



Special Session of the Board of Directors

**SHSD District Office Professional Development Center
511 Chambers Street, Steilacoom, WA**

Wednesday, April 12, 2023 05:30 PM

I. CALL TO ORDER

(Action)

- a. Pledge of Allegiance
- b. Roll Call
- c. Agenda Approval

II. RECESS TO PUBLIC HEARING

III. PUBLIC HEARING

(Information)

A. Budget Extension for the 2022-23 School Year

Presenter: Shawn Lewis

B. Comments from the Audience Regarding Public Hearing

IV. RETURN TO SPECIAL SESSION

V. RECESS TO EXECUTIVE SESSION

VI. EXECUTIVE SESSION

(Executive Session)

per RCW 42.30.110(1)(g) to review the performance of a public employee (g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public.

VII. RETURN TO SPECIAL SESSION

VIII. OLD BUSINESS - Resolution 905-04-12-23 Budget Extension for 2022-23 School Year

(Action)

Presenter: Shawn Lewis

[Resolution 905-04-12-23 Budget Extension.pdf \(p. 3\)](#)

IX. NEW BUSINESS

A. Suspension of Policy 6022 - Minimum Fund Balance (Action)

Presenter: Shawn Lewis

[Suspension of Policy 6022 Minimum Fund Balance.pdf \(p. 5\)](#)

B. Approval of Resolution 906-04-12-23 Limited General Obligation Refunding Bond (Action)

Presenter: Shawn Lewis

[Resolution 906-14-12-23 Limited General Obligation Refunding Bond.pdf \(p. 6\)](#)

C. Fiscal Audit (Action)

Presenter: Loujanna Rohrer

[Financial Audit SHSD.pdf \(p. 42\)](#)

X. RECESS TO EXECUTIVE SESSION

XI. EXECUTIVE SESSION (Executive Session)

per RCW 42.30.110(1)(g) to review the performance of a public employee (g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public.

XII. RETURN TO SPECIAL SESSION

XIII. ADJOURNMENT (Action)

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1 BOARD OF DIRECTORS

Board Meeting Date: April 12, 2023

Strategic Focus Area

- ☐ Achieve
- ☐ Support
- ☐ Connect
- ☒ Plan

BACKGROUND INFORMATION

The 2022-23 school year budget was adopted by the board at the August 28, 2022 school board meeting.

As previously discussed with the board in February and March, a budget revision is necessary to:

- Reflect the staffing and contractual obligations that the district entered into based on the erroneous understanding that these costs were already built into the original budget;
- Reflect the reduction in enrollment from the district's original projection;
- Correct a variety of errors and omissions from the original approved budget; and
- Allow department leaders and administrators to monitor their current year budgets.

The budget revision being considered has been reviewed by the Educational Service District and has posted on our website since March 27th, 2023.

A public hearing has been scheduled for the April 12th board meeting to hear public comment on increasing the General Fund.

The budget extension request reflects an increase to the General Fund expenditure budget from \$50,132,164 plus a \$100,000 transfer to \$53,867,849 of expenditure authority.

The budget extension also reflects updated revenue estimates and includes a transfer from the capital projects fund, increasing resources from \$49,026,864 to \$50,849,605.

RECOMMENDED ACTION:

I move approval of Resolution 905-04-12-23 increasing the General Fund budget for the 2022-23 school year.

Report prepared by:
Shawn Lewis, Executive Director

Steilacoom Historical School District No. 1
511 Chambers
Steilacoom, WA 98388

Resolution 905-04-12-23
RESOLUTION OF BUDGET EXTENSION

WHEREAS, WAC 392-123-071 through 392-123-074 and WAC 392-123-078 and 392-123-079 allows a first class district to file an increase of the amount of appropriation from any fund, and

WHEREAS, the General Fund of Steilacoom Historical School District No. 1 has expenditures in the 2022-23 school year that were not recognized in the originally adopted budget which will require an increase in appropriation increase of nearly \$3,640,000, and

WHEREAS, the enrollment of Steilacoom Historical School District No. 1 in the 2022-23 school year is less than originally anticipated,

WHEREAS, the General Fund beginning fund balance plus anticipated revenues and transfers is sufficient to provide for the additional expenditures.

THEREFORE, BE IT RESOLVED the Board of Directors of Steilacoom Historical School District No. 1, Pierce County, Washington, hereby petition OSPI to increase the 2022-23 General Fund appropriation amount from \$50,232,164 including budgeted transfers to \$53,867,849.

Approved by the Board of Directors of Steilacoom Historical School District No. 1, Pierce County, Washington during a regularly scheduled meeting on the 12th day of April 2023.

BY: _____
Chair

Vice-Chair

ATTEST:

Superintendent/Secretary

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1

BOARD OF DIRECTORS

Board Meeting Date: April 12, 2023

Strategic Focus Area

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BACKGROUND INFORMATION

The district's minimum fund balance policy 6022 recognizes the importance of maintaining a prudent fund balance in the general fund to ensure operational cash flow needs are met and to set aside resources for known obligations and to help protect against unforeseen circumstances.

The policy requires the superintendent annually to present a general fund budget that includes a commitment of at least 6% of the prior year's expenditures towards a minimum fund balance.

The superintendent and the board were presented with a budget that met the technical requirements of policy 6022 for the 2022-23 school year, which was adopted by the board pursuant to Resolution 898-08-28-22.

However, a series of omissions and errors were discovered in the original adopted budget. Had the board and superintendent received an accurate budget that included all ongoing services/costs, the minimum fund balance requirement would not have been met.

In recognition of a new budget revision, as outlined in Resolution 905-04-12-23, the accurate budget now reflects the district's ongoing programs and services, and the estimated ending fund balance is projected to be under 1% of prior year expenditures.

Policy 1320 allows the board to suspend a policy by a majority vote of the members present, provided all board members have received a notice of the meeting and the notice includes a proposal to suspend the policy and an explanation of the purpose.

RECOMMENDED ACTION:

I move the board suspend policy 6022 regarding minimum fund balance requirements for the 2022-23 school year.

