

March 17, 2026

PRE-SALE REPORT FOR

# Independent School District No. 623 (Roseville Area Schools), Minnesota

**\$30,745,000 General Obligation  
Facilities Maintenance Bonds, Series 2026A**



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**Prepared by:**

Ehlers  
3001 Broadway Street, Suite 320  
Minneapolis, MN 55413

**Advisors:**

Aaron Bushberger, Senior Municipal Advisor  
Jodie Zesbaugh, Senior Municipal Advisor  
Beth Downes, Municipal Advisor

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# EXECUTIVE SUMMARY OF PROPOSED DEBT

## Proposed Issue:

\$30,745,000 General Obligation Facilities Maintenance Bonds, Series 2026A

## Purposes:

The proposed will finance deferred maintenance projects at school district facilities included in the district's ten-year facility plan approved by the Commissioner of Education.

## Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Section 123B.595. The Bonds will be general obligations of the District for which its full faith, credit and taxing powers are pledged.

Debt service will be paid from property tax levies and state aid received as part of the Long Term Facilities Maintenance program.

## Term/Call Feature:

The Bonds are being issued for a term of 14 years and 9 months. Principal on the Bonds will be due on February 1 of 2027 through 2041. Interest will be due every six months beginning February 1, 2027.

The Bonds maturing on February 1, 2035 and later will be subject to prepayment at the discretion of the District on February 1, 2034 or any date thereafter.

## State Credit Enhancement:

By resolution the District covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation.

To qualify for the credit enhancement, the District must submit an application to the State. Ehlers will coordinate the application process to the State on your behalf.

## **Rating:**

Under current bond ratings, the state credit enhancement would bring a Moody's "Aa1" rating. The District's most recent bond issues were rated by Moody's Investors Service. The current ratings on those bonds are "Aa1" (credit enhanced rating) and "A2"/Stable outlook (underlying rating). The District will request a new rating for the Bonds.

If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the District's bond rating in the event that the bond rating of the insurer is higher than that of the District.

## **Basis for Recommendation:**

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Bonds and long-term financial capacity, as well as the tax status considerations related to the Bonds and the structure, timing and other similar matters related to the Bonds, we are recommending the issuance of Bonds as a suitable option

## **Method of Sale/Placement:**

We are recommending the Bonds be issued as municipal securities and offered through a competitive underwriting process. You will solicit competitive bids, which we will compile on your behalf, for the purchase of the Bonds from underwriters and banks.

An allowance for discount bidding will be incorporated in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

## **Premium Pricing:**

In some cases, investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium." Any net premium received may be used to reduce the principal amount of the Bonds, increase the net proceeds for the project, or to fund a portion of the interest on the Bonds.

## **Review of Existing Debt:**

We have reviewed all outstanding indebtedness for the District and find that there are no refunding opportunities at this time. We are monitoring the District's 2018A General Obligation School Building bond issue which has a call date of February 1, 2027 and will be eligible for a tax-exempt refunding in the fall of 2026. We will continue to monitor the market and the call dates for the District's outstanding debt and alert you to any refunding opportunities.

## **Continuing Disclosure:**

The District will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The District is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.

## **Arbitrage Monitoring:**

The District must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations ("Arbitrage Rules") throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The District's specific arbitrage responsibilities will be detailed in the Tax Certificate (the "Tax Compliance Document") prepared by your Bond Attorney and provided at closing.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

An Ehlers arbitrage expert will contact the District within 30 days after the sale date to review the District's specific responsibilities for the Bonds. The District is currently receiving arbitrage services from Ehlers in relation to the Bonds.

## **Investment of Bond Proceeds:**

Ehlers can assist the District in developing a strategy to invest your Bond proceeds until the funds are needed to pay project costs.

## **Other Service Providers:**

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

**Bond Counsel:** Kennedy & Graven, Chartered

**Paying Agent:** Bond Trust Services Corporation

**Rating Agency:** Moody's Investors Service, Inc.

## PROPOSED DEBT ISSUANCE SCHEDULE

School Board Approved Resolution Authorizing Sale of the Bonds:	September 9, 2025
Ehlers Presents Pre-Sale Report to School Board:	March 17, 2026
Due Diligence Call to Review Official Statement:	March 26, 2026
Conference with Rating Agency:	April 1, 2026
Distribute Official Statement:	April 2, 2026
Ehlers Receives and Evaluates Proposals for Purchase of Bonds:	April 14, 2026
School Board Meeting to Award Sale of Bonds:	April 14, 2026
Estimated Closing Date:	May 7, 2026

