

October 27, 2025

PRE-SALE REPORT FOR

Independent School District No. 698 (Floodwood), Minnesota

**\$7,400,000 General Obligation Facilities Maintenance
and Tax Abatement Bonds, Series 2025A**



Prepared by:

Ehlers
3001 Broadway Street, Suite 320
Minneapolis, MN 55413

Advisors:

Shelby McQuay, Senior Municipal Advisor
Jen Chapman, Associate Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

\$7,400,000 General Obligation Facilities Maintenance and Tax Abatement Bonds, Series 2025A

Purposes:

The proposed issue includes financing for indoor air quality, roofing and deferred maintenance projects included in the District's ten-year facilities plan, approved by the Commissioner of Education, and parking lot projects districtwide.

Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 469 and 475 and Sections 123B.595 and 469.1814.

The Bonds will be general obligations of the District for which its full faith, credit and taxing powers are pledged. For the Facilities Maintenance Portion of the issue, debt service will be paid from property tax levies. The Tax Abatement portion will be paid from tax abatement revenues.

Term/Call Feature:

The Bonds are being issued for a term of 20 years and 8 months. Principal on the Bonds will be due on February 1 of 2027 through 2046. Interest will be due every six months beginning August 1, 2026.

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.

Bank Qualification:

Because the District is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the District will be able to designate the Bonds as "bank qualified" obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.

State Credit Enhancement:

By resolution the District will covenant and obligate 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 issue was rated by Moody's Investors Service. The rating on those bonds was "Aa1" (credit enhanced rating) and "A3" (underlying rating). The District will request a new rating for the Bonds.

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 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 its Audited Financial Statements 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 Signature, No-Litigation, Arbitrage Certificate and Purchase Price Receipt (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 will 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: Dorsey & Whitney LLP

Paying Agent: Bond Trust Services Corporation

Rating Agency: Moody's Investors Service, Inc.

PROPOSED DEBT ISSUANCE SCHEDULE

School Board Approved Resolution Calling for the Tax Abatement Public Hearing and Approved the Resolution Authorizing the Sale of the Facilities Maintenance Bonds, including approval of the Revised Ten-Year LTFM Plan:	September 22, 2025
School Board holds Tax Abatement Hearing, Ehlers Presents Pre-Sale Report to School Board, School Board Approves Resolution Authorizing Sale of the Tax Abatement Bonds:	October 27, 2025
Due Diligence Call to Review Official Statement:	Week of November 17, 2025
Conference with Rating Agency:	Week of November 17, 2025
Distribute Official Statement:	November 26, 2025
Ehlers Receives and Evaluates Proposals for Purchase of Bonds:	December 8, 2025
School Board Meeting to Award Sale of Bonds:	December 8, 2025
Estimated Closing Date:	December 30, 2025

Attachments

- Estimated Sources and Uses of Funds
- Estimated Combined Net Debt Service Schedule
- Estimated Net Debt Service Schedule Facilities Maintenance – Indoor Air Quality Portion
- Estimated Net Debt Service Schedule Facilities Maintenance – Roofing Portion
- Estimated Net Debt Service Schedule – Tax Abatement Portion
- Estimated Net Debt Service Schedule – Deferred Maintenance Portion
- Estimated Long-Term Financing Plans for Debt and Capital Payments and Levies
- Resolutions Authorizing Ehlers to Proceed with Bond Sale/Credit Enhancement
- Resolutions (provided separately)

EHLERS’ CONTACTS

Shelby McQuay, Senior Municipal Advisor	(651) 697-8548
Jen Chapman, Associate Municipal Advisor	(651) 697-8566
Silvia Johnson, Lead Public Finance Analyst	(651) 697-8580
Brian Shannon, Senior Finance Manager	(651) 697-8515

ESTIMATES PRIOR TO THE SALE OF BONDS

Floodwood School District, ISD No. 698

October 21, 2025

Estimated Sources and Uses of Funds
General Obligation Bonds

	LTFM - IAQ	LTFM - Roofing	Tax Abatement	Deferred Maintenance	Total Board Approved Bonds
Board Approved Bond Issue Amount	\$5,795,000	\$1,230,000	\$155,000	\$220,000	\$7,400,000
Total Project Costs	\$5,609,449	\$1,191,990	\$147,725	\$206,715	\$7,155,879
Dated Date	12/30/2025	12/30/2025	12/30/2025	12/30/2025	12/30/2025
Sources of Funds					
Par Amount	\$5,795,000	\$1,230,000	\$155,000	\$220,000	\$7,400,000
Funds on Hand ¹	0	0	8,417	11,947	20,365
Investment Earnings ²	5,821	1,237	151	232	7,441
Bond Premium ³	164,943	36,109	8,320	17,668	227,040
Total Sources	\$5,965,764	\$1,267,346	\$171,888	\$249,848	\$7,654,845
Uses of Funds					
Allowance for Discount Bidding ⁴	\$57,950	\$12,300	\$1,550	\$2,200	\$74,000
Capitalized Interest ¹	0	0	8,417	11,947	20,365
Legal and Fiscal Costs ⁵	80,865	17,164	2,163	3,070	103,262
Net Available for Project Costs	5,826,949	1,237,882	159,758	232,630	7,457,219
Total Uses	\$5,965,764	\$1,267,346	\$171,888	\$249,848	\$7,654,845
Deposit to Construction Fund	\$5,821,128	\$1,236,645	\$159,607	\$232,398	\$7,449,778

¹ The District will use funds on hand to make the interest payment on the abatement and deferred maintenance portion of the new bonds due during fiscal year 2027.

