February 27, 2023

SALE DAY REPORT FOR:

Independent School District No. 272 (Eden Prairie Schools), Minnesota

$15,010,000 General Obligation Facilities Maintenance and Capital Facilities Bonds, Series 2023A

Prepared by:

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BUILDING COMMUNITIES. IT'S WHAT WE DO.

Competitive Sale Results

PURPOSE: To finance deferred maintenance projects included in the District's ten year facilities plan and capital improvements to district facilities approved by the Commissioner of Education.

RATING: **MN Credit Enhancement Rating:** Moody's Investor's Service "Aa1"
Underlying Rating: Moody's Investor's Service "Aa2"

NUMBER OF BIDS: 15

LOW BIDDER: Jefferies, New York, New York

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

LOW BID:* 3.0316%

HIGH BID: 3.1543%

Summary of Sale Results:	
Principal Amount*:	$15,010,000
Underwriter's Discount:	$34,189
Reoffering Premium:	$1,823,932
True Interest Cost*:	3.0283%
Capitalized Interest:	$625,283
Costs of Issuance:	$94,510
Yield:	2.64%-3.40%
Total Net Principal and Interest:	$19,941,450

* *After receipt of the bids, certain maturities were adjusted. The winning bidder submitted a bid with a premium price (a price greater than the par amount of the bonds) that was greater than the estimate included in the Pre-Sale Report. As a result, the principal amount of the capital facilities bond portion was decreased, lowering the total principal amount from $3,520,000 to $3,370,000. This also caused a slight change in the True Interest Cost.*

NOTES: The True Interest Cost of 3.03% is lower than the 3.28% estimated in the Pre-Sale Report provided to the Board on January 23, 2023. The winning bidder submitted a bid with a premium price (a price paid that is more than the principal amount) that was larger than estimated. The additional premium will provide the district with approximately $475,000 more for projects costs on the facilities maintenance bond portion as compared with presale estimates.

CLOSING DATE: March 23, 2023

SCHOOL BOARD ACTION: Adopt the resolution awarding the sale of $15,010,000 General Obligation Facilities Maintenance and Capital Facilities Bonds, Series 2023A.

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Updated Combined Sources and Uses of Funds
- Updated Combined Net Debt Service Schedule
- Updated Net Debt Service Schedule Facilities Maintenance Portion of Bonds
- Updated Long-term Financing Plan for Debt and Capital Payments and Levies
- Updated Debt Service Schedule for Capital Facilities Portion of Bonds
- Rating Reports
- Bond Resolution (Distributed Separately)

BID TABULATION

$15,160,000* General Obligation Facilities Maintenance and Capital Facilities Bonds, Series 2023A

Independent School District No. 272 (Eden Prairie Schools), Minnesota

SALE: February 27, 2023

AWARD: JEFFERIES

MN Credit Enhancement Rating: Moody's Investor's Service "Aa1"
Underlying Rating: Moody's Investor's Service "Aa2"

Tax Exempt - Non-Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
JEFFERIES				$16,960,298.33	$3,812,702.23	3.0316%
New York, New York	2025	5.000%	3.050%			
	2026	5.000%	2.830%			
	2027	5.000%	2.730%			
	2028	5.000%	2.650%			
	2029	5.000%	2.650%			
	2030	5.000%	2.650%			
	2031	5.000%	2.640%			
	2032	5.000%	2.650%			
	2033	5.000%	2.710%			
	2034	5.000%	2.810%			
	2035	4.000%	3.180%			
	2036	4.000%	3.400%			
J.P. MORGAN SECURITIES LLC				$16,816,537.06	$3,800,143.50	3.0421%
New York, New York						
FIFTH THIRD SECURITIES, INC.				$16,662,991.50	$3,787,130.17	3.0519%
Cincinnati, Ohio						
MESIROW FINANCIAL, INC.				$16,800,745.10	$3,815,935.46	3.0566%
Chicago, Illinois						
PIPER SANDLER & CO.				$16,800,176.64	$3,816,503.92	3.0571%
Minneapolis, Minnesota						

* Subsequent to bid opening the issue size was decreased to $15,010,000.
Adjusted Price - $16,799,742.89 Adjusted Net Interest Cost - $3,766,989.89 Adjusted TIC - 3.0283%

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin				$16,999,712.85	$3,893,028.82	3.0865%
RBC CAPITAL MARKETS, LLC New York, New York				$16,843,874.25	$3,863,241.58	3.0885%
BAIRD Milwaukee, Wisconsin				$17,102,895.10	$3,921,616.01	3.0909%
UBS FINANCIAL SERVICES INC. New York, New York				$16,886,171.66	$3,886,828.90	3.0993%
PNC CAPITAL MARKETS LLC Philadelphia, Pennsylvania				$17,071,651.94	$3,952,859.17	3.1192%
KEYBANC CAPITAL MARKETS INCORPORATED Cleveland, Ohio				$16,800,662.15	$3,906,453.68	3.1283%
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota				$16,952,935.09	$3,939,806.58	3.1291%
TD SECURITIES (USA) LLC New York, New York				$16,834,277.55	$3,938,723.01	3.1469%
JANNEY MONTGOMERY SCOTT LLC Philadelphia, Pennsylvania				$17,037,076.94	$3,987,434.17	3.1506%
STONEX FINANCIAL INC Atlanta, Georgia				$17,032,997.70	$3,991,513.41	3.1543%

RESULTS OF BOND SALE

Eden Prairie Schools, ISD 272 — **February 27, 2023**

Estimated Sources and Uses of Funds

	Facilities Maintenance Bonds	Capital Facilities Bonds	Total
Authorized Bond Amount	**$11,640,000**	**$3,825,000**	**$15,465,000**
Bond Amount	**$11,640,000**	**$3,370,000**	**$15,010,000**
Closing/Dated			**March 23, 2023**
Sources of Funds			
Par Amount	$11,640,000	$3,370,000	$15,010,000
Reoffering Premium [1]	1,399,621	424,311	1,823,932
Funds on Hand	0	144,161	144,161
Investment Earnings [2]	31,147	0	31,147
Total Sources	$13,070,768	$3,938,472	$17,009,239
Uses of Funds			
Underwriter's Discount [3]	$26,513	$7,676	$34,189
Capitalized Interest [4]	481,122	144,161	625,283
Legal and Fiscal Costs [5]	73,291	21,219	94,510
Net Available for Project Costs	**12,489,842**	**3,765,416**	**16,255,258**
Total Uses	$13,070,768	$3,938,472	$17,009,239
Initial Deposit to Construction Fund	**$12,458,696**	**$3,765,416**	**$16,224,111**

1 The underwriter that purchased the bonds offered a premium, a portion of which was retained by the underwriter as their compensation, or underwriter's discount. For the Facilities Maintenance Bonds, the premium will be deposited in the construction fund and used to fund a portion of the project costs. For the Capital Facilities Bonds, the premium will be used to reduce the par amount of the bonds.

