



South Kitsap School District No. 402 Bond Issue Planning

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Industry-Leading Public Finance Franchise

National Platform, Regional Expertise

PIPER SANDLER CONSISTENTLY RANKS AMONG THE NATION'S LEADING UNDERWRITERS.

IN 2020, WE RANKED NO. 3 AND NO. 7 BY NUMBER OF SENIOR MANAGED ISSUES AND PAR AMOUNT, RESPECTIVELY.

Supported by a broad national platform, our expert teams leverage localized knowledge to facilitate the issuance of taxable and tax-exempt debt across a range of sectors:

- State & Local Government
- Healthcare
- Charter Schools
- Higher Education
- K-12 Education
- Housing
- Senior Living
- Transportation
- Non-profits
- Hospitality
- Project Finance

Our services include:

- Municipal bond underwriting
- Municipal derivatives and reinvestment products
- Financial advisory
- Private placements



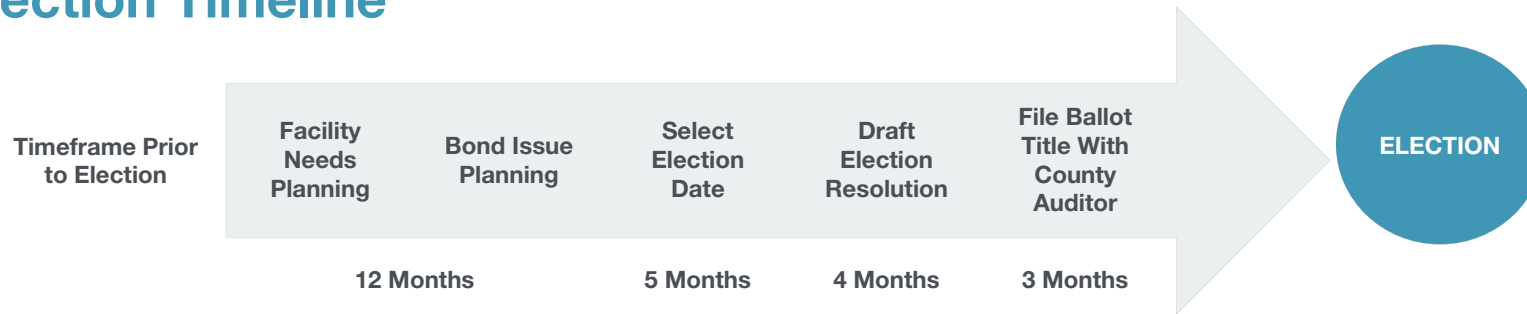
Election Dates

2021-2022-2023 Election and Resolution Filing Dates, Under Current Law			
Election Date	Resolution Filing Date	Approximate Ballot Mailing Date ⁽¹⁾	Certification Date
April 27, 2021	February 26, 2021	April 9, 2021	May 7, 2021
August 3, 2021	May 14, 2021	July 16, 2021	August 17, 2021
November 2, 2021	August 3, 2021	October 15, 2021	November 23, 2021
February 8, 2022 ⁽²⁾	December 10, 2021	January 21, 2022	February 18, 2022
April 26, 2022 ⁽²⁾	February 25, 2022	April 8, 2022	May 6, 2022
August 2, 2022 ⁽²⁾	May 13, 2022	July 15, 2022	August 16, 2022
November 8, 2022 ⁽²⁾	August 2, 2022	October 21, 2022	November 29, 2022
February 14, 2023 ⁽²⁾	December 16, 2022	January 27, 2023	February 24, 2023
April 25, 2023 ⁽²⁾	February 24, 2023	April 7, 2023	May 5, 2023
August 1, 2023 ⁽²⁾	May 12, 2023	July 14, 2023	August 15, 2023
November 7, 2023 ⁽²⁾	August 1, 2023	October 20, 2023	November 28, 2023

(1) Ballots are required to be mailed no later than 18 days prior to the election date.

(2) Projected dates as of December 2020 and subject to change by legislation.

Election Timeline

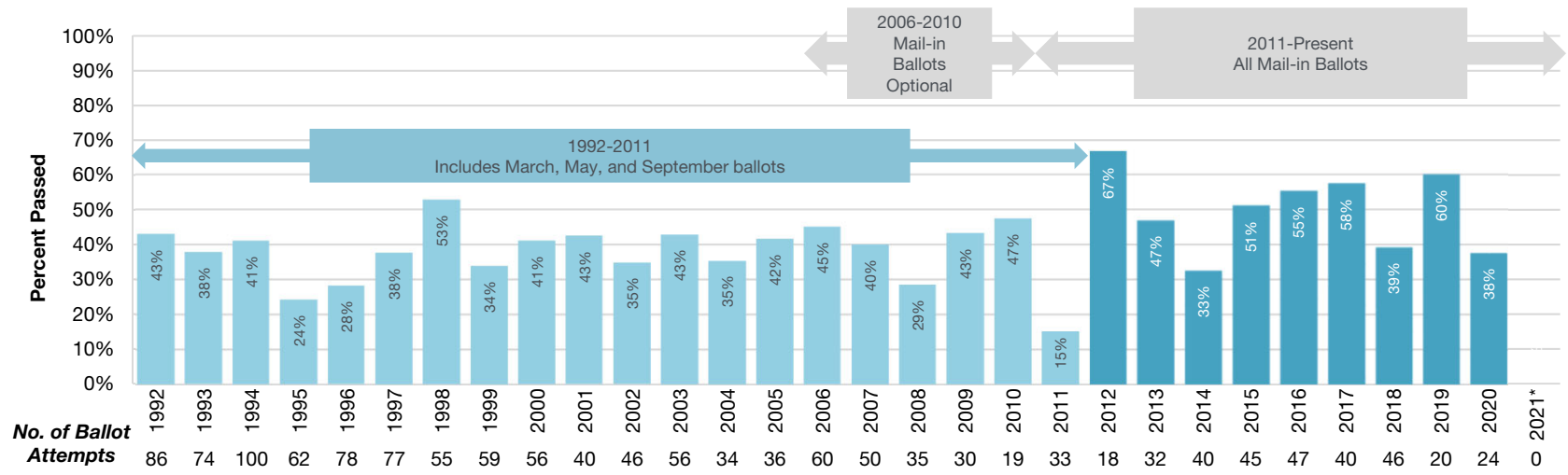
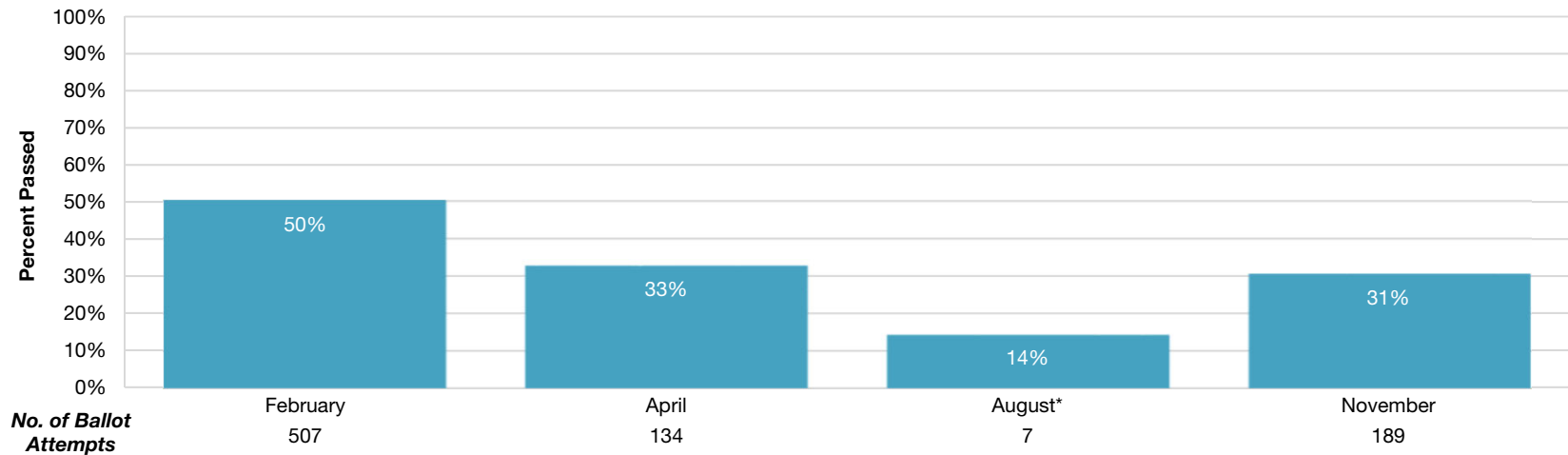


