

# Comprehensive Annual Financial Report

*For the fiscal year ended August 31, 2013*



**Wilson High School**



# Comprehensive Annual Financial Report

*For the fiscal year ended August 31, 2013*



**Wilson High School**

---

Prepared by the Finance Department  
**Rosalind Medina, *Interim Chief Financial Officer***



# Introductory Section

**Table of Contents**

**Directory of Officials**

**School District Organizational Chart**

**Letter of Transmittal**

**Certificates of Excellence in Financial Reporting**



**Wilson High School**



**TACOMA SCHOOL DISTRICT No. 10  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended August 31, 2013**

**TABLE OF CONTENTS**

**SECTION I – INTRODUCTION**

<b><u>Schedules</u></b>	<b><u>Page</u></b>
Table of Contents .....	1
Directory of Officials .....	4
Board of Directors .....	5
Organization Chart .....	6
Letter of Transmittal .....	7
Certificate of Achievement for Excellence in Financial Reports, GFOA .....	14
Certificate of Excellence in Financial Reporting, ASBO .....	15

**SECTION II – FINANCIAL**

Independent Auditor’s Report .....	17
Management’s Discussion & Analysis .....	20

**Government-Wide Financial Statements**

1 Statement of Net Position .....	31
2 Statement of Activities .....	32

**Governmental Fund Financial Statements**

3 Fund Balance Sheets .....	33
3A Reconciliation: Balance Sheet/Statement of Net Position .....	34
4 Statement of Revenues, Expenditures, and Changes in Fund Balances .....	35
4A Reconciliation: Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities .....	36

**Proprietary Fund Financial Statements  
(The Sound Partnership)**

<b>Internal Service Fund</b>	
5 Statement of Net Position .....	37
6 Statement of Revenues, Expenses, and Changes in Net Position .....	38
7 Statement of Cash Flows .....	39

**Fiduciary Funds Financial Statements**

8 Statement of Fiduciary Net Position .....	41
9 Statement of Changes in Fiduciary Net Position .....	42

<b>Notes to the Basic Financial Statements</b> .....	43
(An integral part of the financial statements)	

**TACOMA SCHOOL DISTRICT No. 10  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended August 31, 2013**

**TABLE OF CONTENTS**

<u>Schedules</u>	<u>Page</u>
<b><u>Required Supplementary Information</u></b>	
A-1 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual Comparison Schedule, General Fund.....	71
A-2 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual Comparison Schedule, Special Revenue Fund (ASB) .....	72
A-3 Actuarial Valuation of Post Employment Benefits Other than Pension Schedule of Funding Progress .....	73
<b><u>Supplemental Data</u></b>	
<b>General Fund</b>	
B-1 Comparative Balance Sheets .....	75
B-2 Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual .....	76
B-3 Schedule of Revenues, Budget and Actual.....	77
B-4 Schedule of Expenditures by Program, Budget and Actual .....	80
B-5 Schedule of Expenditures by Activity, Budget and Actual .....	81
B-6 Schedule of Expenditures by Object, Budget and Actual .....	83
<b>Special Revenue Fund (Associated Student Body)</b>	
C-1 Comparative Balance Sheets .....	84
C-2 Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual .....	85
<b>Debt Service Fund (Bond Fund)</b>	
D-1 Comparative Balance Sheets .....	86
D-2 Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual .....	87
<b>Capital Projects Fund</b>	
E-1 Comparative Balance Sheets .....	88
E-2 Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual .....	89
<b>Transportation Vehicle Fund</b>	
F-1 Comparative Balance Sheets .....	90
F-2 Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual .....	91
<b>Fiduciary Funds</b>	
G-1 Combining Balance Sheet .....	92
G-2 Combining Statement of Changes in Fiduciary Net Position.....	93
<b>Long-Term Debt</b>	
H-1 Schedule of Changes in Long-Term Debt .....	94
H-2 Outstanding General Obligation Indebtedness.....	95
<b>Capital Assets</b>	
I-1 Schedule of Capital Assets by Location.....	96

**TACOMA SCHOOL DISTRICT No. 10  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended August 31, 2013**

**TABLE OF CONTENTS**

<u>Tables</u>	<u>Section III – Statistical</u>	<u>Page</u>
<b>Financial Trends</b>		
I	Net Position by Component.....	99
II	Changes in Net Position .....	100
III	Fund Balances, Governmental Funds .....	101
IV	Changes in Fund Balances, Governmental Funds .....	102
V	General Governmental Revenues by Source .....	103
VI	General Governmental Expenditures by Function .....	104
<b>Revenue Capacity</b>		
VII	Property Tax Levies and Collections .....	105
VIII	Assessed Value of Taxable Property and Property Tax Rates on All Overlapping Taxing Authorities.....	106
IX	Principal Property Taxpayers .....	107
X	Assessed & Estimated Actual Property Value and Construction .....	108
<b>Debt Capacity</b>		
XI	Ratio of Annual Debt Service Expenditures for General Bonded Debt To Total General Fund Expenditures.....	109
XII	Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt per Capita.....	110
XIII	Statement of Direct and Overlapping Debt .....	111
XIV	Constitutional Limit of Indebtedness .....	112
XV	Legal Debt Margin Information .....	113
<b>Demographic and Economic Information</b>		
XVI	Demographic and Economic Statistics .....	114
XVII	Principal Employers .....	115
XVIII	Miscellaneous Statistics .....	116
XIX	Contributing Staff.....	117
<b>Operating Information</b>		
XX	Full-Time Equivalent District Employees by Program .....	118
XXI	Certificated Instructional Staff Information .....	119
XXII	Operating Statistics.....	120
XXIII	Buildings & Properties .....	121

**TACOMA SCHOOL DISTRICT NO. 10  
2012-2013 DIRECTORY OF OFFICIALS**

**ELECTED**

<b><u>Directors</u></b>		<b><u>Term</u></b>	<b><u>Expiration</u></b>
<b>President</b>	Debbie Winskill	6 Years	November 2013
<b>Vice-President</b>	Kurt Miller	6 Years	November 2015
	Scott Heinze	6 Years	November 2017
	Catherine Ushka	6 Years	November 2015
	Karen Vialle	6 Years	November 2017

**APPOINTED**

<b>Superintendent</b>	Carla J. Santorno
<b>Legal Counsel</b>	Shannon McMinimee
<b>Interim Chief Financial Officer</b>	Rosalind Medina
<b>Executive Director, General Support Services</b>	Sam Bell
<b>Director, Financial Services</b>	Patricia A. Luat
<b>Accounting Services Manager</b>	Marianne Bigelow

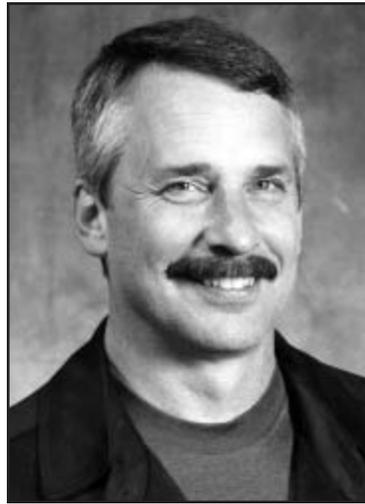
**MAILING ADDRESS**

P.O. BOX 1357  
TACOMA, WASHINGTON 98401-1357

# 2012-2013 Board of Directors



**Debbie Winskill, President**  
 Elected in 2007  
 Term expires in November 2013



**Kurt Miller, Vice President**  
 Elected in 2009  
 Term expires in November 2015



**Scott Heinz**  
 Elected in 2011  
 Term expires in November 2017



**Catherine Ushka**  
 Elected in 2009  
 Term expires in November 2015



**Karen Vialle**  
 Elected in 2011  
 Term expires in November 2017

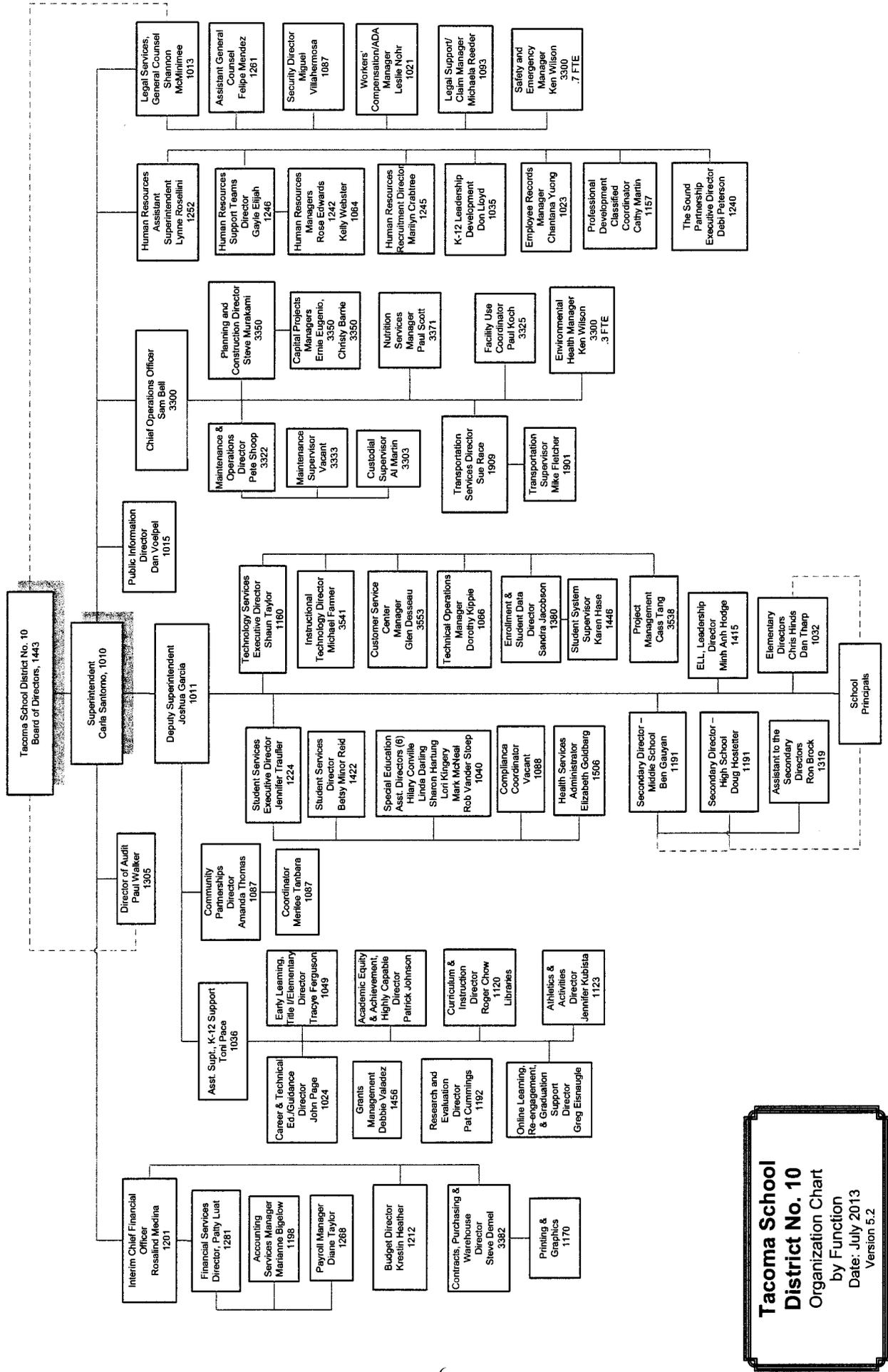


On January 2, 2012, **Carla Santorno** began the leadership role as superintendent-elect (interim) and on September 13, 2012, she became the Superintendent for the Tacoma School District.

Carla Santorno, who had worked in the deputy role for Tacoma for the past two years, got her start in education in Denver, Colorado. Born in Kansas, Mrs. Santorno attended Denver Public Schools, where she later spent 28 years of her career as a teacher, principal, and area superintendent. Prior to coming to Tacoma, she worked as the chief academic officer for the Seattle School District.

Her primary goal as superintendent is to increase student achievement. She intends to stay close to teachers and provide them the support they need to effectively educate Tacoma's students. Connecting with all the players in the district – from parents to teachers, food service workers and custodial staff, is part of Mrs. Santorno's vision to create aligned focus from classroom to classroom, and school to school.

She has strong, solid, urban experience, and has had success in student achievement in other districts. She believes strongly in communication and community connection. The first person in her family to graduate from high school, she has learned personally how powerful education can be, and she wants to ensure all children have the same opportunities.



**Tacoma School District No. 10**  
**Organization Chart**  
 by Function  
 Date: July 2013  
 Version 5.2



**Carla J. Santorno, Superintendent**  
601 South 8<sup>th</sup> Street, Tacoma, WA 98405  
253.571.1010 – Fax 253.571.2550

February 27, 2014

Board of Directors  
Tacoma Public Schools  
601 South 8th Street  
Tacoma, WA 98405

Dear Directors and Citizens of the Tacoma School District:

We are pleased to present the Comprehensive Annual Financial Report of the Tacoma School District for the fiscal year ended August 31, 2013. We believe this report presents comprehensive information about the scope and character of the district's fiscal activities and accomplishments during 2012-13. We feel the report illustrates the efforts of the administration to attain the financial goals established by the Board of Directors.

The Accounting Services staff of the district's Finance Department prepared this report. The accuracy of the data presented, including all disclosures and the completeness and fairness of the presentation, are the responsibility of the district. We believe the information, as presented, is accurate in all material aspects, that it is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the district as measured and reported by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain an adequate understanding of the district's financial affairs have been included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The district's MD&A can be found immediately following the report of the independent auditors.

## **REPORTING ENTITY**

The basis for preparing the Comprehensive Annual Financial Report for the district was the identification of all the components of the reporting entity. A blended component unit (The Sound Partnership) was considered to be part of the district's reporting entity because it met all three criteria of the Government Accounting Standards Board's (GASB) Statement No. 39, an amendment of GASB Statement No. 14. The exclusion of the entity would cause the district's financial statements to be misleading or incomplete.

The district is a non-profit municipal corporation organized pursuant to the Revised Code of Washington. The elected five member school board is the official policy making body that gives general policy guidance to the appointed administrative staff. The administrative staff is responsible for the daily operations of the district.

## **ECONOMIC CONDITION AND OUTLOOK**

The district is located in Pierce County in the central Puget Sound region of Washington State. Pierce County is home to the City of Tacoma, the state's third largest city. The city of Tacoma, located on Puget Sound in the heart of the Pacific Northwest's "evergreen playground," has nearly 66 miles of shoreline and many parks, including Point Defiance Park with a world-class zoo and aquarium. The Tacoma Dome hosts sports and entertainment activities and Cheney Stadium is home to a professional AAA baseball team.

People of all ages enjoy numerous museums, such as the new LeMay Car Museum, Washington State Historical Museum, the Tacoma Art Museum and the Museum of Glass; as well as theater productions; art galleries; a fine library system; musical entertainment; and many local events. Tacoma is also home to three universities: the University of Puget Sound, Pacific Lutheran University, and the University of Washington-Tacoma.

Tacoma-Pierce County boasts a diversified economy. The deep water Port of Tacoma is one of the largest container ports in North America and is a major center for autos, bulk, break bulk, and heavy-lift containers. The Port contributes significantly to the county's position as a major regional trade and service center. The Port's domestic and international containerized shipping activities are vital to the economy, and over 43,000 area jobs are connected to the Port. The manufacturing sector produces lumber and wood products, chemicals, metals, food, clothing, computer/semiconductor chips and parts, and airplane parts. Tacoma-Pierce County is a leader in agricultural products such as rhubarb, berries, and a variety of other produce.

Federal and local governments are the principal employers in Pierce County and include Joint Base Lewis-McChord and Madigan Army Medical Center. Major private employers such as MultiCare and Franciscan Health Systems, the Emerald Queen Casino, Boeing, Wal-Mart, Fred Meyer (Kroger), Safeway, and Costco add to the local economy.

Population

It is projected that Tacoma-Pierce County's population will continue to grow. The table on the following page shows the county and the City of Tacoma (the county's largest city):

<b>Fiscal Year</b>	<b>Pierce County</b>	<b>City of Tacoma</b>
2004**	744,000	198,100
2005**	755,900	199,600
2006**	773,500	201,700
2007**	790,500	202,700
2008**	805,400	203,400
2009**	813,600	204,200
2010*	795,225	198,397
2011**	802,150	198,900
2012**	807,904	199,600
2013**	814,500	200,400

*Source: Washington State Office of Financial Management, U.S. Department of Commerce*

*\* U.S. Census Count*

*\*\* Washington State Office of Financial Management*

**THE SCHOOL DISTRICT**

The district offers a full range of school programs and services established by state statute. These include preschool, basic elementary grades K-5, middle school grades 6-8, high school grades 9-12, career and technical education programs, special education for handicapped students, English language learner programs, and numerous innovative educational programs. The district also provides transportation and nutrition services.

The district had 35 elementary schools, 9 middle schools, 5 comprehensive high schools, and 7 alternative learning sites operating during the 2012-13 school year. The district has 5,077 employees and is the sixth largest employer in the Tacoma-Pierce County area.

**MAJOR INITIATIVES**

In 2012-13 the Board of Directors appointed Carla J. Santorno as the new Superintendent. The superintendent and board have developed four goals for the district:

Academic Excellence

All students will perform at or above grade level, and we will eliminate disparities among all groups of students.

Partnerships

We will fully engage our parents, community and staff in the education of our children.

Early Learning

We will focus on early assessment and intervention at the Pre-K through third grade levels to ensure academic success.

Safety

All schools will create and maintain safe learning environments that promote excellent academic achievement.

The district’s 2011-15 Strategic Plan is the result of our belief that all students achieve their full potential by participation in an education experience that is relevant, challenging and individualized, an experience that shares such common values as equity, cultural understanding, accountability and leadership and was designed based on the overarching goals of achievement, innovation, instruction, collaboration, early learning, and safety for all student in all schools.

Through this Strategic Plan the Tacoma School District will gain:

- A roadmap that drives district initiatives
- Educational programs and philosophy rooted in the district’s core values
- A laser-like focus on students meeting/exceeding academic standards
- System accountability for meeting the academic needs of all students
- Parent and community partnerships to meet the social, emotional and academic needs of children
- Annual budgets that reflect the district’s prioritized goals and objectives

Progress will be checked against the following measurable outcomes; grade-level benchmarks by groups, achievement gaps among ethnic and economic groups, graduation rates, drop-out rates, enrollment in advanced coursework, parent/community participation and effectiveness of academic programs.

The teachers and staff have set very strong expectations for themselves and they are working diligently to meet the educational needs of every child. The district is committed to increasing efforts to engage the community and parents in meeting the Strategic Plan.

Graduation Rates

Student graduation rates are a focus for the district, and efforts to pursue a more comprehensive and aligned system to get more students to the finish line continues. The calculation begins with 9<sup>th</sup> grade students and tracks them for four years until their expected graduation date at the end of their senior year. While the district is still below the State average, significant gains have been attained.