2 Estimated investment earnings are based on an average interest rate of 0.25% and an average life for investments of 12 months for the Facilities Maintenance bonds. Investment earnings for the Capital Facilities bonds are expected to be minimal since the project is expected to be completed within 6 months.

3 The underwriter's discount is an estimate of the compensation taken by the underwriter who provides the lowest true interest cost as part of the competitive bidding process and purchases the bonds. Ehlers provides independent municipal advisory services as part of the bond sale process and is not an underwriting firm.

4 Due to the timing of the levy process, the District would not be able to make a levy for the interest payment due related to the Facilities Maintenance bonds in fiscal year 2023-24, so that payment would be made from bond proceeds. For the capital facilities bonds, the interest payment due in fiscal year 2023-24 will be paid from debt service funds on hand.

5 Includes fees for municipal advisor, bond counsel, rating agency, and paying agent.

Eden Prairie School District No. 272

$15,010,000 G.O. Facilities Maintenance and Capital Facilities Bonds, Series 202

Issue Summary

Dated: March 23, 2023

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
03/23/2023	-	-	-	-	-	-	-
02/01/2024	-	-	625,282.78	625,282.78	(625,282.78)	-	-
08/01/2024	-	-	365,425.00	365,425.00	-	365,425.00	-
02/01/2025	270,000.00	5.000%	365,425.00	635,425.00	-	635,425.00	1,000,850.00
08/01/2025	-	-	358,675.00	358,675.00	-	358,675.00	-
02/01/2026	1,055,000.00	5.000%	358,675.00	1,413,675.00	-	1,413,675.00	1,772,350.00
08/01/2026	-	-	332,300.00	332,300.00	-	332,300.00	-
02/01/2027	1,075,000.00	5.000%	332,300.00	1,407,300.00	-	1,407,300.00	1,739,600.00
08/01/2027	-	-	305,425.00	305,425.00	-	305,425.00	-
02/01/2028	1,480,000.00	5.000%	305,425.00	1,785,425.00	-	1,785,425.00	2,090,850.00
08/01/2028	-	-	268,425.00	268,425.00	-	268,425.00	-
02/01/2029	1,475,000.00	5.000%	268,425.00	1,743,425.00	-	1,743,425.00	2,011,850.00
08/01/2029	-	-	231,550.00	231,550.00	-	231,550.00	-
02/01/2030	1,405,000.00	5.000%	231,550.00	1,636,550.00	-	1,636,550.00	1,868,100.00
08/01/2030	-	-	196,425.00	196,425.00	-	196,425.00	-
02/01/2031	1,600,000.00	5.000%	196,425.00	1,796,425.00	-	1,796,425.00	1,992,850.00
08/01/2031	-	-	156,425.00	156,425.00	-	156,425.00	-
02/01/2032	1,545,000.00	5.000%	156,425.00	1,701,425.00	-	1,701,425.00	1,857,850.00
08/01/2032	-	-	117,800.00	117,800.00	-	117,800.00	-
02/01/2033	1,685,000.00	5.000%	117,800.00	1,802,800.00	-	1,802,800.00	1,920,600.00
08/01/2033	-	-	75,675.00	75,675.00	-	75,675.00	-
02/01/2034	1,455,000.00	5.000%	75,675.00	1,530,675.00	-	1,530,675.00	1,606,350.00
08/01/2034	-	-	39,300.00	39,300.00	-	39,300.00	-
02/01/2035	1,050,000.00	4.000%	39,300.00	1,089,300.00	-	1,089,300.00	1,128,600.00
08/01/2035	-	-	18,300.00	18,300.00	-	18,300.00	-
02/01/2036	915,000.00	4.000%	18,300.00	933,300.00	-	933,300.00	951,600.00
Total	**$15,010,000.00**	**-**	**$5,556,732.78**	**$20,566,732.78**	**(625,282.78)**	**$19,941,450.00**	**-**

Yield Statistics

Bond Year Dollars	$115,976.89
Average Life	7.727 Years
Average Coupon	4.7912415%
Net Interest Cost (NIC)	3.2480522%
True Interest Cost (TIC)	3.0283112%
All Inclusive Cost (AIC)	3.1155570%
Bond Yield for Arbitrage Purposes	2.7785746%

