

PIPER | SANDLER

Orting School District No. 344

May 11, 2026 | Bond Oversight Committee



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Bond Financing Goals

- Deposit \$60,000,000 into the Capital Projects Fund
- Secure Low Interest Rates
 - Utilize Moody's underlying rating ("A1")
 - Washington State School Bond Guarantee Program ("Aaa")
- Maintain Stable Tax Rates under \$1.27 / \$1,000
 - Estimated combined tax rate of \$1.26 / \$1,000 in 2027-2044
- Contribute \$2.36MM in capitalized interest at close to Manage Debt Service Fund balance.

Bond Pricing

BOND PRICING
ORTING SCHOOL DISTRICT NO. 344
UTGO Bonds, 2026 (3-24-26)
Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Call Date for Arb Yield	Call Price for Arb Yield	Premium (-Discount)
2027 Serial Bonds:											
	12/01/2027	3,120,000	5.000%	2.280%	104.470	-	-	-	-	-	139,464.00
2030-2044 Serial Bonds:											
	12/01/2030	620,000	5.000%	2.400%	111.455	-	-	-	-	-	71,021.00
	12/01/2031	945,000	5.000%	2.490%	113.227	-	-	-	-	-	124,995.15
	12/01/2032	1,310,000	5.000%	2.630%	114.440	-	-	-	-	-	189,164.00
	12/01/2033	1,725,000	5.000%	2.680%	116.014	-	-	-	-	-	276,241.50
	12/01/2034	2,190,000	5.000%	2.850%	116.435	-	-	-	-	-	359,926.50
	12/01/2035	2,530,000	5.000%	2.980%	116.882	-	-	-	-	-	427,114.60
	12/01/2036	2,900,000	5.000%	3.100%	116.482 C	3.169%	06/01/2036	100.000	06/01/2036	100.000	477,978.00
	12/01/2037	3,300,000	5.000%	3.200%	115.537 C	3.379%	06/01/2036	100.000	06/01/2036	100.000	512,721.00
	12/01/2038	3,730,000	5.000%	3.340%	114.228 C	3.593%	06/01/2036	100.000	06/01/2036	100.000	530,704.40
	12/01/2039	4,195,000	5.000%	3.500%	112.754 C	3.796%	06/01/2036	100.000	06/01/2036	100.000	535,030.30
	12/01/2040	4,780,000	5.000%	3.550%	112.298 C	3.892%	06/01/2036	100.000	06/01/2036	100.000	587,844.40
	12/01/2041	5,245,000	5.000%	3.600%	111.844 C	3.977%	06/01/2036	100.000	06/01/2036	100.000	621,217.80
	12/01/2042	5,835,000	5.000%	3.720%	110.765 C	4.102%	06/01/2036	100.000	06/01/2036	100.000	628,137.75
	12/01/2043	6,465,000	5.000%	3.860%	109.520 C	4.230%	06/01/2036	100.000	06/01/2036	100.000	615,468.00
	12/01/2044	7,145,000	5.000%	4.000%	108.293 C	4.347%	06/01/2036	100.000	06/01/2036	100.000	592,534.85
		52,915,000									6,550,099.25
		56,035,000									6,689,563.25

Dated Date 03/24/2026
Delivery Date 03/24/2026
First Coupon 12/01/2026

Sources & Uses

SOURCES AND USES OF FUNDS

ORTING SCHOOL DISTRICT NO. 344
UTGO Bonds, 2026 (3-24-26)
Final Numbers

Dated Date 03/24/2026
Delivery Date 03/24/2026

Sources:

Bond Proceeds:	
Par Amount	56,035,000.00
Premium	6,689,563.25
	62,724,563.25

Uses:

Project Fund Deposits:	
Project Fund	60,000,000.00
Deposit to the Debt Service Fund	2,357,105.75
	62,357,105.75
Cost of Issuance:	
Bond Counsel Fee (Pacifica Law Group LLP)	48,000.00
Disclosure Counsel Fee (Pacifica Law Group LLP)	20,000.00
Rating Fee (Moody's Ratings)	46,800.00
(P)OS Distribution (Piper Sandler & Co.)	500.00
	115,300.00
Delivery Date Expenses:	
Underwriter's Discount (Piper Sandler & Co.)	252,157.50
	62,724,563.25

Interest Rates

At a regularly scheduled meeting on April 29th, 2026, the Federal Reserve maintained its federal funds target range at 3.50% to 3.75%. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.