Report prepared by:
Shawn Lewis, Executive Director

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1

BOARD OF DIRECTORS

Board Meeting Date: April 12, 2023

Strategic Focus Area

- ☐ Achieve
- ☒ Support
- ☐ Connect
- ☒ Plan

BACKGROUND INFORMATION

Resolution 906-04-12-23 authorizes the issuance and sale of the District's Limited General Obligation Refunding Bond, 2023 in order to restructure the terms of the 2022 LGO.

As previously discussed with the board, in 2022 the district issued \$4,000,000 in non-voted debt to complete the purchase of property for a new elementary school on McNeil Street in DuPont. The payment of this debt was to come from the following sources in order of preference:

1. The proceeds of the sale of property on Manchester Place which was under contract for \$8 million at the time of the non-voted debt issuance.
2. Funding from voted debt authority requested of voters in February 2023 and requested again in April 2023.
3. A combination of general fund and capital fund resources from fund balance.

In November 2022, the offer for Manchester Place property was withdrawn by the prospective buyer.

In February 2023, the bond proposal to voters was narrowly defeated when just over 41% of voters voted "no" on the proposition. The board immediately placed the issue on the April 2023 ballot.

In January 2023, the district became aware of a number of errors and omissions in its adopted budget that resulted in fund balance amounts being insufficient to pay for the LGO on its due date in June of 2023.

After discussions with the district's financial advisors and bond counsel, the district entered into an agreement with Piper Sandler to act as our representatives to approach Key Government Finance about a bond refunding to restructure the debt and extend the maturity date.

Adopting this resolution extends the maturity date until June of 2028, requires annual payments of principal and interest, provides a premium to cover refunding costs, and changes the interest rate on the debt. There is no prepayment penalty should the district sell property or pass voted debt to pay off the 2023 LGO bond

RECOMMENDED ACTION:

I move approval of Resolution 906-04-12-23.

Report prepared by:
Shawn Lewis, Executive Director

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1
PIERCE COUNTY, WASHINGTON

LIMITED GENERAL OBLIGATION REFUNDING BOND, 2023

RESOLUTION NO. 906-04-12-23

A Resolution of the Board of Steilacoom Historical School District No. 1, Pierce County, Washington, authorizing the issuance and sale of the District's Limited General Obligation Refunding Bond, 2023 in order to restructure the terms of the District's Limited General Obligation Bond, 2022; providing the form of the bond; and approving the final terms and sale of the bond.

APPROVED ON APRIL 12, 2023

PREPARED BY:

PACIFICA LAW GROUP LLP
SEATTLE, WASHINGTON

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1

RESOLUTION NO. 906-04-12-23

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* This Table of Contents and the cover page are not a part of the following resolution and are included only for the convenience of the reader.

RESOLUTION NO. 906-04-12-23

A Resolution of the Board of Steilacoom Historical School District No. 1, Pierce County, Washington, authorizing the issuance and sale of the District's Limited General Obligation Refunding Bond, 2023 in order to restructure the terms of the District's Limited General Obligation Bond, 2022; providing the form of the bond; and approving the final terms and sale of the bond.

WHEREAS, the Board of Directors (the "Board") of Steilacoom Historical School District No. 1, Pierce County, Washington (the "District"), by Resolution No. 896-06-08-22, adopted on June 8, 2022 (the "2022 Bond Resolution"), authorized the sale by the District of its Limited General Obligation Bond, 2022, in the aggregate principal amount of \$4,000,000 (the "2022 Bond") to fund the acquisition of real property for a future elementary school (the "Project"); and

WHEREAS, the 2022 Bond was sold to and purchased by Key Government Finance, Inc. (including its successors or assigns, the "Purchaser"), pursuant to the terms of the Term Sheet (the "2022 Term Sheet") between the Purchaser and the District;

WHEREAS, since the issuance of the 2022 Bond, the District's expected repayment sources for the 2022 Bond have not been realized and the District has experienced financial hardships resulting from a decline in student enrollment and a reduction in planned revenue for fiscal year ending 2023;

WHEREAS, the District has requested and the Purchaser has agreed to amend the terms of the 2022 Bond through the issuance of a refunding bond, and the Purchaser has provided a new Term Sheet (the "Amended Term Sheet"), which extends the final maturity and adjusts the other terms of the 2022 Bond;

WHEREAS, the Board now desires to authorize the execution of the Amended Term Sheet and the issuance of its Limited General Obligation Refunding Bond, 2023 subject to the terms and conditions set forth in this resolution (the “2023 Amending Bond Resolution”);

WHEREAS, on June 8, 2022, the District held a public hearing on the proposed issuance of the 2022 Bond after proper notice of the hearing as required by RCW 28A.530.080(2) and no additional public hearing is required for a refunding bond;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1, PIERCE COUNTY, WASHINGTON, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings:

Amended Term Sheet means the term sheet dated March 8, 2023, submitted by the Purchaser substantially in the form attached as Exhibit B and on file with the District.

Board means the duly constituted Board of Directors as the general legislative authority of the District.

Bond means the Steilacoom Historical School District No. 1, Pierce County, Washington, Limited General Obligation Refunding Bond, 2023, dated as of the date of its initial delivery, issued pursuant to this resolution.

Bond Counsel means Pacifica Law Group LLP, Seattle, Washington.

Bond Register means the registration records for the Bond maintained by the Bond Registrar.

Bond Registrar means the State fiscal agent (currently U.S. Bank Trust Company, National Association), whose duties include registering and authenticating the Bond, maintaining

the Bond Register, transferring ownership of the Bond, and, if requested, paying the principal of and interest on the Bond.

Capital Projects Fund means the fund of the District established pursuant to RCW 28A.320.330(2).

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bond or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bond, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Date of Issue means the date of original issuance and delivery of the Bond to the initial Purchaser.

Debt Service Fund means the special fund of the District of that name created in the office of the Treasurer pursuant to RCW 28A.320.330(3).

Default Rate means the current interest rate on the Bond, plus 300 basis points (3.0%).

Designated Representative means, depending on the context, the Superintendent and/or the Executive Director of Administrative Services of the District. The signature of one Designated Representative shall be sufficient to bind the District.

District means Steilacoom Historical School District No. 1, Pierce County, Washington, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State.

