entered on my bond register and the tax required by law for their payment has been levied and filed as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal this _____ day of _______________, 2022.

____
Rice County Auditor

(SEAL)

CERTIFICATE OF DAKOTA COUNTY AUDITOR
AS TO REGISTRATION OF BONDS AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Dakota County, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on January 24, 2022, by the School Board of Independent School District No. 659 (Northfield Public Schools), Minnesota, setting forth the form and details of an issue of $3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A, dated as of February 17, 2022, and levying taxes for their payment.

I further certify that the issue has been entered on my bond register and the tax required by law for their payment has been levied and filed as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal this _____ day of ________________, 2022.

____
Dakota County Auditor

(SEAL)

CERTIFICATE OF GOODHUE COUNTY AUDITOR
AS TO REGISTRATION OF BONDS AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Goodhue County, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on January 24, 2022, by the School Board of Independent School District No. 659 (Northfield Public Schools), Minnesota, setting forth the form and details of an issue of $3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A, dated as of February 17, 2022, and levying taxes for their payment.

I further certify that the issue has been entered on my bond register and the tax required by law for their payment has been levied and filed as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal this _____ day of ________________, 2022.

____
Goodhue County Auditor

(SEAL)

SIGNATURE, NO-LITIGATION AND ARBITRAGE
CERTIFICATE AND PURCHASE PRICE RECEIPT

The undersigned hereby certify that we are the Chairperson and Clerk, respectively, of Independent School District No. 659 (Northfield Public Schools), Minnesota (the District), and that:

1. In our capacities as such officers, we have caused facsimiles of our true and correct signatures to be affixed to each bond of an issue of $3,120,000 General Obligation Facilities Maintenance Bonds, Series 2022A, dated as of February 17, 2022 (the Bonds), of the District. We are duly qualified and acting as such officers and duly authorized to execute the Bonds and we hereby ratify, confirm and adopt the facsimile signatures on each and all of the Bonds as the true and proper signatures for the execution thereof. The Bonds are in fully registered form. The Bonds have been in all respects duly executed for delivery pursuant to authority conferred upon us as such officers and no obligations other than the Bonds have been issued pursuant to such authority.

2. The Bonds mature on the dates, bear interest at the rates and are substantially in the form prescribed by a resolution duly adopted by the governing body of the District on January 24, 2022 (the Bond Resolution). The Bond Resolution has not been amended or repealed.

3. We have delivered the Bonds to Bond Trust Services Corporation, in Roseville, Minnesota, as bond registrar (the Registrar), for authentication and delivery to The Depository Trust Company on behalf of FHN Financial Capital Markets, in Memphis, Tennessee, in its capacity as the purchaser of the Bonds (the Purchaser).

4. None of the proceedings or records which have been certified to the Purchaser or to Dorsey & Whitney LLP, the attorneys rendering an opinion as to the validity of the Bonds, has been in any manner repealed, amended or changed. There has been no material change in the financial condition of the District or the facts affecting the Bonds. No litigation of any nature is now pending or, to the best of our knowledge, threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of any ad valorem taxes to pay principal of or interest on the Bonds, or in any manner questioning the authority or proceedings for the issuance of the Bonds or the application of the proceeds thereof, or for the levy or collection of ad valorem taxes or affecting the validity of the Bonds or questioning the corporate existence or boundaries of the District or the title of any of the present officers thereof to their respective offices.

5. The Preliminary Official Statement, dated January 13, 2022 and the Final Official Statement, dated January 25, 2022 prepared on behalf of the District for the issuance of the Bonds by Ehlers & Associates, Inc., the District's independent municipal advisor (the Municipal Advisor), did not as of the dates thereof, and do not as of the date hereof, contain any misstatement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

6. This certificate is given, in part, to establish the reasonable expectations of the District regarding the amount and use of the gross proceeds of the Bonds. The facts and expectations set forth herein are reasonable and the District does not reasonably expect that the

Bonds will be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986 (the Code) and applicable Treasury Regulations (the Regulations).

7. The Bonds are being issued to finance deferred capital maintenance projects, including roof replacement, at District facilities (collectively, the Projects) as described in the District’s ten-year facility plan approved by the Commissioner of the Department of Education of the State of Minnesota pursuant to Minnesota Statutes, Section 123B.595 and Chapter 475.