² Estimated investment earnings are based on an average interest rate of 0.10%, and an average life of 12 months.

³ 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.

⁴ The allowance for discount bidding 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.

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

I.S.D. No. 698 (Floodwood), MN

\$7,400,000 G.O. Facilities Maintenance and Tax Abatement Bonds, Series 2025A

Issue Summary

Dated: December 30, 2025

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
12/30/2025	-	-	-	-	-	-	-
08/01/2026	-	-	208,780.10	208,780.10	(10,989.58)	197,790.52	-
02/01/2027	195,000.00	5.000%	178,106.25	373,106.25	(9,375.00)	363,731.25	561,521.77
08/01/2027	-	-	173,231.25	173,231.25	-	173,231.25	-
02/01/2028	235,000.00	5.000%	173,231.25	408,231.25	-	408,231.25	581,462.50
08/01/2028	-	-	167,356.25	167,356.25	-	167,356.25	-
02/01/2029	245,000.00	5.000%	167,356.25	412,356.25	-	412,356.25	579,712.50
08/01/2029	-	-	161,231.25	161,231.25	-	161,231.25	-
02/01/2030	275,000.00	5.000%	161,231.25	436,231.25	-	436,231.25	597,462.50
08/01/2030	-	-	154,356.25	154,356.25	-	154,356.25	-
02/01/2031	295,000.00	5.000%	154,356.25	449,356.25	-	449,356.25	603,712.50
08/01/2031	-	-	146,981.25	146,981.25	-	146,981.25	-
02/01/2032	310,000.00	5.000%	146,981.25	456,981.25	-	456,981.25	603,962.50
08/01/2032	-	-	139,231.25	139,231.25	-	139,231.25	-
02/01/2033	325,000.00	5.000%	139,231.25	464,231.25	-	464,231.25	603,462.50
08/01/2033	-	-	131,106.25	131,106.25	-	131,106.25	-
02/01/2034	340,000.00	5.000%	131,106.25	471,106.25	-	471,106.25	602,212.50
08/01/2034	-	-	122,606.25	122,606.25	-	122,606.25	-
02/01/2035	360,000.00	5.000%	122,606.25	482,606.25	-	482,606.25	605,212.50
08/01/2035	-	-	113,606.25	113,606.25	-	113,606.25	-
02/01/2036	375,000.00	5.000%	113,606.25	488,606.25	-	488,606.25	602,212.50
08/01/2036	-	-	104,231.25	104,231.25	-	104,231.25	-
02/01/2037	360,000.00	4.000%	104,231.25	464,231.25	-	464,231.25	568,462.50
08/01/2037	-	-	97,031.25	97,031.25	-	97,031.25	-
02/01/2038	375,000.00	4.250%	97,031.25	472,031.25	-	472,031.25	569,062.50
08/01/2038	-	-	89,062.50	89,062.50	-	89,062.50	-
02/01/2039	390,000.00	4.500%	89,062.50	479,062.50	-	479,062.50	568,125.00
08/01/2039	-	-	80,287.50	80,287.50	-	80,287.50	-
02/01/2040	410,000.00	4.500%	80,287.50	490,287.50	-	490,287.50	570,575.00
08/01/2040	-	-	71,062.50	71,062.50	-	71,062.50	-
02/01/2041	430,000.00	4.750%	71,062.50	501,062.50	-	501,062.50	572,125.00
08/01/2041	-	-	60,850.00	60,850.00	-	60,850.00	-
02/01/2042	450,000.00	4.750%	60,850.00	510,850.00	-	510,850.00	571,700.00
08/01/2042	-	-	50,162.50	50,162.50	-	50,162.50	-
02/01/2043	470,000.00	4.750%	50,162.50	520,162.50	-	520,162.50	570,325.00
08/01/2043	-	-	39,000.00	39,000.00	-	39,000.00	-
02/01/2044	495,000.00	5.000%	39,000.00	534,000.00	-	534,000.00	573,000.00
08/01/2044	-	-	26,625.00	26,625.00	-	26,625.00	-
02/01/2045	520,000.00	5.000%	26,625.00	546,625.00	-	546,625.00	573,250.00
08/01/2045	-	-	13,625.00	13,625.00	-	13,625.00	-
02/01/2046	545,000.00	5.000%	13,625.00	558,625.00	-	558,625.00	572,250.00
Total	\$7,400,000.00	-	\$4,270,173.85	\$11,670,173.85	(20,364.58)	\$11,649,809.27	-

Yield Statistics

Bond Year Dollars	\$89,057.22
Average Life	12.035 Years
Average Coupon	4.7948653%
Net Interest Cost (NIC)	4.6230210%
True Interest Cost (TIC)	4.5547836%
All Inclusive Cost (AIC)	4.7130733%
Bond Yield for Arbitrage Purposes	4.4370280%