Event of Taxability means the circumstances of the interest payable on the Bond becoming includable for federal income tax purposes in the Registered Owner's gross income as a consequence of any act, omission, or event whatsoever, and regardless of whether the same was within or beyond the control of the District. An Event of Taxability shall be presumed to

have occurred upon (a) the receipt by Registered Owner or the District of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence that legally holds that interest on the Bond is includable in the gross income of the owner thereof for federal income tax purposes; (b) the issuance of any public or private ruling of the Internal Revenue Service that interest on the Bond is includable in the gross income of the Registered Owner thereof for federal income tax purposes; or (c) receipt by the Registered Owner or the District of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, selected by Registered Owner and acceptable to the District, to the effect that interest on the Bond has become includable in the gross income of the Registered Owner thereof for federal income tax purposes. For all purposes of this definition, an Event of Taxability shall be deemed to occur on the date as of which the interest on the Bond is deemed includable in the gross income of the Registered Owner thereof for federal income tax purposes.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arms-length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

Federal Tax Certificate means the certificate executed by a Designated Representative setting forth the requirements of the Code for maintaining the tax exemption of interest on the Bond, and attachments thereto.

General Fund means the special fund of the District of that name created in the office of the Treasurer pursuant to RCW 28A.310.370.

Interest Rate means 6.55%.

Maturity Date means June 1, 2028.

Project means the acquisition of real property for a future elementary school.

Purchaser means Key Government Finance, Inc., as initial purchaser and Registered Owner of the Bond, including its successors and assigns.

Registered Owner means the person or entity in whose name the Bond is registered on the Bond Register, initially the Purchaser.

Rule means the U.S. Securities and Exchange Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State means the State of Washington.

Taxable Rate means 8.29% per annum.

Treasurer means the Pierce County Office of Budget and Finance, as *ex officio* treasurer of the District, or any successor to the functions of the Treasurer.

2023 Amending Bond Resolution means this Resolution No. 906-04-12-23 adopted on April 12, 2023, authorizing the issuance of the Bond.

2022 Bond means the Steilacoom Historical School District No. 1, Pierce County, Washington, outstanding Limited General Obligation Bond, 2022.

2022 Bond Resolution means Resolution No. 896-06-08-22 adopted by the Board on June 8, 2022 authorizing the issuance of the District's 2022 Bond.

2022 Term Sheet means the term sheet dated May 12, 2022.

In this resolution, unless the context otherwise requires:

(1) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution;

(2) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(3) Any headings preceding the text of the several articles and sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect; and

(4) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of Bond. For the purpose of refinancing the costs of the Project through the refunding of the 2022 Bond, the District is hereby authorized to issue and sell a bond in the principal amount of not to exceed \$4,000,000 (the “Bond”).

The Bond shall be designated the “Steilacoom Historical School District No. 1, Pierce County, Washington, Limited General Obligation Refunding Bond, 2023,” or other such designation as set forth in the Bond and approved by a Designated Representative.

The Bond shall be dated as of its Date of Issue, shall be fully registered as to both principal and interest, shall be in one denomination, shall be in the principal amount of not to exceed \$4,000,000, and shall mature on the Maturity Date. The Bond shall bear interest from its Date of Issue or the most recent date to which interest has been paid at the Interest Rate. Interest on the principal amount of the Bond shall be calculated per annum on a 30/360-day basis. Interest on the Bond shall be payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2023 through the Maturity Date, and the principal shall be payable annually commencing on June 1, 2024, with all outstanding principal of the Bond being payable on the Maturity Date, each as set forth in the payment schedule attached to the Bond.

Section 3. Registration, Exchange and Payments.

(a) *Bond Registrar.* The State fiscal agent shall serve as Bond Registrar. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver the Bond if transferred or exchanged in accordance with the provisions of the Bond and this resolution and to carry out all of the Bond Registrar's powers and duties under this resolution. The District hereby requests that the Treasurer specify and adopt the system of registration and transfer for the Bond approved by the Washington State Finance Committee from time to time through the appointment of a state fiscal agent. The District shall cause a Bond Register to be maintained by the Bond Registrar. So long as the Bond remains outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of the Bond at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Bond Registrar, and a successor Bond Registrar appointed by the Treasurer. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted

the duties of the Bond Registrar hereunder. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bond.

(b) *Appointment of Paying Agent.* The District hereby appoints the State fiscal agent to act as Paying Agent for the purposes of performing services for the payment of principal and interest on the Bond directly to the Registered Owner. The Paying Agent shall remit, or cause to be remitted, to the Registered Owner, in immediately available and collected funds, the full amount necessary to pay the scheduled debt service payments on the Bond on any principal or interest payment date.

(c) *Registered Ownership.* The District and the Bond Registrar may deem and treat the Registered Owner of the Bond as the absolute owner for all purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary. Payment of the Bond shall be made only as described in subsection (d) below. All such payments made as described in subsection (d) below shall be valid and shall satisfy the liability of the District upon the Bond to the extent of the amount so paid.

(d) *No Transfer or Exchange of Registered Ownership.* The Bond shall not be transferrable without the consent of the District unless (i) the Registered Owner's corporate name is changed and the transfer is necessary to reflect such change; (ii) the transferee is a successor in interest of the Registered Owner by means of a corporate merger, an exchange of stock, or a sale of assets, (iii) to a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), or an "accredited investor" by virtue of being a "bank," as defined in Section 3(a)(2) of the Securities Act.

(e) *Place and Medium of Payment.* Both principal of and interest on the Bond shall be payable in lawful money of the United States of America. Principal of and interest on the

Bond shall be paid by wire transfer or other form of electronic payment in accordance with written instructions provided by the Registered Owner or, with the Registered Owner's consent, by such other commercially reasonable method of payment, to the Registered Owner appearing on the Bond Register on the 15th day of the month preceding each interest payment date.

(f) *Additional Provisions.* The Bond will not be registered with The Depository Trust Company, New York, New York, or any other securities depository. No official statement, prospectus, offering circular or other offering statement containing material information with respect to the District or the Bond will be provided in connection with the issuance of the Bond, the Bond will be unrated, and the Bond will not be assigned a CUSIP number.