**Historical Interest Rates
10-Year AAA MMD**



Credit Analysis: How Moody's Ratings Views Orting School District

	Moody's
Rating	A1 as of 2/24/2026
Credit Strengths	- Strong and expanding local economy - Trend of growing enrollment - Prudent and conservative management
Credit Challenges	- Growing operating and capital costs resulting from increasing enrollment - Challenged state funding environment

S&P	Moody's
Highest Rated	
AAA	Aaa
AA+	Aa1
AA	Aa2
AA-	Aa3
A+	A1
A	A2
A-	A3
BBB+	Baa1
BBB	Baa2
BBB-	Baa3
NR (Non-Rated)	
"Junk Bonds"	

Projected Tax Rates as of March 10, 2026

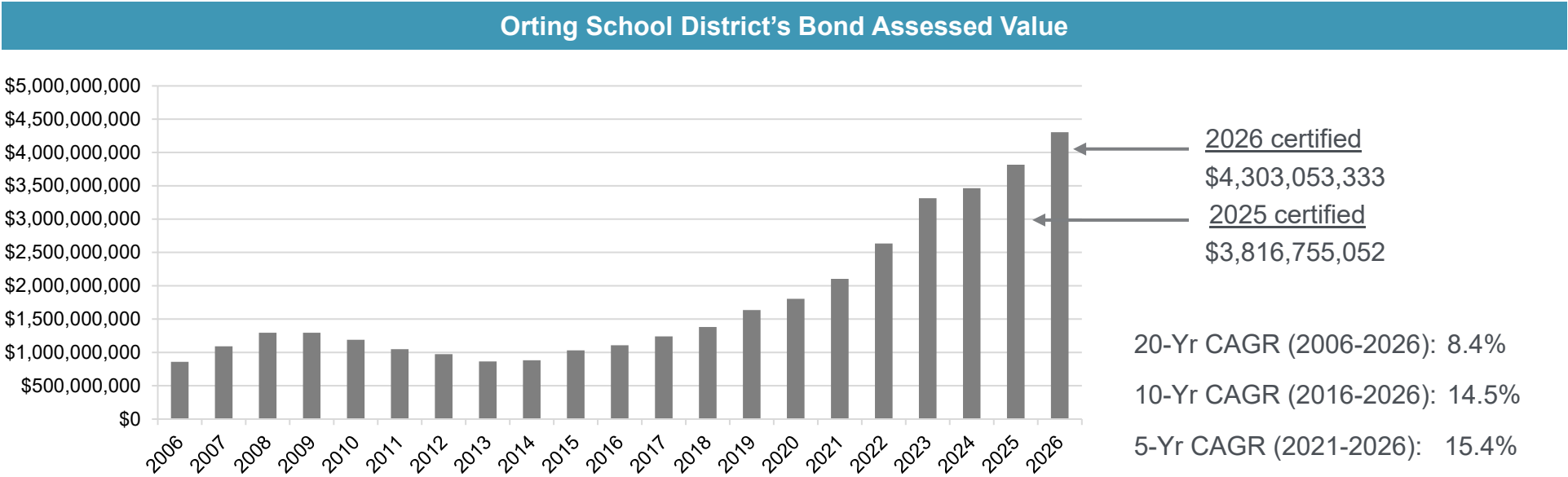
Calculation Factors				
Rating:	Aaa (State Guarantee); A1 (Underlying)			
Interest Rates:	2026; Final All Other Issues: Current Plus 1.00 Percent			
Assessed Value Increases at:	R&P	Timber		
Certified	2026	12.73%	16.44%	
	2027	9.00%	0.00%	
	2028	9.00%	0.00%	
	2029	9.00%	0.00%	
	2030 - 2034	9.00%	0.00%	
	2035 - 2075	5.00%	0.00%	
Issue Structure Combined Level Bond Tax Rate				
	2025 Authorization \$137,200,000			
	Issue 1	Issue 2	Issue 3	Total
Bonds Issued:	3/24/2026	6/1/2027	6/1/2028	
Par:	\$56,035,000	\$48,365,000	\$26,315,000	\$130,715,000
Premium:	3,965,000	1,635,000	885,000	6,485,000
Capital Projects Deposit:	\$60,000,000	\$50,000,000	\$27,200,000	\$137,200,000

NOTES:

(1) Deposits \$2,357,106 to the Debt Service Fund.