IRS Form 8038

Net Interest Cost	4.4612073%
Weighted Average Maturity	11.883 Years
Dated	12/30/2025
First Available Call Date	

I.S.D. No. 698 (Floodwood), MN

\$5,795,000 G.O. Facilities Maintenance and Tax Abatement Bonds, Series 2025A

LTFM - IAQ Portion

Purpose 1 of 4

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
12/30/2025	-	-	-	-	-	-
08/01/2026	-	-	163,114.72	163,114.72	163,114.72	-
02/01/2027	160,000.00	5.000%	139,150.00	299,150.00	299,150.00	462,264.72
08/01/2027	-	-	135,150.00	135,150.00	135,150.00	-
02/01/2028	125,000.00	5.000%	135,150.00	260,150.00	260,150.00	395,300.00
08/01/2028	-	-	132,025.00	132,025.00	132,025.00	-
02/01/2029	135,000.00	5.000%	132,025.00	267,025.00	267,025.00	399,050.00
08/01/2029	-	-	128,650.00	128,650.00	128,650.00	-
02/01/2030	155,000.00	5.000%	128,650.00	283,650.00	283,650.00	412,300.00
08/01/2030	-	-	124,775.00	124,775.00	124,775.00	-
02/01/2031	225,000.00	5.000%	124,775.00	349,775.00	349,775.00	474,550.00
08/01/2031	-	-	119,150.00	119,150.00	119,150.00	-
02/01/2032	235,000.00	5.000%	119,150.00	354,150.00	354,150.00	473,300.00
08/01/2032	-	-	113,275.00	113,275.00	113,275.00	-
02/01/2033	250,000.00	5.000%	113,275.00	363,275.00	363,275.00	476,550.00
08/01/2033	-	-	107,025.00	107,025.00	107,025.00	-
02/01/2034	260,000.00	5.000%	107,025.00	367,025.00	367,025.00	474,050.00
08/01/2034	-	-	100,525.00	100,525.00	100,525.00	-
02/01/2035	275,000.00	5.000%	100,525.00	375,525.00	375,525.00	476,050.00
08/01/2035	-	-	93,650.00	93,650.00	93,650.00	-
02/01/2036	285,000.00	5.000%	93,650.00	378,650.00	378,650.00	472,300.00
08/01/2036	-	-	86,525.00	86,525.00	86,525.00	-
02/01/2037	300,000.00	4.000%	86,525.00	386,525.00	386,525.00	473,050.00
08/01/2037	-	-	80,525.00	80,525.00	80,525.00	-
02/01/2038	310,000.00	4.250%	80,525.00	390,525.00	390,525.00	471,050.00
08/01/2038	-	-	73,937.50	73,937.50	73,937.50	-
02/01/2039	325,000.00	4.500%	73,937.50	398,937.50	398,937.50	472,875.00
08/01/2039	-	-	66,625.00	66,625.00	66,625.00	-
02/01/2040	340,000.00	4.500%	66,625.00	406,625.00	406,625.00	473,250.00
08/01/2040	-	-	58,975.00	58,975.00	58,975.00	-
02/01/2041	355,000.00	4.750%	58,975.00	413,975.00	413,975.00	472,950.00
08/01/2041	-	-	50,543.75	50,543.75	50,543.75	-
02/01/2042	375,000.00	4.750%	50,543.75	425,543.75	425,543.75	476,087.50
08/01/2042	-	-	41,637.50	41,637.50	41,637.50	-
02/01/2043	390,000.00	4.750%	41,637.50	431,637.50	431,637.50	473,275.00
08/01/2043	-	-	32,375.00	32,375.00	32,375.00	-
02/01/2044	410,000.00	5.000%	32,375.00	442,375.00	442,375.00	474,750.00
08/01/2044	-	-	22,125.00	22,125.00	22,125.00	-
02/01/2045	430,000.00	5.000%	22,125.00	452,125.00	452,125.00	474,250.00
08/01/2045	-	-	11,375.00	11,375.00	11,375.00	-
02/01/2046	455,000.00	5.000%	11,375.00	466,375.00	466,375.00	477,750.00
Total	\$5,795,000.00	-	\$3,460,002.22	\$9,255,002.22	\$9,255,002.22	-

Yield Statistics

Bond Year Dollars	\$72,234.01
Average Life	12.465 Years
Average Coupon	4.7899902%
Net Interest Cost (NIC)	4.6418704%
True Interest Cost (TIC)	4.5802121%
All Inclusive Cost (AIC)	4.7341884%
Bond Yield for Arbitrage Purposes	4.4370280%

IRS Form 8038

Net Interest Cost	4.4887721%
Weighted Average Maturity	12.317 Years
Dated	12/30/2025
First Available Call Date	