8. The Bonds are generally considered a single “issue” for all purposes of Section 103 and Sections 141 through 150 of the Code because they were sold at substantially the same time (*i.e.*, less than 15 days apart) pursuant to the same plan of financing and are reasonably expected to be paid from substantially the same source of funds. The District has not entered into and will not enter into a binding written contract at substantially the same time as the sale date of the Bonds for the sale or exchange of any tax-exempt obligation pursuant to the same plan of financing as the Bonds that is reasonably expected to be payable from substantially the same source of funds as the Bonds.

9. On the date hereof (the Closing Date), the District received from the Purchaser the purchase price of the Bonds, $3,225,369.96 ($3,120,000 for the principal of the Bonds, plus original issue premium of $130,546.50, and less underwriter’s discount of $25,176.54, no interest having accrued to the date hereof, and the Registrar was thereupon directed to deliver the Bonds to The Depository Trust Company on behalf of the Purchaser.

10. Of the amount set forth in paragraph 9, $3,170,008.96 of the proceeds of the Bonds will be deposited in the General Obligation Facilities Maintenance Bonds, Series 2022A Construction Fund created by the Bond Resolution (the Construction Fund) and used to pay the costs of the Projects; $55,361 will be used on or about the Closing Date to pay costs of issuance of the Bonds (representing costs of legal services, financial consulting services, advertising and printing and similar items); and $0 will be deposited in the General Obligation Facilities Maintenance Bonds, Series 2022A Debt Service Fund created by the Bond Resolution (the Debt Service Fund) and applied to the payment of interest on the Bonds on August 1, 2022.

11. The Bonds have been sold at competitive sale after solicitation of proposals without the requirement of published notice by the District’s Municipal Advisor. To the best of our knowledge, the price paid for the Bonds by the Purchaser is reasonable under customary standards applied in the market. As shown in the Certificate of Municipal Advisor, the “issue price” of the Bonds is $3,250,546.50, which is the aggregate of the issue prices determined separately for each maturity of the Bonds (treating Bonds with the same maturity date but different credit or payment terms as separate maturities) based on the reasonably expected initial offering price of each maturity of the Bonds to the public as of the sale date, pursuant to the special rule for competitive sales provided by Section 1.148-1(f)(2)(iii) of the Regulations and as evidenced by the Issue Price Certificate of Purchaser and the Certificate of Municipal Advisor.

12. As shown in the Certificate of Municipal Advisor, the yield on the Bonds (the Bond Yield), computed on the basis of the information set forth herein, and otherwise in accordance with the Code and the Regulations, is 1.8800% per annum. The Bond Yield has been calculated, as provided in Section 1.148-4(b) of the Regulations, as that discount rate which when used in

computing the present value as of the issue date of all unconditionally payable payments of principal, interest and fees paid or reasonably expected to be paid for qualified guarantees on the Bonds, produces an amount which is equal to the present value, using the same discount rate, of the aggregate issue price thereof.

13. The net sale proceeds of the Bonds, plus investment earnings thereon, deposited into the Construction Fund do not exceed the amount to be spent by the District to construct the Projects and to pay costs of issuance of the Bonds, and it is reasonably expected that all of the amounts in the Construction Fund will be allocated to expenditures for the Projects or to costs of issuance of the Bonds. The District will, within six months of the date hereof, incur substantial binding obligations to third parties to expend at least 5% of the net sale proceeds of the Bonds on the Projects. Work on the Projects and allocation of the net sale proceeds of the Bonds to expenditures will proceed with due diligence to completion and it is reasonably expected that the Projects will be completed and that at least 85% of the net sale proceeds of the Bonds will be allocated to expenditures for the Projects within three years of the Closing Date. Any balance remaining in the Construction Fund upon completion of the Projects, or upon an earlier determination that all such funds will not be used for the Projects, will be applied in a manner determined, in consultation with bond counsel, to comply with the federal income tax rules governing the application of excess proceeds.

14. The District expects to spend on the Projects, within three years from the date hereof, all of the net sale and investment proceeds to be derived by the District from the issuance of the Bonds. Any amount not so expended by said date will, pending expenditure, be invested at a yield which does not exceed the Bond Yield unless the District determines to take advantage of the provisions of Section 1.148-5(c) relating to yield reduction payments.

15. The Bonds have been made payable primarily from the Debt Service Fund. The collections of ad valorem taxes and other amounts appropriated to the Debt Service Fund are estimated to be sufficient, but not in excess of the amounts required, to pay the principal of and interest on all Bonds payable therefrom when due, and it is not expected that any of such Bonds or the interest thereon will be paid from any other account or fund of the District and no other fund or account is pledged as security for the payment of the Bonds. The Debt Service Fund is expected to be depleted annually on February 1, except for a "reasonable carryover" as permitted by the definition of a "bona fide debt service fund" in Section 1.148-1(b) of the Regulations. The Debt Service Fund will constitute a "bona fide debt service fund" as defined in Section 1.148-1(b) of the Regulations.