Cohort Graduation Rates

<u>Class</u>	<u>Tacoma</u>	<u>State Average</u>
2012*	73.5%	77.2%
2011*	61.7%	76.6%
2010*	55.3%	75.4%

*\*Source: Office of Superintendent of Public Instruction Report Card*

State Achievement Measurement

Washington Comprehensive Assessment Program (WCAP) test results in 2012-13 as compared to 2011-12 showed slight improvement. While the district’s scores are below the state-wide averages, of the 21 different measures, 11 of the components were above the prior year’s scores. Reading scores improved in 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, and 10<sup>th</sup> grades; math scores improved in 4<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> grades; writing scores improved in 4<sup>th</sup> and 10<sup>th</sup> grade; and science scores improved in 5<sup>th</sup> grade. Declines were shown in reading scores for 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> grade; math scores declined in 3<sup>rd</sup>, 5<sup>th</sup> and both end of course exams for high school students; writing scores declined in 3<sup>rd</sup> and 5<sup>th</sup> grade; and science scores declined in 8<sup>th</sup> and the end of course exams for high school students.

<b>Percent of Tacoma School District Students Meeting the WCAP Standards in 2012-13</b>							
<b>Grade</b>	<b>Reading</b>	<b>Math</b>	<b>End of Course</b>		<b>Writing</b>	<b>Science</b>	<b>End of Course Biology</b>
			<b>Math 1</b>	<b>Math 2</b>			
3rd	64.9%	54.5%					
4th	64.0%	54.2%			54.7%		
5th	70.0%	57.8%				53.3%	
6th	59.3%	47.9%					
7th	57.2%	51.8%			55.5%		
8th	50.8%	36.6%				49.2%	
10th	78.7%		30.5%	59.5%	80.6%		52.0%

Student Demographics

The percentage of students eligible for participation in the federal free and reduced lunch program at the district is 63.2 percent, much higher than the 46.1 percent statewide average, though the gap closed a little bit from the prior to the current year. Children from families with incomes at or below 130 percent of the poverty level are eligible for free meals. Those with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price meals. For the period July 1, 2013 through June 30, 2014, 130 percent of the poverty level is \$30,615 for a family of four; 185 percent is \$43,568.

	<b>Percentage of Students Eligible for Participation In the Federal Free and Reduced Lunch Program</b>				
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Tacoma	57.0%	61.1%	60.0%	63.9%	63.2%
State-Wide Average	41.7%	42.3%	43.7%	45.5%	46.1%

*\*Source: Office of Superintendent of Public Instruction Report Card*

Enrollment

The district, by student enrollment, is the third largest district in the State of Washington. Each student’s enrollment is converted to a full time equivalent (FTE) based on the number of hours in a course of study. FTE is determined as follows:

Kindergarten:	Full FTE – 20 hours per week, Half FTE – 10 hours per week
Primary (Grades 1-3)	20 hours per week, or 4 hours per school day
Elementary (Grades 4-6)	25 hours per week, or 5 hours per school day
Secondary (Grades 7-12)	25 hours per week, or 5 hours per school day

The district’s annual average FTE enrollment in 2012-13 was 27,531 students. Enrollment decreased from 2011-12 by 31 FTE students.

The increases and/or (decreases) are as follows:

Elementary Schools (grades K-5)	206
Middle Schools (grades 6-8)	(110)
High Schools (grades 9-12)	(126)
Running Start (college level courses)	(0)
Total	(31)

Projected enrollments for fiscal year 2013-14 and 2014-15 are shown below.

#### FULL TIME EQUIVALENT (FTE) ENROLLMENT

Actual and Projected (P) Annual Average Enrollment						
Grade	2010	2011	2012	2013	2014(P)	2015(P)
Total K-5	13,336	13,384	13,264	13,470	13,085	13,160
Total 6-8	6,217	6,131	6,193	6,083	6,033	6,121
Total 9-12	8,072	8,107	7,927	7,801	7,529	7,377
Other	203	184	177	177	177	177
<b>TOTAL K-12</b>	<b>27,828</b>	<b>27,806</b>	<b>27,562</b>	<b>27,531</b>	<b>26,823</b>	<b>26,835</b>

Source: Demographer, W. Les Kendrick, Ph.D, and OSPI 12-13 P-223 Report

#### Construction and Technology Projects

The district continues to evaluate and assess its facilities through its 30-year master plan. Enrollment projections and demographic studies impact decisions on school properties.

In February, 2013, the district's voters approved a \$500M district-wide school improvements and safety upgrades bond measure. The bond funds will replace 14 neighborhood schools across the city that average 74 years old. Three of the schools, Washington and McCarver elementary schools and Stewart Middle School are on the historic register, and renovations will preserve their exterior architectural characteristics. Additionally, the bond funds will make more than 180 needed safety repairs and upgrades at almost every site in the district.

School	Original Construction	Age	Estimated Cost
Washington	1906	106	\$28M
Science & Math Institute	--	--	\$10M
McCarver	1924	88	\$30M
Wilson	1958	54	\$40M
Stewart	1924	88	\$58M
Wainwright	1922	90	\$30M
Arlington	1924	88	\$28M
Browns Point	1952	60	\$31M
Lyon	1924	88	\$29M
Birney	1961	51	\$32M
Grant	1919	93	\$29M
Boze	1969	43	\$32M
Downing	1948	64	\$30M
Hunt	1957	55	\$48M
District-Wide Improvements			<u>\$45M</u>
			\$500M

In February 2014, the district's voters passed Proposition 2 for the replacement of expiring levy for technology improvements and upgrades. This 4-year levy will provide classroom technology improvements and upgrades. Outdated computers for teachers and students will be replaced, training for software updates, professional development to integrate technology and web-based tools, infrastructure and systems upgrades, high-speed internet upgrades to allow 24/7 access for students and teachers, and online systems for parents, students, and teachers to monitor academic progress, homework assignments, and attendance are included in this measure.

#### For the Future

Tacoma's citizens have a long history of supporting their schools. In February 2014, the district's voters approved Proposition 1 for the replacement of the expiring levy for educational programs and operations. These levy funds provide approximately 24 percent of the district's general fund operating budget, and with the passage of Proposition 1, this critical funding stream is guaranteed for another 4 years, from 2015 – 2019. Funding for teachers, smaller classes, textbooks, special education programs, art, music, athletic and extracurricular activities are provided through these local levy dollars.

Last year, the district was named as the state's first-ever and only district-wide Innovation Zone for education. The district wants to push innovation even more in hopes that more students can match up with custom schools and programs that ignite their passion for learning and help them succeed academically. Innovative schools in the district include the School of the Arts (SOTA), Science and Math Institute (SAMI), Geiger and Bryant Montessori schools, Lincoln Center, and the International Baccalaureate (IB) programs as examples.

In the fall of 2013, the Graduation Re-Engagement Center was opened as a new program for students between the ages of 16 and 21 who have not been successful in a comprehensive high school model. Community agency partnerships for counseling, employment assistance, and family support advocacy are provided as wrap around services to the students in this program. This completely individualized program for credit retrieval and high school completion is provided in a blended learning model that is computer based with on-site teacher support.

## **FINANCIAL INFORMATION**

### Accounting System and Budgetary Control

In developing and evaluating the district's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the district's internal accounting controls adequately safeguard assets and provide reasonable assurance of accurate recording of financial transactions.

The district's Director of Audit periodically reviews, reports on, and recommends improvements to the internal controls in all operational and financial areas of the district. This position reports to the Superintendent and is advised by the Citizen's Finance and Audit Committee (CFAC) of the Board of Directors. The CFAC is organized as a permanent citizen's committee with members who are experts in finance and internal controls. The primary responsibilities of the committee involve assisting the board in carrying out its responsibilities related to the district's financial planning policies, internal control and financial reporting practices. During fiscal year 2012-13, the CFAC included two members of the board, the Superintendent, and five citizens. Throughout the year, the committee meets with the district's Director of Audit and financial management to discuss the results of the examinations, evaluations of the district's internal controls, and the overall quality of the district's financial reporting. The Director of Audit meets privately with the committee at least annually.

As a recipient of federal and state financial assistance, the district is required to undergo a single audit in conformity with the provisions of the Single Audit Act of 1984, replaced by the Single Audit Act Amendment of 1996, and U.S. Office of Management and Budget A-133 (Revised 6/30/97), Audits of States, Local Governments, and Non-Profit Organizations. The Washington State Auditor's Office performs the annual audit of the district in compliance with the Single Audit Act.

The Board of Directors adopts budgets for all governmental funds. The district maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The reserve for encumbrances is updated annually at the end of each fiscal year and budgetary control is maintained at the program and building level by the encumbrance of estimated purchase orders. The individual Budget Responsibility Center and Program managers within the district maintain control of their discretionary budgets. Discretionary costs include non-regular salaries (extra help and overtime), supplies, instructional materials, contracted or purchased services, travel, and equipment purchases.

A more detailed discussion of the district's accounting policies can be found under the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

### **INDEPENDENT AUDIT**

Washington State law requires an annual audit of the financial records, and transactions of all districts to be performed by the Office of State Auditor. The scope of the audit concentrated on the following areas:

1. Management Section: Report on compliance with laws and regulations and report on internal control structure.
2. Financial Section: Report on financial statements in accordance with Generally Accepted Accounting Principles (GAAP).
3. Single Audit Section (Revised OMB A-133): Report on financial statements, internal control, compliance, audit findings, and questionable costs.

These requirements have been complied with and the auditor's opinion has been included in this report.

### **CERTIFICATES OF ACHIEVEMENT**

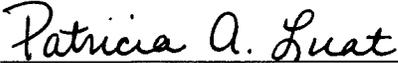
The district participates in the Certificate of Achievement Program with the Government Finance Officers Association (GFOA) and the Association of School Business Officials (ASBO). In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Last year, the Association of School Business Officials (ASBO) and the Government Finance Officers Association (GFOA) awarded the district, for the 20<sup>th</sup> consecutive year, a Certificate of Achievement for Excellence in Financial Reporting. Copies of the financial reporting awards are included in the CAFR. The district will be applying to GFOA and ASBO for the 2012-13 fiscal year to determine its eligibility for another certificate.

### **ACKNOWLEDGMENTS**

The preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff. We express our gratitude to everyone who assisted in its preparation. Finally, we would like to offer special thanks to the Accounting Services staff of the district's Finance Department, whose efforts and contributions made the preparation of the 2012-13 CAFR a success.

  
\_\_\_\_\_  
Carla J. Santoro  
Superintendent and Board Secretary

  
\_\_\_\_\_  
Patricia A. Luat  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Tacoma School District No. 10  
Washington**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2012**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **Tacoma School District No. 10**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended August 31, 2012*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

**(INTENTIONALLY LEFT BLANK)**

# Financial Section

**Independent Auditor's Opinion**

**Management's Discussion and Analysis**

**Government-Wide Financial Statements**

**Governmental Fund Financial Statements**

**Proprietary Fund (The Sound Partnership)**

**Fiduciary Fund Financial Statements**

**Notes to the Financial Statements**

**Required Supplementary Information**

**Supplemental Data**



**Wilson High School**





## Washington State Auditor Troy Kelley

### INDEPENDENT AUDITOR'S REPORT

February 27, 2014

Board of Directors  
Tacoma School District No. 10  
Tacoma, Washington

### **REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tacoma School District No. 10, Pierce County, Washington, as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Sound Partnership, which represents 95 percent, 95 percent and 99 percent, respectively, of the assets, net assets and revenues of the aggregate remaining fund information. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sound Partnership, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of The Sound Partnership were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinion***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Tacoma School District No. 10, Pierce County, Washington, as of August 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Matters of Emphasis***

As described in Note 1, during the year ended August 31, 2013, the District has implemented the Governmental Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20 through 29 budgetary comparison information on pages 71 through 72 and information on postemployment benefits other than pensions on page 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying information listed as supplementary information on pages 75 through 97 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introduction and Statistical sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

#### ***OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we will also issue our report dated February 27, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sincerely,



**TROY KELLEY**  
STATE AUDITOR

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Tacoma School District No. 10's financial performance provides an overview of the district's financial activities for the fiscal year ended August 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information presented in the financial statements and notes to the financial statements.

### FINANCIAL HIGHLIGHTS

- The district's total net position for governmental activities as of August 31, 2013, was \$545.8M, an increase of \$1.59M from 2011-12. Capital assets decreased by \$5M, current and other assets increased by \$93.9M, total assets increased by \$88.9M, and liabilities increased by \$87.3M from the prior year.
- During the year, the district had revenues of \$370.65M and expenses of \$369.06M incurred for all governmental activities, resulting in a corresponding increase in the district's net position by \$1.59M.
- At the end of the current fiscal year, the district's governmental funds reported a combined ending fund balance of \$158.05M; an increase of \$94.8M from the prior year. The general fund's total fund balance was \$33.61M; a decrease of \$5.87M from the previous year. Approximately \$18.49M is available for spending at the district's discretion (assigned fund balance).
- A \$500M bond measure for district-wide capital improvements was approved by the voters in February, 2013. The district sold an 18 month, \$100M bond anticipation note in June, 2013 to fund the first set of projects.
- The district issued \$78.9M in new bonds to advance refund \$83.4M in existing bonds, which produced a net present value economic gain of \$9.77M to the entity. Principal payments on existing bonds of \$19.3M were made during the year. Its overall long-term liabilities increased by \$86.6M.

### USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This report consists of three parts: an introductory section, a financial section, and a statistical section. The financial section contains the independent auditor's report, management's discussion and analysis, the basic financial statements and related notes to the financial statements.

The basic financial statements consist of a series of statements that present different views of the district:

- The first two statements (*statement of net position and statement of activities*) are *district-wide financial statements* that provide both short-term and long-term information about the district's overall financial status as a whole.
- The *governmental fund financial statements* focus on *individual* parts of the district, and report the district's operations in more detail than the district-wide statements. These governmental funds statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- The remaining statements provide financial information about activities for which the district acts solely as a trustee for the benefit of those outside of the district.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of fund activity to the district's budget for the year.

## **REPORTING THE DISTRICT AS A WHOLE**

### **The Statement of Net Position and the Statement of Activities**

Our analysis of the district as a whole begins in the *government-wide financial statement* section. Is the district as a whole better off or worse off as a result of the year's activities? The *statement of net position* and the *statement of activities* report information about the district as a whole and about its activities in a way that helps answer this question. The financial statements of the district present an improved financial position as reflected in the *statement of net position*. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash was received or paid.

These statements report the district's net position and changes in them. The district's net position (the difference between assets and liabilities) may be viewed as one way to measure the district's financial health, or financial position. Over time, increases or decreases in the district's net position are one indicator of whether its financial health is improving or deteriorating. One should consider other non-financial factors however, such as changes in the district's property tax base and the student enrollment to assess the overall health of the district.

In the *statement of net position* and the *statement of activities*, governmental activities are presented. The district's basic services, including the general, associated student body, debt service, and capital projects funds are reported here.

## **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

### **Governmental Fund Financial Statements**

Our analysis of the district's major funds begins in the Governmental Fund Financial Statements section. The governmental fund financial statements provide detailed information about the most significant funds, not the district as a whole. Some funds are required to be established by state law. The district has governmental funds and a proprietary fund, The Sound Partnership.

Governmental funds, presented in the Governmental Fund Financial Statement section of this report, focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the district's general education and support operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations on Schedule 3A and Schedule 4A of the basic financial statements and in Note 10 of the notes to the financial statements.

Proprietary Fund – The Sound Partnership is accounted for in the internal service fund in conformity with GASB Statement No. 10 (Risk Financing).

## THE DISTRICT AS TRUSTEE

### Reporting the District's Fiduciary Responsibilities

The district is the trustee, or fiduciary, for individuals, private organizations and other governments, for scholarships, and other specific purposes. All of the district's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position under the fiduciary financial statement section. These activities are excluded from the district's other financial statements because the district cannot use these assets to finance its operations. The district is responsible for ensuring the assets reported in these funds are used for their intended purposes.

### THE DISTRICT AS A WHOLE (Government-Wide Financial Statements)

Net position may serve as a useful indicator of a government's financial position. The Tacoma School District's assets exceeded liabilities by \$545.8M at the end of the fiscal, August 31, 2013.

The largest portion of the net position is net invested in capital assets. The net invested in capital assets (e.g., land, building, and equipment), less any related outstanding debt used to acquire those assets, is \$376.9M. The remainder consists of an amount restricted for capital projects, debt services, associated student body fund, and other proposes, with \$40.8M unrestricted. The district's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The increase in total net position for the year was \$1,590,813. Key elements of this increase are as follows:

#### Tacoma School District's Net Position

As of August 31

	Governmental Activities		
	2013	2012	Changes
<b>ASSETS</b>			
Current and Other Assets	\$ 260,195,694	\$ 166,290,862	\$ 93,904,833
Capital Assets	712,793,344	717,801,042	(5,007,698)
<b>Total Assets</b>	<b>972,989,038</b>	<b>884,091,904</b>	<b>88,897,135</b>
<b>LIABILITIES</b>			
Long-Term Debt Outstanding	396,664,900	310,045,090	<b>86,619,810</b>
Other Liabilities	30,555,552	29,869,042	<b>686,510</b>
<b>Total Liabilities</b>	<b>427,220,452</b>	<b>339,914,132</b>	<b>87,306,320</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Debt	474,767,679	463,667,781	11,099,898
Restricted	30,228,711	24,314,115	5,914,596
Unrestricted	40,772,196	56,195,876	(15,423,680)
<b>TOTAL NET POSITON</b>	<b>\$ 545,768,586</b>	<b>\$ 544,177,772</b>	<b>\$ 1,590,813</b>

The restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted *net position* may be used to meet the district's ongoing obligations to citizens and creditors.

## Governmental Activities

The 2012-13 revenues of \$370.65M exceeded expenditures by \$1.59M. The 2011-12 revenues exceeded the expenditures by \$19.74M. Key elements of the increases in revenues and decreases in expenditures are as follows.

### Governmental Activities Changes in Net Position

#### PRIMARY GOVERNMENT

As of August 31, 2012

	2013	2012	Changes
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 10,753,010	\$ 10,237,870	15,140
Operating Grants and Contributions	109,133,062	108,030,433	1,102,629
Capital Grants and Contributions	671,852	1,208,706	(536,854)
General Revenues:			
Property Taxes	131,930,185	128,584,175	3,346,010
Interest and Investment Earnings	153,864	109,360	44,504
Unallocated Revenues	118,011,453	136,048,820	(18,037,367)
<b>TOTAL REVENUES</b>	<b>370,653,425</b>	<b>384,219,364</b>	<b>(13,565,938)</b>
<b>PROGRAM EXPENSES:</b>			
Regular Instruction	200,132,388	187,093,849	13,038,539
Federal Stimulus	2,712,607	3,595,817	(883,210)
Special Instruction	45,199,346	42,916,763	2,282,583
Career & Technical Instruction	11,199,076	10,897,908	301,168
Compensatory Instruction	26,882,336	30,504,519	(3,622,183)
Other Instructional Programs	4,285,329	4,366,029	(80,700)
Community Services	417,267	433,295	(16,028)
Support Services	73,960,390	69,686,722	4,273,668
Extracurricular Activities	2,033,416	2,001,607	31,809
Debt Payment	2,240,457	12,983,037	(10,742,580)
<b>TOTAL EXPENSES</b>	<b>369,062,612</b>	<b>364,479,546</b>	<b>4,583,066</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>1,590,813</b>	<b>19,739,818</b>	<b>(18,149,005)</b>
<b>NET POSITION - 9/1/12</b>	<b>544,177,772</b>	<b>524,437,954</b>	<b>19,739,818</b>
<b>NET POSITION - 8/31/13</b>	<b>\$ 545,768,586</b>	<b>\$ 544,177,772</b>	<b>\$ 1,590,813</b>

The following table presents the cost of each of the district's largest programs – regular instruction, special instruction, career & technical instruction, compensatory instruction, other instructional programs, and support services - as well as each program's net cost (total cost less revenues generated by the activities). The net cost column shows the financial impact by each of these functions.