I.S.D. No. 698 (Floodwood), MN

\$1,230,000 G.O. Facilities Maintenance and Tax Abatement Bonds, Series 2025A

LTFM - Roofing Portion

Purpose 2 of 4

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
12/30/2025	-	-	-	-	-	-
08/01/2026	-	-	34,675.80	34,675.80	34,675.80	-
02/01/2027	35,000.00	5.000%	29,581.25	64,581.25	64,581.25	99,257.05
08/01/2027	-	-	28,706.25	28,706.25	28,706.25	-
02/01/2028	40,000.00	5.000%	28,706.25	68,706.25	68,706.25	97,412.50
08/01/2028	-	-	27,706.25	27,706.25	27,706.25	-
02/01/2029	40,000.00	5.000%	27,706.25	67,706.25	67,706.25	95,412.50
08/01/2029	-	-	26,706.25	26,706.25	26,706.25	-
02/01/2030	45,000.00	5.000%	26,706.25	71,706.25	71,706.25	98,412.50
08/01/2030	-	-	25,581.25	25,581.25	25,581.25	-
02/01/2031	45,000.00	5.000%	25,581.25	70,581.25	70,581.25	96,162.50
08/01/2031	-	-	24,456.25	24,456.25	24,456.25	-
02/01/2032	50,000.00	5.000%	24,456.25	74,456.25	74,456.25	98,912.50
08/01/2032	-	-	23,206.25	23,206.25	23,206.25	-
02/01/2033	50,000.00	5.000%	23,206.25	73,206.25	73,206.25	96,412.50
08/01/2033	-	-	21,956.25	21,956.25	21,956.25	-
02/01/2034	55,000.00	5.000%	21,956.25	76,956.25	76,956.25	98,912.50
08/01/2034	-	-	20,581.25	20,581.25	20,581.25	-
02/01/2035	55,000.00	5.000%	20,581.25	75,581.25	75,581.25	96,162.50
08/01/2035	-	-	19,206.25	19,206.25	19,206.25	-
02/01/2036	60,000.00	5.000%	19,206.25	79,206.25	79,206.25	98,412.50
08/01/2036	-	-	17,706.25	17,706.25	17,706.25	-
02/01/2037	60,000.00	4.000%	17,706.25	77,706.25	77,706.25	95,412.50
08/01/2037	-	-	16,506.25	16,506.25	16,506.25	-
02/01/2038	65,000.00	4.250%	16,506.25	81,506.25	81,506.25	98,012.50
08/01/2038	-	-	15,125.00	15,125.00	15,125.00	-
02/01/2039	65,000.00	4.500%	15,125.00	80,125.00	80,125.00	95,250.00
08/01/2039	-	-	13,662.50	13,662.50	13,662.50	-
02/01/2040	70,000.00	4.500%	13,662.50	83,662.50	83,662.50	97,325.00
08/01/2040	-	-	12,087.50	12,087.50	12,087.50	-
02/01/2041	75,000.00	4.750%	12,087.50	87,087.50	87,087.50	99,175.00
08/01/2041	-	-	10,306.25	10,306.25	10,306.25	-
02/01/2042	75,000.00	4.750%	10,306.25	85,306.25	85,306.25	95,612.50
08/01/2042	-	-	8,525.00	8,525.00	8,525.00	-
02/01/2043	80,000.00	4.750%	8,525.00	88,525.00	88,525.00	97,050.00
08/01/2043	-	-	6,625.00	6,625.00	6,625.00	-
02/01/2044	85,000.00	5.000%	6,625.00	91,625.00	91,625.00	98,250.00
08/01/2044	-	-	4,500.00	4,500.00	4,500.00	-
02/01/2045	90,000.00	5.000%	4,500.00	94,500.00	94,500.00	99,000.00
08/01/2045	-	-	2,250.00	2,250.00	2,250.00	-
02/01/2046	90,000.00	5.000%	2,250.00	92,250.00	92,250.00	94,500.00
Total	\$1,230,000.00	-	\$715,057.05	\$1,945,057.05	\$1,945,057.05	-

Yield Statistics

Bond Year Dollars	\$14,920.92
Average Life	12.131 Years
Average Coupon	4.7923131%
Net Interest Cost (NIC)	4.6327445%
True Interest Cost (TIC)	4.5680484%
All Inclusive Cost (AIC)	4.7256571%
Bond Yield for Arbitrage Purposes	4.4370280%

IRS Form 8038

Net Interest Cost	4.4756606%
Weighted Average Maturity	11.981 Years
Dated	12/30/2025
First Available Call Date	

I.S.D. No. 698 (Floodwood), MN

\$155,000 G.O. Facilities Maintenance and Tax Abatement Bonds, Series 2025A

Tax Abatement Portion

Purpose 3 of 4

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
12/30/2025	-	-	-	-	-	-	-
08/01/2026	-	-	4,542.36	4,542.36	(4,542.36)	-	-
02/01/2027	-	-	3,875.00	3,875.00	(3,875.00)	-	-
08/01/2027	-	-	3,875.00	3,875.00	-	3,875.00	-
02/01/2028	50,000.00	5.000%	3,875.00	53,875.00	-	53,875.00	57,750.00
08/01/2028	-	-	2,625.00	2,625.00	-	2,625.00	-
02/01/2029	50,000.00	5.000%	2,625.00	52,625.00	-	52,625.00	55,250.00
08/01/2029	-	-	1,375.00	1,375.00	-	1,375.00	-
02/01/2030	55,000.00	5.000%	1,375.00	56,375.00	-	56,375.00	57,750.00
Total	\$155,000.00	-	\$24,167.36	\$179,167.36	(8,417.36)	\$170,750.00	-