16. No proceeds of the Bonds will be used to pay principal, interest, or redemption price on another issue, and no proceeds of the Bonds will be allocated to reimburse an original expenditure paid by another obligation.

17. None of the proceeds of the Bonds will be used to reimburse the District for costs of the Projects (other than "preliminary expenditures" as permitted by Section 1.150-2(f)(2) of the Regulations) paid prior to the date of issuance of the Bonds.

18. All net proceeds of the Bonds have been or will be used, directly or indirectly, to finance capital expenditures or, to the extent permitted by Section 1.148-6(d)(3)(ii) of the

Regulations, *de minimis* expenditures for certain specified purposes (including costs of issuing the Bonds and interest on the Bonds until three years from the Closing Date). The District acknowledges that if proceeds of the Bonds are allocated to expenditures other than as permitted by this paragraph, a like amount of then-available funds of the District will be treated as unspent proceeds of the Bonds.

19. The District has not and will not enter into any lease, operating agreement, management agreement or other contractual arrangement that would cause the Bonds to be considered "private activity bonds" as defined in Section 141 of the Code and applicable Regulations. Property financed with the proceeds of the Bonds is not expected to be sold or disposed of, in whole or in part, prior to the last maturity date of the Bonds.

20. No portion of the proceeds of the Bonds will be used, directly or indirectly, to make or finance loans to any other person. No proceeds of the Bonds will be used to make a prepayment for goods or services more than 90 days prior to the reasonably expected date of delivery to the District of all of the goods or services for which the prepayment was made.

21. No portion of the Bonds is issued for the purpose of investing the proceeds thereof at a yield higher than the Bond Yield. The sale proceeds of the Bonds, including income from the investment thereof, do not exceed the amount necessary for the governmental purposes of the Bonds. Other than amounts deposited into the Debt Service Fund, it is not expected that any other replacement proceeds of the Bonds will arise subsequent to the issuance of the Bonds.

22. The District reasonably expects that the term of the Bonds is no longer than is reasonably necessary for the governmental purposes of the Bonds. The weighted average maturity of the Bonds 13.155 years does not exceed 120% of the average reasonably expected economic life of the financed Projects.

23. Except as provided in this paragraph, prior to allocation to expenditures, all gross proceeds of the Bonds shall be invested at a yield not in excess of the Bond Yield until they cease to be gross proceeds:

(a) The following may be invested without yield restriction during the indicated temporary period:

(i) amounts on deposit in the Construction Fund prior to the earlier of three years after the Closing Date or the completion (or abandonment) of the Projects;

(ii) amounts on deposit in the Debt Service Fund (to the extent it qualifies as a "bona fide debt service fund") for a period of 13 months from the date received;

(iii) any other investment proceeds for a period of one year from the date received;

(iv) any other replacement proceeds for a period of 30 days from the date that the amounts are first treated as replacement proceeds; and

(v) any other gross proceeds for a period of 30 days from the date received.

(b) Gross proceeds of the Bonds may be invested without yield restriction to the extent the District makes permissible yield-reduction payments with respect to such investment in the manner provided in Section 1.148-5(c) of the Regulations.

(c) At any time gross proceeds of the Bonds do not qualify for investment at a yield in excess of the Bond Yield pursuant to an applicable temporary period, such gross proceeds may be invested without yield restriction as part of the "minor portion" as set forth in Section 148(e) of the Code. The Bonds are treated as a single issue for purposes of determining the minor portion, and, therefore, the "minor portion" amount is $100,000.

24. No amounts held in the Construction Fund or Debt Service Fund will be used to acquire an investment (including a bank deposit) for an amount in excess of the fair market value of such investment, and no such investment will be sold or otherwise disposed of for an amount less than the fair market value of the investment. The District acknowledges that, except as is otherwise provided in Section 1.148-5(d)(6) of the Regulations, an investment that is not of a type traded on an established securities market, within the meaning of Section 1273 of the Code, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

25. The District expects to qualify for the "small issuer exception" of Section 148(f)(4)(D) of the Code with respect to the Bonds, which provides that the District shall be treated as meeting the arbitrage rebate requirements of paragraphs (2) and (3) of Section 148(f) of the Code because the District has general taxing powers, no Bond is a "private activity bond" within the meaning of Section 141 of the Code, 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the District, and the aggregate face amount, within the meaning of Section 1.148-8(c)(1) of the Regulations, of all tax-exempt obligations (other than private activity bonds) issued by the District and all subordinate entities thereof during calendar year 2022 is not reasonably expected to exceed $5,000,000 plus the lesser of $10,000,000 or so much of the aggregate face amount of the tax-exempt obligations as are attributable to financing or refinancing the construction of public school facilities.