Calendar Year 2021 Planning Benchmarks for February 8, 2022 Bond Election

February - July:	Facility Committee analysis of projects and community research.
July - August:	Facility Committee finalizes scope of projects, determines local share cost (i.e., maximum principal amount of bonds) and projected financing plan for bond sales and tax levy rates.
August - September:	Upon recommendation of Facilities Committee, the Board finalizes the scope of the project, local share and financing plan, and directs preparation of bond election resolution.
October - November:	Board considers and adopts bond election resolution. Board reviews bond explanatory statement for inclusion in local voters' pamphlet. Board appoints pro/con committee members after adoption of bond election resolution.
December 10, 2021:	Bond election resolution filing deadline with the County Auditor. Bond explanatory statement and pro/con appointments to be filed with the Auditor by this same date.
December 10 - __:	Within one (1) day of receipt, District administration and bond counsel review draft ballot (and notice of special election) as prepared by Auditor. Challenge allowed within ten (10) days of receipt.
January 21, 2022:	Ballots mailed to voters.
February 8, 2022:	ELECTION.
February 18, 2022:	Election results certified.

Washington State K-12 Bond Election Results

Historically, spring elections have been the most favorable for school bonds.



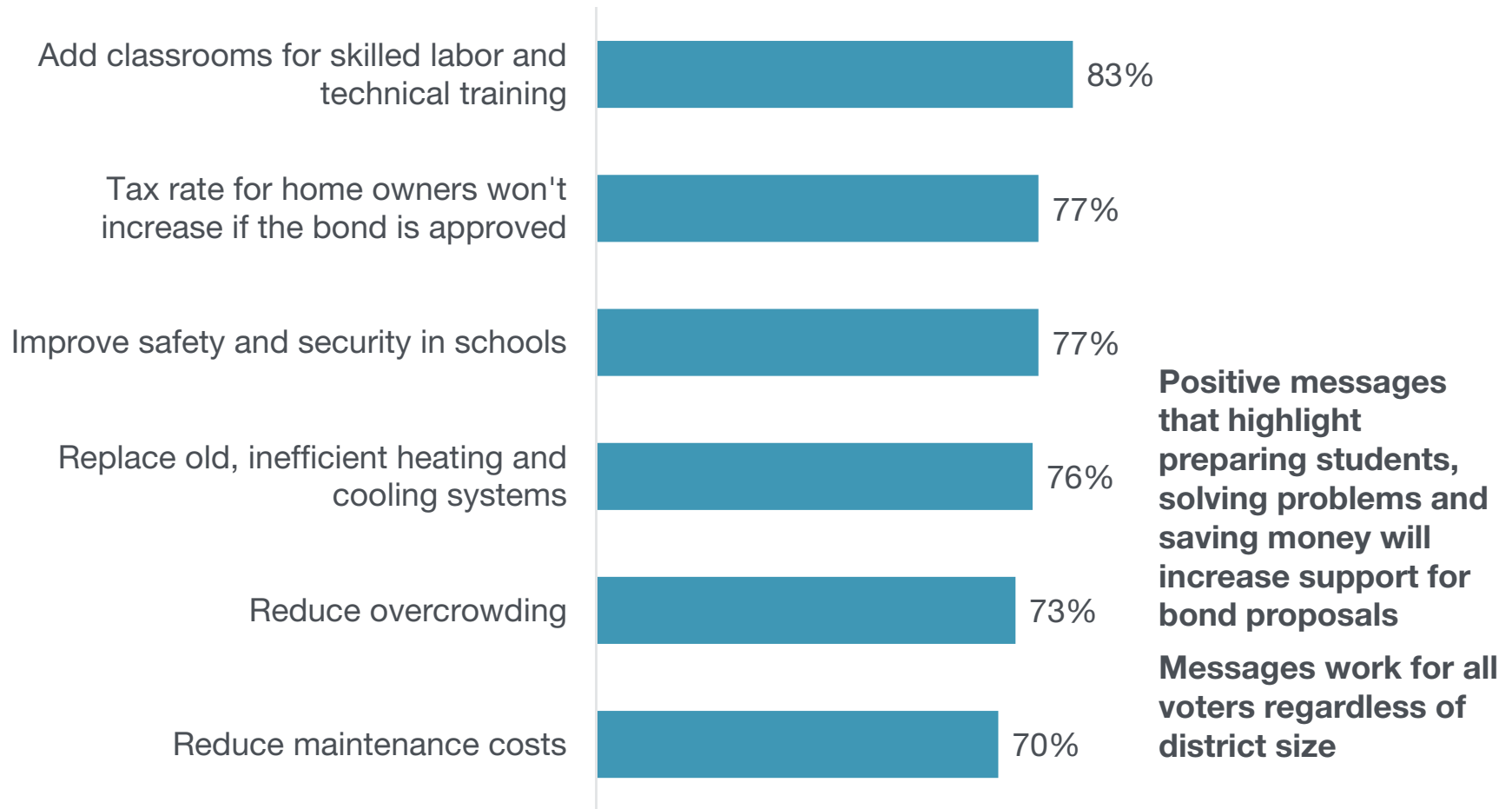
*August elections began in 2007.

2020 Washington School Bond Election Results

DATE	COUNTY	ISSUER	PAR AMOUNT	YES	RESULT
Aug-20	Clark	Ridgefield School District No. 122	\$40,465,000	50.51%	Failed
Aug-20	Ferry	Republic School District No. 309	\$4,500,000	56.80%	Failed
Aug-20	Snohomish	Everett School District No. 2	\$317,400,000	58.78%	Failed
Feb-20	Chelan	Entiat School District No. 127	\$6,000,000	61.00%	Passed
Feb-20	Clark	Ridgefield School District No. 122	\$107,000,000	59.19%	Failed
Feb-20	Cowlitz	Castle Rock School District No. 401	\$34,700,000	51.42%	Failed
Feb-20	Grays Harbor	Aberdeen School District No. 5	\$46,800,000	59.99%	Failed
Feb-20	Grays Harbor	Elma School District No. 068-137	\$5,560,000	56.42%	Failed
Feb-20	Grays Harbor	Oakville School District No. 400	\$5,600,000	65.92%	Passed
Feb-20	King	Bellevue School District No. 405	\$675,000,000	64.09%	Passed
Feb-20	King	Riverview School District No. 407	\$125,000,000	53.03%	Failed
Feb-20	Kittitas	Kittitas School District No. 403	\$13,200,000	62.95%	Passed
Feb-20	Pierce	Eatonville School District No. 404	\$4,000,000	45.78%	Failed
Feb-20	Pierce	Sumner-Bonney Lake School District No. 320	\$205,000,000	46.35%	Failed
Feb-20	Pierce	Tacoma School District No. 10	\$535,000,000	68.57%	Passed
Feb-20	Skagit	Burlington-Edison School District No. 100	\$89,000,000	48.54%	Failed
Feb-20	Snohomish	Arlington School District No. 16	\$71,500,000	52.72%	Failed
Feb-20	Snohomish	Edmonds School District No. 15	\$600,000,000	56.33%	Failed
Feb-20	Snohomish	Mukilteo School District No. 6	\$240,000,000	60.34%	Passed
Feb-20	Snohomish	Snohomish School District No. 201	\$470,000,000	46.69%	Failed
Feb-20	Thurston	North Thurston School District No. 3	\$275,200,000	61.29%	Passed
Feb-20	Thurston	Rochester School District No. 401	\$57,490,000	56.38%	Failed
Feb-20	Wahkiakum	Wahkiakum School District No. 200	\$28,750,000	34.49%	Failed
Feb-20	Whitman	Pullman School District No. 267	\$15,000,000	78.26%	Passed