IRS Form 8038

Net Interest Cost	2.8620598%
Weighted Average Maturity	7.748 Years

Eden Prairie School District No. 272

$11,640,000 G.O. Facilities Maintenance and Capital Facilities Bonds, Series 202

Facilities Maintenance Portion

Purpose 1 of 2

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
03/23/2023	-	-	-	-	-	-	-
02/01/2024	-	-	481,121.67	481,121.67	(481,121.67)	-	-
08/01/2024	-	-	281,175.00	281,175.00	-	281,175.00	-
02/01/2025	-	-	281,175.00	281,175.00	-	281,175.00	562,350.00
08/01/2025	-	-	281,175.00	281,175.00	-	281,175.00	-
02/01/2026	775,000.00	5.000%	281,175.00	1,056,175.00	-	1,056,175.00	1,337,350.00
08/01/2026	-	-	261,800.00	261,800.00	-	261,800.00	-
02/01/2027	780,000.00	5.000%	261,800.00	1,041,800.00	-	1,041,800.00	1,303,600.00
08/01/2027	-	-	242,300.00	242,300.00	-	242,300.00	-
02/01/2028	1,170,000.00	5.000%	242,300.00	1,412,300.00	-	1,412,300.00	1,654,600.00
08/01/2028	-	-	213,050.00	213,050.00	-	213,050.00	-
02/01/2029	1,150,000.00	5.000%	213,050.00	1,363,050.00	-	1,363,050.00	1,576,100.00
08/01/2029	-	-	184,300.00	184,300.00	-	184,300.00	-
02/01/2030	1,065,000.00	5.000%	184,300.00	1,249,300.00	-	1,249,300.00	1,433,600.00
08/01/2030	-	-	157,675.00	157,675.00	-	157,675.00	-
02/01/2031	1,240,000.00	5.000%	157,675.00	1,397,675.00	-	1,397,675.00	1,555,350.00
08/01/2031	-	-	126,675.00	126,675.00	-	126,675.00	-
02/01/2032	1,165,000.00	5.000%	126,675.00	1,291,675.00	-	1,291,675.00	1,418,350.00
08/01/2032	-	-	97,550.00	97,550.00	-	97,550.00	-
02/01/2033	1,290,000.00	5.000%	97,550.00	1,387,550.00	-	1,387,550.00	1,485,100.00
08/01/2033	-	-	65,300.00	65,300.00	-	65,300.00	-
02/01/2034	1,040,000.00	5.000%	65,300.00	1,105,300.00	-	1,105,300.00	1,170,600.00
08/01/2034	-	-	39,300.00	39,300.00	-	39,300.00	-
02/01/2035	1,050,000.00	4.000%	39,300.00	1,089,300.00	-	1,089,300.00	1,128,600.00
08/01/2035	-	-	18,300.00	18,300.00	-	18,300.00	-
02/01/2036	915,000.00	4.000%	18,300.00	933,300.00	-	933,300.00	951,600.00
Total	**$11,640,000.00**	**-**	**$4,418,321.67**	**$16,058,321.67**	**(481,121.67)**	**$15,577,200.00**	**-**

Yield Statistics

Bond Year Dollars	$93,208.67
Average Life	8.008 Years
Average Coupon	4.7402477%
Net Interest Cost (NIC)	3.2670927%
True Interest Cost (TIC)	3.0522388%
All Inclusive Cost (AIC)	3.1369485%
Bond Yield for Arbitrage Purposes	2.7785746%

IRS Form 8038

Net Interest Cost	2.8912352%
Weighted Average Maturity	8.007 Years

RESULTS OF BOND SALE

Eden Prairie Schools, ISD 272

Preliminary Financing Plan for Future Projects

5 Future Facilities Maintenance Bond Issues ($2M to $11M)
Wrapped Around Existing Debt
LTFM Project Costs: $6 to $12 Million thru FY 2032

February 27, 2023

Future Bond Issues

Type of Bond	Amount	Dated	Int. Rate
Facilities Maintenance	$11,640,000	03/23/23	3.05%
Facilities Maintenance	$10,320,000	03/01/25	4.25%
Facilities Maintenance	$10,725,000	03/01/27	4.25%
Facilities Maintenance	$10,140,000	03/01/29	4.25%
Facilities Maintenance	$3,900,000	03/01/31	4.25%
Facilities Maintenance	$1,625,000	03/01/33	4.25%