Yield Statistics

Bond Year Dollars	\$483.35
Average Life	3.118 Years
Average Coupon	4.9999998%
Net Interest Cost (NIC)	3.5994538%
True Interest Cost (TIC)	3.5025465%
All Inclusive Cost (AIC)	3.9714859%
Bond Yield for Arbitrage Purposes	4.4370280%

IRS Form 8038

Net Interest Cost	3.1016209%
Weighted Average Maturity	3.129 Years
Dated	12/30/2025
First Available Call Date	

I.S.D. No. 698 (Floodwood), MN

\$220,000 G.O. Facilities Maintenance and Tax Abatement Bonds, Series 2025A

Deferred Maintenance Portion

Purpose 4 of 4

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
12/30/2025	-	-	-	-	-	-	-
08/01/2026	-	-	6,447.22	6,447.22	(6,447.22)	-	-
02/01/2027	-	-	5,500.00	5,500.00	(5,500.00)	-	-
08/01/2027	-	-	5,500.00	5,500.00	-	5,500.00	-
02/01/2028	20,000.00	5.000%	5,500.00	25,500.00	-	25,500.00	31,000.00
08/01/2028	-	-	5,000.00	5,000.00	-	5,000.00	-
02/01/2029	20,000.00	5.000%	5,000.00	25,000.00	-	25,000.00	30,000.00
08/01/2029	-	-	4,500.00	4,500.00	-	4,500.00	-
02/01/2030	20,000.00	5.000%	4,500.00	24,500.00	-	24,500.00	29,000.00
08/01/2030	-	-	4,000.00	4,000.00	-	4,000.00	-
02/01/2031	25,000.00	5.000%	4,000.00	29,000.00	-	29,000.00	33,000.00
08/01/2031	-	-	3,375.00	3,375.00	-	3,375.00	-
02/01/2032	25,000.00	5.000%	3,375.00	28,375.00	-	28,375.00	31,750.00
08/01/2032	-	-	2,750.00	2,750.00	-	2,750.00	-
02/01/2033	25,000.00	5.000%	2,750.00	27,750.00	-	27,750.00	30,500.00
08/01/2033	-	-	2,125.00	2,125.00	-	2,125.00	-
02/01/2034	25,000.00	5.000%	2,125.00	27,125.00	-	27,125.00	29,250.00
08/01/2034	-	-	1,500.00	1,500.00	-	1,500.00	-
02/01/2035	30,000.00	5.000%	1,500.00	31,500.00	-	31,500.00	33,000.00
08/01/2035	-	-	750.00	750.00	-	750.00	-
02/01/2036	30,000.00	5.000%	750.00	30,750.00	-	30,750.00	31,500.00
Total	\$220,000.00	-	\$70,947.22	\$290,947.22	(11,947.22)	\$279,000.00	-

Yield Statistics

Bond Year Dollars	\$1,418.94
Average Life	6.450 Years
Average Coupon	4.9999998%
Net Interest Cost (NIC)	3.9098726%
True Interest Cost (TIC)	3.7408883%
All Inclusive Cost (AIC)	3.9815877%
Bond Yield for Arbitrage Purposes	4.4370280%

IRS Form 8038

Net Interest Cost	3.4568303%
Weighted Average Maturity	6.485 Years
Dated	12/30/2025
First Available Call Date	

Floodwood Public School District No. 698

Analysis of Possible Structure for Capital and Debt Levies

Type of Bond	Principal Amount	Dated Date	Interest Rate
Facilities Maintenance - IAQ	\$5,795,000	12/30/25	4.58%
Facilities Maintenance - Roofing	\$1,230,000	12/30/25	4.57%
Tax Abatement	\$155,000	12/30/25	3.50%