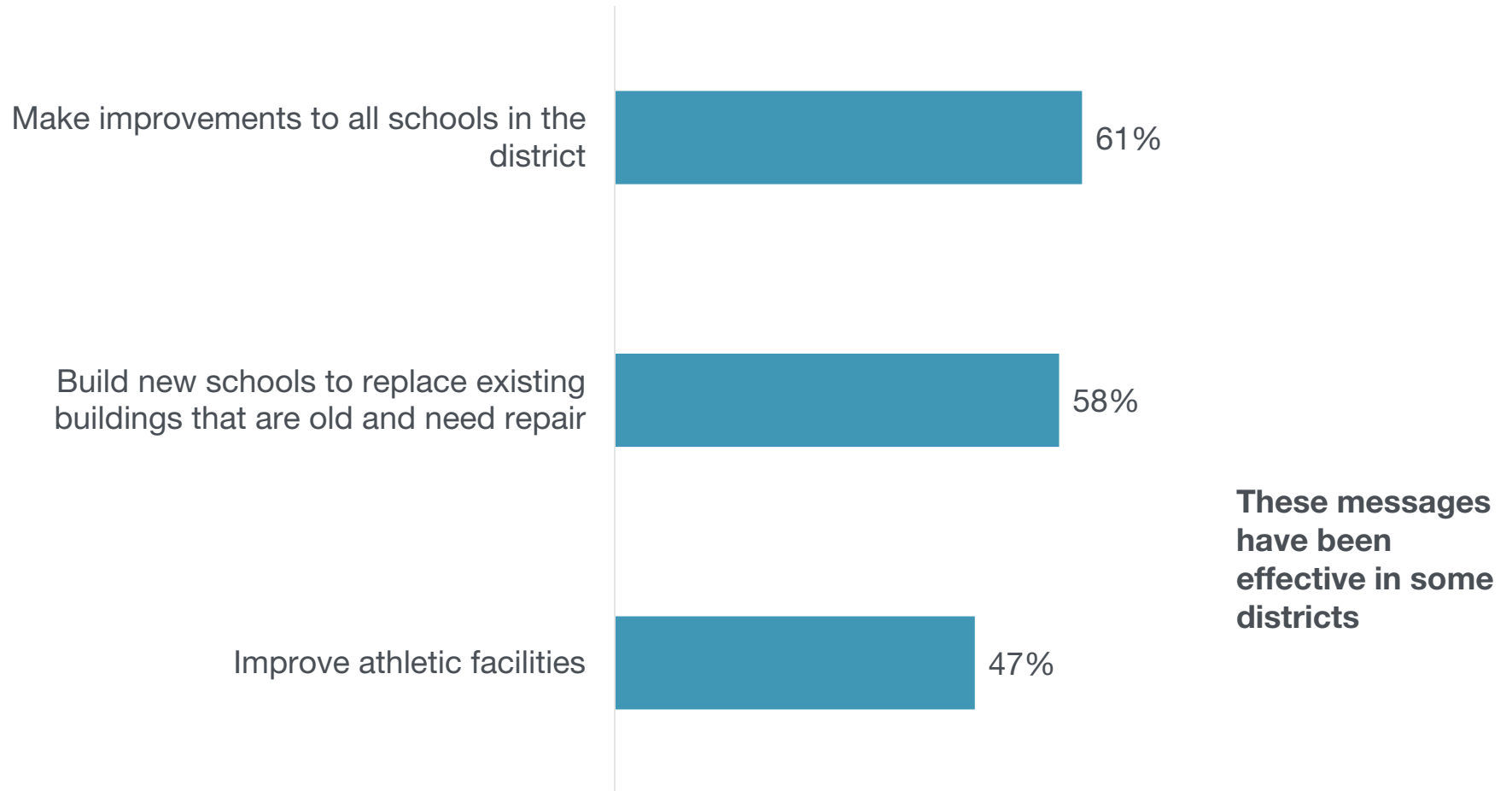
More Effective Messages

Would you favor or oppose a bond measure for your school district if you knew the funds would be used to:



Less Effective Messages

Would you favor or oppose a bond measure for your school district if you knew the funds would be used to:



South Kitsap School District's Election Results

Historical Bond Elections			
Date	Par Amount	% Yes	Result
Nov-18	\$184,680,000	55.86%	FAILED
Feb-17	\$172,621,300	51.93%	FAILED
Apr-16	\$126,992,867	59.39%	FAILED
Feb-16	\$126,992,867	59.92%	FAILED
Mar-07	\$163,200,000	52.76%	FAILED
May-96	\$63,780,000	37.07%	FAILED
May-96	\$33,150,000	30.76%	FAILED
Feb-93	\$59,619,000	51.20%	FAILED
Feb-88	\$11,985,000	67.31%	PASSED

South Kitsap School District's Election Results

Historical EP&O Levy Elections						
Date	1st Year	2nd Year	3rd Year	4th Year	% Yes	Result
Feb-21	\$27,880,220	\$30,386,678	\$33,118,717	\$36,096,640	51.38%	PASSED
Feb-17	\$24,300,846	\$24,650,304	\$25,020,059	\$25,520,460	56.67%	PASSED
Feb-13	\$22,000,000	\$22,500,000	\$22,650,000	\$22,650,000	57.37%	PASSED
Feb-09	\$16,392,000	\$16,882,000	\$17,746,000	\$19,400,000	57.66%	PASSED
Feb-05	\$12,574,711	\$13,104,743	\$13,691,098	\$14,302,084	62.13%	PASSED
Feb-01	\$10,945,000	\$11,315,000	\$11,700,000	\$12,075,000	65.53%	PASSED
Apr-00	\$10,710,000	\$11,140,000	\$11,584,000	\$12,040,000	56.71%	FAILED
Feb-00	\$10,710,000	\$11,140,000	\$11,584,000	\$12,040,000	53.84%	FAILED
Apr-98	\$9,765,000	\$10,200,000	--	--	61.51%	PASSED
Feb-98	\$9,765,000	\$10,200,000	\$10,580,000	\$11,000,000	55.31%	FAILED
Apr-97	\$7,890,000	\$8,370,000	--	--	57.83%	FAILED
Feb-97	\$7,890,000	\$8,370,000	--	--	51.19%	FAILED
Feb-95	\$8,462,000	\$8,885,000	--	--	55.51%	FAILED
May-94	\$6,667,000	\$7,200,360	--	--	56.08%	FAILED
Feb-94	\$7,196,000	\$7,772,000	--	--	54.41%	FAILED
Feb-92	\$6,173,000	\$6,667,000	--	--	67.80%	PASSED
Feb-88	\$2,816,885	\$2,877,265	--	--	68.80%	PASSED

Historical Capital Projects Levy Elections								
Date	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	% Yes	Result
Nov-18	\$5,263,571	\$5,368,843	\$5,476,220	\$5,585,744	--	--	57.05%	PASSED