				Debt Service Levies - Existing Bonds [2]					Other Levies		Facilities Maintenance Funding					Combined Totals		
Levy Pay Year	Fiscal Year	Est. Tax Capacity Value [1] ($000s)	% Chg	Building Bonds	Alt. Fac. / FM Bonds	Est. Debt Excess [3]	Net Levy	Tax Rate	Lease Levy [4]	Capital Project Levy [5]	General Fund Revenue	Principal	Interest	Addl. Debt Excess [3]	Debt Levy	Total Levy	State Aid	Tax Rate
2020	2021	110,296	3.7%	2,025,289	7,994,595	-	10,019,885	9.08	1,208,717	7,312,021	1,776,969	-	-	-	-	20,317,592	-	18.42
2021	2022	114,404	3.7%	2,167,725	7,614,832	(542,590)	9,239,967	8.08	846,916	7,599,850	3,328,478	-	-	-	-	21,015,210	-	18.37
2022	2023	116,772	2.1%	2,235,975	6,380,490	(447,840)	8,168,625	7.00	1,041,198	7,904,789	4,032,169	-	-	-	-	21,146,781	-	18.11
2023	2024	136,996	17.3%	2,361,975	6,099,720	(466,173)	7,995,522	5.84	852,195	8,111,760	5,648,206	-	481,122 [6]	-	-	22,607,683	-	16.50
2024	2025	139,736	2.0%	2,406,075	6,132,689	(380,776)	8,157,988	5.84	852,195	9,516,633	4,640,237	-	562,350	-	590,468	23,757,520	-	17.00
2025	2026	142,531	2.0%	2,434,950	6,022,649	(384,244)	8,073,355	5.66	852,195	9,706,966	4,193,676	775,000	964,400 [6]	-	1,404,218	24,230,409	-	17.00
2026	2027	145,381	2.0%	2,470,125	6,020,707	(380,592)	8,110,240	5.58	852,195	9,901,105	4,021,626	780,000	962,200	-	1,829,310	24,714,476	-	17.00
2027	2028	146,835	1.0%	2,505,825	4,359,554	(382,087)	6,483,292	4.42	852,195	10,099,127	5,415,376	1,170,000	1,341,028 [6]	(82,319)	2,115,541	24,965,530	-	17.00
2028	2029	148,303	1.0%	2,536,538	3,876,554	(308,942)	6,104,150	4.12	852,195	10,200,119	5,555,092	1,150,000	1,320,513	(95,199)	2,498,839	25,210,394	-	17.00
2029	2030	149,787	1.0%	2,541,263	3,951,944	(288,589)	6,204,618	4.14	852,195	10,302,120	5,770,557	1,065,000	1,658,050 [6]	(112,448)	2,331,965	25,461,455	-	17.00
2030	2031	151,284	1.0%	2,563,050	4,080,307	(292,194)	6,351,163	4.20	852,195	10,405,141	5,187,697	1,240,000	1,640,713	(104,938)	2,919,810	25,716,005	-	17.00
2031	2032	152,797	1.0%	1,887,690	4,104,562	(298,951)	5,693,301	3.73	852,195	10,509,192	6,170,176	1,165,000	1,730,650 [6]	(131,391)	2,749,507	25,974,370	-	17.00
2032	2033	154,325	1.0%	2,953,440	3,157,055	(269,651)	5,840,844	3.78	852,195	10,614,284	5,925,176	1,290,000	1,686,213	(123,728)	3,001,295	26,233,794	-	17.00
2033	2034	154,325	0.0%	2,924,880	3,106,373	(274,972)	5,756,281	3.73	852,195	10,720,427	6,243,576	1,040,000	1,685,020 [6]	(135,058)	2,659,740	26,232,218	-	17.00
2034	2035	154,325	0.0%	2,921,415	3,107,633	(271,406)	5,757,642	3.73	852,195	10,720,427	6,198,576	1,050,000	1,638,775	(119,688)	2,703,525	26,232,365	-	17.00
2035	2036	154,325	0.0%	3,010,560	3,027,859	(271,307)	5,767,112	3.74	852,195	10,720,427	6,213,576	1,070,000	1,596,775	(121,659)	2,678,455	26,231,765	-	17.00
2036	2037	154,325	0.0%	4,402,230	1,638,394	(271,729)	5,768,895	3.74	852,195	10,720,427	6,723,576	625,000	1,553,588	(120,530)	2,166,986	26,232,079	-	17.00
2037	2038	154,325	0.0%	4,510,958	1,535,599	(271,828)	5,774,729	3.74	852,195	10,720,427	6,723,576	625,000	1,527,025	(97,514)	2,162,112	26,233,038	-	17.00
2038	2039	154,325	0.0%	4,597,163	1,450,024	(272,095)	5,775,092	3.74	852,195	10,720,427	6,723,576	650,000	1,500,463	(97,295)	2,160,691	26,231,980	-	17.00
2039	2040	154,325	0.0%	4,482,818	1,570,354	(272,123)	5,781,049	3.75	852,195	10,720,427	6,723,576	675,000	1,472,838	(97,231)	2,157,998	26,235,245	-	17.00
2040	2041	154,325	0.0%	-	2,895,244	(272,393)	2,622,851	1.70	852,195	10,720,427	6,723,576	2,900,000	1,444,150	(97,110)	4,464,248	25,383,296	-	16.45
2041	2042	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	5,620,000	1,320,900	(200,891)	7,087,054	25,383,251	-	16.45
2042	2043	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	5,975,000	1,082,050	(318,917)	7,090,985	25,387,183	-	16.45
2043	2044	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	6,225,000	828,113	(319,094)	7,086,674	25,382,871	-	16.45
2044	2045	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	6,490,000	563,550	(318,900)	7,087,327	25,383,525	-	16.45
2045	2046	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	6,770,000	287,725	(318,930)	7,091,682	25,387,879	-	16.45
2046	2047	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2047	2048	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2048	2049	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2049	2050	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2050	2051	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2051	2052	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2052	2053	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2053	2054	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2054	2055	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2055	2056	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
2056	2057	154,325	0.0%	-	-	-	-	-	852,195	10,720,427	6,723,576	-	-	-	-	18,296,198	-	11.86
Totals				57,939,944	88,127,138	(6,620,484)	139,446,599		32,071,460	379,473,357	221,516,244	48,350,000	28,848,207	(3,012,843)	76,038,428	848,546,088	-	

1 Tax capacity values are actual for taxes payable in 2021 and 2022 and for taxes payable in 2023 is based on final value from Hennepin County. Estimated percentage changes for later years are shown above.
2 Initial debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.
3 Debt excess adjustments for taxes payable in 2020 thru 2023 are actual amounts. Estimates for future years are based on 4.5% of the prior year's total debt service levy.
4 Lease levy amounts for future years are based on the best available estimates of future payments for all current and planned future leases.
5 Assumes that the current Capital Project Levy would be renewed at the same tax rate prior to expiring.
6 For each of the future Facilities Maintenance bond issues, interest payments due during the first year would be paid from bond proceeds.

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Debt Plan 2023A Results Eden Prairie.xlsx