Section 4. Form of Bond. The Bond shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with such changes thereto as may be approved by a Designated Representative, consistent with the provisions of this resolution.

Section 5. Execution of Bond. The Bond shall be executed on behalf of the District with the facsimile or manual signatures of the President and Secretary of its Board, and, if applicable, shall have the seal of the District impressed or imprinted or otherwise reproduced thereon.

Only when the Bond bears a Certificate of Authentication in the form set forth in Exhibit A, manually executed by the Bond Registrar, shall the Bond be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

In case either or both of the officers who have signed or attested the Bond cease to be such officer before such Bond has been actually issued and delivered, such Bond shall be valid

nevertheless and may be issued by the District with the same effect as though the persons who had signed or attested such Bond had not ceased to be such officers, and the Bond may be signed or attested on behalf of the District by officers who at the date of actual execution of such Bond are the proper officers, although at the nominal date of execution of such Bond such officer was not an officer of the District.

Section 6. Pledge of Funds and Credit. There has been created in the office of the Treasurer a special fund of the District known as the “Debt Service Fund,” which fund shall be drawn upon for the purpose of paying the principal of and interest on the Bond. No later than the date each payment of principal of and interest on the Bond becomes due, the District shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal and interest.

The District irrevocably covenants that it will use money in the District’s Debt Service Fund, Capital Projects Fund, General Fund or other funds legally available therefor to pay the principal of and interest on the Bond as the same shall become due. The Bond does not require approval by a vote of the electors of the District. Accordingly, the District is not authorized nor is the District obligated to levy taxes, other than annual *ad valorem* property taxes for District operations, to pay principal of and interest on the Bond. The full faith, credit and resources of the District are hereby irrevocably pledged for the prompt payment of such principal and interest.

Section 7. Lost or Destroyed Bond. If the Bond is lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond of like amount, maturity and tenor to the Registered Owner upon the Registered Owner’s paying the expenses and charges of the Bond Registrar and the District in connection with preparation and authentication of the replacement Bond and upon their filing with the Bond Registrar and the District evidence satisfactory to both

that such Bond was actually lost, stolen or destroyed and of its ownership thereof. In the event the Bond shall be lost, stolen, or destroyed while in the Registered Owner's possession, the Registered Owner may elect upon final payment of principal of and interest on the Bond to surrender a photocopy of the Bond for cancellation at the office of the Bond Registrar together with written certification that such Bond was actually lost, stolen or destroyed and of its ownership thereof.

Section 8. Ongoing Disclosure; Covenants. The District covenants and agrees with the Registered Owner of the Bond as follows:

(a) *Ongoing Disclosure.* The Bond is exempt from ongoing disclosure requirements of the Rule.

(b) *General Covenants.* While the Bond is outstanding, the District shall provide the Registered Owner (i) nine months after the end of each fiscal year, a copy of the unaudited financial statement of the District for that fiscal year, prepared in accordance with accounting principles applicable to governmental units of the State such as the District prescribed by the Washington State Auditor's Office (the "SAO"), as such principles may be changed from time to time; (ii) annual audited financial statements within 30 days of receipt, prepared in accordance with accounting principles applicable to local governmental units of the State such as the District prescribed by the SAO, as such principles may be changed from time to time; and (iii) such other financial information of the District as the Registered Owner may from time to time reasonably request.

(c) *Tax Covenants.* The District will take all actions necessary to assure the exclusion of interest on the Bond from the gross income of the owners of the Bond to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect

on the date of issuance of the Bond, including but not limited to the following:

(i) *Private Activity Bond Limitation.* The District will assure that the proceeds of the Bond are not so used as to cause the Bond to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(ii) *Limitations on Disposition of Project.* The District will not sell or otherwise transfer or dispose of (1) any personal property components of the Project other than in the ordinary course of an established government program under Treasury Regulation § 1.141-2(d)(4) or (2) any real property components of the Project, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Bond as excludable from gross income for federal income tax purposes.

(iii) *Federal Guarantee Prohibition.* The District will not take any action or permit or suffer any action to be taken if the result of such action would be to cause the Bond to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(iv) *Rebate Requirement.* The District will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bond.

(v) *No Arbitrage.* The District will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Bond which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bond would have caused the Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(vi) *Registration Covenant.* The District will maintain a system for recording the ownership of the Bond that complies with the provisions of Section 149 of the Code until the Bond has been surrendered and canceled.

(vii) *Record Retention.* The District will retain its records of all accounting and monitoring it carries out with respect to the Bond for at least three years after the Bond matures or is redeemed (whichever is earlier); however, if the Bond is redeemed and refunded, the District will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Bond.

(viii) *Compliance with Federal Tax Certificate.* The District will comply with the provisions of the Federal Tax Certificate with respect to the Bond, which are incorporated herein as if fully set forth herein. In the event of any conflict between this section and the Federal Tax Certificate, the provisions of the Federal Tax Certificate will prevail.

(ix) *No Designation under Section 265(b).* The Bond has not been designated as a “qualified tax-exempt obligation” for the purposes of paragraph (3) of Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

(x) *Event of Taxability.* Upon the occurrence of an Event of Taxability with respect to the Bond, the interest rate on the Bond shall accrue and be payable at the Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includable in the gross income of the Registered Owner thereof for federal income tax purposes (which retroactive date for the Bond shall be the earliest date as of which the interest on the Bond is deemed includable in the gross income of the Registered Owner thereof for federal income tax purposes, which may be earlier than the date of delivery of such

determination by the Internal Revenue Service), and the District will pay such additional amount as will result in the Registered Owner's receiving the interest at the Taxable Rate.

The covenants of this section will survive payment in full of the Bond.

Section 9. Sale of the Bond; Bond Closing.

(a) *Bond Sale.* The Board has determined that it would be in the best interest of the District to sell the Bond to the Purchaser pursuant to the terms of the Amended Term Sheet and this resolution.