Tax Rate History

Historical Levy Rates						
Year	Bond Levy	Capital Projects Levy	Technology Levy	Transportation Vehicle Levy	EP&O Levy	Total
2001	\$ 0.63	\$ --	\$ --	\$ --	\$ --	\$ 0.63
2002	0.56	--	--	--	3.23	3.79
2003	0.31	--	--	--	3.22	3.52
2004	--	--	--	--	3.16	3.16
2005	--	--	--	--	2.81	2.81
2006	--	--	--	--	2.50	2.50
2007	--	--	--	--	2.10	2.10
2008	--	--	--	--	1.90	1.90
2009	--	--	--	--	2.01	2.01
2010	--	--	--	--	2.50	2.50
2011	--	--	--	--	2.65	2.65
2012	--	--	--	--	2.91	2.91
2013	--	--	--	--	3.22	3.22
2014	--	--	--	--	3.64	3.64
2015	--	--	--	--	3.69	3.69
2016	--	--	--	--	3.59	3.59
2017	--	--	--	--	3.25	3.25
2018	--	--	--	--	3.21	3.21
2019	--	0.62	--	--	1.50	2.12
2020	--	0.59	--	--	2.50	3.09
2021	--	0.54	--	--	2.50	3.04

Comparable Tax Rates

Kitsap and Mason County School Districts 2021 Total Tax Rates						
District	Assessed Value	Bonds	EP&O	Capital Projects	Trans.	Total
Shelton SD No. 309	\$ 2,369,314,046	\$ 2.59	\$ 2.34	\$ -	\$ -	\$ 4.92
Southside SD No. 42	271,447,722	1.11	2.20	0.42	-	3.72
Bremerton SD No. 100	5,393,165,954	-	2.37	1.15	-	3.52
South Kitsap SD No. 402	10,150,599,965	-	2.50	0.54	-	3.04
Central Kitsap SD No. 401	10,008,957,915	1.46	1.50	-	-	2.96
Pioneer SD No. 402	1,789,458,264	0.83	1.48	0.61	-	2.92
Bainbridge SD No. 303	9,516,539,300	1.09	1.03	0.49	-	2.62
Hood Canal SD No. 404	1,335,917,239	0.61	0.90	0.96	-	2.47
North Kitsap SD No. 400	9,414,231,315	-	1.34	1.09	-	2.42
Mary M. Knight SD No. 079/311	250,475,832	-	2.36	-	-	2.36
Grapeview SD No. 54	952,779,548	0.97	0.73	-	-	1.71
North Mason SD No. 403	2,721,127,464	1.08	-	-	-	1.08

Comparable Tax Rates

Washington School Districts 2021 - With Similar Assessed Values						
District	Assessed Value	Bonds	EP&O	Capital Projects	Trans.	Total
Sumner Bonney Lake SD No. 320	\$ 10,453,915,332	\$ 2.35	\$ 2.40	\$ 0.56	\$ -	\$ 5.31
Olympia SD No. 111	10,636,012,078	1.64	2.41	0.87	-	4.92
Richland SD No. 400	9,973,947,997	2.00	2.46	0.41	-	4.87
Snohomish SD No. 201	11,210,383,613	2.62	1.51	0.51	-	4.64
Snoqualmie Valley SD No. 410	10,335,067,809	2.35	1.54	0.46	-	4.36
Marysville SD No. 25	10,114,002,863	0.90	2.50	0.61	-	4.01
Central Valley SD No. 356	11,184,005,719	1.49	2.48	-	-	3.97
Kennewick SD No. 17	9,948,260,395	1.63	1.66	0.40	-	3.70
South Kitsap SD No. 402	10,150,599,965	-	2.50	0.54	-	3.04
Central Kitsap SD No. 401	10,008,957,915	1.46	1.50	-	-	2.96
Bainbridge SD No. 303	9,516,539,300	1.09	1.03	0.49	-	2.62

Overview of Bonds and Capital Projects Levies

Bonds are the primary method used by Washington school districts to finance the “local share” of major capital projects because:

- Cash is generated up front
- Payments can be spread over time
- Districts have some control over taxpayer impacts

Voter-Approved Unlimited Tax General Obligation (UTGO) Bonds

- New revenue created
- Repaid with property taxes
- Approved with a 60% yes vote, 40% validation
- 5% debt capacity
- 40-year maximum term (match useful life of asset)
- May only be submitted to voters twice in a calendar year

2021 Bond Assessed Value	\$10,150,599,965
Statutory Capacity Rate	5.000%
Total Statutory Capacity	\$507,529,998
Less: Outstanding Voted Debt	(\$0)
Less: Outstanding Non-Voted Debt	(\$974,794)
Remaining Capacity	\$506,555,204

Non-Voted Limited General Obligation (LGO) Bonds

- Repaid with existing revenue
- Can't be used for “new” construction
- 3/8 of 1% debt capacity
- Public hearing required if more than \$250,000

2021 Bond Assessed Value	\$10,150,599,965
Statutory Capacity Rate	0.375%
Total Statutory Capacity	\$38,064,749
Less: Estimated Non-Voted Debt	(\$974,794)
Less: Refunding Use of Non-Voted Debt	\$0
Remaining Capacity	\$37,089,955

Capital Projects Levy

- One- to six-year collection cycle
- Pay costs to construct, modernize or remodel school facilities (includes technology improvements)
- Additional capital projects levy may be authorized for the same period (e.g. technology and new roof)
- No interest cost
- Possible life cycle mismatch
- Simple majority (50% + 1)
- If a capital projects levy fails, may be resubmitted to voters only once in the same 12-month period

Financial Plan

There are a number of items to consider when creating a financial plan.

Project Budget

- What are the estimated costs of the project?
- What are the estimated revenues to help pay for the project?
 - Bonds
 - State match
 - Investment earnings
 - Impact fees

Timing

- When do you need the money?
- What is the construction draw schedule?
- Tax law considerations
 - Provide funds when needed for project costs (IRS 85% spend-down within three years)
 - Arbitrage rebate exemptions
 - Spend-down test
 - Issuance amount (issue \$15 million or less per year)

Taxpayer Impact

- What is the impact of the project on property owners (taxpayers)?
- Tax rates are the standard means of communicating the tax impact on property owners. The tax rate will be affected by the assumptions used for the following:
 - Interest Rates
 - Bond Rating
 - Assessed Value
 - Bond Structure