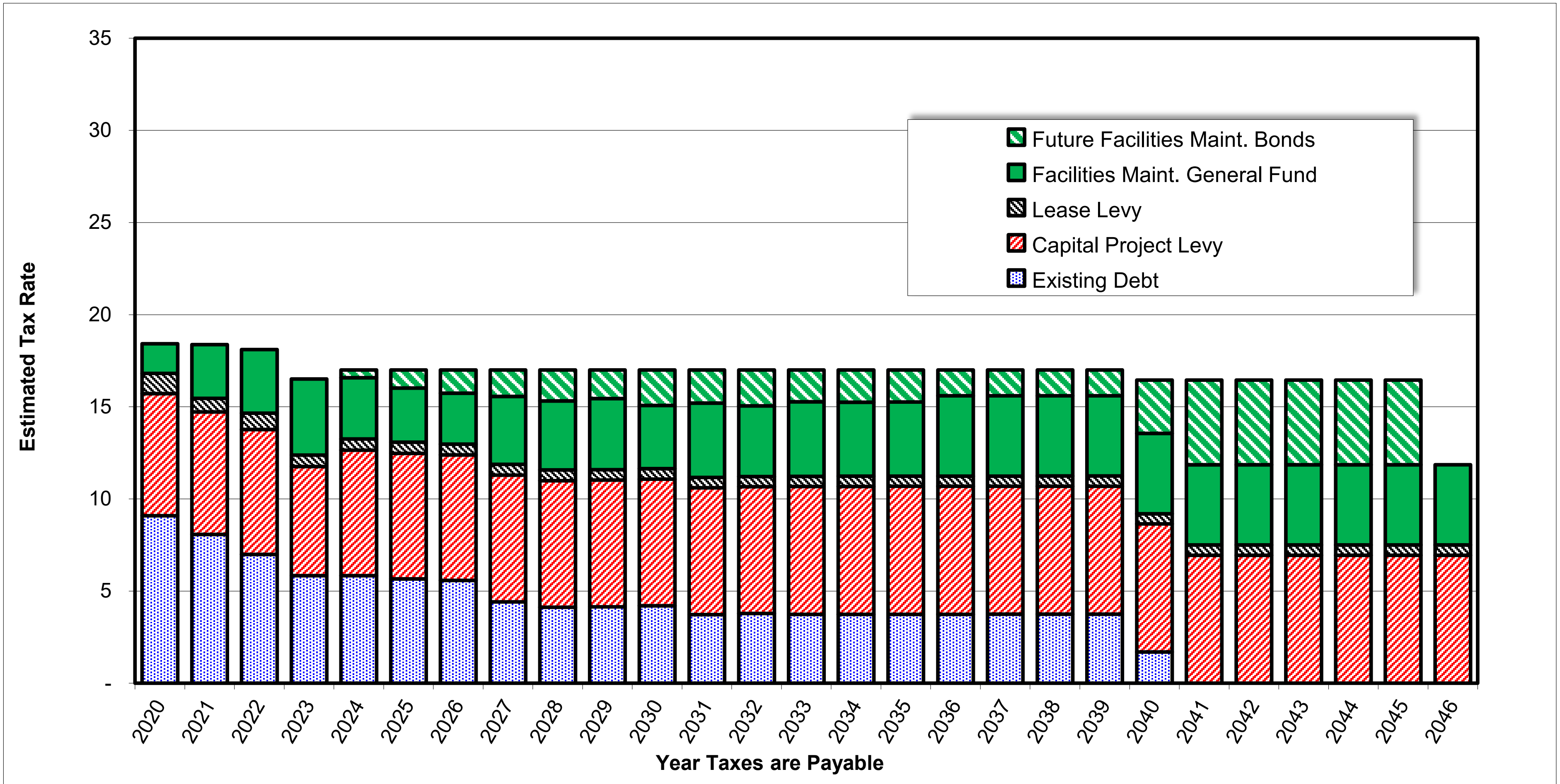
RESULTS OF BOND SALE

Eden Prairie Schools, ISD 272

Estimated Tax Rates for Capital and Debt Service Levies

5 Future Facilities Maintenance Bond Issues ($2M to $11M)
Wrapped Around Existing Debt
LTFM Project Costs: $6 to $12 Million thru FY 2032

Date Prepared: **February 27, 2023**



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Debt Plan 2023A Results Eden Prairie.xlsx

RESULTS OF BOND SALE

Eden Prairie Schools, ISD 272

February 27, 2023

Estimated Capital Facilities Bond Schedule

Authorized Principal Amount:	$3,825,000
Actual Principal Amount:	$3,370,000
Dated Date:	3/23/2023
Number of Years:	11
True Interest Cost:	2.93%

Est. Operating Capital Revenue:	
$2,194,606 Annually *	
Revenue Used (2023A only):	
20.9%	

Year Taxes Payable	Fiscal Year	Principal	Interest	Total Payments	Initial Debt Service Levies (P & I at 105%)
2022	2023	0	0	0	0
2023	2024	0	$144,161	$144,161	0
2024	2025	$270,000	168,500	438,500	$460,425
2025	2026	280,000	155,000	435,000	456,750
2026	2027	295,000	141,000	436,000	457,800
2027	2028	310,000	126,250	436,250	458,063
2028	2029	325,000	110,750	435,750	457,538
2029	2030	340,000	94,500	434,500	456,225
2030	2031	360,000	77,500	437,500	459,375
2031	2032	380,000	59,500	439,500	461,475
2032	2033	395,000	40,500	435,500	457,275
2033	2034	415,000	20,750	435,750	457,538
2034	2035	0	0	0	0
2035	2036	0	0	0	0
2036	2037	0	0	0	0
2037	2038	0	0	0	0
2038	2039	0	0	0	0
2039	2040	0	0	0	0
		$3,370,000	$1,138,411	$4,508,411	$4,582,463

** Fiscal Year 2023-24 Estimated Revenue from Pay 2023 Levy Limitation and Certification Report.*

First year's interest payments on Capital Facilities bond will be paid from funds on hand in the debt service fund.

Moody's

Rating_Action: Moody's assigns Aa2 UND & Aa1 ENH to Eden Prairie ISD 272, MN's GO bonds

22Feb2023

New York, February 22, 2023 -- Moody's Investors Service has assigned an Aa2 underlying rating and Aa1 enhanced rating to Eden Prairie Independent School District 272, MN's General Obligation Facilities Maintenance and Capital Facilities Bonds, Series 2023A, expected to carry a par value of about $15.2 million. Moody's maintains the district's Aa2 issuer rating and the Aa2 rating on the district's outstanding general obligation unlimited tax (GOULT) bonds. Following the sale, the district will have approximately $102.7 million in outstanding GOULT debt.

RATINGS RATIONALE

The Aa2 issuer rating reflects the district's strong resident wealth and incomes and favorable location in the Twin Cities metro area. While enrollment has declined in the last decade, the enrollment trend is stabilizing, and management expects some modest growth going forward. The district's financial reserves are stable, but below similarly rated peers, and financial operations are supported by a recent increase in the operating levy, which is indexed to inflation. Leverage is moderate, driven mostly by the district's pension burden.

The Aa2 GOULT rating is equivalent to the Aa2 issuer rating because of the district's full faith and credit pledge with authority to raise ad valorem property taxes unlimited as to rate or amount.

The enhanced rating assigned to the 2023A bonds reflects the additional security provided by the State of Minnesota's School District Credit Enhancement Program. The Aa1 enhanced programmatic rating is notched once from the State of Minnesota's Aaa Issuer Rating. The enhanced rating reflects sound program mechanics and the state's pledge of an unlimited appropriation from its General Fund should the district be unable to meet debt service requirements. The program mechanics include a provision for third-party notification of pending deficiency. If the school district does not transfer funds necessary to pay debt to the paying agent at least three days prior to the payment due date, the state will appropriate the payment to the paying agent directly.