### Attachments

Estimated Sources and Uses of Funds

Estimated Debt Service Schedule

Updated Long-Term Financing Plan for Debt and Capital Payments and Levies

## EHLERS' CONTACTS

Aaron Bushberger, Senior Municipal Advisor	(651) 697-8532
Jodie Zesbaugh, Senior Municipal Advisor	(651) 697-8526
Beth Downes, Municipal Advisor	(651) 697-8514
Silvia Johnson, Lead Public Finance Analyst	(651) 697-8580
Brian Shannon, Senior Finance Manager	(651) 697-8515

## ESTIMATES PRIOR TO BOND SALE

### Roseville Area Schools, ISD 623

March 11, 2026

Estimated Sources and Uses of Funds

General Obligation Facilities Maintenance Bond Issue

<b>Authorized Bond Amount</b>	<b>\$30,745,000</b>
<b>Term/Number of Years</b>	<b>15</b>
<b>Dated/Closing Date</b>	<b>5/7/2026</b>
<b>Sources of Funds</b>	
Par Amount	\$30,745,000
Reoffering Premium <sup>1</sup>	959,800
Investment Earnings <sup>2</sup>	303,383
<b>Total Sources</b>	<b>\$32,008,183</b>
<b>Uses of Funds</b>	
Underwriter's Discount <sup>3</sup>	\$245,960
Legal and Fiscal Costs <sup>4</sup>	160,790
<b>Net Available for Project Costs</b>	<b>31,601,433</b>
<b>Total Uses</b>	<b>\$32,008,183</b>
<b>Initial Deposit to Construction Fund</b>	<b>\$31,298,050</b>

- 1 The underwriter of the bonds may receive a reoffering premium in the sale of the bonds. They will retain a portion of the premium as their compensation, or underwriter's discount. The remainder of the premium will either be used to reduce the par amount of the bonds, pay a portion of the first year's interest on the bonds, or deposited in the construction fund and used to fund a portion of the project costs.
- 2 Estimated investment earnings are based on an average interest rate of 1.00% and an estimated project duration of 24 months (average life for investments of approximately 12 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 Includes fees for municipal advisor, bond counsel, rating agency, paying agent, and county certificate.

# Roseville School District No. 623

\$30,745,000 General Obligation Facilities Maintenance Bonds, Series 2026A

Dated: May 7, 2026

Assumes Current Market Non-BQ Aa2 Credit Enhanced Rates (A2 Underlying) +50bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/07/2026	-	-	-	-	-
02/01/2027	630,000.00	5.000%	1,011,466.50	1,641,466.50	1,641,466.50
08/01/2027	-	-	673,886.25	673,886.25	-
02/01/2028	340,000.00	5.000%	673,886.25	1,013,886.25	1,687,772.50
08/01/2028	-	-	665,386.25	665,386.25	-
02/01/2029	180,000.00	5.000%	665,386.25	845,386.25	1,510,772.50
08/01/2029	-	-	660,886.25	660,886.25	-
02/01/2030	215,000.00	5.000%	660,886.25	875,886.25	1,536,772.50
08/01/2030	-	-	655,511.25	655,511.25	-
02/01/2031	215,000.00	5.000%	655,511.25	870,511.25	1,526,022.50
08/01/2031	-	-	650,136.25	650,136.25	-
02/01/2032	505,000.00	5.000%	650,136.25	1,155,136.25	1,805,272.50
08/01/2032	-	-	637,511.25	637,511.25	-
02/01/2033	450,000.00	5.000%	637,511.25	1,087,511.25	1,725,022.50
08/01/2033	-	-	626,261.25	626,261.25	-
02/01/2034	450,000.00	5.000%	626,261.25	1,076,261.25	1,702,522.50
08/01/2034	-	-	615,011.25	615,011.25	-
02/01/2035	450,000.00	5.000%	615,011.25	1,065,011.25	1,680,022.50
08/01/2035	-	-	603,761.25	603,761.25	-
02/01/2036	535,000.00	5.000%	603,761.25	1,138,761.25	1,742,522.50
08/01/2036	-	-	590,386.25	590,386.25	-
02/01/2037	570,000.00	5.000%	590,386.25	1,160,386.25	1,750,772.50
08/01/2037	-	-	576,136.25	576,136.25	-
02/01/2038	595,000.00	5.000%	576,136.25	1,171,136.25	1,747,272.50
08/01/2038	-	-	561,261.25	561,261.25	-
02/01/2039	5,675,000.00	5.000%	561,261.25	6,236,261.25	6,797,522.50
08/01/2039	-	-	419,386.25	419,386.25	-
02/01/2040	8,465,000.00	4.150%	419,386.25	8,884,386.25	9,303,772.50
08/01/2040	-	-	243,737.50	243,737.50	-
02/01/2041	11,470,000.00	4.250%	243,737.50	11,713,737.50	11,957,475.00
<b>Total</b>	<b>\$30,745,000.00</b>	<b>-</b>	<b>\$17,369,984.00</b>	<b>\$48,114,984.00</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$392,511.33
Average Life	12.767 Years
Average Coupon	4.4253458%
Net Interest Cost (NIC)	4.2434810%
True Interest Cost (TIC)	4.1923631%
Bond Yield for Arbitrage Purposes	4.0405406%
All Inclusive Cost (AIC)	4.2458718%