26. The Bonds are not "hedge bonds" within the meaning of Section 149(g) of the Code. The District reasonably expects to spend at least 85% of the spendable proceeds of the Bonds within three years after the date hereof and not more than 50% of the proceeds of the Bonds are or will be invested in nonpurpose investments having a substantially guaranteed yield for four years or more.

27. The Bonds will not be "federally guaranteed" within the meaning of Section 149(b) of the Code.

28. The District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and finds that the reasonably anticipated amount of tax-exempt obligations which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of

the Code as private activity bonds for the purpose of this representation) which will be issued by the District and all subordinate entities during calendar year 2022 does not exceed $10,000,000.

29. The District will retain detailed records and documents relating to the expenditure of proceeds of the Bonds, the use of the facilities financed thereby, and the investment of sale and investment proceeds until at least three years following the retirement of all the Bonds or any tax-exempt or tax-advantaged obligations that refund the Bonds. The District acknowledges that such records may be necessary to support the exclusion of interest on the Bonds from gross income.

30. To the best of the knowledge and belief of the undersigned, the expectations of the District, as set forth above, are reasonable, and there are no present facts, estimates or circumstances which would change the foregoing expectations.

Dated: February 17, 2022.

INDEPENDENT SCHOOL DISTRICT NO. 659
(NORTHFIELD PUBLIC SCHOOLS),
MINNESOTA

By: ____
Chairperson

And: _______________________________________
Clerk

[Signature, No-Litigation and Arbitrage Certificate and Purchase Price Receipt
Independent School District No. 659 (Northfield Public Schools), Minnesota
General Obligation Facilities Maintenance Bonds, Series 2022A]

*****Draft*** Northfield Public Schools 2021-22 COVID-19 Safety Protocols Exit Criteria** **last updated 12.09.2021**

Universal masking and quarantining protocols shift to recommended masking and optional quarantine for those identified as close contacts <u>at school</u> to someone who has tested positive for COVID-19 when:	
The school influenza-like illness rate is less than five percent (5%) on average per week.	
K-12 Student Vaccinations (both doses) + COVID-19 Infections in the last 90 days **(immunity rate)**	**Seven (7)-day case rate/100,000 county residents for <u>three consecutive weeks</u>**
Less than 60% **and**	less than 50 per 100,000 residents
At least 60% **and**	less than 100 per 100,000 residents
At least 70% **and**	less than 125 per 100,000 residents
At least 80% **and**	less than 150 per 100,000 residents

Notes:

- The earliest date that the district would consider any exit strategy is Jan. 31, 2022.
- The seven-day Rice County case rate is published every Thursday by Rice County Public Health on their website.
- The ~~Minnesota Department of Health Decision Tree~~ district's latest 2021-22 COVID-19 protocols will be used for those identified as close contacts within their household and for students or staff who test positive for COVID-19.
- Programs for pre-Kindergarten students will continue to use universal masking protocols until these students are eligible for vaccination. Students under the age of two are not required to wear a face mask. This document does not apply to programs held at the Northfield Community Education Center.
- Student vaccination rates are calculated based on data from the Minnesota Immunization Information Connection (MIIC). Individual student names are not included in the report that is used to determine the vaccination rate.
- When all three conditions are met, universal masking and quarantine protocols shift to recommended masking and optional quarantine on the following Monday.
- If the seven (7)-day case rate/100,000 county residents exceeds the threshold that corresponds with the current immunity rate for two consecutive weeks, universal masking and quarantining protocols will be re-implemented the following Monday.
- Students should continue to stay home when symptomatic, even when safety protocols are reduced.

Immunity Rate Calculation Description

<u>K-12 Student Vaccinations (both doses) + COVID-19 Infections in the last 90 days:</u> This calculation will be a simple, unrounded percentage:

total K-12 students vaccinated + total K-12 students with COVID-19 infections in the last 90 days

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total K-12 students (latest enrollment report)

The total K-12 student count will be based on the most recent enrollment report's "Full-time only (excluding EC and part-time/independent)" data point.