<b>Governmental Activities</b>				
	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2012-13</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2011-12</b>
Regular Instruction	200,132,388	187,093,849	(181,936,434)	(173,730,561)
Federal Stimulus	2,712,607	3,595,817	(67,295)	60,461
Special Instruction	45,199,346	42,916,763	(9,396,949)	(7,655,957)
Career & Tech Instruction	11,199,076	10,897,908	824,080	1,011,501
Compensatory Instruction	26,882,336	30,504,519	(1,297,681)	(832,457)
Other Instructional Programs	4,285,329	4,366,029	(1,452,834)	(1,306,440)
Community Services	417,267	433,295	256,660	312,615
Support Services	73,960,390	69,686,722	(53,263,020)	(49,856,824)
Extracurricular Activities	2,033,416	2,001,607	69,241	(21,838)
Debt payments	2,240,457	12,983,037	(2,240,457)	(12,983,037)
<b>TOTALS</b>	<b>\$369,062,612</b>	<b>\$364,479,546</b>	<b>\$(248,504,689)</b>	<b>\$(245,002,537)</b>

## GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

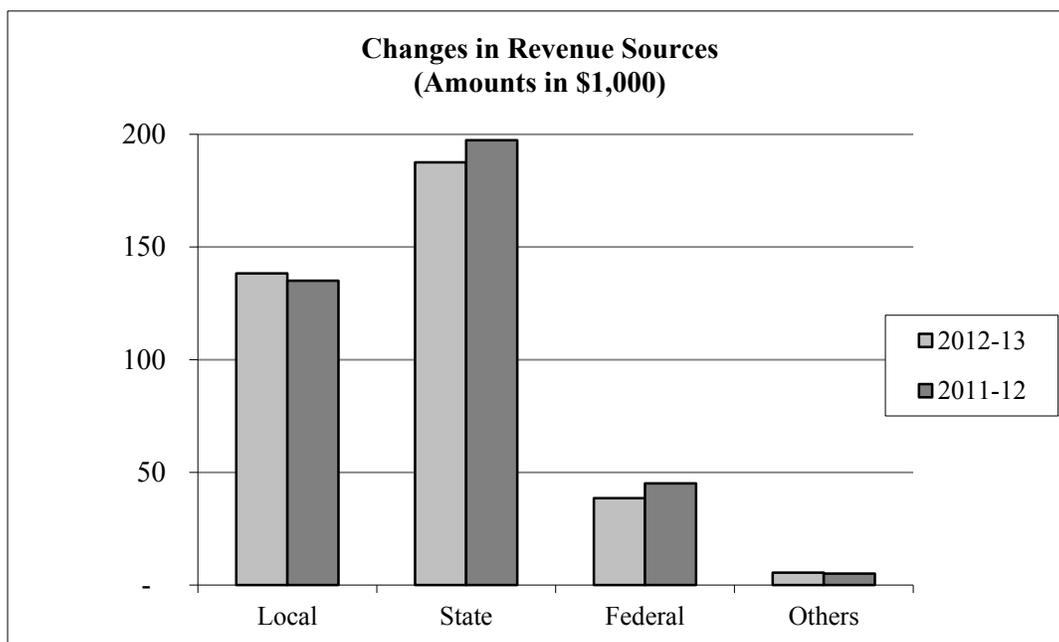
The focus of the district's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Thus, unreserved fund balance may serve as a useful measure of the district's net resources available for spending at the end of the fiscal year.

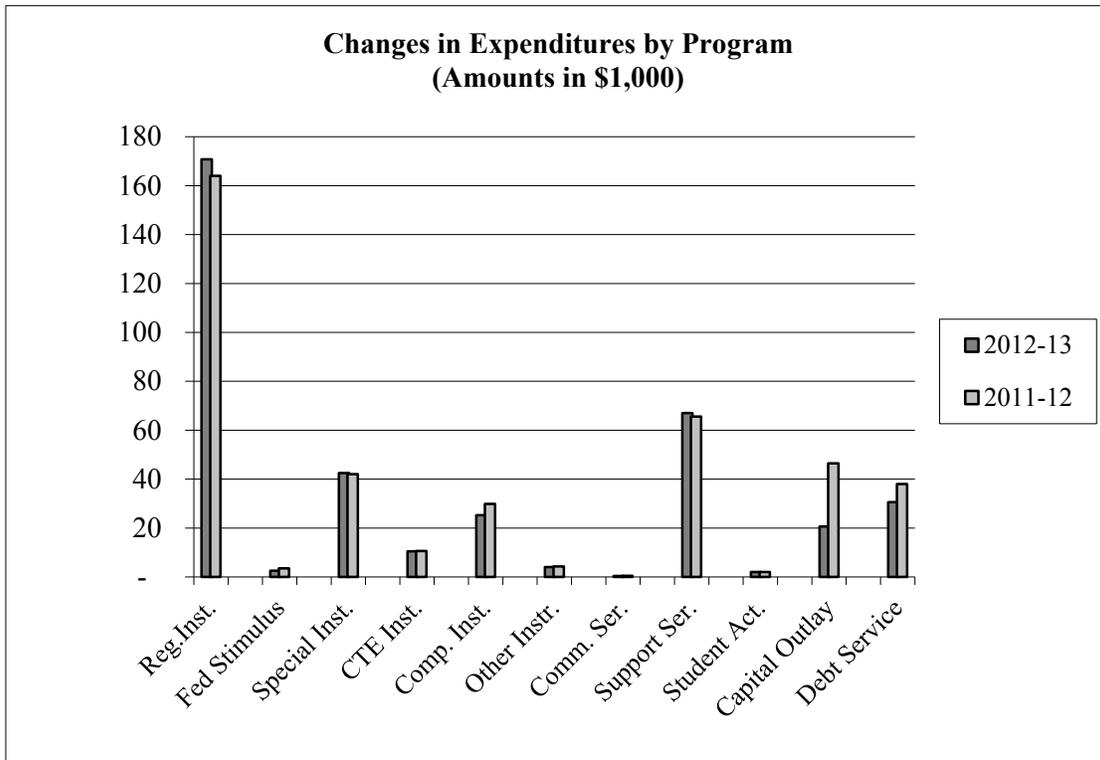
As the district completed the fiscal year, its governmental funds (as presented in the balance sheets under the governmental financial statement section) reported a combined fund balance of \$158.05M, an increase of \$94.8M over the prior year. This change is the result of the following factors:

- The fund balance in the General Fund decreased by \$5.87M. While the district had planned for its reserves to drop by more than this amount, additional revenues (above budget) were recorded in property taxes and regular state apportionment. The regular state apportionment revenue increase was due to student enrollment coming in above projections, and property tax collections were more favorable than original assumptions. Labor (salaries and benefits) costs and spending for supplies and materials were lower than anticipated. The combination of increased revenues and expenditures below forecast caused the fund balance to be above the amount forecast for the year. Forty-five percent of the fund balance is in the nonspendable, restricted, or committed categories.
- The fund balance in the Special Revenue Fund (ASB) increased by \$81K. All secondary schools and most elementary schools had activity in their ASB funds in 2012-13.
- The fund balance in the Debt Service Fund increased by \$200K from the prior year. The expenditure amounts are set by the payment schedules on the district's outstanding bonds. Revenues are generated by setting an annual property tax rate at a level which will generate enough funds to repay the debt. The ending fund balance is higher than the prior year, and the district's cash flow projections indicate this reserve is adequate to meet future needs.
- The fund balance in the Capital Projects Fund increased by \$100.31M. The district passed a \$500M bond authority for capital construction projects in February 2013, and issued a \$100M Bond Anticipation Note in June, 2013 to fund the first projects on the list. Virtually all of the fund balance is in restricted categories.
- The fund balance in the Transportation Vehicle Fund increased by \$75K. Five new buses were purchased during 2012-13. Funding for these buses is provided from the state through its bus depreciation schedule and interest earnings.

The following table presents a summary of the governmental fund's revenues and expenditures for 2012-13 and the amounts and percentages of increases and decreases in relation to the prior year. A graphical presentation of revenues and expenditures follows.

<b>Changes in Revenues and Expenditures Governmental Funds</b>				
<b>Revenue Source</b>	<b>2012-13 Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) Over 2011-12</b>	<b>Percent Increase (Decrease)</b>
Local Taxes & Non-taxes	138,306,757	37.38%	3,231,024	2.4%
State Revenues	187,596,044	50.70%	(9,819,880)	-5.0%
Federal Revenues	38,536,505	10.42%	(6,605,466)	-14.6%
Others	5,538,083	1.50%	438,250	8.6%
<b>Total</b>	<b>369,977,389</b>	<b>100.00%</b>	<b>(12,756,072)</b>	<b>-3.3%</b>
<b>Expenditures</b>				
Regular Instruction	170,771,737	45.39%	6,763,404	4.1%
Federal Stimulus	2,550,190	0.68%	(961,205)	0.0%
Special Instruction	42,490,710	11.29%	439,638	1.0%
Career & Tech Instruction	10,503,546	2.79%	(135,454)	-1.3%
Compensatory Instruction	25,264,270	6.72%	(4,620,109)	-15.5%
Other Instructional Programs	4,020,355	1.07%	(250,171)	-5.9%
Community Services	398,150	0.11%	(30,700)	-7.2%
Support Services	67,005,275	17.81%	1,423,767	2.2%
Extracurricular Activities	2,020,978	0.54%	20,355	1.0%
Capital Outlay	20,636,911	5.49%	(25,823,250)	-55.6%
Debt Service	30,554,818	8.12%	(7,449,730)	-19.6%
<b>Total</b>	<b>\$ 376,216,940</b>	<b>100.00%</b>	<b>\$ (30,623,455)</b>	<b>-7.5%</b>





### General Fund Budgetary Highlights

Appropriations are a prerequisite to expenditures in the governmental funds. Appropriations lapse at the end of the fiscal year. The Board may adopt a revised or supplemental budget appropriation after a public hearing anytime during the fiscal year. There were no budget revisions during 2012-13.

The beginning fund balance in 2012-13 was \$39.48M as reported in the Required Supplemental Information, Schedule A-1.

Revenues were \$5.57M below budget, and expenditures were \$9.08M under budget. Washington State statutes establish expenditure budgets as absolute expenditure limits, encouraging contingency budgeting.

Property tax revenues came in over \$1M above budget, and local tax collections were greater than \$500K from the prior year. Tax revenues lost in prior years due to administrative refunds were re-levied by the county treasurer as part of the normal levy calculations. The district received \$142.54M in general state apportionment revenues in 2012-13, an increase of \$500K over 2011-12. This slight revenue enhancement was the result of an increase in the staff max factor for the district – one of the key drivers of this state funding category.

Expenditures in the general fund were less than planned. Underspends in certificated and classified salaries and benefits as a result of unfilled positions, and \$2M in unspent curriculum adoption and support materials contributed to the lower than expected costs. The district had also budgeted capacity (both revenue and expenditure) for state and federal grants that did not materialize.

Other financing sources were \$1.48M, \$77K above budget. The district transferred \$1.36M from the capital projects fund to the general fund for district-wide technology software licenses as permitted under state statute, and sold surplus equipment (\$133K).

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2012-13, the district had \$712.8M invested in a broad range of capital assets, including technology equipment and school buildings. This amount represents a net decrease (including additions and deletions) of \$5M over last year.

#### Capital Assets As of August 31, 2013

Asset Type	2012-13 Governmental Activities		
	Historical Cost	Accumulated Depreciation	NET
Land	40,716,666	-	40,716,666
Building and Improvements	932,553,818	(271,226,093)	661,327,725
Equipment	37,393,570	(34,834,074)	2,559,496
Construction-in-progress	8,189,457	-	8,189,457
<b>TOTALS</b>	<b>\$ 1,018,853,511</b>	<b>\$ (306,060,167)</b>	<b>\$ 712,793,344</b>

Geiger Elementary and Baker Middle School were transferred from construction in progress (CIP) status into capital assets as they were determined to be substantially complete in 2012-13. Current, active construction projects include: McCarver and Washington Elementary Schools, Stewart and Hunt Middle Schools, the Science and Math Institute, and Wilson High School Phase 2. Additional information can be found in the Notes to the Financial Statements, Note 4.

#### Construction in Progress - Changes from Prior Year:

Elementary Schools	\$ (18,296,539)
Middle Schools	(42,004,458)
High Schools	149,129
	<hr/>
	\$ (60,151,868)

The district's 2012-13 fiscal year budget for capital projects fund expenditures was set at \$25.2M. Major projects included the modernization of Washington Elementary, completion of Phase 2 of the Baker Middle School Project, and architect selection for four of the 2013 bond projects – Science and Math Institute, McCarver Elementary, Wilson High School, and Stewart Middle School. Several small capital projects were completed in the 2012-13 fiscal year, including the Edison playfield expansion project and the performing arts center upgrades at Lincoln and Wilson High Schools.

These projects and others were financed by the six-year Capital Levy funds approved by the voters in 2010, and the 2013 capital bonds (\$500M) approved by voters in February, 2013. Additional information on capital assets is included in the Notes to the Financial Statements, Note 5.

## Debt

At year end, the district owed \$319.9M in outstanding bonds, versus \$244.8M last year – an increase of \$75.1M. This debt is secured by a pledge of the full faith and credit of the district. On October 9, 2012, the district received a rating from Moody's of AA+, and a Standard and Poor's rating of AA-. Both rates were reaffirmed on May 14, 2013. Additional information on debt is included in the Notes to the Financial Statements, Note 7.

### Outstanding Debt at Year-End

Governmental Activities	2012-13	2011-12	Increase/(Decrease)	
03 UTGO Bonds	9,000,000	49,100,000	(40,100,000)	-81.67%
05 Refunding of 2001 UTGO	133,130,000	141,495,000	(8,365,000)	-5.91%
05A UTGO Bonds	-	42,890,000	(42,890,000)	100.00%
05B UTGO Bonds	-	11,300,000	(11,300,000)	100.00%
12 Refunding of the 03, 05, 05A UTGO's	78,905,000	-	78,905,000	100.00%
13 Bond Anticipation Note	98,865,000	-	98,865,000	100.00%
<b>TOTALS</b>	<b>319,900,000</b>	<b>244,785,000</b>	<b>75,115,000</b>	<b>30.69%</b>

## NEXT YEAR'S BUDGET AND RATES

The district's 2013-14 expenditure budgets for governmental funds were set at over \$440.3M. The 2013 property tax rate increased from \$7.04 to \$7.92 per thousand dollars of assessed value for the amounts collected in the general fund, capital projects fund, and debt service fund. Total assessed value declined by over 9 percent between 2012 and 2013, and property values dropped from \$18.65B to \$16.86B over the calendar year. Property values have rebounded in 2014, and we expect assessed values to climb for the next few years.

## ECONOMIC FACTORS

The district serves the City of Tacoma and small outlying areas in Pierce County. Pierce County's economy is expected to continue to grow slowly, as it has for the last several consecutive quarters. The Pierce County economic index was forecast to end 2013 up by 2.7 percent for the year which is in line with last year's forecast of 2.8 percent. Forecasts for 2014 and beyond show annualized gains of 2.5 percent.

Growth continues to be sluggish, and a continuing high unemployment rate indicates the recovery is not yet complete. Between 2008 and 2010, Pierce County lost approximately 15,000 jobs in the nonfarm sector, or about 5.5 percent of its workforce. Even with a slow and steady recovery after 2010, the labor market has not fully recovered. Employment gains in the private sector came with additional workers from State Farm Insurance relocating to Tacoma, and the arrival of Grand Alliance Shipping consortium at the Port of Tacoma. These gains have been partially offset by losses in government employment.

An additional 2,600 nonfarm jobs were created in 2012, and the first three quarters of 2013 continued this trend with an average increase in nonfarm employment of about 2,700 new jobs, or a 1 percent gain. Average employment for 2013 was 271,500, which is slightly below the 2006 level. For 2013, unemployment rates in Pierce County will average 8.2 percent, down more than 0.5 percent from 2012's 8.9 percent. Unemployment rates are predicted to drop by another 0.57 percent from 2013 to 2014.

During the Great Recession, Pierce County's annual real total personal income fell by \$540M (2009 dollars), or 1.7 percent, while real personal income per capita fell by \$1,209, or 2.9 percent. County-level income data confirms that while the total personal income losses had been reversed by 2012, personal income per capita was still below 2008 levels. Total real personal income is expected to show gains of 2.2 percent and 1.9 percent in 2013 and 2014, respectively. Real personal income per capita is forecast to finish up 1.6 percent for 2013, finally bring per capita income above its pre-recession peak.

Retail spending in Pierce County has been stagnant after the Great Recession, however, the overall pattern appears to have shifted beginning in 2012. Retail sales grew strongly throughout 2012 and came in at 3.5 percent above their 2011 levels. The trend continued in 2013 with year-over-year increases of 8.4 and 8.0 percent in the first and second quarters. While the overall trend in retail sales will remain positive, growth is expected to slow in 2014 and is forecast to be 4.2 percent above 2013 levels.

Pierce County's housing and real estate markets were generally upbeat through the first three quarters of 2013. Single-family housing saw increased activity and higher prices, bolstered by increased demand from institutional investors. The multi-family housing market saw decreased vacancy rates and an uptick in rents through 2013. Foreclosure rates remain high. While Pierce County still has a higher percentage of households receiving notices of foreclosure sales than the state average, this ratio has dropped from a high of 2.77 percent in 2010, to 2.01 percent in 2012, and 1.71 percent in 2013. Similarly, personal bankruptcy filings (Chapters 7, 12, and 13) have declined by 17.1 percent from 2009 to 2013.

In January 2012, the Washington State Supreme Court ruled unanimously in its McCearly decision that the State of Washington is violating the constitutional rights of children by failing to live up to its "paramount duty" to amply fund the education of all K-12 students. The court ordered the Legislature to make steady, real and measureable progress each year and to fully fund K-12 public education by 2018. The Court has ordered the State to demonstrate and report on its progress every year.

For 2013-14, state apportionment revenues have increased with the McCearly decision. State general purpose revenues have gone up and are predicted to be over \$3M above the prior year. State special purpose revenues for the learning assistance and special education programs are forecast to be almost \$4M above last year's levels. The governor and legislature are grappling with how to fund the 2014-15 McCearly requirements, and preliminary schedules show the district receiving almost \$5M in additional state revenues for that period. Additional requirements have come along with the enhanced funding.