RATING OUTLOOK

Moody's typically does not assign outlooks to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Growth in enrollment

- Significant increase in reserves
- Reduction in leverage

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Significant deterioration of resident incomes and wealth
- Narrowing of operating reserves
- Growth in leverage

LEGAL SECURITY

The general obligation unlimited tax (GOULT) bonds are supported by the district's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount. The bonds are also supported by the State of Minnesota's School District Credit Enhancement Program, which provides for an unlimited advance from the state's general fund should the district be unable to meet debt service requirements.

USE OF PROCEEDS

The bonds will finance regular capital improvements included in the district's capital improvement plan, as well as some deferred maintenance.

PROFILE

Eden Prairie Independent School District 272 is located approximately 20 miles southwest of the City of Minneapolis in the Twin Cities metropolitan area and has a population of more than 60,000 residents. The district serves primarily the City of Eden Prairie (Aaa) and offers comprehensive educational programs for students in kindergarten through twelfth grade. Enrollment for the 2022 - 2023 school year totals about 8,800 students.

METHODOLOGY

The principal methodology used in the underlying rating was US K-12 Public School Districts Methodology published in January 2021 and available at https://ratings.moodys.com/api/rmc-documents/70054. The principal methodology used in the enhanced rating was State Aid Intercept Programs and Financings Methodology published in March 2022 and available at https://ratings.moodys.com/api/rmc-documents/356903. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

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CREDIT OPINION
23 February 2023

Send Your Feedback

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Eden Prairie Independent School District 272, MN

Update to analysis

Summary

Eden Prairie ISD 272, MN's (Aa2) credit profile benefits from very strong resident wealth and incomes and its proximity to the Twin Cities metro area. The district has experienced moderate enrollment loss in recent years, but the enrollment trend is stabilizing. While the district's reserve levels are below similarly-rated peers, financial operations are stable. Leverage is modest, mostly driven by the pension burden associated with state cost-sharing plans.

Credit strengths

» Economic ties to Twin Cities metro area

» Strong resident incomes and wealth

Credit challenges

» Below-average reserve ratios compared to similarly rated entities

» Moderate leverage

Rating outlook

Moody's typically does not assign outlooks to local governments with this amount of debt.

Factors that could lead to an upgrade

» Growth in enrollment

» Significant increase in reserves

» Reduction in leverage

Factors that could lead to a downgrade

» Significant deterioration of resident incomes and wealth

» Narrowing of operating reserves

» Growth in leverage

Key indicators

Exhibit 1
Eden Prairie I.S.D. 272, MN

	2019	2020	2021	2022	Aa Medians
Economy					
Resident income	171.2%	172.4%	N/A	N/A	112.2%
Full value ($000)	$10,823,595	$11,134,132	$11,505,960	$12,097,585	$3,864,784
Population	60,953	61,135	N/A	N/A	31,619
Full value per capita	$177,573	$182,124	N/A	N/A	$115,171
Enrollment	8,899	8,826	8,606	8,861	4,288
Enrollment trend	-0.4%	-0.5%	-1.0%	-0.1%	0.1%
Financial performance					
Operating revenue ($000)	$133,288	$136,513	$144,095	$145,269	$71,385
Available fund balance ($000)	$20,916	$22,952	$31,533	$29,620	$18,076
Net cash ($000)	$39,407	$42,208	$51,709	$51,553	$21,642
Available fund balance ratio	15.7%	16.8%	21.9%	20.4%	26.8%
Net cash ratio	29.6%	30.9%	35.9%	35.5%	31.5%
Leverage					
Debt ($000)	$64,390	$101,950	$105,194	$101,822	$51,433
ANPL ($000)	$277,260	$323,903	$416,532	$347,730	$111,819
OPEB ($000)	-$5,764	-$5,019	-$9,552	-$5,232	$10,587
Long-term liabilities ratio	252.0%	308.3%	355.4%	305.9%	317.0%
Implied debt service ($000)	$4,661	$4,695	$7,301	$7,378	$3,485
Pension tread water ($000)	$7,401	$7,371	$8,454	$6,126	$2,924
OPEB contributions ($000)	$100	$0	$0	$0	$368
Fixed-costs ratio	9.1%	8.8%	10.9%	9.3%	11.5%

For definitions of the metrics in the table above please refer to the US K-12 Public School Districts Methodology or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published K12 Median Report.
Sources: US Census Bureau, Eden Prairie I.S.D. 272, MN's financial statements and Moody's Investors Service

Profile

Eden Prairie Independent School District 272 is located approximately 20 miles southwest of the City of Minneapolis (Aa1 stable) in the Twin Cities metropolitan area and has a population of more than 60,000 residents. The district serves primarily the City of Eden Prairie (Aaa) and offers comprehensive educational programs for students in kindergarten through twelfth grade. Enrollment for the school year totals about 8,800 students.

Detailed credit considerations

Economy: strong resident wealth and incomes anchored by proximity to Twin Cities metro