	(in 1,000's)												
Levy Year	Bond Assessed Value	Debt Service				Total Bonds		Levy Year					
		Existing Debt	2026 Issue	2027 Issue	2028 Issue				2026 Issue	2027 Issue	2028 Issue	Total Bonds	
2026	\$4,303,053	\$0	\$1,922	\$0	\$0	\$1,922		2026	\$0.45	\$0.00	\$0.00	\$0.00	(1)
2027	4,689,105	0	5,922	0	0	5,922		2027	1.26	0.00	0.00	1.26	
2028	5,109,901	0	2,646	3,812	0	6,458		2028	0.52	0.75	0.00	1.26	
2029	5,568,570	0	2,646	2,409	1,979	7,033		2029	0.48	0.43	0.36	1.26	
2030	6,068,518	0	3,266	2,919	1,481	7,665		2030	0.54	0.48	0.24	1.26	
2031	6,613,461	0	3,560	3,184	1,607	8,351		2031	0.54	0.48	0.24	1.26	
2032	7,207,450	0	3,878	3,469	1,757	9,103		2032	0.54	0.48	0.24	1.26	
2033	7,854,897	0	4,227	3,777	1,914	9,918		2033	0.54	0.48	0.24	1.26	
2034	8,560,615	0	4,606	4,123	2,082	10,810		2034	0.54	0.48	0.24	1.26	
2035	8,987,966	0	4,836	4,327	2,185	11,348		2035	0.54	0.48	0.24	1.26	
2036	9,436,685	0	5,080	4,542	2,295	11,917		2036	0.54	0.48	0.24	1.26	
2037	9,907,840	0	5,335	4,765	2,413	12,512		2037	0.54	0.48	0.24	1.26	
2038	10,402,552	0	5,600	5,006	2,531	13,137		2038	0.54	0.48	0.24	1.26	
2039	10,922,000	0	5,878	5,257	2,656	13,791		2039	0.54	0.48	0.24	1.26	
2040	11,467,421	0	6,254	5,438	2,790	14,482		2040	0.55	0.47	0.24	1.26	
2041	12,040,113	0	6,480	5,796	2,929	15,204		2041	0.54	0.48	0.24	1.26	
2042	12,641,439	0	6,807	6,080	3,076	15,963		2042	0.54	0.48	0.24	1.26	
2043	13,272,831	0	7,146	6,384	3,235	16,764		2043	0.54	0.48	0.24	1.26	
2044	13,935,793	0	7,502	6,705	3,390	17,596		2044	0.54	0.48	0.24	1.26	
2045	14,631,903	0	0	2,100	5,250	7,350		2045	0.00	0.14	0.36	0.50	
2046	15,362,819	0	0	0	0	0		2046	0.00	0.00	0.00	0.00	
2047	16,130,281	0	0	0	0	0		2047	0.00	0.00	0.00	0.00	
Total Debt Service:			\$93,588	\$80,091	\$43,567								
Total Interest:			\$37,553	\$31,726	\$17,252								
Net Interest Cost:			4.14%	4.70%	4.70%								
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Assessed Value



Projection

Final 2023	25.8% growth
Final 2024	4.6% growth
Final 2025	10.2% growth
Final 2026	12.7% 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 their own property

Bond Authorization Plan Update

- At the November 2025 Election, voters authorized the district to issue **\$137,200,000** in UTGO Bonds
- The original plan for the authorization estimated total debt service to be **\$245.6 million**
- On March 10, 2026, the district successfully locked in borrowing costs of **3.86% TIC** for the first of the 3 planned bond sales
- Updated estimates project debt service for the full authorization to total approximately **\$217.2 million**, a difference of **\$28.3 million in debt service**

Total Projected Debt Service – (Original Election Plan)	\$	245,551,000
Total Projected Debt Service – (Updated Post-First Sale)	\$	<u>217,246,000</u>
Difference in Projected Debt Service	\$	28,305,000

Bond Authorization Plan Update (continued)

Important Considerations for Future Projections

While the results of the first sale are highly positive, it is important to maintain realistic expectations as the District executes the remainder of the financing plan. Please note the following variables:

- **Multi-Year Issuance & Interest Rate Risk:** This update reflects only the first of three planned bond issues. Because the financing plan spans multiple years, the remaining two sales are subject to future market conditions and interest rate risk.
- **Assessed Value (AV) Growth:** Future tax rates will depend on actual assessed property values within the District, which are subject to ongoing economic uncertainty.
- **Model Contingencies:** The District has built a durable bond tax rate model that includes contingencies to absorb standard market fluctuations. However, outsized or unforeseen economic unknowns could still impact the final financing plan and tax rates.

The District will continue to monitor market conditions closely and provide further updates to the community following the subsequent bond sales.