

January 12, 2026

PRE-SALE REPORT FOR

**Independent School District No. 273
(Edina Public Schools), Minnesota**

**\$12,935,000 General Obligation
Facilities Maintenance Refunding Bonds, Series 2026A**



Prepared by:

Ehlers
3001 Broadway Street, Suite 320
Minneapolis, MN 55413

Advisors:

Jodie Zesbaugh, Senior Municipal Advisor
Matthew Hammer, Senior Municipal Advisor
Greg Crowe, President and CEO

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

\$12,935,000 General Obligation Facilities Maintenance Refunding Bonds, Series 2026A

The resolution adopted by the School Board on November 10, 2025 authorized the issuance of a principal amount not to exceed approximately \$13,935,000 in bonds. \$12,935,000 is our estimate of the bond amount necessary to refund all of the outstanding callable maturities based on that authorization and the expected premium pricing structure explained in more detail on Page 2.

Purposes:

The proposed issue will finance a current refunding of the 2027 through 2031 maturities of the District's \$16,350,000 General Obligation Facilities Maintenance and School Building Bonds, Series 2017A to reduce future debt service payments and property tax levies. On February 1, 2023, the District paid all outstanding principal and interest for the School Building portion of the Series 2107A issue, so the outstanding maturities are Facilities Maintenance bonds.

The 2027 through 2031 maturities of the existing bonds have interest rates of 3.00% to 4.00% (see Page 7). Based on current market conditions, we estimate that the new refunding bonds would have a True Interest Cost of 2.41% (see Page 8) and also expect that the underwriter of the bonds will pay a premium (a price in excess of the par amount of the bonds) to purchase the bonds (see Page 6). The combination of the premium and the lower True Interest Cost would reduce future debt service payments by an estimated \$194,787 (see Page 10). Actual results will be determined based on market conditions on the day of sale.

The refunding is considered to be a Current Refunding as the obligations being refunded are callable beginning February 1, 2026.

Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 123B.595, 475 and 475.67. 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 annual property tax levies.

Term/Call Feature:

The Bonds are being issued for a term of 5 years, matching the maturity schedule of the refunded bonds. Principal on the Bonds will be due on February 1 in the years 2027 through 2031. Interest will be due every six months beginning August 1, 2026.

The Bonds are being offered without option of prior redemption.

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 "Aaa" (underlying rating) and "Aa1" (credit enhanced rating). The District will request a new rating for this issue.

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 will be used to reduce the principal amount of the Bonds.

Parameters:

The School Board adopted Parameters Resolution on November 10, 2025, which delegates authority to the Interim Superintendent or CFO/Director of Finance and Operations and any School Board member to accept and approve a bid for the Bonds so long as the bid meets certain parameters. These parameters include a minimum estimated future value savings amount of \$150,000.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the District and find that, other than the obligations proposed to be refunded by the Bonds, there are no other refunding opportunities at this time.

We will continue to monitor the market and the call dates for the District's outstanding debt and will alert you to any future 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:

Proceeds from the new Bonds will be available for investment by the District from the closing date (February 19, 2026) until shortly before the March 24, 2026 call date.

These estimates include the assumption that the proceeds of the Bonds will be deposited in an interest earning escrow account which will be used to redeem the existing bonds on the call date. We are estimating investment earnings in the escrow account to be \$45,935 (see Page 9).

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.

Escrow Agent: Zion's Bancorporation, National Association

PROPOSED DEBT ISSUANCE SCHEDULE

School Board Approved Resolution Authorizing the Debt Issue (Including Parameters for Awarding Sale):	November 10, 2025
Ehlers Provides Pre-Sale Report to School Board:	January 12, 2026
Due Diligence Call to Review Official Statement:	Week of January 12, 2026
Conference with Rating Agency:	Week of January 12, 2026
Distribute Official Statement:	Week of January 12, 2026
Ehlers Receives and Evaluates Proposals for Purchase of Bonds; Designated Officials Award Sale:	January 28, 2026
School Board Approves Resolution Ratifying the Bond Sale:	February 9, 2026
Estimated Closing Date:	February 19, 2026
Redemption Date for the 2017A Bonds:	March 24, 2026

Attachments

Estimated Sources and Uses of Funds

Existing Debt Service Schedule for 2017A Bonds

Estimated Debt Service Schedule for Proposed 2026A Refunding Bonds

Estimated Debt Service Escrow

Estimated Debt Service Comparison/Refunding Savings Analysis

EHLERS' CONTACTS

Jodie Zesbaugh, Senior Municipal Advisor	(651) 697-8526
Matthew Hammer, Senior Municipal Advisor	(651) 697-8592
Greg Crowe, Senior Municipal Advisor	(651) 697-8522
Emily Wilkie, Senior Public Finance Analyst	(651) 697-8588
Brian Shannon, Senior Finance Manager	(651) 697-8515

I.S.D. No. 273 (Edina), MN

\$12,935,000 G.O. Facilities Maintenance Refunding Bonds, Series 2026

Dated: February 19, 2026 - Current Refunding of

\$16,350,000 G.O. Facilities Maintenance & Sch Bld Bonds, Series 2017A

Sources & Uses

Dated 02/19/2026 | Delivered 02/19/2026

Sources Of Funds

Par Amount of Bonds	\$12,935,000.00
Reoffering Premium	1,016,491.40
Total Sources	\$13,951,491.40