The district will continue to monitor enrollment trends and actions taken by the state legislature as well as the effect of a slow economy.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the funding it receives. If you have questions about this report or need additional financial information, visit [www.tacoma.k12.wa.us](http://www.tacoma.k12.wa.us) or contact:

Marianne Bigelow  
Accounting Services Manager  
Tacoma School District No. 10  
601 S. 8<sup>th</sup> Street  
Tacoma, WA 98405

**(INTENTIONALLY LEFT BLANK)**

Tacoma School District No. 10

## Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities.

These statements report all financial and capital resources of the primary government as a whole and its component unit (The Sound Partnership), except for the fiduciary funds of the primary government and component units that are fiduciary in nature.

The Statement of Net Assets displays “*assets less liabilities equal net assets*” format.

The Statement of Activities presents governmental activities by function, at the level of detail required in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting.



**TACOMA SCHOOL DISTRICT No. 10**  
**STATEMENT OF NET POSITION**  
**August 31, 2013**

	Note No.	Primary Governmental Activities
<b>ASSETS</b>		
Cash and Cash Equivalents	1.F.1	\$ 6,877,167
Cash Held by Trustees	2.B	2,628,167
Investments	2.A	177,072,467
Property Tax Receivable	1.F.2	66,620,069
Receivables, Net	1.F.3	258,952
Due From Other Governments	1.F.5	3,610,405
Inventories	1.G	1,596,526
Prepaid Items	1.G	938,835
Unamortized Bond Issuance Cost	7.B	593,106
Capital Assets, net of accumulated depreciation, where applicable:	4	
Land		40,716,666
Buildings & Improvements		661,327,725
Equipment		2,559,496
Construction-in-Progress		8,189,457
<b>TOTAL ASSETS</b>		<b>972,989,038</b>
<b>LIABILITIES</b>		
Accounts Payable		14,461,091
Accrued Wages & Benefits Payable		14,991,858
Unearned Revenue	1.J	1,102,603
Long-Term Liabilities	7.A	
Due within one year		23,043,541
Due in more than one year		373,621,359
<b>TOTAL LIABILITIES</b>		<b>427,220,452</b>
<b>NET POSITION</b>		
Net Invested in Capital Assets		474,767,679
Restricted for:		
Associated Student Body		1,962,810
Capital Projects		14,022,115
Debt Service		7,351,263
The Sound Partnership Employee Benefit Trust		6,397,533
State Grants		494,990
Unrestricted		40,772,196
<b>TOTAL NET POSITION</b>		<b>\$ 545,768,586</b>

The notes to the basic financial statements are an integral part of this statement.

**TACOMA SCHOOL DISTRICT No. 10**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT
					Governmental Activities
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Regular Instruction	\$ 200,132,388	\$ 1,330,547	\$ 16,854,403	\$ 11,005	\$ (181,936,434)
Federal Stimulus	2,712,607	-	2,645,312	-	(67,295)
Special Instruction	45,199,346	1,906,917	33,895,480	-	(9,396,949)
Career & Technical Instruction	11,199,076	140,185	11,874,435	8,536	824,080
Compensatory Instruction	26,882,336	8,525	25,576,130	-	(1,297,681)
Other Instructional Programs	4,285,329	763,198	2,069,297	-	(1,452,834)
Community Services	417,267	587,554	78,902	7,471	256,660
Support Services	73,960,390	3,913,427	16,139,103	644,840	(53,263,020)
Extracurricular Activities (ASB)	2,033,416	2,102,657	-	-	69,241
Interest Payment on Long-Term Debt	2,240,457	-	-	-	(2,240,457)
<b>Total Governmental Activities</b>	<b>\$ 369,062,612</b>	<b>\$ 10,753,010</b>	<b>\$ 109,133,062</b>	<b>\$ 671,852</b>	<b>\$ (248,504,689)</b>

**General Revenues:**

## Taxes:

Property taxes, levies for maintenance and operations	82,673,927
Property taxes, levies for debt service	30,069,252
Property taxes, levies for capital projects	19,187,006
Unallocated State Apportionment & Others	118,011,453
Interest and Investment earnings	153,864

**Total General Revenues****250,095,502****Changes in Net Position****1,590,813****Net Position - Beginning**

544,177,772

**Net Position - Ending****\$ 545,768,586**

The notes to the basic financial statements are an integral part of this statement.

Tacoma School District No. 10

## **Governmental Fund Financial Statements**

The governmental fund financial statements consist of major governmental funds:

1. General Fund
2. Special Revenue Fund (Associated Student Body Fund)
3. Debt Service Fund
4. Capital Projects Fund
5. Transportation Vehicle Fund

The governmental funds focus primarily on the sources, uses, and balances of current financial resources and the modified accrual basis of accounting.



**TACOMA SCHOOL DISTRICT No. 10**  
**FUND BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**August 31, 2013**

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECT FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>						
Cash on Hand and in Bank	591,869	67,848	-	49,186	-	708,903
Cash on Deposit with County Treasurer	381,250	3,496	141,653	84,027	1,305	611,731
Construction Retainage Escrow	-	-	-	2,628,167	-	2,628,167
Investments	44,951,000	2,125,000	7,100,000	118,565,000	3,340,000	176,081,000
Property Tax Receivable	41,143,549	-	15,270,714	10,205,806	-	66,620,069
Accounts Receivable, Net	148,026	4,303	-	-	-	152,329
Accrued Interest Receivable	282	13	44	26,895	21	27,255
Due From Other Funds	2,550,320	5,226	-	33,398	-	2,588,943
Due From Other Government Units	3,598,599	-	-	11,806	-	3,610,405
Inventories at Cost	1,596,526	-	-	-	-	1,596,526
Prepaid Items	856,798	82,037	-	-	-	938,835
<b>TOTAL ASSETS</b>	<b>95,818,219</b>	<b>2,287,923</b>	<b>22,512,411</b>	<b>131,604,285</b>	<b>3,341,326</b>	<b>255,564,163</b>
<b>LIABILITIES:</b>						
Accounts Payable	5,332,972	141,204	-	4,109,429	-	9,583,605
Retainage Payable	-	-	-	2,628,167	-	2,628,167
Accrued Wages & Benefits Payable	14,770,520	-	-	221,338	-	14,991,858
Due To Other Funds	38,623	4,928	-	2,545,392	-	2,588,943
Unearned Revenue	42,067,170	178,981	15,270,714	10,205,807	-	67,722,672
<b>TOTAL LIABILITIES</b>	<b>62,209,285</b>	<b>325,113</b>	<b>15,270,714</b>	<b>19,710,133</b>	<b>-</b>	<b>97,515,245</b>
<b>FUND BALANCES</b>						
<b>Nonspendable</b>						
Nonspendable - Inventory & Prepaid Items	2,453,324	82,037	-	-	-	2,535,361
<b>Restricted</b>						
Restricted for C/over of Restricted Revenues	-	-	-	-	-	494,990
Restricted for Construction	494,990	-	-	-	-	61,219,306
Restricted for Debt Service	-	-	7,241,697	61,219,306	-	7,351,263
Restricted to Fund Purposes	109,566	-	-	-	-	1,880,723
Restricted for Technology	-	1,880,723	-	-	-	28,922,144
<b>Committed</b>						
Committed to Debt & Fiscal Management	11,058,267	-	-	-	-	11,058,267
Committed to Other Purposes	1,000,000	-	-	-	-	1,000,000
<b>Assigned</b>						
Assigned to Encumbrances	395,277	50	-	21,752,702	-	22,148,029
Assigned to Budget Carryover	1,674,635	-	-	-	-	1,674,635
Assigned to Future Operations	12,842,022	-	-	-	-	12,842,022
Assigned to Curriculum & Instruction	3,580,852	-	-	-	-	3,580,852
Assigned to Fund Purposes	-	-	-	-	3,341,326	3,341,326
<b>TOTAL FUND BALANCES</b>	<b>33,608,934</b>	<b>1,962,810</b>	<b>7,241,697</b>	<b>111,894,152</b>	<b>3,341,326</b>	<b>158,048,918</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 95,818,219</b>	<b>\$ 2,287,923</b>	<b>\$ 22,512,411</b>	<b>\$ 131,604,285</b>	<b>\$ 3,341,326</b>	<b>\$ 255,564,163</b>

The notes to the basic financial statements are an integral part of this statement.

**TACOMA SCHOOL DISTRICT No. 10**  
**RECONCILIATION**  
**BALANCE SHEET/STATEMENT OF NET POSITION**  
**August 31, 2013**

	Total Governmental Funds	Long-Term Assets, Liabilities *	Internal Service Fund +	Reclassifications and Eliminations	Statement of Net Assets Totals
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,320,634	\$ -	\$ 5,556,533	\$ -	\$ 6,877,167
Cash Held by Trustees	2,628,167	-	-	-	2,628,167
Investments	176,081,000	-	991,467	-	177,072,467
Time Deposits	-	-	-	-	-
Property Tax Receivable	66,620,069	-	-	-	66,620,069
Receivables, Net	179,584	-	79,368	-	258,952
Due From Other Funds	2,588,943	-	-	(2,588,943)	-
Due From Other Governments	3,610,405	-	-	-	3,610,405
Inventories	1,596,526	-	-	-	1,596,526
Prepaid Items	938,835	-	-	-	938,835
Capital Assets, Net (land, bldg, eqmt)	-	712,793,344	-	-	712,793,344
Unamortized Bond Issue Costs	-	593,106	-	-	593,106
<b>TOTAL ASSETS</b>	<b>255,564,163</b>	<b>713,386,450</b>	<b>6,627,368</b>	<b>(2,588,943)</b>	<b>972,989,038</b>
<b>LIABILITIES</b>					
Accounts Payable	12,211,772	2,019,484	229,835	-	14,461,091
Wages, Benefits & Other Payables	14,991,858	-	-	-	14,991,858
Due To Other Funds	2,588,943	-	-	(2,588,943)	-
Unearned Revenue	67,722,672	(66,620,069)	-	-	1,102,603
Long-Term Liabilities	-	396,664,900	-	-	396,664,900
<b>TOTAL LIABILITIES</b>	<b>97,515,245</b>	<b>332,064,315</b>	<b>229,835</b>	<b>(2,588,943)</b>	<b>427,220,452</b>
<b>FUND BALANCES/NET ASSETS</b>					
Total Fund Balances/Net Assets	158,048,918	381,322,135	6,397,533	-	545,768,586
<b>TOTAL LIABILITIES AND FUND BALANCES/NET ASSETS</b>	<b>\$ 255,564,163</b>	<b>\$ 713,386,450</b>	<b>\$ 6,627,368</b>	<b>\$ (2,588,943)</b>	<b>\$ 972,989,038</b>

The notes to the basic financial statements are an integral part of this statement.

**TACOMA SCHOOL DISTRICT No. 10**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>						
Local	\$ 88,967,930	\$ -	\$ 30,078,332	\$ 19,255,575	\$ 4,920	\$ 138,306,757
State	185,471,770	-	-	1,598,875	525,399	187,596,044
Federal	38,536,505	-	-	-	-	38,536,505
Miscellaneous	3,350,451	2,102,657	-	84,975	-	5,538,083
<b>TOTAL REVENUES</b>	<b>316,326,656</b>	<b>2,102,657</b>	<b>30,078,332</b>	<b>20,939,425</b>	<b>530,319</b>	<b>369,977,389</b>

<b>EXPENDITURES</b>						
<b>Current Operating:</b>						
Regular Instruction	170,771,737	-	-	-	-	170,771,737
Federal Stimulus	2,550,190	-	-	-	-	2,550,190
Special Instruction	42,490,710	-	-	-	-	42,490,710
Career & Technical Instruction	10,503,546	-	-	-	-	10,503,546
Compensatory Instruction	25,264,270	-	-	-	-	25,264,270
Other Instructional Programs	4,020,355	-	-	-	-	4,020,355
Community Services	398,150	-	-	-	-	398,150
Support Services	67,005,275	-	-	-	-	67,005,275
Student Activities	-	2,020,978	-	-	-	2,020,978
<b>Debt Service:</b>						
Principal	-	-	19,265,000	-	-	19,265,000
Interest and Other Charges	-	-	11,289,818	-	-	11,289,818
<b>Capital Outlay:</b>						
Other	671,852	-	-	19,509,323	455,736	20,636,911
<b>TOTAL EXPENDITURES</b>	<b>323,676,084</b>	<b>2,020,978</b>	<b>30,554,818</b>	<b>19,509,323</b>	<b>455,736</b>	<b>376,216,940</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(7,349,428)</b>	<b>81,679</b>	<b>(476,486)</b>	<b>1,430,102</b>	<b>74,583</b>	<b>(6,239,551)</b>

<b>OTHER FINANCING SOURCES (USES)</b>						
Bonds, Deposit to Refunding Account	-	-	(92,176,953)	-	-	(92,176,953)
Bond Premium	-	-	961,188	1,379,935	-	2,341,123
Refunded Bonds	-	-	92,281,142	-	-	92,281,142
Cost of Issuance	-	-	(385,193)	-	-	(385,193)
Proceeds from Sale of Bonds	-	-	-	98,865,000	-	98,865,000
Proceeds from Sale of Surplus Equipment	113,195	-	-	-	530	113,725
Long-Term Financing	-	-	-	-	-	-
Transfers	1,363,700	-	-	(1,363,700)	-	-
<b>TOTAL OTHER FINANCING SOURCES AND USES</b>	<b>1,476,895</b>	<b>-</b>	<b>680,184</b>	<b>98,881,235</b>	<b>530</b>	<b>101,038,844</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,872,532)</b>	<b>81,679</b>	<b>203,698</b>	<b>100,311,337</b>	<b>75,113</b>	<b>94,799,293</b>
<b>Fund Balance - Beginning</b>	39,481,466	1,881,132	7,037,999	11,582,815	3,266,213	63,249,625
<b>Fund Balance - Ending</b>	<b>\$ 33,608,934</b>	<b>\$ 1,962,810</b>	<b>\$ 7,241,697</b>	<b>\$ 111,894,152</b>	<b>\$ 3,341,326</b>	<b>\$ 158,048,918</b>

The notes to the basic financial statements are an integral part of this statement.

**TACOMA SCHOOL DISTRICT No. 10**  
**RECONCILIATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES**  
**August 31, 2013**

	Total Governmental Funds	Long-Term Revenue, Expenses *	Capital Related items *	Internal Service Fund *	Long-Term Debt Transactions *	Statement of Activities Totals
<b>REVENUES AND OTHER SOURCES</b>						
Property Taxes	\$ 131,930,185	\$ 561,481	\$ -	\$ -	\$ -	\$ 132,491,666
Local Non-Taxes	6,376,572	-	-	-	-	6,376,572
State	187,596,044	-	-	-	-	187,596,044
Federal	38,536,505	-	-	-	-	38,536,505
Miscellaneous	5,538,083	-	-	830	-	5,538,913
<b>Other Sources:</b>						
Bonds, Premium on Sale	2,341,123	-	-	-	(15,717,265)	(13,376,142)
Bonds, Refunded & Sales	191,146,142	-	-	-	(177,770,000)	13,376,142
Proceeds from Sale of Surplus Eqmt	113,725	-	-	-	-	113,725
<b>TOTAL</b>	<b>563,578,379</b>	<b>561,481</b>	<b>-</b>	<b>830</b>	<b>(193,487,265)</b>	<b>370,653,425</b>
<b>EXPENDITURES/EXPENSES</b>						
<b>Current:</b>						
Regular Instruction	170,771,737	2,567,024	17,728,750	882,824	-	191,950,335
Federal Stimulus	2,550,190	38,334	-	13,183	-	2,601,707
Special Instruction	42,490,710	638,717	2,365	219,660	-	43,351,452
Career & Technical Instruction	10,503,546	157,888	25,489	54,299	-	10,741,222
Compensatory Instruction	25,264,270	379,770	8,654	130,606	-	25,783,300
Other Instructional Programs	4,020,355	60,434	8,558	20,784	-	4,110,131
Community Services	398,150	-	-	2,058	-	400,208
Support Services	67,005,275	1,013,204	2,608,302	346,392	(36,521)	70,936,652
Student Activities	2,020,978	-	12,438	-	-	2,033,416
<b>Debt Service:</b>						
Principal	19,265,000	-	-	-	(102,655,000)	(83,390,000)
Interest and Other Charges	11,289,818	-	-	-	(9,049,361)	2,240,457
Capital Outlay **	20,636,911	-	(15,386,857)	-	-	5,250,055
<b>Other Uses:</b>						
Bonds, Deposit to Refunding Account	92,176,953	-	-	-	-	92,176,953
Bonds, Issuance Costs	385,193	-	-	-	491,531	876,724
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>468,779,086</b>	<b>4,855,371</b>	<b>5,007,699</b>	<b>1,669,806</b>	<b>(111,249,351)</b>	<b>369,062,612</b>
<b>NET CHANGE FOR THE YEAR</b>	<b>\$ 94,799,293</b>	<b>\$ (4,293,890)</b>	<b>\$ (5,007,699)</b>	<b>\$ (1,668,976)</b>	<b>\$ (82,237,914)</b>	<b>\$ 1,590,813</b>

The notes to the basic financial statements are an integral part of this statement.

Tacoma School District No. 10

**Proprietary Fund (The Sound Partnership)**



**TACOMA SCHOOL DISTRICT No. 10**  
**PROPRIETARY FUND (The Sound Partnership)**  
**STATEMENT OF NET POSITION**  
**August 31, 2013**

		<b>Governmental Activities</b>
		<b>Internal Service Fund</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$	5,556,533
Investments		991,467
Interest Receivable		1,065
Prepaid Insurance		78,303
<b>TOTAL ASSETS</b>		<b>6,627,368</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable		229,835
<b>TOTAL LIABILITIES</b>		<b>229,835</b>
<b>NET POSITION</b>		
Unrestricted		6,397,533
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>6,397,533</b>

The notes to the basic financial statements are an integral part of this statement.

**TACOMA SCHOOL DISTRICT No. 10**  
**PROPRIETARY FUND (The Sound Partnership)**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

		<table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px;"><b>Governmental Activities</b></td> </tr> <tr> <td style="text-align: center; padding: 5px;"><b>Internal Service Fund</b></td> </tr> </table>	<b>Governmental Activities</b>	<b>Internal Service Fund</b>
<b>Governmental Activities</b>				
<b>Internal Service Fund</b>				
<b>OPERATING REVENUES</b>				
Premiums Contributions	\$	36,693,646		
Miscellaneous Earnings		-		
<b>TOTAL OPERATING REVENUES</b>		<b>36,693,646</b>		
<b>OPERATING EXPENSES</b>				
Benefits Claims		2,664,564		
Insurance Premiums		34,901,623		
Administrative Expenses		766,815		
Working on Wellness		30,450		
<b>TOTAL OPERATING EXPENSES</b>		<b>38,363,452</b>		
<b>OPERATING INCOME (LOSS)</b>		<b>(1,669,806)</b>		
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings		5,363		
Net Appreciation in Fair Value of Investments		(4,533)		
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>		<b>830</b>		
<b>CHANGE IN NET POSITION</b>		<b>(1,668,976)</b>		
<b>NET POSITION - BEGINNING</b>		8,066,509		
<b>NET POSITION - ENDING</b>	<b>\$</b>	<b>6,397,533</b>		

The notes to the basic financial statements are an integral part of this statement.