Interest Rates

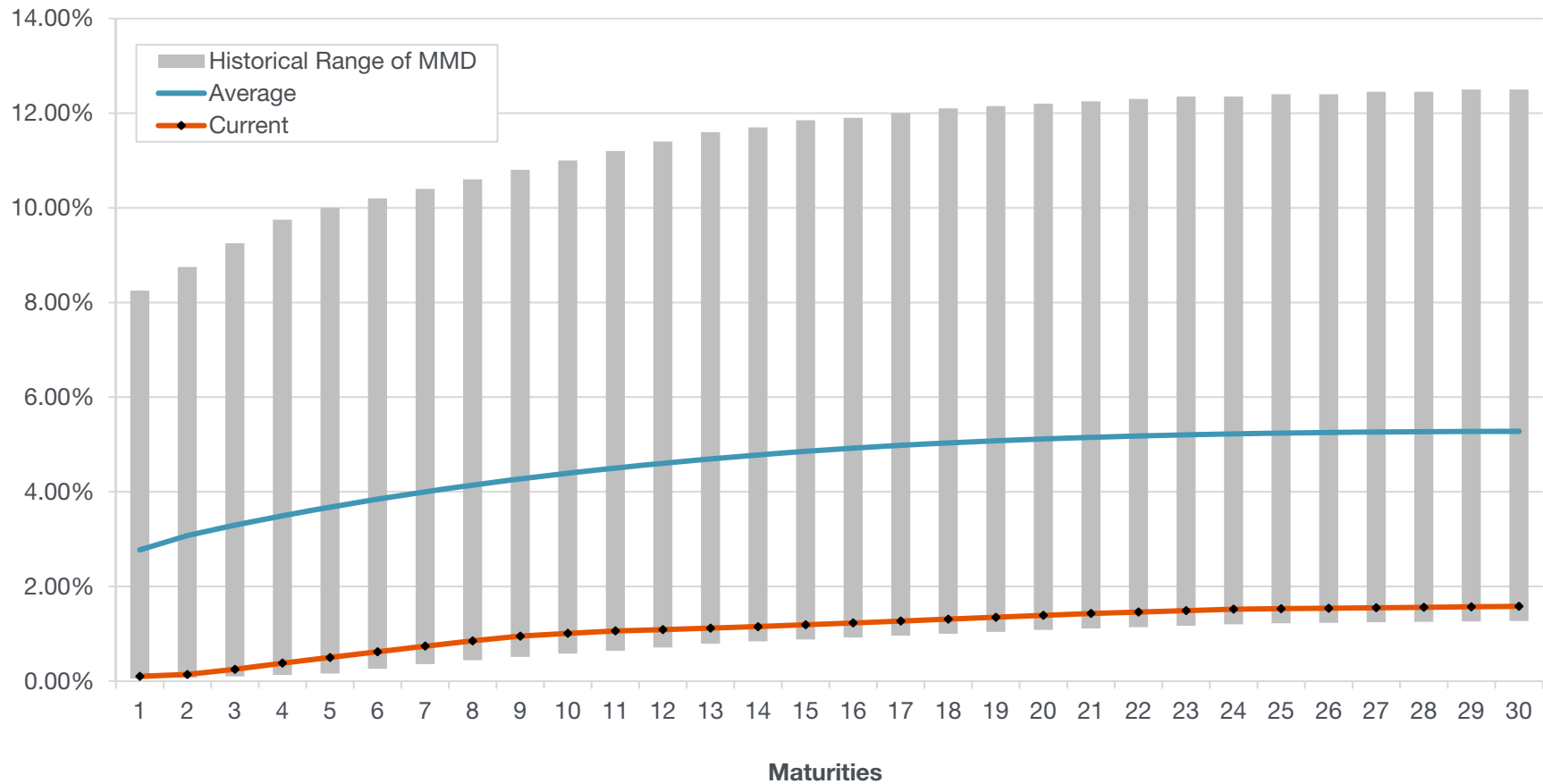
At a regularly scheduled meeting, on April 28, 2021, the Federal Reserve maintained its federal funds target range of 0.00% to 0.25%. This follows two unscheduled emergency rate cuts in 2020 in reaction to the economic slowdown instigated by the novel coronavirus pandemic. Since 2008, there have been five rate cuts, including the two unscheduled cuts.

General Obligation Bond Buyer Index History



Tax-Exempt “AAA” MMD Interest Rates

Range of Tax-Exempt “AAA” MMD Interest Rates
(1982-Present)



Bond Rating

Rating agencies will consider the District's debt, financial performance, governmental factors, and the local economy.

Rating Options

- District's underlying rating (NR)
- State guarantee (Aaa)

Financial Performance Factors

- Accounting and reporting methods
- Revenue/expenditure trends
- Annual operating and budgetary performance
- General fund balance

Local Economy Factors

- Geographic location/proximity to transportation networks, cities, etc.
- Infrastructure of area (roads, utility systems, transportation facilities)
- Size/structure/diversity of tax base (concentration of largest taxpayers)
- Population base (age, education, labor skills, income/wealth levels)
- Employment base (reliance on particular industries)

Debt Factors

- Debt repayment structure
- Debt burden
- Future capital needs

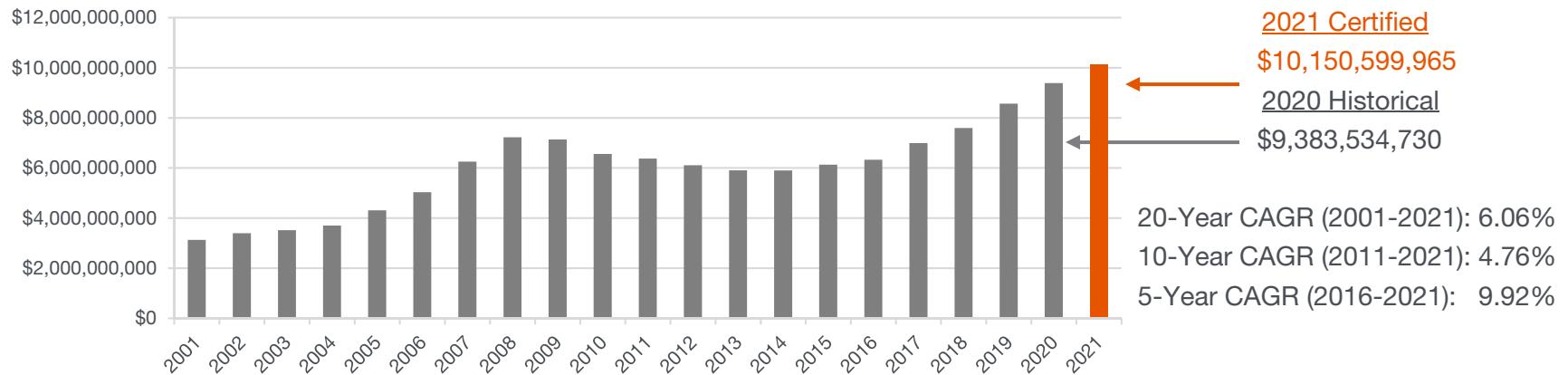
Governmental Factors

- Legal and political relationships between state and local levels of government
- Tenure of governmental officials and frequency of elections
- Background and experience of key members of administration



Assessed Value

South Kitsap School District's Bond Assessed Value



Projection

Final 2019	12.8% growth
Final 2020	9.6% growth
Final 2021	8.2% growth
Assumed 2022 and on	4.0% annual growth

- Higher assessed values will lower the District's tax rates (but not the overall payment)
- An individual's taxes will be based on the assessed value of his or her own property
- Dissecting the components that make up the assessed value growth will be important. How much of the growth is related to new construction versus increased value of existing properties?

Assessed Value

Year	Assessed Value Total	% Change
2001	\$ 3,127,267,267	--
2002	3,396,449,731	8.6%
2003	3,516,353,513	3.5%
2004	3,703,087,764	5.3%
2005	4,309,261,202	16.4%
2006	5,031,185,192	16.8%
2007	6,252,479,088	24.3%
2008	7,221,373,985	15.5%
2009	7,135,548,127	(1.2)%
2010	6,556,426,695	(8.1)%
2011	6,373,128,370	(2.8)%
2012	6,109,494,121	(4.1)%
2013	5,903,101,028	(3.4)%
2014	5,898,135,414	(0.1)%
2015	6,131,707,809	4.0%
2016	6,326,480,503	3.2%
2017	6,990,176,160	10.5%
2018	7,590,412,367	8.6%
2019	8,564,344,976	12.8%
2020	9,383,534,730	9.6%
2021	10,150,599,965	8.2%

Projected Tax Rates - \$100m Authorization

Calculation Factors					
Rating:	Aaa (State Guarantee); NR (Underlying)				
Interest Rates:	2021 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent				
Assessed Value Increases at:		R&P	Timber		
	Certified	2021	8.24%	-17.91%	
		2022	4.00%	0.00%	
		2023	4.00%	0.00%	
		2024	4.00%	0.00%	
		2025 - 2070	4.00%	0.00%	
Issue Structure:	Combined Level Tax Rate				
Bonds Issued:		Issue 1 6/1/2022	Issue 2 6/1/2023	Issue 3 6/1/2024	Total
Capital Projects Deposit:		\$35,000,000	\$35,000,000	\$30,000,000	\$100,000,000