October 21, 2025

Levy		Tax Capacity		Existing Commitments	Proposed New Board Approved Bonds				Combined Totals		
Payable	Fiscal	Value	Value ¹				Add'l. Debt	Net	Initial	Net	Tax
2024	2025	7,196	5.5%	-	-	-	-	-	-	-	-
2025	2026	7,556	5.0%	-	-	-	-	-	-	-	-
2026	2027	7,631	1.0%	-	195,000	374,939	-	589,598	589,598	589,598	7.73
2027	2028	7,631	0.0%	-	215,000	335,463	-	577,986	577,986	577,986	7.57
2028	2029	7,631	0.0%	-	225,000	324,713	-	577,198	577,198	577,198	7.56
2029	2030	7,631	0.0%	-	255,000	313,463	(23,088)	573,798	573,798	573,798	7.52
2030	2031	7,631	0.0%	-	270,000	300,713	(22,952)	576,296	576,296	576,296	7.55
2031	2032	7,631	0.0%	-	285,000	287,213	(23,052)	577,771	577,771	577,771	7.57
2032	2033	7,631	0.0%	-	300,000	272,963	(23,111)	578,500	578,500	578,500	7.58
2033	2034	7,631	0.0%	-	315,000	257,963	(23,140)	578,471	578,471	578,471	7.58
2034	2035	7,631	0.0%	-	330,000	242,213	(23,139)	577,684	577,684	577,684	7.57
2035	2036	7,631	0.0%	-	345,000	225,713	(23,107)	576,141	576,141	576,141	7.55
2036	2037	7,631	0.0%	-	360,000	208,463	(23,046)	573,840	573,840	573,840	7.52
2037	2038	7,631	0.0%	-	375,000	194,063	(22,954)	574,562	574,562	574,562	7.53
2038	2039	7,631	0.0%	-	390,000	178,125	(22,982)	573,549	573,549	573,549	7.52
2039	2040	7,631	0.0%	-	410,000	160,575	(22,942)	576,162	576,162	576,162	7.55
2040	2041	7,631	0.0%	-	430,000	142,125	(23,046)	577,685	577,685	577,685	7.57
2041	2042	7,631	0.0%	-	450,000	121,700	(23,107)	577,178	577,178	577,178	7.56
2042	2043	7,631	0.0%	-	470,000	100,325	(23,087)	575,754	575,754	575,754	7.54
2043	2044	7,631	0.0%	-	495,000	78,000	(23,030)	578,620	578,620	578,620	7.58
2044	2045	7,631	0.0%	-	520,000	53,250	(23,145)	578,768	578,768	578,768	7.58
2045	2046	7,631	0.0%	-	545,000	27,250	(23,151)	577,712	577,712	577,712	7.57
2046	2047	7,631	0.0%	-	-	-	-	-	-	-	-
2047	2048	7,631	0.0%	-	-	-	-	-	-	-	-
Totals				-	7,180,000	4,199,227	(392,079)	11,547,271	11,547,271	11,547,271	

1 Tax capacity value for taxes payable in 2025 is the actual value. Estimates for future years are based on the percentage changes as shown above.

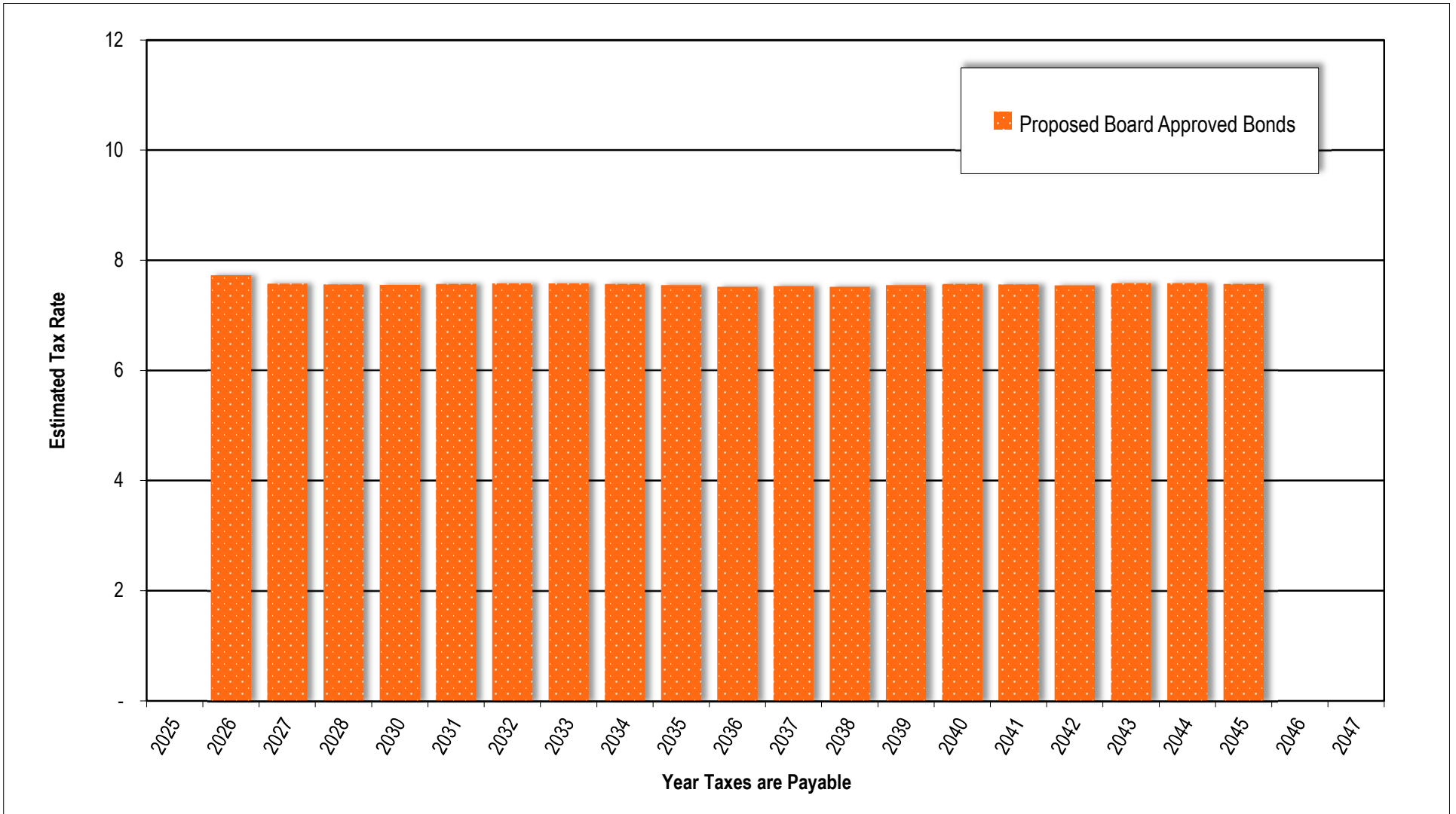
2 Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.