(b) *Bond Closing.* Upon the adoption and approval of this resolution, the proper officials of the District, including the Designated Representatives, and the President of the Board, are authorized and directed to undertake all action necessary for the prompt issuance, execution and delivery of the Bond to the Purchaser and for the proper application and use of the proceeds thereof, and further to execute all closing certificates, agreements, loan agreements and documents required to effect the closing and delivery of the Bond in accordance with the terms of this resolution and the Amended Term Sheet.

Upon delivery of the Bond, the Purchaser shall pay costs of issuance in the amount of \$15,500.00. To the extent that costs of issuance exceed \$15,500.00, the District shall be responsible for such amounts.

Section 10. Right of Prepayment. The District may prepay the Bond in whole only on any date at a price of par, plus accrued interest. If the Bond is prepaid in full, interest shall cease to accrue on the date such prepayment occurs. The District shall provide 10 days written notice of such prepayment to the Registered Owner.

Section 11. Defaults. At the election of the Registered Owner, notice of which shall be provided in writing to the District and the Bond Registrar, the interest rate on any past due payments of principal of or interest on the Bond will increase while such payment default is

outstanding to the Default Rate. In the event of a payment default or a material default or breach of the terms of the Bond or this resolution, that is not cured with 90 days of written notice to the District, then at the election of the Registered Owner, the interest rate on the Bond will increase while said Event of Default is continuing to the Default Rate.

No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation by the District under this resolution or the Bond shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.

Section 12. No Bond Proceeds. The Bond shall be issued to refund the 2022 Bond, which refunding shall be documented as an exchange of instruments such that there will be no sale proceeds of the Bond.

Section 13. General Authorization and Ratification. Each Designated Representative is authorized to take any actions and to execute documents as in the judgment of such Designated Representative may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date, including the execution of the Amended Term Sheet, are hereby ratified.

Section 14. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

Section 15. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Steilacoom Historical School District No. 1,
Pierce County, Washington, at a special meeting thereof held this 12th day of April, 2023.

STEILACOOM HISTORICAL SCHOOL
DISTRICT NO. 1,
PIERCE COUNTY, WASHINGTON

Chair and Director

Director

Director

Director

Director

ATTEST:

Secretary, Board of Directors

Exhibit A
Form of Bond

UNITED STATES OF AMERICA

NO. R-2

\$4,000,000

TRANSFER RESTRICTED

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION, THIS BOND IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN THE RESOLUTION DESCRIBED BELOW AND MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PROVIDED IN THE RESOLUTION.

STATE OF WASHINGTON
STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1,
PIERCE COUNTY

LIMITED GENERAL OBLIGATION REFUNDING BOND, 2023

INTEREST RATE: 6.55%

MATURITY DATE: JUNE 1, 2028

REGISTERED OWNER: KEY GOVERNMENT FINANCE, INC.

PRINCIPAL AMOUNT: FOUR MILLION AND NO/100 DOLLARS

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1, PIERCE COUNTY, WASHINGTON, (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on or before the Maturity Date indicated above, the Principal Amount indicated above and to pay interest thereon, at the Interest Rate specified above, as set forth in the Payment Schedule attached hereto, and by this reference incorporated herein. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. The Interest Rate may be subject to change as provided in Resolution No. 906-04-12-23 of the District (the "Bond Resolution").

Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal and interest on this bond shall be payable by check, warrant, Automated Clearing House/electronic funds transfer, or by other means mutually acceptable to the Registered Owner and the District. Upon final payment of principal and interest of this bond, the Registered Owner shall surrender this bond for cancellation at the office of the Bond Registrar in accordance with the Bond Resolution.

This bond is issued pursuant to the Bond Resolution to provide the funds necessary to refund an outstanding obligation of the District issued for the acquisition of real property for the construction of a new elementary school and other facilities of the District.

The District may prepay this bond in whole only on any date as provided in the Bond Resolution.

The bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Board of Directors.

This bond is not a “private activity bond” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). This bond has not been designated as a “qualified tax-exempt obligation” under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

To pay installments of principal of and interest on this bond as the same shall become due, the District hereby irrevocably covenants that it will use money in the District’s Debt Service Fund, Capital Projects Fund, General Fund and other funds legally available therefor. This bond is a general obligation of the District, and the full faith, credit and resources of the District are hereby irrevocably pledged for the repayment of this bond; *provided, however*, that no pledge of tax levies, other than annual *ad valorem* property taxes for District operations, is made with respect to payment of any obligation hereunder.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar. The terms of the Bond Resolution are hereby incorporated by reference.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the District may incur.

IN WITNESS WHEREOF, Steilacoom Historical School District No. 1, Pierce County, Washington has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of its Board and a facsimile of the seal of the District to be imprinted or impressed hereon as of this 27th day of April, 2023.

STEILACOOM HISTORICAL SCHOOL
DISTRICT NO. 1, PIERCE COUNTY,
WASHINGTON

By _____ /s/ facsimile

ATTEST:

/s/ facsimile
Secretary, Board of Directors

The Bond Registrar's Certificate of Authentication on the Bond shall be in substantially the following form:

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the District, in the office of the Washington state fiscal agent (the "Bond Registrar"), as to both principal and interest, as Bond Registrar in the registration blank below.

<u>Date of Registration</u>	<u>Name and Address of Registered Owner</u>	<u>Signature of Bond Registrar</u>
April 27, 2023	Key Government Finance, Inc. 1000 S. McCaslin Blvd. Superior, CO 80027	<u>U.S. Bank Trust Company, National Association</u>

The payment schedule on the Bond shall be in substantially the following form, with final amounts and totals subject to establishment of the final Interest Rate and to change as agreed to by the Purchaser and the District:

PAYMENT SCHEDULE

Principal and interest on this bond shall be payable as set forth in the following schedule:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
-------------	------------------	-----------------	----------------------

TOTAL

Exhibit B
Amended Term Sheet

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors (“the Board”) of Steilacoom Historical School District No. 1, Pierce County, Washington (the “District”), and keeper of the records of the Board, DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 906-04-12-23 of the Board (the “Resolution”), duly adopted at a special meeting thereof held on April 12, 2023.

2. That said meeting was duly convened and held in all respects in accordance with law, including but not limited to the Open Public Meetings Act (chapter 42.30 RCW), and due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of April, 2023.