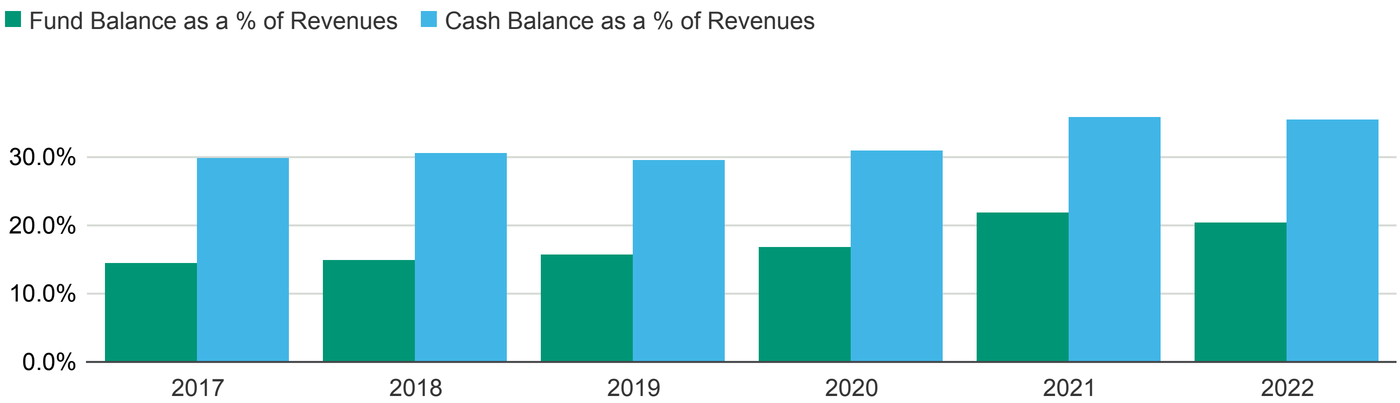
We expect the district's economic base to remain a credit strength, given its proximity to the Twin Cities metro area. Resident incomes are 172% of the national average. Resident wealth, as measured by full value per capita, is a strong $182,000. The district is relatively built out, and new growth comes primarily from redevelopment.

Enrollment at the district reached a peak of about 10,400 students in the early 2000s and has declined since then. Enrollment in the 2022 school year totaled about 8,800. The bulk of the decline in enrollment was driven by a loss of students to charter schools and to neighboring districts. Enrollment has stabilized in recent years, and management expects enrollment to grow modestly in the future, as the district's open enrollment numbers improve and students take advantage of the online K12 program the district now offers.

Financial operations: stable reserves are below similarly rated peers

We expect the district's financial position to remain stable, but below average for the rating category, based on projections for fiscal 2023 and a history of strong financial management. The fiscal 2023 budget includes a planned drawdown of total fund balance of just under $5 million, to about $26 million. Management reports that the budget accounts for inflation in expenditure estimates. The district closed fiscal 2022 with $30 million in available fund balance, equivalent to 20% of operating revenue. The district's voters recently renewed its operating and capital projects levies. The operating levy included an increase of $260 per pupil and is indexed to inflation.

Exhibit 2
Financial Trends



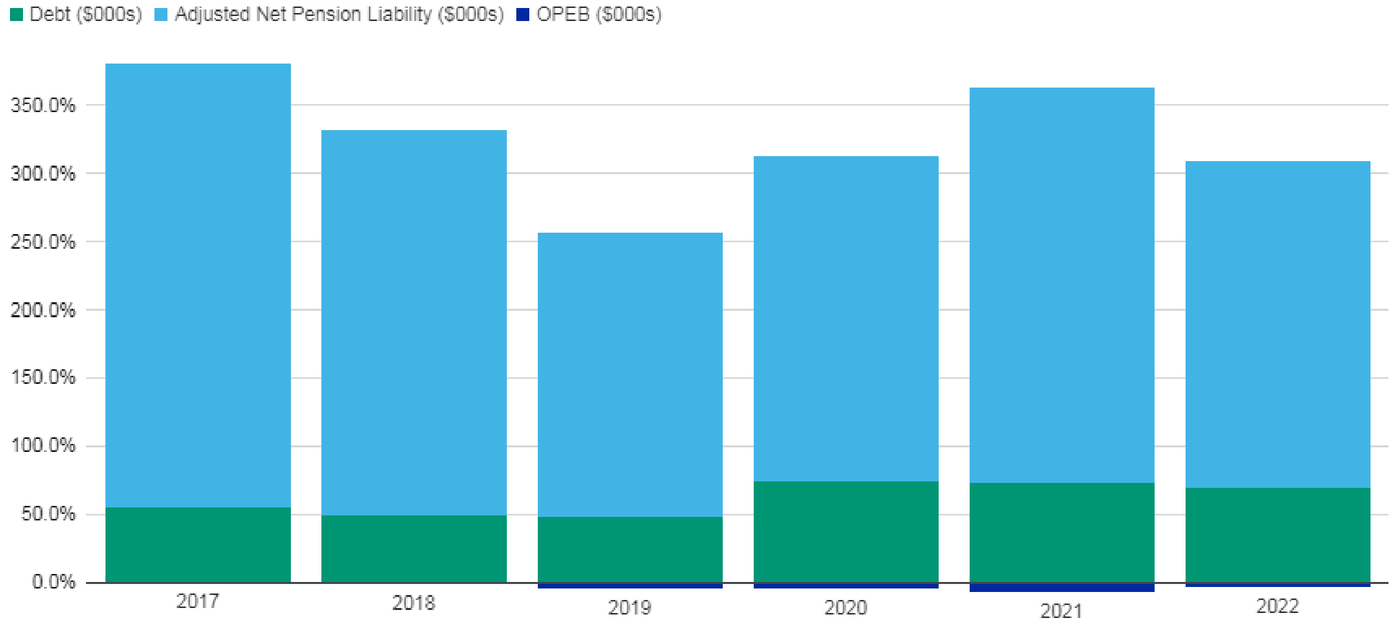
Source: Moody's Investors Service

The district's contract with the teachers union expires in July 2023, and negotiations will begin shortly. Pressure is building for public K-12 school districts to increase salaries. The state's biennium budget that extends through the end of fiscal 2023 increased per pupil funding relatively modestly at 2.45% in the first year and 2% in the second year. Given its dependence on state aid for a significant portion of revenue, (60% in fiscal 2022), the district's future financial performance will be shaped by whether future state aid increases are in alignment with salary growth.

Liquidity
The district closed fiscal 2022 with a healthy $52 million in cash, equivalent to about 36% of operating revenue.

Leverage: moderate leverage driven mostly by pension burden
We expect the district's leverage to remain moderate, given additional borrowing plans and exposure to the state cost-sharing pension plans. The district is in the process of issuing about $15 million for regular capital improvements and deferred maintenance. Total leverage, inclusive of debt, pensions, and OPEB liability, will be equivalent to about 313% of 2022 operating revenue. The district is considering issuing about $10 million in refunding bonds in calendar 2023. The district additionally plans to issue about $10 million for regular capital projects in fiscal 2025 and fiscal 2027, in accordance with its capital plan.