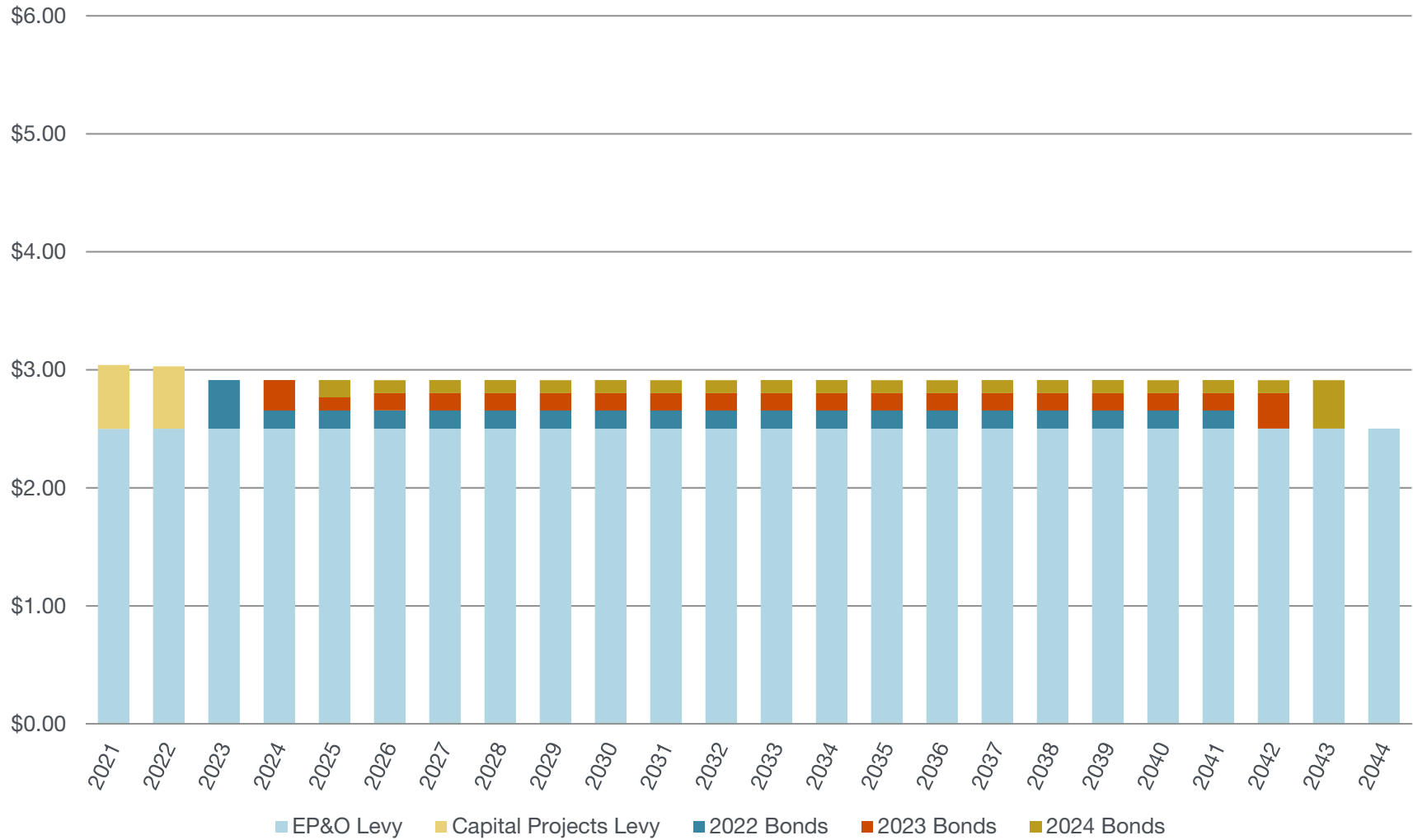
NOTES:

- (1) Certified levy amounts.
- (2) EP&O levy grows with AV. Voter approved Capital levy amount.

Levy Year	Bond Assessed Value	EP&O Assessed Value	(in 1,000's)					Capital Levy	EP&O Levy	
			Debt Service							
			Prior Debt	2022 Issue	2023 Issue	2024 Issue	Total Bonds			
2021	\$10,150,600	\$10,140,524	\$0	\$0	\$0	\$0	\$5,485	\$25,351	(1)	
2022	10,555,818	10,545,742	0	0	0	0	5,586	26,365	(2)	
2023	10,977,244	10,967,168	0	4,531	0	0	4,531	27,420		
2024	11,415,528	11,405,452	0	1,766	2,942	0	4,708	28,517		
2025	11,871,343	11,861,267	0	1,837	1,320	1,737	4,894	29,657		
2026	12,345,391	12,335,315	0	1,914	1,815	1,357	5,085	30,844		
2027	12,838,400	12,828,324	0	1,985	1,890	1,415	5,290	32,077		
2028	13,351,130	13,341,054	0	2,065	1,965	1,470	5,501	33,361		
2029	13,884,369	13,874,293	0	2,145	2,045	1,526	5,717	34,695		
2030	14,438,938	14,428,862	0	2,229	2,129	1,589	5,947	36,083		
2031	15,015,689	15,005,613	0	2,320	2,207	1,652	6,180	37,526		
2032	15,615,511	15,605,435	0	2,410	2,299	1,716	6,425	39,027		
2033	16,239,325	16,229,249	0	2,506	2,394	1,785	6,685	40,588		
2034	16,888,092	16,878,016	0	2,606	2,485	1,858	6,949	42,212		
2035	17,562,810	17,552,733	0	2,708	2,584	1,931	7,224	43,900		
2036	18,264,516	18,254,440	0	2,814	2,692	2,004	7,510	45,656		
2037	18,994,291	18,984,214	0	2,928	2,798	2,087	7,812	47,483		
2038	19,753,256	19,743,180	0	3,043	2,911	2,170	8,124	49,382		
2039	20,542,580	20,532,504	0	3,165	3,022	2,262	8,449	51,357		
2040	21,363,477	21,353,401	0	3,288	3,144	2,349	8,781	53,411		
2041	22,217,210	22,207,134	0	3,422	3,268	2,444	9,134	55,548		
2042	23,105,093	23,095,016	0	0	6,958	2,538	9,495	57,770		
2043	24,028,490	24,018,414	0	0	0	9,875	9,875	60,081		
2044	24,988,824	24,978,748	0	0	0	0	0	62,484		
Total Debt Service:				\$49,683	\$50,868	\$43,764				
Total Interest:				\$17,203	\$18,778	\$16,919				
Net Interest Cost:				3.39%	3.44%	3.28%				
Skit_132_100m										

Levy Year	Prior Debt	2022 Issue	2023 Issue	2024 Issue	Total Bonds	Capital Levy	EP&O Levy	Combined Tax Rates
2021	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.54	\$2.50	\$3.04
2022	0.00	0.00	0.00	0.00	0.00	0.53	2.50	3.03
2023	0.00	0.41	0.00	0.00	0.41	0.00	2.50	2.91
2024	0.00	0.15	0.26	0.00	0.41	0.00	2.50	2.91
2025	0.00	0.15	0.11	0.15	0.41	0.00	2.50	2.91
2026	0.00	0.16	0.15	0.11	0.41	0.00	2.50	2.91
2027	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2028	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2029	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2030	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2031	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2032	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2033	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2034	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2035	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2036	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2037	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2038	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2039	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2040	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2041	0.00	0.15	0.15	0.11	0.41	0.00	2.50	2.91
2042	0.00	0.00	0.30	0.11	0.41	0.00	2.50	2.91
2043	0.00	0.00	0.00	0.41	0.41	0.00	2.50	2.91
2044	0.00	0.00	0.00	0.00	0.00	0.00	2.50	2.50

Tax Rate Graph - \$100m Authorization



Projected Tax Rates - \$200m Authorization

Calculation Factors			
Rating:	Aaa (State Guarantee); NR (Underlying)		
Interest Rates:	2021 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent		
Assessed Value Increases at:			
		R&P	Timber
Certified	2021	8.24%	-17.91%
	2022	4.00%	0.00%
	2023	4.00%	0.00%
	2024	4.00%	0.00%
	2025 - 2070	4.00%	0.00%
Issue Structure:	Combined Level Tax Rate		
Bonds Issued:	Issue 1	Issue 2	Issue 3
	6/1/2022	6/1/2023	6/1/2024
Capital Projects Deposit:	\$70,000,000	\$65,000,000	\$65,000,000
			\$200,000,000

NOTES:
 (1) Certified levy amounts.
 (2) EP&O levy grows with AV. Voter approved Capital levy amount.