Secretary, Board of Directors

Steilacoom Historical School District No. 1 Pierce County, Washington

\$4,000,000

Limited General Obligation Refunding Bond, 2023

Final Numbers



Piper Sandler

1420 Fifth Avenue, Suite 1425
Seattle, WA 98101

MINNEAPOLIS | BOSTON | CHICAGO | LONDON | LOS ANGELES | NEW YORK | SAN FRANCISCO | SEATTLE

SOURCES AND USES OF FUNDS

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1 Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23) Final Numbers

Dated Date	04/27/2023
Delivery Date	04/27/2023

Sources:

Bond Proceeds:

Par Amount	4,000,000.00
Premium	52,697.56
	<hr/>
	4,052,697.56

Uses:

Project Fund Deposits:

Proceeds to refund the LGO Bond, 2022	4,000,000.00
---------------------------------------	--------------

Cost of Issuance:

2022 LGO Accrued Interest Due 4/27/23	37,197.56
Bank Counsel Fee (Key Government Finance, Inc.)	3,500.00
Bond Counsel Fee (Pacifica Law Group)	<hr/>
	12,000.00
	52,697.56
	<hr/>
	4,052,697.56

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1
Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23)
Final Numbers

Dated Date	04/27/2023	
Delivery Date	04/27/2023	
First Coupon	06/01/2023	
Par Amount	4,000,000.00	
Premium	52,697.56	
	<hr/>	
Production	4,052,697.56	101.317439%
Underwriter's Discount	-	-
	<hr/>	
Purchase Price	4,052,697.56	101.317439%
Accrued Interest	-	
	<hr/>	
Net Proceeds	4,052,697.56	

BOND DEBT SERVICE

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1
Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23)
Final Numbers

Dated Date 04/27/2023
Delivery Date 04/27/2023

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2023	-	-	24,744.44	24,744.44	24,744.44
12/01/2023	-	-	131,000.00	131,000.00	-
06/01/2024	538,000.00	6.550%	131,000.00	669,000.00	800,000.00
12/01/2024	-	-	113,380.50	113,380.50	-
06/01/2025	784,955.34	6.550%	113,380.50	898,335.84	1,011,716.34
12/01/2025	-	-	87,673.21	87,673.21	-
06/01/2026	836,369.91	6.550%	87,673.21	924,043.12	1,011,716.33
12/01/2026	-	-	60,282.10	60,282.10	-
06/01/2027	891,152.14	6.550%	60,282.10	951,434.24	1,011,716.34
12/01/2027	-	-	31,096.87	31,096.87	-
06/01/2028	949,522.61	6.550%	31,096.87	980,619.48	1,011,716.35
	4,000,000.00		871,609.80	4,871,609.80	4,871,609.80

BOND SUMMARY STATISTICS

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1 Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23) Final Numbers

Dated Date	04/27/2023
Delivery Date	04/27/2023
Last Maturity	06/01/2028
Arbitrage Yield	6.102146%
True Interest Cost (TIC)	6.102146%
Net Interest Cost (NIC)	6.153987%
All-In TIC	6.552764%
Average Coupon	6.550000%
Average Life (years)	3.327
Weighted Average Maturity (years)	3.327
Duration of Issue (years)	3.001
Par Amount	4,000,000.00
Bond Proceeds	4,052,697.56
Total Interest	871,609.80
Net Interest	818,912.24
Total Debt Service	4,871,609.80
Maximum Annual Debt Service	1,011,716.35
Average Annual Debt Service	956,259.28
Underwriter's Fees (per \$1000)	
Average Takedown	-
Other Fee	-
Total Underwriter's Discount	-
Bid Price	101.317439

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
2028 Term Bond	4,000,000.00	101.317	6.550%	3.327	1,720.00
	4,000,000.00			3.327	1,720.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,000,000.00	4,000,000.00	4,000,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	52,697.56	52,697.56	52,697.56
- Underwriter's Discount	-	-	-
- Cost of Issuance Expense	-	-52,697.56	-
- Other Amounts	-	-	-
Target Value	4,052,697.56	4,000,000.00	4,052,697.56
Target Date	04/27/2023	04/27/2023	04/27/2023
Yield	6.102146%	6.552764%	6.102146%

PROOF OF ARBITRAGE YIELD

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1
Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23)
Final Numbers

Date	Debt Service	PV Factor	Present Value to 04/27/2023 @ 6.1021460963%
06/01/2023	24,744.44	0.994339116	24,604.36
12/01/2023	131,000.00	0.964899332	126,401.81
06/01/2024	669,000.00	0.936331184	626,405.56
12/01/2024	113,380.50	0.908608864	103,018.53
06/01/2025	898,335.84	0.881707329	792,069.29
12/01/2025	87,673.21	0.855602279	75,013.40
06/01/2026	924,043.12	0.830270131	767,205.40
12/01/2026	60,282.10	0.805688001	48,568.56
06/01/2027	951,434.24	0.781833684	743,863.34
12/01/2027	31,096.87	0.758685631	23,592.75
06/01/2028	980,619.48	0.736222932	721,954.55
4,871,609.80			4,052,697.56

Proceeds Summary

Delivery date	04/27/2023
Par Value	4,000,000.00
Premium (Discount)	52,697.56
Target for yield calculation	4,052,697.56

FORM 8038 STATISTICS

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1 Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23) Final Numbers

Dated Date 04/27/2023
Delivery Date 04/27/2023

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
2028 Term Bond:						
	06/01/2024	538,000.00	6.550%	101.317	545,087.82	538,000.00
	06/01/2025	784,955.34	6.550%	101.317	795,296.65	784,955.34
	06/01/2026	836,369.91	6.550%	101.317	847,388.57	836,369.91
	06/01/2027	891,152.14	6.550%	101.317	902,892.53	891,152.14
	06/01/2028	949,522.61	6.550%	101.317	962,031.99	949,522.61
		4,000,000.00			4,052,697.56	4,000,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/01/2028	6.550%	962,031.99	949,522.61	-	-
Entire Issue	-	-	4,052,697.56	4,000,000.00	3.3268	6.1021%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	52,697.56
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to refund prior tax-exempt bonds	0.00
Proceeds used to refund prior taxable bonds	0.00
Remaining WAM of prior tax-exempt bonds (years)	0.0944
Remaining WAM of prior taxable bonds (years)	0.0000
Last call date of refunded tax-exempt bonds	04/27/2023