## IRS Form 8038

Net Interest Cost	4.0772267%
Weighted Average Maturity	12.695 Years

ESTIMATES PRIOR TO BOND SALE

Roseville School District No. 623

Financing Plan for Debt Service and Capital Levies, Including Future Projects

**Updated Debt Plan for Fiscal Year 2026 and Beyond  
5 Facilities Maintenance Bond Issues in  
2026, 2028, 2030, 2032 and 2034**

Future Bond Issues

Type of Bond	Amount	Dated	Int. Rate
Facilities Maintenance	\$30,745,000	5/7/2026	4.19%
Facilities Maintenance	\$17,055,000	2/1/2028	5.00%
Facilities Maintenance	\$16,925,000	2/1/2030	5.00%
Facilities Maintenance	\$19,105,000	2/1/2032	5.00%
Facilities Maintenance	\$10,815,000	2/1/2034	5.00%

March 11, 2026

Levy		Tax		Debt Service Levies - Existing Bonds <sup>2</sup>						Other		Facilities Maintenance Funding						Combined Totals		
Payable Year	Fiscal Year	Capacity (\$000s)	Value % Chg	Building Bonds	Alt. Fac./FM Bonds	OPEB Bonds	Est. Debt Excess <sup>3</sup>	Net Levy	Tax Rate	Lease Levy <sup>4</sup>	Capital Project Levy <sup>5</sup>	General Fund Revenue	Principal	Interest	Addl. Debt Excess <sup>3</sup>	Est. LTFM Aid	Debt Levy <sup>5</sup>	Total Levy	Tax Rate	
2019	2020	67,192	6.8%	11,443,058	419,790	949,949	(129,024)	12,683,772	18.88	-	-	6,850,785	-	-	-	(230,149)	-	19,304,408	28.73	
2020	2021	70,847	5.4%	11,368,013	763,560	957,508	(159,518)	12,929,564	18.25	-	-	7,359,191	-	-	-	(375,531)	-	19,913,224	28.11	
2021	2022	77,203	9.0%	12,340,913	854,561	901,754	(439,139)	13,658,089	17.69	1,690,667	-	5,383,654	-	-	-	(379,526)	-	20,352,884	26.36	
2022	2023	77,854	0.8%	12,006,312	1,200,326	1,240,221	(408,189)	14,038,669	18.03	-	1,548,700	5,318,006	-	-	-	(222,218)	-	20,683,157	26.57	
2023	2024	88,409	13.6%	11,591,213	1,277,606	1,805,764	(574,448)	14,100,135	15.95	1,550,700	-	8,223,960	-	-	-	(276,631)	-	23,598,163	26.69	
2024	2025	93,967	6.3%	10,667,738	2,638,039	2,439,833	(773,582)	14,972,028	15.93	1,550,450	-	8,281,601	-	-	-	(210,179)	-	24,593,899	26.17	
2025	2026	92,252	-1.8%	10,934,963	4,174,976	3,409,613	-	18,519,552	20.08	1,552,950	-	5,021,152	-	-	-	(437,677)	-	24,655,976	26.73	
2026	2027	95,890	3.9%	8,864,625	4,680,026	4,243,523	(1,171)	17,787,003	18.55	1,552,950	6,000,000	4,534,094	630,000	1,011,467	-	(579,441)	1,724,363	31,018,969	32.35	
2027	2028	97,808	2.0%	8,945,475	4,844,876	4,241,213	(58,088)	17,973,476	18.38	1,550,450	6,236,651	4,784,624	340,000	-	-	(501,054)	1,772,161	31,816,308	32.53	
2028	2029	98,786	1.0%	10,276,350	4,775,523	2,555,438	(811,420)	16,795,890	17.00	1,550,450	6,361,384	5,219,670	365,000	2,183,523	-	(462,849)	2,675,949	32,140,494	32.54	
2029	2030	99,774	1.0%	12,163,988	5,531,261	-	(792,329)	16,902,920	16.94	1,552,700	6,424,998	5,459,670	390,000	2,165,273	(120,418)	(438,579)	2,562,618	32,464,328	32.54	
2030	2031	100,772	1.0%	12,240,375	4,894,121	-	(796,286)	16,338,210	16.21	1,551,950	6,489,248	5,389,670	395,000	2,992,023	(115,318)	(425,873)	3,441,056	32,784,261	32.53	
2031	2032	101,780	1.0%	12,207,563	4,873,803	-	(771,052)	16,310,314	16.03	1,550,950	6,554,141	5,419,670	690,000	2,972,273	(154,848)	(413,106)	3,690,539	33,112,507	32.53	
2032	2033	101,780	0.0%	12,201,525	6,138,896	-	(768,661)	17,571,760	17.26	1,552,950	6,619,682	3,169,670	645,000	3,893,023	(166,074)	(400,274)	4,598,849	33,112,638	32.53	