**TACOMA SCHOOL DISTRICT No. 10**  
**PROPRIETARY FUND (The Sound Partnership)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Premium Contributions	\$ 36,693,646
Prepaid Expenses	(75,000)
Benefits Payments	(2,658,831)
Insurance Premium Payments	(34,909,475)
Administrative	(766,815)
Miscellaneous Payments	(30,450)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(1,746,925)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases and Sales of Investments	(996,000)
Interest and Dividends	4,298
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>(991,702)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,738,627)</b>
<b>BALANCES - BEGINNING OF THE YEAR</b>	<b>8,295,160</b>
<b>BALANCES - END OF THE YEAR</b>	<b>\$ 5,556,533</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating Income (Loss)	\$ (1,669,806)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
(Increase) Decrease in Prepaid Expenses	(75,000)
Increase (Decrease) in Liabilities	(2,119)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,746,925)</b>
<b>NONCASH FINANCING AND INVESTING</b>	
Depreciation in Fair Value of Investments	4,533

The notes to the basic financial statements are an integral part of this statement.

**(INTENTIONALLY LEFT BLANK)**

Tacoma School District No. 10

## **Fiduciary Funds Financial Statements**

The fiduciary funds financial statements include the Private-Purpose Trust Fund and Agency Funds. The fiduciary funds financial statements focus on net assets and changes in net assets.

Private-Purpose Trust Fund reports all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Agency Funds reports resources held by Tacoma School District No. 10 in a purely custodial capacity.



**TACOMA SCHOOL DISTRICT No. 10**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**August 31, 2013**

		<b>Private-Purpose Trusts</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$	4,645
Accounts Receivable		465
Investments at Fair Value		325,000
<b>TOTAL ASSETS</b>		<b>330,110</b>
<b>LIABILITIES</b>		
Accounts Payable		(3,247)
Unearned Revenue		659
<b>TOTAL LIABILITIES</b>		<b>(2,588)</b>
<b>NET POSITION</b>		
Committed to Other Purposes - Held in Trust for Gifts & Scholarships		332,699
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>332,699</b>

The notes to the basic financial statements are an integral part of this statement.

**TACOMA SCHOOL DISTRICT No. 10**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

	<b>Private-Purpose Trusts</b>
<b>ADDITIONS</b>	
Donations	\$ 198,883
<b>Total Additions</b>	<b>198,883</b>
<b>DEDUCTIONS</b>	
Scholarships	75,205
Tuition and Fees	15,778
Books and Materials	110,788
Field Trips	21,759
Purchased Services	9,145
Salaries & Benefits	12,510
<b>Total Deductions</b>	<b>245,186</b>
<b>Change in Net Position</b>	<b>(46,303)</b>
Net Position, Beginning of the year	379,002
Net Position, End of the year	<b>\$ 332,699</b>

The notes to the basic financial statements are an integral part of this statement.

## Tacoma School District No. 10

**Notes to the Financial Statements**

The notes to the financial statements are an integral part of the basic financial statements. The notes focus on the primary government, especially its governmental activities and major funds.

Note 1	Summary of Significant Accounting Policies
Note 2	Deposits and Investments
Note 3	Interfund Transactions
Note 4	Changes in Capital Assets
Note 5	Construction in Progress
Note 6	Pensions
Note 7	Long-Term Debt
Note 8	Operating Leases
Note 9	Risk Management
Note 10	Reconciliation between Government-Wide Financial Statements and Governmental Fund Financial Statements
Note 11	Fund Equity
Note 12	Special Items
Note 13	Contingent Liabilities
Note 14	Litigation
Note 15	Subsequent Events



**TACOMA SCHOOL DISTRICT No. 10**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**September 1, 2012 through August 31, 2013**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Tacoma School District's financial reports, as reflected by the accompanying financial statements, conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the district are described below:

**A. REPORTING ENTITY**

The Tacoma School District is a municipal corporation organized pursuant to Title 28A *Revised Code of Washington* (RCW) for the purpose of providing public school services to students in preschool – grade 12. Oversight responsibility for the district's operations is vested with the independently elected board of directors. Management of the district is appointed by and accountable to the board of directors. Fiscal responsibility, including budget authority and the power to set fees, levy property taxes, and issue debt consistent with provisions of state statutes, also rests with the board of directors.

The Tacoma School District's financial statements include all funds and organizations that are controlled by or dependent on the district's board of directors. Control by or dependence on the district was determined on the basis of budget adoption, taxing authority, outstanding debt secured by the general credit of the district, obligation of the district to finance any deficits that may occur, or receipt of significant subsidies from the district. The component unit discussed below is included in the Tacoma School District reporting entity because of the significance of its operational or financial relationships with the district.

**Blended Component Unit.** The Sound Partnership is a health and welfare trust fund (a separate legal entity) administered by a joint board of five management and five labor trustees. The participants of the Trust are all employees of the Tacoma School District. The Tacoma School District retains complete governing control (appoints board of trustees, and is accountable for financial matters) over the Sound Partnership which provides medical, dental, vision, disability, and life insurance benefits to district employees and their eligible dependents. The Trust is required to purchase fiduciary liability insurance and any other insurance as they deem proper to cover any potential losses. There were no settlements resulting from losses that exceed the insurance coverage. The component unit's fund is blended into those of the district by appropriate activity type to compose the *primary government* presentation. The Sound Partnership is reported in the internal service fund in accordance with GASB Statement No.10 (Risk Financing). The Sound Partnership financial statements are available from:

The Sound Partnership  
601 South 8<sup>th</sup> Street  
Tacoma, Washington 98405

**B. BASIS OF PRESENTATION**

The accounts of the district are organized on the basis of funds in governmental fund financial statements, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The district's basic financial statements in this report consist of:

## **1. GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Overall governmental activities are reported here without displaying individual funds or fund types and display information about the district as a whole. They include the primary government and its component unit (The Sound Partnership), however, they do not contain fiduciary activities or funds.

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The government-wide financial statements consist of the following:

- a. **Statement of Net Position** – The Statement of Net Position reports all financial and capital resources. Capital assets (land, land improvements, building, building improvements, vehicles, and equipment) are reported at historical cost, net of accumulated depreciation.
- b. **Statement of Activities** – The operations of the district presented net of the applicable program revenues. General revenues are divided into property taxes, interest, and investment earnings. The expenses and revenues are reported as follows:

**Expenses** – Expenses are reported by function/program and include direct and indirect expenses. Depreciation expenses are allocated to direct expenses if they can be specifically identified with a function/program. Interest expenses may be considered direct (interest on long-term debt, when borrowing is essential to the creation or continuing existence of a program) or indirect expenses (interest on long-term liabilities).

**Revenues** – The revenues are divided into program revenues and general revenues. Program revenues derived directly from the program itself or from parties outside the district's taxpayers, as a whole. They reduce the net cost of the function to be financed from the district's general revenues. Program-specific grants and contributions include revenues arising from mandatory and voluntary non-exchange transactions with federal, state governments, organizations, or individuals that are restricted for use in a particular program.

General revenues are revenues that are not required to be reported as program revenues such as property tax levies for a specific purpose and all non-tax revenues (interest and investment earnings).

Fiduciary funds are not presented in the government-wide financial statements. They are presented separately in Schedules 8 and 9.

## **2. FUND FINANCIAL STATEMENTS**

The governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. It includes the general fund, special revenue fund (associated student body fund), capital projects fund, transportation vehicle fund, and debt service fund. Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and the district considers all revenues available if they are collected within 60 days after year-end to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for the unmatured principal and interest, which are recorded when due. Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal must be paid. Such amounts thus are not current liabilities of the debt service fund. Long-term liabilities are not recognized in governmental fund liabilities.

## **GOVERNMENTAL FUNDS**

### General Fund

This fund is the district's primary operating fund. It accounts for all financial resources of the district, except those required to be accounted for in another fund. The revenues of the general fund are derived primarily from the State of Washington, local property taxes, and federal grants. In keeping with the principle of as few funds as necessary, nutrition services, maintenance, technology services, printing and graphics, and pupil transportation activities are included in this fund.

### Special Revenue Fund (Associated Student Body Fund)

These funds account for the proceeds of specific revenue sources that are legally restricted for specific purposes. The Associated Student Body Fund (ASB Fund) is the only fund of this type. This fund is accounted for as a special revenue fund since the financial resources belong to the district.

Revenues include the extracurricular fees and resources collected in fundraising events for students. Allowable expenditures include extra-curricular activities for students that are of a cultural, athletic, recreational, or social nature. Disbursements require the joint approval of the appropriate student body organization and the district's board of directors.

### Debt Service Fund

This fund is used to account for the accumulation of resources for and the payment of matured general long-term debt principle, interest, and related expenditures.

### Capital Projects Funds

The capital projects fund type consists of the Capital Projects Fund and the Transportation Vehicle Fund.

The Capital Projects Fund accounts for financial resources that are to be used for the construction or acquisition of major capital assets. This fund must be used when projects are financed wholly or in part by bond issues, intergovernmental resources, major private donations, or insurance recoveries. Expenditures in this fund may also be for energy capital improvements to existing buildings and the purchase of certain initial equipment for existing buildings.

The Transportation Vehicle Fund is used to account for the purchase, major repair, rebuilding, and debt service expenditures related to pupil transportation equipment. The major sources of revenues in this fund include the state reimbursement for pupil transportation equipment and special levies.

## **PROPRIETARY FUNDS**

The Sound Partnership (a blended component unit) is reported in the internal service fund, using the accrual basis of accounting.

The internal service fund distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing and delivering services (health, dental, vision, disability, etc.) to the Tacoma School District's employees. The effect of internal activities have been eliminated from the government-wide financial statements, however, interfund services provided and used are not eliminated in the process of consolidation.

## **FIDUCIARY FUNDS**

Fiduciary funds' reporting focuses on net position and changes in net position. Trust and agency funds are used to account for assets held for individuals, private organizations, other districts, or funds in its fiduciary capacity as trustee or agent.

In 2012-13, after reviewing the updated guidance in the state's *Accounting Manual for Public School Districts* for the trusts in the agency fund, it was determined the two small trusts in that group did fit the criteria to be categorized as private purpose trust funds. The International School of Lagos and Community Resources trusts were moved to the private purpose trust fund, and the district closed out the agency trust fund.

#### Private Purpose Trust Fund

This fund is used to account for resources legally held in trust by the district where principal and income benefit individuals, private organizations, or other governments. The trust agreement details whether principal and interest may both be spent, or whether only interest may be spent. Money from a Private-Purpose Trust Fund may not be used to support the district's programs. These trusts are primarily used for post-secondary scholarships, and to assist needy students with the purchase of uniforms, ASB memberships, etc.

### **MAJOR AND NON-MAJOR FUNDS**

The district considers all governmental funds "major funds".

## **C. BUDGETS AND BUDGETARY ACCOUNTING**

### **GENERAL BUDGET POLICIES**

The Tacoma School District budgets its funds in accordance with the Revised Code of Washington Chapter 28A.505 and Chapter 392-123 of the Washington Administrative Code (WAC). The board adopts the budget after public hearings. An appropriation is a prerequisite to expenditure. Appropriations lapse at the end of the fiscal period. Annual appropriated budgets are adopted at the fund level. Each governmental fund's total expenditures cannot, by law, exceed its formal fund appropriation. Management is authorized to modify specific accounts within the overall fund appropriation. However, only the board has the authority to increase or decrease a given fund's annual budget. The board may adopt a revised or supplemental budget appropriation after public hearings anytime during the fiscal year. There were no revisions at the fund level during fiscal year 2012-13.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders) outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

### **BUDGETARY BASIS OF ACCOUNTING**

For budget and accounting purposes, revenues and expenditures are accounted for on a modified accrual basis of accounting as prescribed in laws for all governmental funds. Fund balance is budgeted as available resources and, under statute, may not be negative.

### **ENCUMBRANCES**

Encumbrance accounting is employed in governmental funds. Purchase orders and other commitments for the expenditure of moneys are recorded in order to reserve a portion of the applicable appropriation. Encumbrances lapse at the end of the fiscal year and may be re-encumbered the following year. Encumbrances in the amount of \$22,148,029 within the General (\$395,277), Capital Projects (\$21,752,702), and ASB (\$50) funds were re-encumbered on September 1, 2013.

Significant encumbrances include the construction contracts on the Washington project, planning costs related to the Wilson and McCarver construction projects, and various Technology initiatives in the Capital Project Fund. In the General Fund, the largest single encumbrance was for the purchase of a garbage truck ordered in April, but not delivered until September (new fiscal year). There were also a variety of consultant contracts let late in the 2012-13 fiscal year which won't be completed until 2013-14.

## **D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

### **MEASUREMENT FOCUS**

The government-wide financial statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains and losses using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financials are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The private-purpose trust funds are reported on the accrual basis of accounting. Agency funds that are of a custodial nature and do not involve measurement of results of operation, are reported on the accrual basis of accounting.

### **BASIS OF ACCOUNTING**

In the government-wide financial statements, governmental activities are presented using the accrual basis of accounting under which revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this method, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The district considers revenues derived from property taxes available when they are collected within 60 days after year-end.

## **E. ELIMINATIONS AND RECLASSIFICATIONS**

In the process of aggregating data for the government-wide Statements of Net Position and the Statement of Activities, the interfund receivables and payables within governmental funds, except those with fiduciary funds, were eliminated. Interfund services are not eliminated from the government-wide presentation.

**F. ASSETS, LIABILITIES AND NET ASSETS/RESERVES/DESIGNATIONS**

**1. Cash, Cash Equivalents, and Investments**

The Tacoma School District's cash and cash equivalents are considered to be cash on hand, certificates of deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The Pierce County Treasurer is the ex-officio treasurer for the district. In this capacity, the county treasurer receives deposits and transacts investments on the district's behalf.

The district uses the Bank of New York as its fiscal agent for bond principal and coupon interest redemption. Short-term investments are shown on the Statement of Net Position and on the Fund Balance Sheets at cost, net of amortized premium or discount, and the long-term investments are stated at fair value. The investments in governmental funds are held by the Pierce County Treasurer which reports investments at amortized cost. Gains or losses on long-term investments are recognized at year end. The district intends to hold the time deposits and securities until maturity.

**2. Property Taxes**

Property tax revenues are collected as the result of special levies passed by the voters in the district. Per Revised Code of Washington 84.60.020 the tax assessment date is January 1 of the calendar year of collection. The tax lien date is January 1 of the year of collection and taxes receivable are recognized as of that date. Current year taxes are due in full as of April 30, and are delinquent after that date. However, without incurring penalty, the taxpayer may elect to pay one-half of the taxes due by April 30, with the remaining one-half taxes due October 31, and are delinquent after that date. Typically, a little more than half of the taxes due are collected on the April 30 date. In accordance with state law, Pierce County may begin foreclosure proceedings following the third year of delinquency. In governmental fund financial statements, property tax revenues which are measurable but not available (taxes that are not expected to be collected within 60 days after the current period) are recorded as receivables and unearned revenues on the governmental funds statements. In government-wide financial statements, property tax revenues are accrued at year-end.

**3. Accounts Receivable**

This account represents amounts due for services rendered by the district, net of allowance for doubtful accounts. The district considers receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year.

**4. Due To/From Other Funds**

Interfund receivables and payables and the associated revenues and expenditures/expenses are recorded in the respective funds in *government fund financial statements*. Interfund receivables and payables are eliminated in *government-wide financial statements*, except those with fiduciary finds, which are reclassified as a third-party receivable or payable.

**5. Due From Other Governments**

This account represents receivables for federal, state, and local grants. Grant revenues are recorded in the year in which the related expenditures are incurred.

**G. INVENTORIES AND PREPAID ITEMS**

Inventory is valued at cost using the weighted average method perpetual inventory system. The "consumption method" of inventory is used, which charges the inventory accounts when inventory is received and charges the appropriate department as expenditures when consumed. The Nonspendable – Inventory & Prepaid Items fund

balance categorization reflects the district's recorded inventories and prepaid items on the balance sheet. These are assets of the district that are not in spendable form.

United States Dept. of Agriculture (USDA) commodities consist of food donated by the USDA for use in the district's nutrition services program. The commodities are valued at the prices paid by the USDA for the commodities, and are included in the general fund inventory. As of August 31, 2013, the value of the USDA commodities included in this district's inventory was \$901,300.

Prepaid items in the general fund and special revenue fund consist of expendable supplies and equipment, generally purchased over the summer, and held for consumption when school begins in the fall. The costs are recorded as expenditures at the time individual inventory items are consumed.

**H. BOND DISCOUNT, BOND PREMIUMS & ISSUANCE COSTS**

In governmental fund types, bond discounts, premium and issuance costs are recognized in the period of issuance. In government-wide financial statements, they are amortized over the life of the bonds.

**I. CAPITAL ASSETS**

Capital assets, which include property, buildings and improvements, and equipment, are reported in the applicable governmental activities in the government-wide financial statements. The district's equipment capitalization policy includes items where the individual cost of the asset is \$5,000 or more, and the asset has a useful life of longer than one year. Such assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized, and are charged as expenditures in the current period. In the governmental fund financial statements, capital assets are accounted for as expenditures upon acquisition, and no depreciation is recorded. On the government-wide financial statements, capital assets are included and depreciation expense is charged and allocated to various functions/programs in compliance with GASB statement No. 34 (see Note 4).

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Property, plant, and equipment of the district are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building & Site Improvements	20 years
Portable Buildings	25 years
Equipment & Vehicles	4-10 year

**J. UNEARNED REVENUE**

In governmental fund financial statements, unearned revenues consist of amounts collected before revenue recognition criteria are met, and receivables which, under the modified accrual basis of accounting, are measurable but not yet available, e.g. unearned property tax revenues, unearned revenues from federal, state, local and private foundation grants, and unearned revenues on long-term receivables. In government-wide financial statements, property taxes are accrued, therefore, there are no unearned property tax revenues on these statements

**K. COMPENSATED ABSENCES**

**1. Sick Leave**

Under the provisions of RCW 28A.400.210, sick leave accumulated by district employees is paid at death or retirement at the rate of one day for each four days of accrued leave, limited to 180 accrued days. This chapter also provides for an annual buyout of an amount up to the maximum annual accumulation of twelve

days for active employees. For buyout purposes, employees may accumulate such leave to a maximum of 195 days, including the annual accumulation, as of December 31<sup>st</sup> of each year. To qualify for the annual sick leave buy-back, the employee must have accumulated in excess of 60 days of sick leave as of January 1.

The annual estimated sick leave buyout expenditures are accrued each pay cycle, and paid out of a liability account. Accrued sick leave is paid out upon death, retirement, or termination provided the employee is at least 55 years of age and has sufficient years of service. Vested sick leave was computed using the vesting method.

Sick leave is reported under long-term liabilities in the *Statement of Net Position*. For reporting purposes, 25 percent of the sick leave liability (up to 180 days) for those eligible for retirement is considered accruable. The amount of accrued sick leave as of August 31, 2013 was \$14,393,803 and reported as long-term liabilities in government-wide financial statements.