3 Initial debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.

Floodwood Public School District No. 698

Estimated Tax Rates for Capital and Debt Service Levies

Proposed New Debt



Date Prepared:

October 21, 2025

Floodwood Public School District No. 698

Analysis of Tax Impact for Potential Bond Issue

October 21, 2025

Bond Issue Amount Number of Years		\$7,180,000 20 Tax Levies
Type of Property	Estimated Market Value	Estimated Impact on Annual Taxes Payable in 2026*
Residential Homestead	\$50,000	\$23
	75,000	35
	100,000	48
	125,000	69
	135,000	78
	150,000	90
	175,000	111
	200,000	132
	250,000	175
	300,000	217
	350,000	259
Commercial/ Industrial	\$50,000	\$58
	100,000	116
	250,000	328
	500,000	715
Agricultural Homestead** (average value per acre of land & buildings)	1,000,000	1,487
	\$1,000	\$0.12
	1,500	0.17
	2,000	0.23
	2,500	0.29
	3,000	0.35
Agricultural Non-Homestead** (average value per acre of land & buildings)	3,500	0.41
	\$1,000	\$0.23
	1,500	0.35
	2,000	0.46
	2,500	0.58
	3,000	0.70
	3,500	0.81

* Estimated tax impact includes principal and interest payments on the new bonds. The amounts in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the homeowner's Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This will change the net effect of the proposed bond issue for those property owners.

** For all agricultural property, includes a 70% reduction due to the School Building Bond Agricultural Credit. Average value per acre is the total estimated market value of all land & buildings divided by total acres. If the property includes a home, then the tax impact on the house, garage, and one acre of land will be calculated in addition to the taxes per acre, on the same basis as a residential homestead or non-homestead property. If the same property owner owns more than \$3.8 million of agricultural homestead land and buildings, a portion of the property will be taxed at the higher non-homestead rate.

ESTIMATES PRIOR TO THE SALE OF BONDS

Floodwood Public School District No. 698

Estimates of LTFM Revenue and Bond Payments

\$220,000 Fac. Maint. Bond Issue**9 Years; Payments Limited to
46% of LTFM Revenue****October 21, 2025**

Principal Amount:	Proposed Bond Issue
Dated Date:	\$220,000
Average Interest Rate:	12/30/2025
	3.74%

Home \$137,000
Ag \$2,200 & \$2,000

Levy Pay Year	Fiscal Year	Adjusted Pupil Units	Building Age	Revenue/ Pupil	Est. Total LTFM Revenue	LTFM Aid	Tax Levy	Existing Bonds			Gen. Fund Revenue Remaining	Potential New Bonds				Total Debt Service	Gen. Fund Revenue Remaining
								Initial Levy ¹	Est. Debt Excess ²	Net Revenue		Principal	Interest	Est. Debt Excess ²	Total Debt Service ¹		
2025	2026	179	38.57	380.00	67,944	-	67,944	33,123	(1,355)	31,768	36,176	-	-	-	-	31,768	36,176
2026	2027	179	39.57	380.00	67,944	-	67,944	32,335	(1,325)	31,010	36,934	-	11,947	-	-	31,010	36,934
2027	2028	179	40.57	380.00	67,944	-	67,944	-	-	-	67,944	20,000	11,000	-	32,550	32,550	35,394
2028	2029	179	41.57	380.00	67,944	-	67,944	-	-	-	67,944	20,000	10,000	(1,302)	30,198	30,198	37,746
2029	2030	179	42.57	380.00	67,944	-	67,944	-	-	-	67,944	20,000	9,000	(1,208)	29,242	29,242	38,702
2030	2031	179	43.57	380.00	67,944	-	67,944	-	-	-	67,944	25,000	8,000	(1,170)	33,480	33,480	34,464
2031	2032	179	44.57	380.00	67,944	-	67,944	-	-	-	67,944	25,000	6,750	(1,339)	31,998	31,998	35,946
2032	2033	179	45.57	380.00	67,944	-	67,944	-	-	-	67,944	25,000	5,500	(1,280)	30,745	30,745	37,199
2033	2034	179	46.57	380.00	67,944	-	67,944	-	-	-	67,944	25,000	4,250	(1,230)	29,483	29,483	38,461
2034	2035	179	47.57	380.00	67,944	-	67,944	-	-	-	67,944	30,000	3,000	(1,179)	33,471	33,471	34,473
2035	2036	179	48.57	380.00	67,944	-	67,944	-	-	-	67,944	30,000	1,500	(1,339)	31,736	31,736	36,208
2036	2037	179	49.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2037	2038	179	50.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2038	2039	179	51.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2039	2040	179	52.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2040	2041	179	53.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2041	2042	179	54.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2042	2043	179	55.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2043	2044	179	56.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2044	2045	179	57.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2045	2046	179	58.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2046	2047	179	59.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	0	67,944
2047	2048	179	60.57	380.00	67,944	-	67,944	-	-	-	67,944	-	-	-	-	-	67,944
Totals					1,627,008	-	1,627,008	99,321	(12,039)	87,282		220,000	70,947	(10,047)	282,903	370,185	1,256,823