2033	2034	101,780	0.0%	12,166,140	3,944,879	-	(825,319)	15,285,700	15.02	1,551,550	6,619,682	5,519,670	660,000	3,860,773	(206,948)	(400,274)	4,539,863	33,116,192	32.54	
2034	2035	101,780	0.0%	12,133,170	1,669,917	-	(724,996)	13,078,091	12.85	1,548,950	6,619,682	7,119,670	730,000	4,368,523	(204,294)	(400,274)	5,149,155	33,115,275	32.54	
2035	2036	101,780	0.0%	12,111,750	1,686,395	-	(621,139)	13,177,006	12.95	1,550,150	6,619,682	7,046,640	765,000	4,332,023	(231,712)	(400,274)	5,120,162	33,113,366	32.53	
2036	2037	101,780	0.0%	12,116,580	3,223,306	-	(620,917)	14,718,969	14.46	-	6,619,682	7,046,640	810,000	4,293,773	(230,407)	(400,274)	5,128,554	33,113,572	32.53	
2037	2038	101,780	0.0%	11,946,480	3,468,525	-	(690,295)	14,724,710	14.47	-	6,619,682	7,046,640	845,000	4,253,273	(230,785)	(400,274)	5,122,401	33,113,160	32.53	
2038	2039	101,780	0.0%	-	6,647,091	-	(693,675)	5,953,416	5.85	-	6,619,682	7,046,640	5,945,000	4,211,023	(230,508)	(400,274)	10,433,316	29,652,780	29.13	
2039	2040	101,780	0.0%	-	4,131,427	-	(299,119)	3,832,308	3.77	-	6,619,682	7,046,640	8,745,000	3,913,773	(737,403)	(400,274)	12,554,308	29,652,665	29.13	
2040	2041	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	12,595,000	3,548,475	(564,944)	(400,274)	16,385,705	29,651,754	29.13	
2041	2042	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	13,305,000	3,004,750	(737,357)	(400,274)	16,387,881	29,653,929	29.14	
2042	2043	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	13,970,000	2,339,500	(737,455)	(400,274)	16,387,520	29,653,569	29.14	
2043	2044	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	14,670,000	1,641,000	(737,438)	(400,274)	16,389,112	29,655,160	29.14	
2044	2045	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	8,995,000	907,500	(737,510)	(400,274)	9,660,115	22,926,164	22.53	
2045	2046	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	9,155,000	457,750	(434,705)	(400,274)	9,658,682	22,924,731	22.52	
2046	2047	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	-	-	-	(400,274)	-	13,266,049	13.03	
2047	2048	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	-	-	-	(400,274)	-	13,266,049	13.03	
2048	2049	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	-	-	-	(400,274)	-	13,266,049	13.03	
2049	2050	101,780	0.0%	-	-	-	-	-	-	-	6,619,682	7,046,640	-	-	-	(400,274)	-	13,266,049	13.03	
<b>Totals</b>				<b>217,726,230</b>	<b>71,838,904</b>	<b>22,744,813</b>	<b>(10,958,367)</b>	<b>301,351,580</b>		<b>23,406,517</b>	<b>196,938,795</b>	<b>184,661,087</b>	<b>94,645,000</b>	<b>57,697,484</b>	<b>(6,578,123)</b>	<b>(11,357,198)</b>	<b>153,382,308</b>	<b>795,425,632</b>		

1 Tax capacity values are actual through taxes payable in 2025, with estimated percentage changes for later years as 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 2019 through 2026 are the actual amounts. Debt excess adjustment for taxes payable in 2027 is an estimated based on June 30, 2025 fund balance. Future years are based on 4.5% of the prior years' 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 rate when it expires.



ESTIMATES PRIOR TO BOND SALE

**Roseville School District No. 623**  
 Estimated Tax Rates for Capital and Debt Service Levies

Updated Debt Plan for Fiscal Year 2026 and Beyond  
 5 Facilities Maintenance Bond Issues in  
 2026, 2028, 2030, 2032 and 2034

Date Prepared: March 11, 2026