## **2. Vacation Leave**

For the employees that receive vacation, vacation leave is accrued according to the particular bargaining agreement. Vacation pay, including benefits, that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the government fund that will pay it. It is computed at 100 percent of the accrued amount. The amount accrued for vacation leave as of August 31, 2013 was \$5,498,287 and reported as long-term liabilities in government-wide financial statements.

The sick leave and vacation liabilities reflect all salary related payments to employees.

## **L. NET POSITION (Government-wide Financial Statements)**

The “Net Invested in Capital Assets” component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The “Restricted Net Position” component reports the assets with constraints placed on net position by external laws, regulations, or legislation. Therefore, they are available for disbursements only for specific purposes (e.g. debt service, capital projects, and others). The “Unrestricted Net Position” are assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

## **M. GOVERNMENTAL FUND BALANCES**

**Minimum Fund Balances.** The district has a Debt and Fiscal Board Policy and a Fiscal Management Board Regulation which provides the overall framework for fiscal management. To maintain reserves for cash flow, emergencies, and overall sound fiscal management, the district maintains fund balance reserves that are equal to 4.5 percent of the annual general fund revenues, excluding other financing sources. The debt and fiscal reserves in the general fund include: Committed to Debt & Fiscal Management, Assigned to Encumbrances, Non-spendable – Inventory & Prepaids, and Unassigned Fund Balance accounts. When resources meeting more than one of the classifications (excluding non-spendable) are comingled in an account, assuming an expenditure meets the constraints of the classification, the assumed order of spending is restricted first, committed second, and assigned last.

The district has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*. The State’s *Accounting Manual for Public School Districts* provided updated guidance for the fund balance account categorizations in fiscal year 2012-13, and re-classified encumbrances from committed to an assigned designation.

The district classifies ending fund balance for its government funds into five categories.

**Nonspendable Fund Balance.** The amounts reported as Nonspendable are resources of the district that are not in spendable format. They are either non-liquid resources such as inventory or prepaid items, or the resources are legally or contractually required to be maintained intact.

**Restricted Fund Balance.** Amounts that are reported as Restricted are those resources of the district that have had a legal restriction placed on their use either from statute, WAC, or other legal requirements that are beyond the control of the board of directors. Restricted fund balance includes anticipated recovery of revenues that have been received but are restricted as to their usage.

**Committed Fund Balance.** Amounts that are reported as Committed are those resources of the district that have had a limitation placed upon their usage by formal action of the district's board of directors. Commitments are made either through a formal adopted board resolution or are related to a school board policy. Commitments may only be changed when the resources are used for the intended purpose or the limitation is removed by a subsequent formal action of the board of directors.

**Assigned Fund Balance.** In the General Fund, amounts that are reported as Assigned are those resources that the district has set aside for specific purposes. These accounts reflect tentative management plans for future financial resource use such as the replacement of equipment or the assignment of resources for contingencies. Assignments reduce the amount reported as Unassigned Fund Balance, but may not reduce that balance below zero.

In other governmental funds, Assigned Fund Balance represents a positive ending spendable fund balance once all restrictions and commitments are considered. These resources are only available for expenditure in that fund and may not be used in any other fund without formal action by the district's board of directors and as allowed by statute.

The superintendent or the chief financial officer has the authority to create Assignments of fund balance.

**Unassigned Fund Balance.** In the General Fund, amounts that are reported as Unassigned are those net spendable resources of the district that are not otherwise Restricted, Committed, or Assigned, and may be used for any purpose within the General Fund.

In other governmental funds, Unassigned Fund Balance represents a deficit ending spendable fund balance once all restrictions and commitments are considered.

A negative Unassigned Fund Balance means that the legal restrictions and formal commitments of the district exceed its currently available resources.

## **N. CHANGE IN ACCOUNTING PRINCIPLE**

The district has implemented GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position in this year's report.

## **Note 2. DEPOSITS AND INVESTMENTS**

The district's investment policy requires funds be invested with the objective of producing the greatest return consistent with prudent business practice. The Pierce County Treasurer is the ex-officio treasurer for the district. In this capacity, the county treasurer receives, deposits, and transacts investments on the district's behalf.

**A. DEPOSITS**

At year end, the carrying amounts of the district’s deposits and investments with financial institutions and with the Pierce County Treasurer were:

Distribution	Cash on Hand and in Bank	Investments
Governmental Funds	\$ 1,320,634	\$ 176,081,000
Sound Partnership	5,556,533	991,467
Total Government-Wide	6,877,167	177,072,467
Fiduciary Funds	4,645	325,000
Total Deposits & Investments	<u>\$ 6,881,812</u>	<u>\$ 177,397,467</u>

In addition to FDIC insurance, the district’s deposits are protected by the Washington Public Deposit Protection Commission, a multiple financial institution collateral pool. The provision for guaranteed coverage against loss applies not only to demand deposits, but also to certificates of deposit, money market deposit accounts, and savings deposits as well as accrued interest through the date of repayment.

As of August 31, 2013, the total carrying amount of the district’s investments was \$177,397,467 and this amount approximates fair value as defined by GASB Statement No. 31. Following is the composition of the investments held by the Pierce County Treasurer on behalf of the district:

Investment Type	Total Fair Value	Investment Maturities (in months)	
		Less than 1	More than 12
Local Government Investment Pool	\$ 129,406,000	\$ 129,406,000	\$ -
Federal Home Loan Bank	37,000,000	-	37,000,000
Federal Home Loan Mortgage Corp	10,000,000	-	10,000,000
Total	<u>\$ 176,406,000</u>	<u>\$ 129,406,000</u>	<u>\$ 47,000,000</u>

Interest Rate Risk – The Pierce County Treasurer’s investment policy does not specifically address management of interest rate risk. The exposure to fair value losses arising from increasing interest rates is managed by limited the weighted average maturity of the portfolio to between six months and one year. The district’s investment strategy limits the district’s investment portfolio with the county to maturities of less than three years. Because of the extremely low interest rates, the district modified its investment practices and has the majority of its investments maturing on a short term basis (maturing in less than one year). When interest rates improve, the district will revert back to its normal investment strategies.

Credit Risk – Washington State statutes authorize the district to invest in (1) securities, certificates, notes, bonds, short-term securities, or other obligations of the United States, and (2) deposits in any state bank or trust company, national banking association, stock savings bank, mutual savings bank, savings and loan association, and any branch bank engaged in banking in the state in accordance with RCW 30.04.300 if the institution has been approved by the Public Deposit Protection Commission to hold public deposits and has segregated eligible collateral having a value of not less than its maximum liability.

The district’s objective is to invest with the goal of producing the greatest return consistent with Washington State statutes. The district places no limit on the amount it may invest with any one issuer.

Through the county investment policy, credit risk is managed by restricting county investments (which include the district’s funds) to obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities; bankers acceptances; primary certificates of deposit issued by qualified public depositories designated by the Washington Public Deposit Protection Commission; the Washington State

local government investment pool; municipal bonds issued by the state or its local governments; and repurchase agreements collateralized by any previously authorized investments. Bankers' acceptances must be ranked in either of the two highest rating categories by Moody's Investor Service or Standard & Poor's. With the exception of U.S. Treasuries, Government agencies, instrumentalities, and the Local Government Investment Pool, no more than 20 percent of investments shall be from any single issuer. The credit quality distribution for securities with credit exposure are presented as a percentage of total investments is as follows:

Investment Type	Moody's Investor Service	Standard & Poor's
Local Government Investment Pool	Not rated	Not rated
Federal Home Loan Bank	Aaa	AA+
Federal Home Loan Mortgage Corp	Aaa	AA+

The LGIP is a voluntary investment vehicle operated by the Washington State Treasurer and was established in 1986 to provide safe, liquid, and competitive investment options for local governments pursuant to RCW 43.250. The LGIP is comparable to an SEC regulated Rule 2a-7 money market fund. The portfolio is managed to maintain a stable net asset value at \$1.00, like 2a-7 funds, however, maintenance of a stable net asset value at \$1.00 is not guaranteed. Additional information is available from the Washington State Treasurer's Office: <http://www.tre.wa.gov/lgip/>

**B. CASH WITH FISCAL AGENT/TRUSTEES**

The repayments of the bond interest and principal are made through the district's fiscal agent (The Bank of New York). Cash held by the fiscal agent due to the outstanding coupons is reported as an asset of the district.

The amounts held in construction project retainage accounts at local banks are represented in the Cash Held by Trustees. These accounts are in both the district's name and the contractor's name, and the contractor must satisfy certain requirements before the funds in the accounts are released.

**Note 3. INTERFUND TRANSACTIONS**

As of August 31, 2013, short-term interfund receivables and payables in governmental funds that resulted from various interfund transactions in governmental fund financial statements were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,550,320	\$ 38,623
Capital Projects Fund	33,398	2,545,392
Special Revenue Fund	5,226	4,928
<b>Total</b>	<b>\$ 2,588,943</b>	<b>\$ 2,588,943</b>

Interfund balances result from the time lag between the dates that interfund goods and services are provided and reimbursable expenditures occur, or when transactions are recorded in the accounting system and payments are made between funds. These balances are liquidated on a monthly basis.

Planned transfers between funds are included in the budgeting process. A transfer from the Capital Projects Fund to the General Fund for district-wide technology transactions (\$1,363,700) was made in August.

**Note 4. CHANGES IN CAPITAL ASSETS**

Purchases of equipment with a unit cost over \$5,000 are capitalized and depreciated in *government-wide financial statements*. The district's property valuation of buildings and contents for insurance purposes was \$755,039,530 on August 31, 2013.

In 2011-12, we discovered that land improvements (like fences and parking lots) had been mis-categorized as land and were not being depreciated. After making the corrections, we found the Sherman elementary site had no value assigned to its land. The property was acquired over 100 years ago as part of an old land swap agreement, and information to value the property was difficult to find. An original cost of \$20,000 was assigned to the Sherman site as the value of the land, and that amount is not being depreciated.

	<b>Primary Government</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 40,696,666	\$ 20,000	\$ -	\$ 40,716,666
Construction-in-Progress	68,341,324	9,684,414	(69,836,281)	8,189,457
Total Capital Assets, not being depreciated	<b>109,037,990</b>	<b>9,704,414</b>	<b>(69,836,281)</b>	<b>48,906,123</b>
Capital assets, being depreciated:				
Building and Improvements	858,295,277	74,258,541		932,553,818
Equipment	36,456,563	1,348,680	(411,673)	37,393,570
Total Capital assets, being depreciated:	<b>894,751,840</b>	<b>75,607,221</b>	<b>(411,673)</b>	<b>969,947,388</b>
Less Accumulated Depreciation for:				
Building and Improvements	(252,732,028)	(18,494,065)		(271,226,093)
Equipment	(33,256,759)	(1,900,491)	323,176	(34,834,074)
Total Accumulated Depreciation	<b>(285,988,787)</b>	<b>(20,394,556)</b>	<b>323,176</b>	<b>(306,060,167)</b>
Total Capital assets, being depreciated, net	<b>608,763,053</b>	<b>55,212,665</b>	<b>(88,497)</b>	<b>663,887,221</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$717,801,043</b>	<b>\$ 64,917,079</b>	<b>\$ (69,924,778)</b>	<b>\$ 712,793,344</b>

Depreciation expense was charged to governmental activities as follows:

	Current Year Total
Regular Instruction	\$ 17,728,749
Special Instruction	2,365
Career & Technical Instruction	25,489
Compensatory Instruction	8,654
Other Instruction Programs	8,558
Support Services	2,608,302
ARRA	12,438
Extracurricular Activities (ASB)	-
	<b>\$ 20,394,556</b>

**Note 5. CONSTRUCTION IN PROGRESS**

School	Project	Project Authorization	Accumulated Expenditures to 8/31/2013
<b>Elementary Schools</b>			
McCarver	Modernization	\$ 30,000,000	\$ 64,489
Washington	Modernization	30,000,000	5,647,784
<b>Total Elementary Schools</b>		<b>60,000,000</b>	<b>5,712,273</b>
<b>Middle Schools</b>			
Stewart	Modernization	58,000,000	57,960
Hunt	New School	48,000,000	2,270,094
<b>Total Middle Schools</b>		<b>106,000,000</b>	<b>2,328,054</b>
<b>High Schools</b>			
Science & Math Institute (SAMI)	New School	10,000,000	8,669
Wilson Phase 2	Modernization	40,000,000	140,460
<b>Total High Schools</b>		<b>50,000,000</b>	<b>149,129</b>
<b>GRAND TOTAL</b>		<b>\$ 216,000,000</b>	<b>\$ 8,189,457</b>

**Note 6. PENSIONS**

**A. GENERAL INFORMATION**

Substantially all Tacoma School District full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems managed by the Washington State Department of Retirement Systems (DRS): Teachers' Retirement System (TRS), Public Employees' Retirement System (PERS), and School Employees' Retirement System (SERS).

The DRS, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
 Communications Unit  
 PO Box 48380  
 Olympia, WA 98504-8380  
[www.drs.wa.gov](http://www.drs.wa.gov)

Membership by retirement system program as of June 30, 2012:

Retirement Program	Active Members	Inactive Vested Members	Retired Members
TRS	65,357	9,545	42,918
PERS	150,590	30,515	82,242
SERS	51,558	10,920	7,651

Certificated public employees are members of TRS. Non-certificated public employees are members of PERS (if Plan 1) or SERS.

Plan 1 under the TRS and PERS programs are defined benefit pension plans whose members joined the system on or before September 30, 1977. Plan 1 members are eligible to retire with full benefits after five years of credited service and attainment of age 60, after 25 years of credited service and attainment of age 55, or after 30 years of credited service.

Plan 2 under the TRS or SERS programs are defined benefit pension plans whose members joined on or after October 1, 1977, but before June 30, 1996 or August 31, 2000, for TRS or SERS programs, respectively. Members of TRS and SERS are eligible to retire with full benefits after five years of credited service and attainment of age 65, or after 20 years of credited service and attainment of age 55 with the benefit actuarially reduced from age 65, or 30 years of credited service and receive either a reduced benefit or stricter return-to-work rules.

Plan 3 under the TRS and SERS programs are defined benefit, defined contribution pension plans whose members joined on or after July 1, 1996, or September 1, 2000, for TRS and SERS, respectively. Members are eligible to retire with full benefits at age 65, or they may retire at age 55 with at least 10 service years with a reduced benefit amount, or they may retire at age 55 with at least 30 service years and receive either a reduced benefit or stricter return-to-work rules.

Average final compensation (AFC) of Plan 1 TRS and PERS members is the highest average salary during any two consecutive years. For Plan 2 and Plan 3 TRS and SERS members, it is the highest average salary during any five consecutive years.

The retirement allowance of Plan 1 TRS and PERS members is the AFC multiplied by 2 percent per year of service capped at 60 percent with a cost-of-living adjustment. For Plan 2 TRS and SERS members, it is the AFC multiplied by 2 percent per year of service with provision for a cost-of-living adjustment. For the defined benefit portion of Plan 3 TRS and SERS it is the AFC multiplied by 1 percent per year of service with a cost-of-living adjustment.

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the legislature. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at 6 percent and does not vary from year to year. The employer rate is the same for all plans in a system. The methods used to determine the contribution requirements are established under chapters 41.40, 41.32, and 41.35 RCW for PERS, TRS, and SERS respectively.

The district contribution represents its full liability under both systems, except that future rates may be adjusted to meet the system needs.

**B. CONTRIBUTIONS**

Employee contribution rates effective September 1, 2012 through August 31, 2013:

Plan 1 TRS	6.00%	Plan 1 PERS	6.00%
Plan 2 TRS	4.69%	Plan 2 SERS	4.09%
Plan 3 TRS and SERS	5.00% (minimum), 15.00% (maximum)		

For Plan 3 TRS and SERS, rates adjusted based upon age may be chosen. The optional rates range begins at 5 percent and increases to a maximum of 15 percent.

Employer contribution rates effective September 1, 2012 through August 31, 2013:

	9/1/12-6/30/13	7/1/13-8/31/13
Plan 1 TRS	7.21%	9.19%
Plan 2 TRS	7.59%	7.59%
Plan 3 TRS	7.59%	7.59%

Under current law the employer must contribute 100 percent of the employer-required contribution. The Tacoma School District is in compliance with this law. Employer required contributions in dollars (participant information for all plans is as of August 31):

<u>Plan</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Plan I TRS	\$ 749,923	\$ 870,979	\$ 868,369
Plan II TRS	2,488,777	2,303,177	1,848,543
Plan III TRS	8,362,042	7,751,154	6,222,075
Plan I PERS	\$ 137,442	\$ 106,854	\$ 94,589
Plan II SERS	1,802,817	1,149,119	825,444
Plan III SERS	1,713,551	1,101,458	787,084

Historical trend information showing TRS, PERS, and SERS progress in accumulating sufficient assets to pay benefits when due is presented in the State of Washington's June 30, 2012, comprehensive annual financial report. Refer to this report for detailed trend information. It is available from:

State of Washington  
Office of Financial Management  
300 Insurance Building  
PO Box 43113  
Olympia, WA 98504-3113

**Note 7. LONG-TERM DEBT**

**A. CHANGES IN LONG-TERM LIABILITIES**

Bonds payable on August 31, 2013 include the following: Unlimited Tax General Obligation Bonds (UTGO) Bonds of 2003, 2005 Refunded Bond Issue, 2012 Refunded Bond Issue, and the 2013 Bond Anticipation Note (BAN). Interest on the UTGO Bonds and the BAN are payable on June 1 and December 1.

In 2001, the district passed a \$450M bond authority for construction projects and there were four separate bond issues on the \$450M. In December 2001, the board issued \$250M in nineteen-year property-tax supported general obligation bonds to finance the construction of various district projects. The majority of this \$250M bond issue was refunded in June 2005, and the original bonds were retired on December 1, 2011.

In December 2003, the board issued \$100M in eighteen-year property-tax supported general obligation bonds for the next phase of projects. This funding supported the partial modernization of Wilson High School, modernization of Lincoln High School, and construction of the new Helen B. Stafford Elementary School. Interest rates on the general obligation bonds are fixed at 2.0 to 5.0 percent depending on the year of maturity. These bonds were partially refunded in November, 2012 as discussed under Refunded Debt. The bonds were retired on December 1, 2013.

In June 2005, the board issued \$45M in nineteen-year property-tax supported general obligation bonds for the third phase of projects. A new Gray Middle School was constructed on the grounds of the old Mt. Tahoma

High School site, and Fern Hill Elementary was modernized. Interest rates on the general obligation bonds are fixed at 3.0 to 5.0 percent. The bonds were fully refunded in the 2012 Refunded Bond Issue.

In December 2005, the board issued the final \$55M in seventeen-year property-tax supported general obligation bonds for the final phase of projects. The new First Creek Middle School and about \$6M of the new Gray Middle School project were constructed with this phase of funding, and the new Geiger Elementary School project came from this source. Interest rates on these bonds are 4.0 to 5.0 percent depending on the year of maturity. These bonds were partially refunded in November 2012 as discussed under Refunded Debt, and the final payment on the original issue was made on June 1, 2013.