Levy Year	Bond Assessed Value	EP&O Assessed Value	(in 1,000's)				Capital Levy	EP&O Levy	
			Prior Debt	2022 Issue	2023 Issue	2024 Issue			
2021	\$10,150,600	\$10,140,524	\$0	\$0	\$0	\$0	\$5,485	\$25,351	(1)
2022	10,555,818	10,545,742	0	0	0	0	5,586	26,365	(2)
2023	10,977,244	10,967,168	0	9,016	0	0	0	27,420	
2024	11,415,528	11,405,452	0	3,522	5,845	0	9,367	28,517	
2025	11,871,343	11,861,267	0	3,665	2,435	3,660	9,759	29,657	
2026	12,345,391	12,335,315	0	3,807	3,340	3,000	10,147	30,844	
2027	12,838,400	12,828,324	0	3,960	3,469	3,122	10,552	32,077	
2028	13,351,130	13,341,054	0	4,117	3,610	3,242	10,969	33,361	
2029	13,884,369	13,874,293	0	4,282	3,752	3,373	11,407	34,695	
2030	14,438,938	14,428,862	0	4,449	3,908	3,506	11,863	36,083	
2031	15,015,689	15,005,613	0	4,628	4,057	3,650	12,335	37,526	
2032	15,615,511	15,605,435	0	4,812	4,220	3,794	12,825	39,027	
2033	16,239,325	16,229,249	0	5,000	4,395	3,941	13,336	40,588	
2034	16,888,092	16,878,016	0	5,199	4,570	4,098	13,867	42,212	
2035	17,562,810	17,552,733	0	5,410	4,744	4,266	14,420	43,900	
2036	18,264,516	18,254,440	0	5,622	4,941	4,435	14,998	45,656	
2037	18,994,291	18,984,214	0	5,849	5,135	4,614	15,598	47,483	
2038	19,753,256	19,743,180	0	6,080	5,341	4,796	16,217	49,382	
2039	20,542,580	20,532,504	0	6,319	5,558	4,986	16,863	51,357	
2040	21,363,477	21,353,401	0	6,576	5,774	5,188	17,538	53,411	
2041	22,217,210	22,207,134	0	6,833	6,010	5,396	18,239	55,548	
2042	23,105,093	23,095,016	0	0	13,354	5,610	18,964	57,770	
2043	24,028,490	24,018,414	0	0	0	19,724	19,724	60,081	
2044	24,988,824	24,978,748	0	0	0	0	0	62,484	
Total Debt Service:				\$99,145	\$94,456	\$94,402			
Total Interest:				\$34,345	\$34,821	\$36,267			
Net Interest Cost:				3.39%	3.44%	3.27%			
Skit_131_200m									

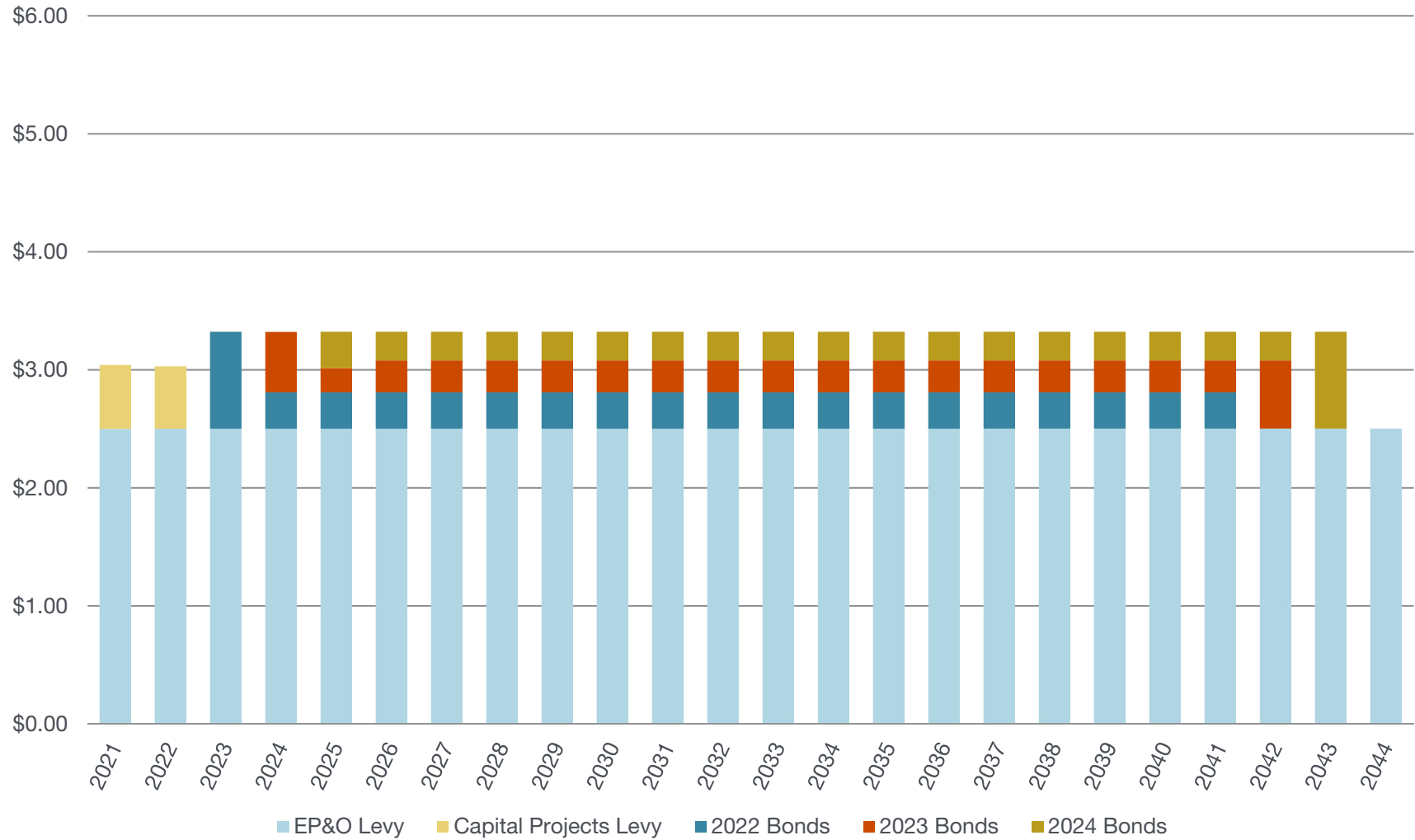
Projected Tax Rates							
Prior Debt	2022 Issue	2023 Issue	2024 Issue	Total Bonds	Capital Levy	EP&O Levy	Combined Tax Rates
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.54	\$2.50	\$3.04
0.00	0.00	0.00	0.00	0.00	0.53	2.50	3.03
0.00	0.82	0.00	0.00	0.82	0.00	2.50	3.32
0.00	0.31	0.51	0.00	0.82	0.00	2.50	3.32
0.00	0.31	0.21	0.31	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.31	0.27	0.24	0.82	0.00	2.50	3.32
0.00	0.00	0.58	0.24	0.82	0.00	2.50	3.32
0.00	0.00	0.00	0.82	0.82	0.00	2.50	3.32
0.00	0.00	0.00	0.00	0.00	0.00	2.50	2.50