1 Debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.

2 Debt excess adjustment is estimated at 4% of the prior year's initial debt service levy

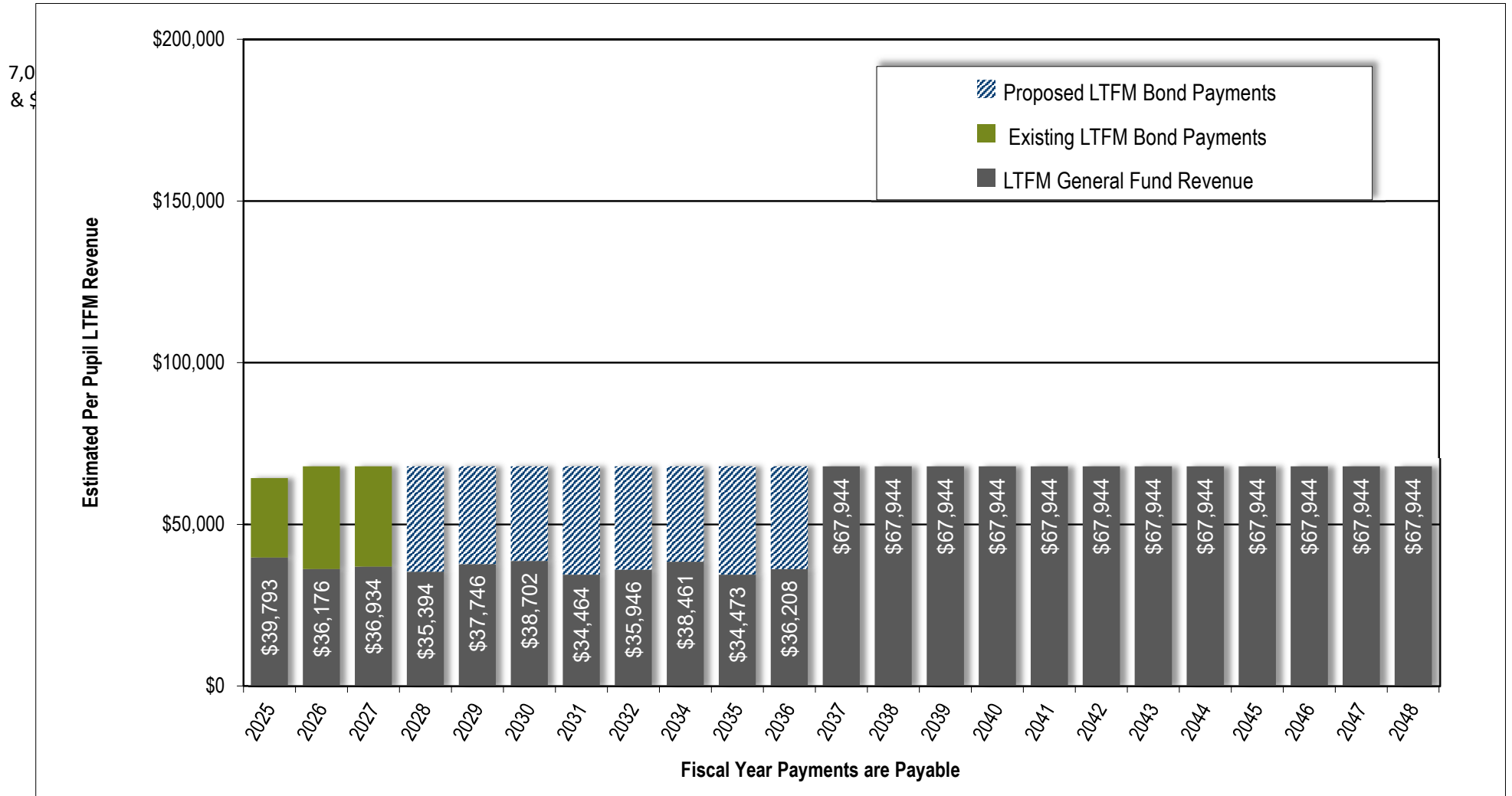
3 The district will use debt service funds on hand to make the interest payment due during fiscal year 2027.

Floodwood Public School District No. 698

Estimated Per Pupil Long-Term Facilities Maintenance Revenue
Estimates of LTFM Revenue and Bond Payments

\$220,000 Fac. Maint. Bond Issue

**9 Years; Payments Limited to
46% of LTFM Revenue**



Date Prepared:

October 21, 2025