In February 2013, the district passed a \$500M bond authority measure for construction projects. An 18-month, \$100M Bond Anticipation Note was issued in June, 2013 to fund the first phase of construction. The interest rate on the BAN is 2 percent. Construction projects include replacement and new construction of Hunt and Stewart Middle Schools, Arlington, Mary Lyon, Grant, Wainwright, Downing, Browns Point, Birney, and Boze Elementary schools; modernization of Washington and McCarver Elementary schools; modernization or replacement of Wilson High School; construction of new facilities at the Science and Math Institute; and district-wide health and safety upgrades.

Refunded Debt

On November 6, 2012, the district issued \$78,905,000 in unlimited tax general obligation bonds with interest rates ranging from 2-5 percent to advance refund \$83,390,000 of outstanding bonds:

Series 2003	Principal Refunded	\$31,100,000
Series 2005A	Principal Refunded	\$42,890,000
Series 2005B	Principal Refunded	\$ 9,400,000

State and local government securities (SLGS) were purchased with the net proceeds from the bond sale plus and additional contribution from the Debt Service Fund:

SLGS Purchased with Refunding Proceeds	\$91,887,923
SLGS Purchased with Debt Service Funds	<u>2,081,000</u>
Total	\$93,968,923

Underwriting fees and other cost of issuance amounted to \$393,217 on this transaction. The SLGS were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, a portion of the 2003 and 2005B UTGO bonds are considered defeased. The 2005A bonds were completely defeased with the 2012 refunding. The advance refunding reduced the district's total debt service payments over the next 12 years by \$10,774,200, and the net present value economic gain to the district was \$9,768,108.

In 2011-12, the district entered into an agreement with Daktronics Sports Marketing to design, manufacture, install, and market electronic scoreboards at Mt. Tahoma Stadium and Foss, Lincoln, Mt. Tahoma, Stadium and Wilson gymnasiums. The initial cost of the equipment was \$362,608, and a down payment of \$180,000 was made leaving a balance of \$182,608 to be financed. A financing plan with equal payments of \$43,792.30 will be made over the next five years with 10 percent interest charged. In 2012-13, the advertising revenue generated from the scoreboards provided enough funding to make the interest and principal payments on the equipment.

The debt service fund is established to redeem the outstanding bonds. Compensated absences and other liabilities are primarily liquidated in the general fund. Besides the long-term liabilities, the district also has short-term liabilities such as general accounts payable, wages and benefits payable, and deferred revenues. Those are on-going liabilities and will liquidate within one year. The district does not have conduit debt or hold demand bonds.

During the year ended August 31, 2013, the following changes occurred in liabilities reported in the government-wide financial statements.

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due In One Year
<b>GOVERNMENT ACTIVITIES</b>					
Bonds and Contracts Payable:					
2003 UTGO Bonds	\$ 49,100,000	\$ -	\$40,100,000	\$ 9,000,000	\$ 9,000,000
2005 Refunding of 2001 UTGO	141,495,000	-	8,365,000	133,130,000	10,165,000
2005 UTGO Bonds	42,890,000	-	42,890,000	-	-
2005B UTGO Bonds	11,300,000	-	11,300,000	-	-
2012 Refunding of '03,05,05A UTGO's	-	78,905,000	-	78,905,000	430,000
2013 Bond Anticipation Note	-	98,865,000	-	98,865,000	-
Long-Term Financing (Daktronics)	146,087	-	36,521	109,566	36,521
<b>Total Bonds and Contracts Payable</b>	<b>244,931,087</b>	<b>177,770,000</b>	<b>102,691,521</b>	<b>320,009,566</b>	<b>19,631,521</b>
Other Liabilities:					
Unamortized Bond Premium	9,202,175	15,717,265	9,031,304	15,888,136	1,737,636
Net OPEB Obligation	36,064,452	10,015,837	5,205,180	40,875,109	-
Compensated Absences	19,847,375	1,847,786	1,803,072	19,892,090	1,674,384
<b>Total Other Liabilities</b>	<b>65,114,002</b>	<b>27,580,888</b>	<b>16,039,556</b>	<b>76,655,334</b>	<b>3,412,020</b>
<b>GRAND-TOTAL</b>	<b>\$310,045,090</b>	<b>\$205,350,888</b>	<b>\$118,731,077</b>	<b>\$396,664,900</b>	<b>\$ 23,043,541</b>

#### **B. UNAMORTIZED BOND ISSUANCE COSTS**

The unamortized bond issuance costs for the limited/unlimited tax general obligation bonds and the bond anticipation note are as follows:

Descriptions	Unamortized Bond Issuance Costs			
	Beginning Balance	Debit	Credit	Ending Balance
2003 Unlimited Tax GO Bonds	\$ 301,009	\$ -	\$ 290,162	\$ 10,847
2005A Unlimited Tax GO Bonds	606,151	-	606,151	-
2005B Unlimited Tax GO Bonds	177,477	-	177,477	-
2012 Unlimited Tax GO Bonds	-	393,217	24,576	368,641
2013 Bond Anticipation Note	-	240,320	26,702	213,618
	<b>\$ 1,084,637</b>	<b>\$ 633,537</b>	<b>\$1,073,790</b>	<b>\$ 593,106</b>

#### **C. BOND PREMIUM**

The district sold Unlimited General Obligation Bonds at a premium for the bond sales in 2003, 2005 (A and B), and the 2012. The Bond Anticipation Note in June, 2013 also sold at a premium. The premiums are being amortized over the life of the bonds. Below is a schedule showing the current year's change in unamortized premium costs:

Descriptions	Unamortized Premium Costs			
	Beginning Balance	Increase	Decrease	Ending Balance
2003 Unlimited Tax GO Bonds	\$ 1,295,050	\$ -	\$1,124,178	\$ 170,872
2005A Unlimited Tax GO Bonds	7,639,444	-	7,639,444	-
2005B Unlimited Tax GO Bonds	267,683	-	267,683	-
2012 Unlimited Tax GO Bonds	-	13,376,142	-	13,376,142
2013 Bond Anticipation Note	-	2,341,123	-	2,341,123
	<u>\$ 9,202,175</u>	<u>\$15,717,265</u>	<u>\$9,031,305</u>	<u>\$ 15,888,136</u>

**D. DEBT SERVICE REQUIREMENT TO MATURITY**

Year Ending August 31,	UTGO Bonds & Bond Anticipation Note		
	Principal	Interest	Total
2014	19,595,000	11,813,526	31,408,526
2015	117,220,000	10,014,325	127,234,325
2016	19,255,000	8,285,250	27,540,250
2017	19,435,000	7,424,350	26,859,350
2018	30,000,000	6,388,475	36,388,475
2019	30,220,000	3,858,300	35,193,450
2020	29,260,000	3,454,900	32,714,900
2021	13,065,000	2,195,750	15,260,750
2022	6,850,000	1,694,950	8,544,950
2023	10,795,000	1,281,125	12,076,125
2024	11,705,000	803,125	12,508,125
2025	12,500,000	297,500	12,797,500
TOTAL	<u>\$ 319,900,000</u>	<u>\$ 57,511,576</u>	<u>\$ 378,526,726</u>

**E. ARBITRAGE REBATE**

The Tax Reform Act of 1986 requires the district to rebate the earnings on the investment of bond and revenue anticipation note proceeds, in excess of their yield, to the federal government. Ninety percent of the rebate is due and payable five years from the date bonds were issued and at five-year intervals thereafter. The remaining 10 percent is payable 60 days after the bonds are retired. Because positive arbitrage can offset negative arbitrage, the rebate amount fluctuates each year and may or may not be owed at the payment intervals.

The district uses a contractor to provide these arbitrage rebate calculations. At the last check in period, the district had no arbitrage rebate liability.

**Note 8. OPERATING LEASES (NON-CAPITALIZED)**

The district is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the district's financial statements.

The district entered into a new copier agreement in June, 2009 and the amount listed represents the on-going obligation for the five-year agreement. The district also entered into a new five-year lease agreement to rent space in downtown Tacoma for the expansion of the School of the Arts on September 1, 2012. The following is a schedule of future minimum rental payments required under operating leases with initial or remaining non-cancellable lease terms of one year or more as of August 31, 2013.

Year Ended August 31	Amount
2013	\$ 707,854
2014	713,638
2015	204,588
2016	210,684
2017	<u>216,996</u>
Minimum payments required	\$2,053,760

**Note 9. RISK MANAGEMENT**

**A. UNEMPLOYMENT**

The district self-insures for unemployment compensation for all of its eligible employees. Actual employee claims are paid by the State of Washington, Department of Employment Security and then reimbursed by the district. This self-insurance program is more cost-effective for the district than full participation in the state unemployment compensation program.

A correction to the 2012 figures was made after reconciling – the Additions column amount for that year was previously understated by \$245,000. The Additions figure for 2012 was changed from \$310,804 to \$555,804, and this resulted in the revised ending balance of \$479,318.61 presented below.

Fiscal Year	Unemployment			
	Beg. Balance	Additions	Reductions	End. Balance
2012	\$ 401,415	555,804	477,900	\$ 479,319
2013	479,319	476,955	286,364	669,910

**B. INDUSTRIAL INSURANCE**

Effective January 1, 2002, the district joined the Puget Sound Workers' Compensation Trust, an intergovernmental risk sharing pool, approved by statute, for the purposes of group self-insuring school employee workers' compensation claims. The district forfeited its self-insurance certification. All self-insured claims prior to January 1, 2002 remain a liability for the district and are being managed by the Puget Sound Workers' Compensation Trust. The Trust pays the self-insured claims, and the district reimburses the Trust for those claims on an as incurred basis, until such time as the self-insured claims are closed. Claims occurring on or after January 1, 2002, are "Trust" claims which are managed and paid by the Trust. The district pays the trust workers' compensation premium based on employee hours worked, according to job classification codes as developed by the State's Department of Labor & Industries. In addition, the district reimburses the Trust for quarterly assessments provided by Labor & Industries to self-insured employers and self-insured groups. The Trust pays the assessments to Labor & Industries. Assessments include Supplemental Pension Fund, Asbestos Fund, Administrative Fund, Second Injury Fund, and Insolvency Trust Fund.

The industrial insurance payable includes reimbursement to the Trust for self-insured claim costs (including incurred but not reported [IBNR] claims), workers' compensation premium to the Trust for group self-insured claims costs, and reimbursement to the Trust for Labor & Industry assessments.

A correction to the 2012 figures was made after reconciling – the Reductions column amount for that year was previously understated by \$12,483.36. The Reductions figure for 2012 was changed from \$3,853,583.87 to \$3,866,067.23, and this resulted in the revised ending balance of \$4,618,943.29 presented below.

Fiscal Year	Industrial Insurance			
	Beg. Balance	Additions	Reductions	End. Balance
2012	\$ 5,360,309	3,124,702	3,866,067	\$ 4,618,944
2013	4,618,944	3,431,465	4,027,963	4,022,445

**C. RISK MANAGEMENT POOL**

The district is a member of the Washington Schools Risk Management Pool (Pool). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in 1986 when educational service districts and school districts in the state of Washington joined together by signing an Interlocal Government Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Over 80 school and educational service districts have joined the Pool.

The Pool allows members to jointly purchase insurance coverage, establish a plan of self-insurance, and provide related services, such as risk management. The Pool provides the following coverage for its members: Property, liability, vehicle, public official liability, crime, employment practices, machinery breakdown and network security.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance from unrelated underwriters that are subject to a per-occurrence self-insured retention of \$1 million. Members are responsible for varied deductibles for both liability and property claims. Insurance carriers cover losses over \$1 million to the maximum limits of each policy. Since the Pool is a cooperative program, there is a joint liability among the participating members.

Members contract to remain in the Pool for a minimum of three years and must give notice two and one half years before terminating participation. The Interlocal Governmental Agreement is renewed automatically each year after the initial three-year period. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement if the assets of the Pool were exhausted.

The Pool is fully funded by its member participants. The district paid \$2,073,732 for its annual premium contribution to WSRMP for its property and liability insurance coverage.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. An executive board is elected at the annual meeting, and is responsible for overseeing the business affairs of the Pool.

The Pool is audited independently by the Washington State Auditor’s Office and the audit report is available on their website: <http://wsrmp.com>.

**D. EMPLOYEE BENEFITS**

The district made payments totaling \$36,532,411 in 2012-13 to the Sound Partnership which is a health and welfare benefit trust fund. The Sound Partnership was established in 1984 to provide comprehensive medical, dental, vision, life, and long-term disability coverage for the district’s qualified employees and dependents. The Board of Trustees consists of five management members appointed by the Tacoma School District and five

labor members appointed by the Tacoma Education Association. In addition to all powers and authorities under common laws, statutory authority, and other provisions of the agreement between Tacoma School District and the Trust, the board has the power to manage, acquire and dispose of the assets of the Trust. The board also appoints a “plan administrator” designated as Executive Director who oversees the Trust’s day-to-day operations.

The Sound Partnership moved from a self-insured health insurance plan to a premium-based health insurance plan through the Washington Education Association on January 1, 2010. This change provided comparable health care coverage at more competitive rates for the Trust’s membership. The Trust remains self-insured for dental and vision coverage. Because of the change in the model, there is no longer a need to maintain such large reserves in the Trust.

The district’s monthly contributions to the Sound Partnership are based on the state funding model amount for health benefits calculated on an FTE (full time equivalent) basis. Additional costs for coverage are paid by the district’s employees through payroll deductions. Employee and employer contributions are remitted to the Sound Partnership on a monthly basis.

The Sound Partnership maintains its financial records using the accrual basis of accounting. The total self-insured claims reported and approved for payments were \$2,658,831 and insurance premium payments were \$34,909,475 for the year; the total contributions from participants were \$36,693,646.

The total assets and liabilities of the Sound Partnership at August 31, 2013 were respectively \$6,627,368 and \$110,957.

**The Sound Partnership**  
Statement of Changes in Plan's Benefit Obligations

	Year Ended	
	8/31/2013	8/31/2012
Amounts Currently Payable for Claims		
Participants		
Balance at beginning of year	\$ 41,445	\$ 22,314
Claims reported & approved for payment	2,813,697	2,689,490
Claims Paid	<u>(2,736,264)</u>	<u>(2,670,359)</u>
Balance at End of Year	<u><b>118,878</b></u>	<u><b>41,445</b></u>
Other Obligations for Current Benefit Coverage		
at Estimated Amounts		
Balance at beginning of year	181,100	234,800
Net Change during the year	<u>(71,700)</u>	<u>(53,700)</u>
Balance at End of Year	<u><b>109,400</b></u>	<u><b>181,100</b></u>
Plan's Total Benefit Obligation at End of Year	<u><b>\$ 228,278</b></u>	<u><b>\$ 222,545</b></u>

**E. POST-EMPLOYMENT HEALTH CARE BENEFITS**

All eligible district employees may participate in the health care insurance programs offered by the Sound Partnership after their separation from the district due to early retirement or termination. The COBRA program is a continuation of the health care benefits from the district. Eligible employees (former employees) and dependents may be on this plan for only 18 months. COBRA offers group rates, but the monthly cost of the continuation of the health care benefits is the responsibility of the former employee. There are 46 participants in the COBRA program as of August 31, 2013.

**F. OTHER POST-EMPLOYMENT BENEFITS**

The State, through the Health Care Authority (HCA), administers an agent multiple-employer other post-employment benefit plan (OPEB). The Public Employees Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. Programs include medical, dental, life and long-term disability.

Employers participating in the PEBB plan include the state (which includes general government agencies and higher education institutions), 54 of the state’s K-12 schools and educational service districts (ESDs), and 207 political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of the remaining 243 K-12 school districts and ESDs. The district’s retirees are eligible to participate in the PEBB plan under this arrangement.

The Tacoma School District provides its retirees employer-provided subsidies associated with post-employment medical and life insurance benefits available through the PEBB. According to State law, the Washington State Treasurer collects a fee from all school district entities which are not current active members of the state Health Care Authority but participate in the state retirement system. As outlined by the State’s operating budget, school districts were mandated to pay the state HCA \$65.17 per month per full-time equivalent employee in the 2012-13 fiscal year to support the program. This assessment to the district is subject to change annually. Participation in the PEBB is limited to the district’s retirees.

**Plan Description**

**Eligibility**

District members are eligible for retiree medical benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits) under Plan 2 or 3 of TRS or SERS. Retirees with 5 years or more of service who are age 65 or more and retirees with 20 years or more of service who are 55 or older are eligible for post-employment benefits.

Former members who are entitled to a deferred vested pension benefit are not eligible to receive medical benefits after pension benefit commencement. Survivors of covered members who die are eligible for medical benefits.

**Medical and Life Benefits**

Upon retirement, members are permitted to receive medical benefits. Retirees who are not yet eligible for Medicare benefits may continue participation in the state’s non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay premiums based on a claims experience for active employees and other non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium. In calendar year 2012, the average weighted implicit subsidy was valued at \$330 per member per month, and in calendar year 2013, the average weighted implicit subsidy is projected to be \$294 per member per month. Retirees will pay the following monthly rates for pre-65 Medical coverage for 2013:

Descriptions	Type of Coverage		
	Employee	Employee & Spouse	Full Family
Group Health Classic	\$ 584.66	\$ 1,163.14	\$ 1,597.00
Group Health Value	535.22	1,064.26	1,461.04
Group Health CDHP	513.77	1,018.40	1,353.13
Kaiser Permanente Classic	567.06	1,127.94	1,548.60
Kaiser Permanente CDHP	498.95	988.26	1,311.50
Uniform Medical Plan Classic	545.83	1,085.48	1,490.22
Uniform Medical Plan CDHP	499.95	990.26	1,314.25

For calendar year 2013, retirees who are enrolled in Medicare Part A and B may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the HCA administrator recommends an amount for the next calendar year's explicit subsidy for inclusion in the Governor's budget. The explicit subsidy is \$150 per member per month for health insurance for calendar years 2012 and 2013.

#### Funding Policy

The funding policy is based upon the pay-as-you-go financing requirements.

#### Annual OPEB Cost and Net OPEB Obligation

The district's annual OPEB cost is calculated based upon the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (UAAL) over a period not to exceed thirty years as of September 1, 2008. The following table shows the components of the district's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the district's net OPEB.

	<u>8/31/08</u>	<u>8/31/09</u>	<u>8/31/10</u>	<u>8/31/11**</u>	<u>8/31/12</u>	<u>8/31/13</u>
<b>Determination of Annual Required Contribution</b>						
Normal Cost at Year End	\$5,703,417	\$ 5,703,417	\$6,882,527	\$6,882,527	\$ 4,406,843	\$ 4,406,843
Amortization of UAAL	<u>4,922,896</u>	<u>4,922,896</u>	<u>5,945,812</u>	<u>5,945,812</u>	<u>4,256,577</u>	<u>4,256,577</u>
Annual Required Contribution (ARC)	10,626,313	10,626,313	12,828,339	12,828,339	8,663,420	8,663,420
<b>Determination of Net OPEB Obligation</b>						
Annual required Contribution	10,626,313	10,626,313	12,828,339	12,828,339	8,663,420	8,663,420
Interest on PY Net OPEB Obligation	-	324,727	637,523	860,067	1,191,860	1,352,417
Adjustment to ARC	<u>-</u>	<u>(248,833)</u>	<u>(505,970)</u>	<u>(849,449)</u>	<u>(1,222,421)</u>	<u>(1,442,578)</u>
Annual OPEB Cost	10,626,313	10,702,207	12,959,892	12,838,957	8,632,859	8,573,259
Less Contributions Made*	<u>(3,410,165)</u>	<u>(3,751,182)</u>	<u>(4,191,944)</u>	<u>(3,991,136)</u>	<u>(4,351,349)</u>	<u>(3,762,602)</u>
Increase in Net OPEB Obligation	7,216,148	6,951,025	8,767,948	8,847,821	4,281,510	4,810,657
Net OPEB Obligation - End of Year	\$7,216,148	\$14,167,173	\$22,935,121	\$31,782,942	\$36,064,452	\$40,875,109

\* Estimated based on retiree benefit amounts.