Tax Impact Analysis - \$200m Authorization

South Kitsap School District No. 402								
TAX IMPACT ANALYSIS								
Bond Authorization Amount:		<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$200,000,000</div>						
Estimated 2023 Tax Rate Increase over 2022 Tax Rate (per \$1,000 assessed value):		\$0.29						
Assessed Value of Property	Gross Property Tax Increase for Bonds	Monthly Gross Increase	Monthly Net Tax Increase from Bonds After Allowing for Income Tax Deduction					
			Federal Income Tax Bracket					
			22%	24%	32%	35%	37%	
\$100,000	\$29.00	\$2.42	\$1.89	\$1.84	\$1.64	\$1.57	\$1.52	
150,000	44.00	3.67	2.86	2.79	2.49	2.38	2.31	
200,000	58.00	4.83	3.77	3.67	3.29	3.14	3.05	
250,000	73.00	6.08	4.75	4.62	4.14	3.95	3.83	
300,000	87.00	7.25	5.66	5.51	4.93	4.71	4.57	

NOTE: 10% & 12% tax brackets not depicted. Qualified homeowners may apply for a senior exemption. Please contact the Kitsap County Assessor for details at (360) 337-7160.

Tax Rate Graph - \$200m Authorization

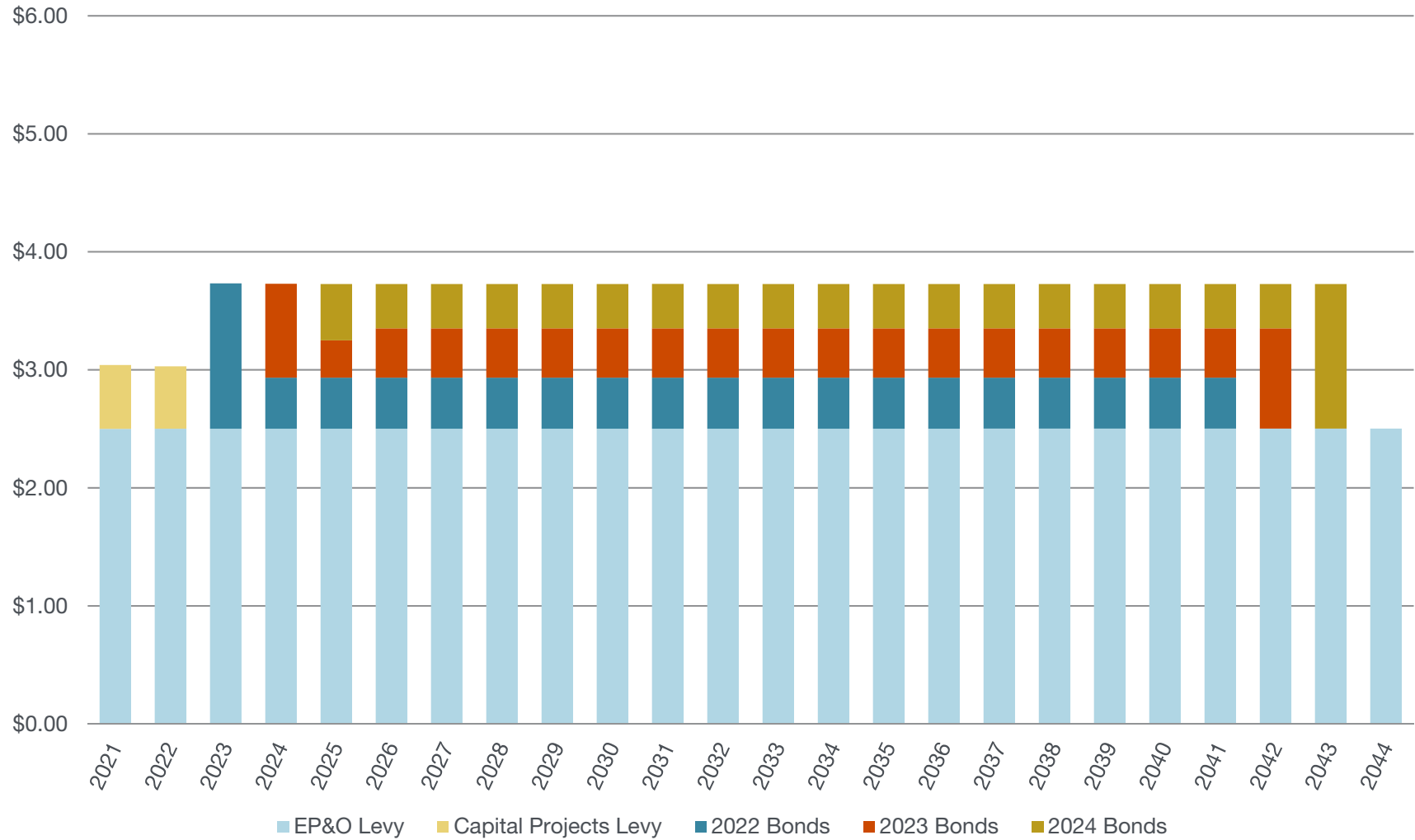


Tax Impact Analysis - \$300m Authorization

South Kitsap School District No. 402								
TAX IMPACT ANALYSIS								
Bond Authorization Amount:		<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$300,000,000</div>						
Estimated 2023 Tax Rate Increase over 2022 Tax Rate (per \$1,000 assessed value):		\$0.70						
Assessed Value of Property	Gross Property Tax Increase for Bonds	Monthly Gross Increase	Monthly Net Tax Increase from Bonds After Allowing for Income Tax Deduction					
			Federal Income Tax Bracket					
			22%	24%	32%	35%	37%	
\$100,000	\$70.00	\$5.83	\$4.55	\$4.43	\$3.97	\$3.79	\$3.68	
150,000	105.00	8.75	6.83	6.65	5.95	5.69	5.51	
200,000	140.00	11.67	9.10	8.87	7.93	7.58	7.35	
250,000	175.00	14.58	11.38	11.08	9.92	9.48	9.19	
300,000	210.00	17.50	13.65	13.30	11.90	11.38	11.03	

NOTE: 10% & 12% tax brackets not depicted. Qualified homeowners may apply for a senior exemption. Please contact the Kitsap County Assessor for details at (360) 337-7160.

Tax Rate Graph - \$300m Authorization



Next Steps

Financing Team's Role

Project Planning

- Refine project scope and local share of required funds
- Refine tax rate projections

Looking Ahead

- Debt Service Fund cash flow planning and budget
- Future financing and levy needs

Election Resources

- Attendance at Facility / Bond Committee meetings
- Presentation of information for community and civic organization meetings
- Briefing of County Assessor and Treasurer
- Community Surveys

Piper Sandler's Service

Pre-Election Service

- Provide bond issue planning
- Attend community meetings
- Meet with Facilities Committee
- Act as resource to Election Committee – survey research
- Coordinate work with County Treasurer

Post-Election Service

- Coordinate financing team activities
- Prepare Official Statements
- Apply for bond ratings and credit enhancement
- Market and sell bonds
- Provide ongoing assistance:
 - Debt Service Fund cash flow analysis
 - SEC disclosure compliance
 - Refunding analysis
 - Arbitrage rebate assistance