Uses Of Funds

Total Underwriter's Discount (0.500%)	64,675.00
Costs of Issuance	112,700.00
Deposit to Current Refunding Fund	13,768,666.58
Rounding Amount	5,449.82
Total Uses	\$13,951,491.40

I.S.D. No. 273 (Edina), MN

\$16,350,000 G.O. Facilities Maintenance and School Building Bonds, Series 2017A

SINGLE PURPOSE

Purpose 2 of 2

Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2026	-	-	-	-	-
08/01/2026	-	-	219,400.00	219,400.00	-
02/01/2027	2,715,000.00	3.000%	219,400.00	2,934,400.00	3,153,800.00
08/01/2027	-	-	178,675.00	178,675.00	-
02/01/2028	2,630,000.00	4.000%	178,675.00	2,808,675.00	2,987,350.00
08/01/2028	-	-	126,075.00	126,075.00	-
02/01/2029	2,730,000.00	3.000%	126,075.00	2,856,075.00	2,982,150.00
08/01/2029	-	-	85,125.00	85,125.00	-
02/01/2030	2,810,000.00	3.000%	85,125.00	2,895,125.00	2,980,250.00
08/01/2030	-	-	42,975.00	42,975.00	-
02/01/2031	2,865,000.00	3.000%	42,975.00	2,907,975.00	2,950,950.00
Total	\$13,750,000.00	-	\$1,304,500.00	\$15,054,500.00	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/19/2026
Average Life	2.985 Years
Average Coupon	3.1249558%
Weighted Average Maturity (Par Basis)	2.985 Years
Weighted Average Maturity (Original Price Basis)	2.985 Years

Refunding Bond Information

Refunding Dated Date	2/19/2026
Refunding Delivery Date	2/19/2026

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Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/19/2026	-	-	-	-	-
08/01/2026	-	-	291,037.50	291,037.50	-
02/01/2027	2,540,000.00	5.000%	323,375.00	2,863,375.00	3,154,412.50
08/01/2027	-	-	259,875.00	259,875.00	-
02/01/2028	2,465,000.00	5.000%	259,875.00	2,724,875.00	2,984,750.00
08/01/2028	-	-	198,250.00	198,250.00	-
02/01/2029	2,580,000.00	5.000%	198,250.00	2,778,250.00	2,976,500.00
08/01/2029	-	-	133,750.00	133,750.00	-
02/01/2030	2,710,000.00	5.000%	133,750.00	2,843,750.00	2,977,500.00
08/01/2030	-	-	66,000.00	66,000.00	-
02/01/2031	2,640,000.00	5.000%	66,000.00	2,706,000.00	2,772,000.00
Total	\$12,935,000.00	-	\$1,930,162.50	\$14,865,162.50	-

Yield Statistics

Bond Year Dollars	\$38,603.25
Average Life	2.984 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	2.5343620%
True Interest Cost (TIC)	2.4101917%
Bond Yield for Arbitrage Purposes	2.2434411%
All Inclusive Cost (AIC)	2.7034433%

IRS Form 8038

Net Interest Cost	2.1599352%
Weighted Average Maturity	3.032 Years

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Dated: February 19, 2026 - Current Refunding of

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Current Refunding Escrow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
02/19/2026	-	-	-	0.58	-	0.58
03/24/2026	13,768,666.00	3.690%	45,934.53	13,814,600.53	13,814,601.11	-
Total	\$13,768,666.00	-	\$45,934.53	\$13,814,601.11	\$13,814,601.11	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Unrestricted

Cash Deposit	0.58
Cost of Investments Purchased with Bond Proceeds	13,768,666.00
Total Cost of Investments	\$13,768,666.58
Target Cost of Investments at bond yield	\$13,784,669.97
Actual positive or (negative) arbitrage	16,003.39
Yield to Receipt	3.4552799%
Yield for Arbitrage Purposes	2.2434411%

State and Local Government Series (SLGS) rates for 1/06/2026

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Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2027	3,154,412.50	3,148,962.68	3,153,800.00	4,837.32
02/01/2028	2,984,750.00	2,984,750.00	2,987,350.00	2,600.00
02/01/2029	2,976,500.00	2,976,500.00	2,982,150.00	5,650.00
02/01/2030	2,977,500.00	2,977,500.00	2,980,250.00	2,750.00
02/01/2031	2,772,000.00	2,772,000.00	2,950,950.00	178,950.00
Total	\$14,865,162.50	\$14,859,712.68	\$15,054,500.00	\$194,787.32

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	166,790.56
Net PV Cashflow Savings @ 2.243%(Bond Yield).....	166,790.56
Contingency or Rounding Amount.....	5,449.82
Net Present Value Benefit	\$172,240.38
Net PV Benefit / \$14,118,281.96 PV Refunded Debt Service	1.220%
Net PV Benefit / \$13,750,000 Refunded Principal...	1.253%
Net PV Benefit / \$12,935,000 Refunding Principal..	1.332%

Refunding Bond Information

Refunding Dated Date	2/19/2026
Refunding Delivery Date	2/19/2026