2011 Form 8038 Statistics

Proceeds used to currently refund prior issues	0.00
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	0.0944
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

FORM 8038 STATISTICS

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1 Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23) Final Numbers

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
Limited General Obligation Bond, 2022:					
BOND	06/01/2023	4,000,000.00	2.293%	100.000	4,000,000.00
					4,000,000.00
					4,000,000.00

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Limited General Obligation Bond, 2022	04/27/2023	06/28/2022	0.0944
All Refunded Issues	04/27/2023	-	0.0944

ESCROW STATISTICS

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1 Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23) Final Numbers

Delivery date	04/27/2023
Arbitrage yield	6.102146%

PRIOR BOND DEBT SERVICE

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1
Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23)
Final Numbers

Dated Date 04/27/2023
Delivery Date 04/27/2023

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2023	4,000,000	2.293%	-	4,000,000	4,000,000
	4,000,000		0	4,000,000	4,000,000

ESCROW REQUIREMENTS

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1 Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23) Final Numbers

Dated Date	04/27/2023
Delivery Date	04/27/2023

Period Ending	Interest	Principal Redeemed	Total
04/27/2023	37,197.56	4,000,000	4,037,197.56
	37,197.56	4,000,000	4,037,197.56

SUMMARY OF BONDS REFUNDED

STEILACOOM HISTORICAL SCHOOL DISTRICT NO. 1
Limited General Obligation (LGO) Refunding Bond, 2023 (4/27/23)
Final Numbers

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Limited General Obligation Bond, 2022, 22LGO:					
BOND	06/01/2023	2.293%	4,000,000	04/27/2023	100.000
			4,000,000		

Financial Audit

Presented by Loujanna Rohrer
SHSD Board Member

KEY FUNCTIONS OF THE BOARD

Acting on behalf of the people of each community, the school board will fulfill the following functions:

Responsible Governance:

The board, with participation by the community, will envision the future of the school district's educational program and formulate goals, define outcomes and set the course for the school district. This will be done within the context of racial, ethnic and religious diversity and with a commitment to education excellence and equity for all students.

Creating Conditions for Student and Staff Success:

To achieve the vision, the board will establish a structure which reflects local circumstances and creates an environment designed to ensure all students the opportunity to attain their maximum potential through a sound organizational framework. This includes employing a superintendent, developing and approving policies, formulating budgets, setting high instructional and learning goals for staff and students, and nurturing a climate conducive to continuous improvement.

High Expectations for Student Learning:

The board will continuously articulate the belief that all students can learn and that each student's learning can improve regardless of existing circumstances or resources. The board will act as leaders of a vision of shared learning that is supported by individual schools and the community.

Accountability for Student Learning:

The board's accountability for student learning will include adopting a system of continuous assessment of all conditions affecting education, including assessments for measuring staff and student progress towards goals. The public will be kept informed about programs and progress. Staff and board training will be provided to ensure continuous improvement of student achievement.

Community Engagement:

The board will serve as education's key advocate on behalf of students and their schools. The board will work to advance the community's vision for its schools, pursue the district's goals, encourage progress and energize systemic change and ensure that students are treated as whole persons in a diversified society.

Steilacoom Historical School District No. 1
Board of Directors' Operating Protocol
Adopted January 18, 2023

The most effective way to operate and supervise a dynamic, growing school district is through close cooperation between the school board, the superintendent, and the administrative leadership team. Each group plays a different role, and each role is essential to the success of the entire system (staff and students). In order to allow each group to compliment and ensure the success of the others, there must be agreement on some philosophical ideas and practical ways of working together to achieve the common goal – quality education programs for each student. To achieve, within the legal and financial limits of the District, quality education programs for each student, the Board pledges to strive toward excellence in performance and expects the same from each individual who works in Steilacoom Historical School District.

Board directors and administrators have an obligation to provide educational leadership. The public expects the best in planning, decision-making, communication, and educational expertise. However, all decisions and policies of the Board-Administration Team must be gauged and tested against two fundamental beliefs: schools are for kids; and schools belong to the people.

For the purpose of enhancing teamwork among members of the Board and between the Board and the Administrative Team, we, the members of the Steilacoom School District Board of Directors, do hereby publicly commit ourselves collectively and individually to the following operating protocol:

PRINCIPLES FOR BOARD-ADMINISTRATION RELATIONS

The following philosophical ideas, operating principles, and behaviors, when adhered to by all, will create an open, productive environment for a team approach to school leadership:

1. Positive Approach

Each member of the team is charged with the responsibility of working with the team to find the best way to meet the needs of the students and staff. An open, positive, and problem solving atmosphere toward designing, implementing, and assessing plans to achieve the goals of the organization is critical.

2. Judgment and Trust

To develop an effective team process, each group must support and cooperate with team members, collectively and individually.