Exhibit 3
Long-term liability ratio



Source: Moody's, issuer financial statements

The district is also a member of Intermediate District No. 287, and has an off balance sheet liability associated with membership. The district's portion of debt was estimated at $477,239 in 2022, which does not materially increase the long-term liability ratio.

The district's fixed costs are manageable, representing 9% of revenues in 2022.

Legal security

The general obligation unlimited tax (GOULT) bonds are supported by the district's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount. The bonds are additionally secured by statute.

Debt structure

All of the district's debt is fixed rate and long term. Amortization is a little below average, with about 60% of principal repaid in the next 10 years.

Debt-related derivatives

The district is not party to any debt-related derivatives.

Pensions and OPEB

The district participates in two multi-employer cost sharing plans, the General Employees Retirement Fund and Teachers Retirement Association of Minnesota. The bulk of Minnesota school districts' pension exposure is associated with the Teachers Retirement Association (MN TRA). The pension burden is stabilizing following 2018 legislation that reduced benefits and increased contributions. Moody's adjusted net pension liability (ANPL) was $348 million in 2022. The district contributed $7 million to its pension funds in 2022, which exceeded the amount needed to tread water.

The district has an adjusted net OPEB asset of $5 million, associated with its fully funded OPEB trust.

ESG considerations

The district's issuer profile credit impact score is neutral to low (CIS-2), reflecting neutral to low impact in environmental and governance risk and positive exposure to social risk.

Environmental

The district's environmental issuer profile score is neutral to low (E-2), reflecting neutral exposure in all categories, including physical climate risk, carbon transition, natural resources management, waste and pollution. Notably, the district has been switching its facilities over to solar power. The district expects to get about 85% of its energy from solar and other off-the-grid sources within the next 10 years.

Social

The district's social issuer profile score is neutral to low (S-2), reflecting positive exposure in education and neutral to low exposure in all other areas. The district has seen tremendous population growth since the 1980s, as the population increased to more than 60,000 residents in 2018 from less than 18,000 in 1980. The district's enrollment, however, reached a peak of about 10,400 students in the early 2000s and has declined gradually since then. The district's capture rate is somewhat below average at 77%. Management reports that enrollment is stabilizing, partially due to a competitive advantage associated with its fully virtual K-12 option. Resident wealth and incomes are well above average, as is educational attainment.

Governance

The governmental issuer profile score is neutral to low (G-2), reflecting positive exposure in transparency and neutral exposure in all other areas. Management has shown a willingness to right-size the district's expenditures to match a declining enrollment trend. The district maintains a policy to keep at least 8% of expenditures in fund balance. Management conducts variance reporting on a monthly basis.

Rating methodology and scorecard factors

The US K-12 Public School Districts Methodology includes a scorecard, a tool providing a composite score of a school district's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare school district credits.

Exhibit 4
Eden Prairie I.S.D. 272, MN

	Measure	Weight	Score
Economy			
Resident Income (MHI Adjusted for RPP / US MHI)	172.4%	10.0%	Aaa
Full value per capita (full valuation of the tax base / population)	197,883	10.0%	Aaa
Enrollment trend (three-year CAGR in enrollment)	-0.1%	10.0%	A
Financial performance			
Available fund balance ratio (available fund balance / operating revenue)	20.4%	20.0%	Aa
Net cash ratio (net cash / operating revenue)	35.5%	10.0%	Aaa
Institutional framework			
Institutional Framework	A	10.0%	A
Leverage			
Long-term liabilities ratio ((debt + ANPL + adjusted net OPEB) / operating revenue)	305.9%	20.0%	A
Fixed-costs ratio (adjusted fixed costs / operating revenue)	9.3%	10.0%	Aaa
Notching factors			
Potential for significant change in leverage	-0.50		
Scorecard-Indicated Outcome			Aa3
Assigned Rating			**Aa2**

Sources: US Census Bureau, Eden Prairie I.S.D. 272, MN's financial statements and Moody's Investors Service

Appendix

Exhibit 5

Key Indicators Glossary

	Definition	Typical Source*
Economy		
Resident income	Median Household Income (MHI), adjusted for Regional Price Parity (RPP), as a % of the US	MHI: American Community Survey (US Census Bureau) RPP: US Bureau of Economic Analysis
Full value ($000)	Estimated market value of taxable property accessible to the district	State repositories, district's audited financial reports, offering documents or continuing disclosure
Population	Population of school district	American Community Survey (US Census Bureau)
Full value per capita	Full value / population of school district	
Enrollment	Student enrollment of school district	State data publications
Enrollment trend	3-year Compound Annual Growth Rate (CAGR) of Enrollment	State data publications; Moody's Investors Service
Financial performance		
Operating revenue ($000)	Total annual operating revenue in what we consider to be the district's operating funds	Audited financial statements
Available fund balance ($000)	Committed, assigned and unassigned fund balances in what we consider to be the district's operating funds	Audited financial statements
Net cash ($000)	Net cash (cash and liquid investments minus short-term debt) in what we consider to be the district's operating funds	Audited financial statements
Available fund balance ratio	Available fund balance / Operating Revenue	Audited financial statements
Net cash ratio	Net Cash / Operating Revenue	Audited financial statements
Leverage		
Debt ($000)	District's direct gross debt outstanding	Audited financial statements; official statements
ANPL ($000)	District's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
OPEB ($000)	District's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Long-term liabilities ratio	Debt, ANPL and OPEB liabilities as % of operating revenue	Audited financial statements, official statements; Moody's Investors Service
Implied debt service ($000)	Annual cost to amortize district's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Investors Service
Pension tread water ($000)	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Investors Service
OPEB contributions ($000s)	District's actual contribution in a given period, typically the fiscal year	Audited financial statements; official statements
Fixed-costs ratio	Implied debt service, pension tread water and OPEB contributions as % of operating revenue	Audited financial statements, official statements, pension system financial statements

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the US K-12 Public School Districts Methodology.

Source: Moody's Investors Service

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