Steilacoom Historical School District No. 1

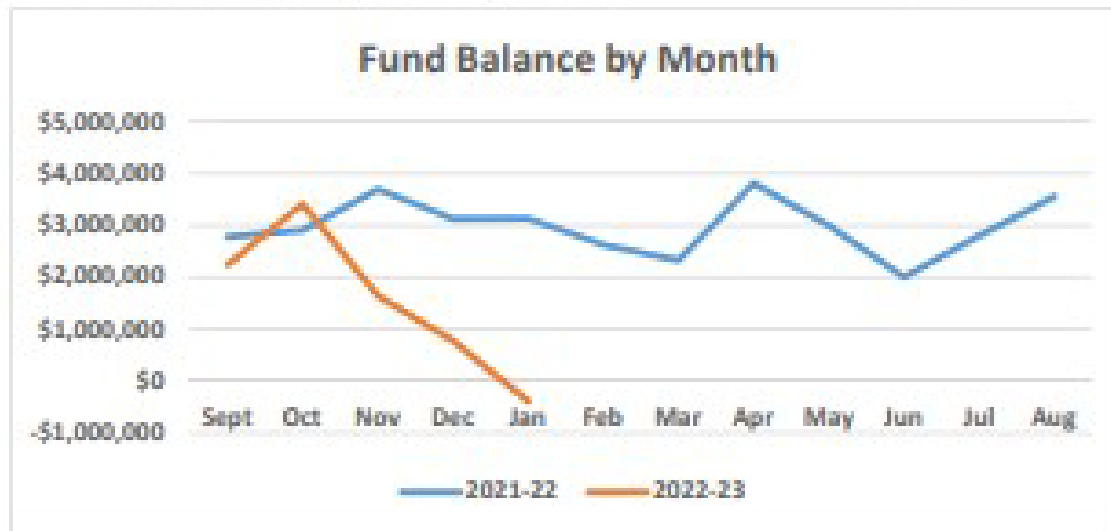
Monthly Budget Report

2022-23 Executive Summary

Jan-23

General Fund Balance

Actual as of Prior Month	\$777,139
Actual as of Current Month	(\$116,996)
Increase/Decrease in Fund Balance	(\$894,134)
Fund Balance as a % of Budgeted Expenditures	-0.23%
Fund Balance as a % of Expected Expenditures	-0.22%





School District Financial Health Indicators

Background

Substitute House Bill 1431, passed in 2011, directed the Office of Superintendent of Public Instruction (OSPI) to work with Educational Service Districts (ESDs) to develop a tool that would provide information about the financial health of school districts.

While all districts are required to annually submit a balanced operating budget for the budgeted fiscal year. [RCW 28A.505.130 and WAC 392-123-076] A balanced operating budget serves as the primary tool for planning and controlling operations.

In addition, Engrossed House Bill 2242, passed in 2017, instructed the OSPI to include this 4-year budget plan summary into this tool. This district 4-year budget summary plan is a forecast, an estimation of future revenue and expenditure trends and outcomes, which are based on the past and present data. [RCW 28A.505.040]

What is the benefit of this work?

The tool will provide a snapshot view of the district's overall financial health, as of the end of the most recent fiscal year. Also included are the previous three years' worth of financial indicator scores for each district, in order to provide a basis for comparison and analysis. The tool will be updated yearly, using the most recent year-end financial data when available.

What are the indicators used in the tool?

The fiscal indicators utilized in the tool are as follows:

- 1) Fund Balance to Revenue Ratio: This measures what percentage of a district's revenues it currently has "in reserve."
- 2) Expenditures to Revenues: This ratio measures whether expenditures were greater or less than the amount of revenue the district brought in.
- 3) Days Cash on Hand: Measures the number of days a district could operate if all funding were to dry up suddenly.
- 4) F195F 4-year Budget Plan Summary: This measure the number of years a district has reported negative fund balance

A value is calculated for each of these financial indicators, which is then weighted by the value in the box on the right. These values are then added together to arrive at the district's financial indicator score for that school year.

Financial Health Indicators/Weighted Value	
Fund Balance to Revenue	40%
Expenditures to Revenue	35%
Days Cash on Hand	15%
F195F 4-year Budget Plan Summary	10%

A	B	C	R	L	M	N	O	P	Q	R
ESD	CCDD	SCHOOL DISTRICT	1516	1617	1718	1819	1920	20-21	21-22	
101	26070	Selkirk	3.70	3.30	3.35	3.70	3.75	3.50	3.85	
114	05323	Sequim	2.50	2.10	2.60	2.60	3.00	1.90	2.60	
189	28010	Shaw	2.80	4.00	4.00	4.00	4.00	4.00	3.65	
113	23309	Shelton	3.10	3.10	2.25	1.50	2.20	2.20	1.45	
121	17412	Shoreline	3.85	3.45	2.60	3.15	2.45	3.00	2.65	
112	30002	Skamania	4.00	4.00	4.00	3.85	3.90	4.00	2.80	
121	17404	Skykomish	3.20	2.80	3.65	4.00	3.65	3.65	3.80	
189	31201	Snohomish	2.50	2.95	3.00	2.95	2.95	3.55	3.15	
121	17410	Snoqualmie Valley	3.25	3.25	3.15	3.30	3.70	3.50	2.85	
171	13156	Soap Lake	3.55	3.15	3.15	3.70	3.70	3.85	2.10	
113	25118	South Bend	3.10	3.55	3.55	3.55	3.70	3.55	3.70	
114	18402	South Kitsap	3.70	3.85	3.70	3.30	3.30	2.80	2.80	
189	15206	South Whidbey	3.55	2.70	2.35	3.05	3.50	3.65	3.85	
113	23042	Southside	4.00	4.00	3.80	3.70	3.45	3.80	2.50	
101	32081	Spokane	2.50	2.95	2.80	1.95	2.80	2.45	3.00	
101	22008	Sprague	4.00	4.00	3.90	3.80	3.90	3.45	4.00	
101	38322	St John	3.85	3.45	3.85	3.85	3.85	4.00	3.50	
189	31401	Stanwood	2.70	2.55	2.65	3.15	3.70	3.70	2.75	
123	11054	Star	3.60	4.00	2.95	4.00	4.00	4.00	4.00	
123	07035	Starbuck	4.00	2.80	3.20	3.55	2.75	2.50	3.85	
171	04069	Stehekin	2.40	4.00	4.00	4.00	4.00	4.00	4.00	
121	27001	Steilacoom Hist.	3.70	3.30	3.55	3.15	3.15	2.80	1.90	
101	38304	Steptoe	3.60	4.00	4.00	4.00	3.70	4.00	4.00	
112	30303	Stevenson-Carson	3.20	2.25	3.70	3.55	3.70	3.45	3.15	
189	31311	Sultan	3.10	2.70	3.00	3.15	2.45	2.60	2.60	
101	33202	Summit Valley	3.05	3.45	4.00	4.00	4.00	3.30	4.00	
121	27320	Sumner	2.95	2.55	1.90	3.00	3.55	3.85	4.00	
105	39201	Sunnyside	3.10	3.85	3.85	3.70	3.50	3.35	3.15	
121	27010	Tacoma	3.40	2.45	2.80	3.30	2.80	3.15	2.45	

Recommendation:
Financial audit

Questions from the Board?