\*\*Updated actuarial information.

The district's annual OPEB costs, the percentage of OPEB costs contributed to the plan, and the net OPEB obligations for 2013 were as follows:

	<b>Annual OPEB Cost</b>	<b>Percentage of OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
8/31/2008	\$ 10,626,313	32.09%	\$ 7,216,148
8/31/2009	\$ 10,702,207	35.05%	\$ 14,167,173
8/31/2010	\$ 12,959,892	32.35%	\$ 22,935,121
8/31/2011	\$ 12,838,957	31.09%	\$ 31,782,942
8/31/2012	\$ 8,632,859	50.40%	\$ 36,064,452
8/31/2013	\$ 8,573,259	43.89%	\$ 40,875,109

#### Funded Status and Funding Progress

As of August 31, 2012, the most recent actuarial valuation date, the plan was 0 percent funded. The accrued liability for benefits was \$110.7 million, and the actuarial value of assets was \$0, resulting in a UAAL of \$110.7 million.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, included as required supplemental information on Schedule A-3, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

Actuarial Valuation Date	August 31, 2012
Actuarial Cost Method	Projected Unit Credit (PUC)
Amortization Method	Closed, level percentage of projected payroll amortization method
Remaining Amortization Period	25 years
Asset Valuation Method	N/A - no assets
Actuarial Assumptions:	
Investment rate of return	3.75%
Projected salary increases	3.75%
Health care inflation rate	5.9% initial rate, 4.3% ultimate rate after 2089
Inflation rate	3.75%

The UAAL (\$110,671,006) as a percentage of the covered payroll (\$183,548,684) at August 31, 2013 is 60 percent.

For further information on the results the actuarial valuation of the employer provided subsidies associated with the state's PEBB plan, refer to: [http://osa.leg.wa.gov/Actuarial\\_services/OPEB/OPEB.htm](http://osa.leg.wa.gov/Actuarial_services/OPEB/OPEB.htm). The plan does not issue a separate report, however, additional information is included in the State of Washington's CAFR, which is available on this site: <http://www.ofm.wa.gov/cafr/2013/CAFR13.pdf>.

**G. POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS**

457 Plan – Deferred Compensation Plan

District employees have the option of participating in a deferred compensation plan as defined in SS457 of the Internal Revenue Code that is administered by the state deferred compensation plan.

403(b) Plan – Tax Sheltered Annuity (TSA)

The district offers a tax deferred annuity plan for its employees. The plan permits participants to defer a portion of their salary until future years under two types of deferrals: Elective deferrals (employee contribution) and non-elective contribution (employer matching).

The district complies with IRS regulations that require school districts to have a written plan to include participating investment companies, types of investments, loans, transfers, and various requirements. Plans are administered by a third party and the district. The plan assets are assets of the district employees, not the school district, and are therefore not reflected on these financial statements.

**Note 10. RECONCILIATION BETWEEN GOVERNMENTAL FUND FINANCIAL STATEMENTS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**A. BALANCE SHEETS/STATEMENT OF NET POSITION (SCHEDULE 3A)**

When capital assets (land, building, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the district as a whole.

- |                           |                 |
|---------------------------|-----------------|
| 1. Cost of capital assets | \$1,018,853,511 |
| Accumulated Depreciation  | ( 306,060,167)  |
| Net                       | \$ 712,793,344  |
- \$593,106** - Unamortized Bond Issuance Costs – In governmental funds, bond issuance costs were charged to expenditures, while the unamortized bond issuance costs are shown as deferred charges on the Statement of Net Position. Refer to Note 7B (Unamortized bond issuance costs).
  - Long-term liabilities of **\$396,664,900** (due within one year: \$23,043,541 due more than one year: \$373,621,359) applicable to the district’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long-term – are reported in the Statement of Net Position.
  - Property tax levies (**\$66,620,069**) that will not be collected for several months after year-end and are not considered “available.” Therefore, they are reported as unearned revenue in governmental funds.
  - Due To and Due From (**\$2,588,943**) – Internal transfers between governmental funds were eliminated in government-wide statements to avoid the “doubling-up” effect.
  - Internal service fund (The Sound Partnership) is used to provide medical, dental, and life insurances for the district’s employees and their dependents. The assets and liabilities (respectively **\$6,627,368** and **\$229,835**) of the internal service fund are included in governmental activities in the Statement of Net Position.
  - Accrued interest payable on long-term debt is not reflected in fund financial statements. **\$2,019,484** of accrued interest on long-term debt is recorded in the Statement of Net Position.

**B. STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES /STATEMENT OF ACTIVITIES (SCHEDULE 4A)**

1. **\$561,481** – The amount of property tax levies that do not provide current financial resources are reported as unearned revenue in Governmental Funds, and as revenues in Government-Wide Financial Statements.
2. The net amount of **\$4,855,371** represents the current year increases in compensated absences (\$44,714) and to other post-employment benefits (\$4,810,657) which are not reported in governmental funds. This amount is reported in the Statement of Activities as expenditures, allocated to various applicable programs.
3. a. When capital assets (land, buildings, equipment) are purchased or constructed to be used in Governmental Activities, the cost of those assets are reported as expenditures in Governmental Funds. The Statement of Net Position includes those capital assets among the assets of the district as a whole.

Capital Outlay	\$15,386,857
Depreciation Expense	<u>(20,394,556)</u>
Difference	<b>(\$ 5,007,699)</b>

- b. Governmental Funds Financial Statements report capital outlay as expenditures while Government-Wide Financial Statements report depreciation expense (\$20,394,556) allocated to various applicable programs.
4. **\$102,691,521** - Repayment and refunding of bond principal amounts (\$102,655,000) and the long-term financing principal payment on the Daktronics scoreboards (\$36,521) were reported as expenditures in governmental funds, and thus have the effect of reducing fund balance. For the district as a whole, however, the principal payments reduce the liabilities in the Statement of Net Position.
5. **\$177,770,000** – Face value of the new 2012 unlimited tax general obligation bond (UTGO) was recorded as other financing sources (\$78,905,000) as was the bond anticipation note (BAN) sold in June, 2013 (\$98,865,000).
6. **\$15,717,265** - Additional bond premiums on the new 2012 UTGO bonds (\$13,376,142) and bond anticipation note (\$2,341,123) are recorded as Other Financing Sources in Government-Wide Financial Statements.
7. **\$9,049,361** – The current year bond premium reductions and the accrued interest payable on the long term debt (from July 1 – August 31) are charged to expenditures in Government-Wide Financial Statements. Below is a breakdown of the net amount.

Current year bond premium reductions	\$9,031,305
Accrued interest payable	<u>18,056</u>
	<b>\$9,049,361</b>

8. **\$491,531** – The current year amortization of the bond issuance costs.
9. Internal service fund (The Sound Partnership) is used to provide medical, dental, and life insurances for the district’s employees. The adjustments for the internal service fund “close” the fund by allocating a net loss (-\$1,669,806), and the net gain from investments (\$830) which is shown under miscellaneous revenues.

**Note 11. FUND EQUITY (GOVERNMENTAL FUNDS)**

Fund balance as of August 31, 2013 is comprised of:

	<b>Fund Equity (Governmental Funds)</b>				
	<u>General Fund</u>	<u>Special Revenue Fund (ASB)</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Trans Vehicle Fund</u>
Nonspendable - Inventory & Prepaid Items	\$2,453,324	\$82,037	\$ -	\$ -	\$ -
Restricted for C/Over of Restricted Revenues	494,990	-	-	-	-
Restricted for Construction	-	-	-	61,219,306	-
Restricted for Debt Service	109,566	-	7,241,697	-	-
Restricted to Fund Purposes	-	1,880,723	-	-	-
Restricted for Technology	-	-	-	28,922,144	-
Restricted Fund Balance	<u>604,556</u>	<u>1,880,723</u>	<u>7,241,697</u>	<u>90,141,450</u>	-
Committed to Debt & Fiscal Management	11,058,267	-	-	-	-
Committed to Other Purposes	1,000,000	-	-	-	-
Committed Fund Balance	<u>12,058,267</u>	-	-	-	-
Assigned to Encumbrances	395,277	50	-	21,752,702	-
Assigned to Budget Carryover	1,674,635	-	-	-	-
Assigned to Contingencies	12,842,022	-	-	-	-
Assigned to Curriculum & Instruction	3,580,852	-	-	-	-
Assigned to Fund Purposes	-	-	-	-	3,341,326
Assigned Fund Balance	<u>18,492,786</u>	<u>50</u>	-	<u>21,752,702</u>	<u>3,341,326</u>
Total Fund Balance	<u>\$33,608,934</u>	<u>\$1,962,810</u>	<u>\$7,241,697</u>	<u>\$111,894,152</u>	<u>\$3,341,326</u>

**Note 12. CONTINGENT LIABILITIES**

The district receives federal and state grants for specific programs. Both types of grants are subject to audit by the Washington State Auditor's Office. Such audits could result in request for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, the district believes that such allowances, if any, will be immaterial.

**Note 13. LITIGATION**

The district is defending against several suits and claims, which are routine in nature and common to school districts. Possible losses from these suits and claims are provided for by coverage through the Washington Schools Risk Management Pool.

Based on the recommendations of counsel, the district has provided an adequate amount for possible liabilities which management considers adequate for any uninsured losses which arise from such claims. However, the district is currently being sued for approximately \$35M in the 2007 student shooting at Foss High School and this exceed coverage amounts by \$15M. While the district does not have this available in its general fund reserves, its legal team is vigorously defending the district against the lawsuit. The district received a summary judgment in its favor, dismissing the case in its entirety. However, the matter has been appealed and is presently before the Supreme Court of Washington for consideration.

**Note 14. SUBSEQUENT EVENTS**

On February 11, 2014, Proposition 1 and 2 were presented to the voters in the district. Proposition 1 for the Replacement of Expiring Levy for Education Programs in the general fund, required a 50 percent approval to pass. Proposition 2 for the Replacement of Expiring Levy for Technology Improvements & Upgrades is a capital levy, and also required a 50 percent approval to pass.

Early election results show both measures passing with greater than a 60 percent approval rating.

Tacoma School District No. 10

**Required Supplemental Information**

The required supplemental information presents budgetary comparison (original and final budget), actual inflows and outflows, and balances for the general fund and each major fund.



**REQUIRED SUPPLEMENTARY INFORMATION**  
**TACOMA SCHOOL DISTRICT No. 10**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET POSITIVE(NEGATIVE)
	ORIGINAL *	FINAL *		
<b>REVENUES</b>				
Local	\$ 87,508,073	\$ 87,508,073	\$ 88,967,930	\$ 1,459,857
State	189,252,170	189,252,170	185,471,770	(3,780,400)
Federal	41,691,367	41,691,367	38,536,505	(3,154,862)
Other	3,445,000	3,445,000	3,350,451	(94,549)
<b>Total Revenues</b>	<b>321,896,610</b>	<b>321,896,610</b>	<b>316,326,656</b>	<b>(5,569,954)</b>
<b>EXPENDITURES</b>				
<b>CURRENT</b>				
Regular Instruction	173,369,308	173,369,308	170,771,737	2,597,571
Federal Stimulus	2,710,402	2,710,402	2,550,190	160,212
Special Education	42,089,906	42,089,906	42,490,710	(400,804)
Career & Technical Education	10,843,160	10,843,160	10,503,546	339,614
Compensatory Education	28,201,199	28,201,199	25,264,270	2,936,929
Other Instructional Programs	8,578,671	8,578,671	4,020,355	4,558,316
Community Services	414,311	414,311	398,150	16,161
Support Services	65,432,169	65,432,169	67,005,275	(1,573,106)
<b>CAPITAL OUTLAY</b>				
Other	1,116,116	1,116,116	671,852	444,264
<b>Total Expenditures</b>	<b>332,755,242</b>	<b>332,755,242</b>	<b>323,676,084</b>	<b>9,079,158</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(10,858,632)</b>	<b>(10,858,632)</b>	<b>(7,349,428)</b>	<b>3,509,204</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	-	113,195	113,195
Transfers	1,400,000	1,400,000	1,363,700	(36,300)
<b>Total Other Financing Sources (Uses)</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>1,476,895</b>	<b>76,895</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(9,458,632)</b>	<b>(9,458,632)</b>	<b>(5,872,532)</b>	<b>3,586,100</b>
<b>FUND BALANCE-September 1</b>	<b>39,481,466</b>	<b>39,481,466</b>	<b>39,481,466</b>	<b>-</b>
<b>FUND BALANCE -August 31</b>	<b>\$ 30,022,834</b>	<b>\$ 30,022,834</b>	<b>\$ 33,608,934</b>	<b>\$ 3,586,100</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TACOMA SCHOOL DISTRICT No. 10**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL *	FINAL *		FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
General	\$ 1,364,323	\$ 1,364,323	\$ 901,681	\$ (462,642)
Athletics	223,200	223,200	223,763	563
Classes	503,300	503,300	264,334	(238,966)
Clubs	2,277,458	2,277,458	701,166	(1,576,292)
Private Monies	124,880	124,880	11,713	(113,167)
<b>Total Revenues</b>	<b>4,493,161</b>	<b>4,493,161</b>	<b>2,102,657</b>	<b>(2,390,504)</b>
<b>EXPENDITURES</b>				
General	1,528,706	1,528,706	838,867	689,839
Athletics	239,497	239,497	228,749	10,748
Classes	372,850	372,850	265,305	107,545
Clubs	2,084,565	2,084,565	676,277	1,408,288
Private Monies	123,980	123,980	11,780	112,200
<b>Total Expenditures</b>	<b>4,349,598</b>	<b>4,349,598</b>	<b>2,020,978</b>	<b>2,328,620</b>
<b>Changes in Fund Balance</b>	<b>143,563</b>	<b>143,563</b>	<b>81,679</b>	<b>(61,884)</b>
<b>FUND BALANCE - September 1</b>	<b>1,881,132</b>	<b>1,881,132</b>	<b>1,881,132</b>	
<b>FUND BALANCE - August 31</b>	<b>\$ 2,024,695</b>	<b>\$ 2,024,695</b>	<b>\$ 1,962,810</b>	<b>\$ (61,885)</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TACOMA SCHOOL DISTRICT No. 10**  
**ACTUARIAL VALUATION OF POST EMPLOYMENT BENEFITS**  
**OTHER THAN PENSION**  
**SCHEDULE OF FUNDING PROGRESS**

Fiscal Year Ended August 31	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL As a Percentage of Covered Payroll
2008	August 31, 2008	\$ -	\$ 85,466,774	\$ 85,466,774	0%	\$ 163,003,749	52%
2008	August 31, 2008*	\$ -	\$ 147,686,881	\$ 147,686,881	0%	\$ 163,003,749	91%
2009	August 31, 2008*	\$ -	\$ 147,686,881	\$ 147,686,881	0%	\$ 189,434,727	78%
2010	August 31, 2010	\$ -	\$ 166,482,728	\$ 166,482,728	0%	\$ 151,445,697	110%
2011	August 31, 2011	\$ -	\$ 166,482,728	\$ 166,482,728	0%	\$ 182,414,713	91%
2012	August 31, 2012	\$ -	\$ 110,671,006	\$ 110,671,006	0%	\$ 176,900,781	63%
2013	August 31, 2013	\$ -	\$ 110,671,006	\$ 110,671,006	0%	\$ 183,548,684	60%

\*A revised actuarial study for August 31, 2008 was received on January 15, 2010.  
 GASB 45 was implemented for the fiscal year ended August 31, 2008.

**(INTENTIONALLY LEFT BLANK)**

Tacoma School District No. 10

## **Supplemental Data**

Supplemental data includes financial statements and schedules not required by the Governmental Accounting Standard Board (GASB), nor a part of the basic financial statements, but are presented for purposes of additional analysis.



**TACOMA SCHOOL DISTRICT No. 10  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
AUGUST 31, 2013 AND 2012**

	2013	2012
<b>ASSETS</b>		
Cash on Hand and in Bank	591,869	765,083
Cash on Deposit with County Treasurer	381,250	397,961
Investments	44,951,000	49,271,000
Property Tax Receivable	41,143,549	42,197,828
Accounts Receivable, Net	148,026	413,968
Accrued Interest Receivable	282	228
Due From Other Funds	2,550,320	1,161,589
Due From Other Governmental Units	3,598,599	5,300,256
Inventories, at Cost	1,596,526	1,601,798
Prepaid Items	856,798	2,048,294
<b>TOTAL ASSETS</b>	<b>95,818,219</b>	<b>103,158,005</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts Payable	5,332,972	4,681,395
Accrued Wages and Benefits Payable	14,770,520	15,960,913
Due To Other Funds	38,623	226,630
Unearned Revenue	42,067,170	42,807,601
<b>TOTAL LIABILITIES</b>	<b>62,209,285</b>	<b>63,676,539</b>
<b>Fund Balance:</b>		
<b>Nonspendable</b>		
Nonspendable - Inventory & Prepaid Items	2,453,324	3,650,093
<b>Restricted</b>		
Restricted for Carryover of Restricted Revenues	494,990	4,483
Restricted for Debt Service	109,566	146,086
<b>Committed</b>		
Committed to Debt & Fiscal Management	11,058,267	9,636,346
Committed to Other Purposes	1,000,000	1,000,000
<b>Assigned</b>		
Assigned to Encumbrances	395,277	197,087
Assigned to Budget Carryover	1,674,635	3,010,406
Assigned to Future Operations	12,842,022	17,703,997
Assigned to Curriculum & Instruction	3,580,852	4,132,968
<b>TOTAL FUND BALANCE</b>	<b>33,608,934</b>	<b>39,481,466</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 95,818,219</b>	<b>\$ 103,158,005</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

	2013			2012
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
Local	\$ 87,508,073	88,967,930	\$ 1,459,857	88,594,502
State	189,252,170	185,471,770	(3,780,400)	182,805,683
Federal	38,879,867	35,891,193	(2,988,674)	41,485,693
Federal Stimulas	2,811,500	2,645,312	(166,188)	3,656,278
Other	3,445,000	3,350,451	(94,549)	2,375,792
<b>TOTAL REVENUES</b>	<b>321,896,610</b>	<b>316,326,656</b>	<b>(5,569,954)</b>	<b>318,917,948</b>
<b>EXPENDITURES</b>				
<b>CURRENT</b>				
Regular Instruction	173,369,308	170,771,737	2,597,571	164,008,333
Federal Stimulas	2,710,402	2,550,190	160,212	3,511,395
Special Education	42,089,906	42,490,710	(400,804)	42,051,072
Career & Technical Instruction	10,843,160	10,503,546	339,614	10,639,000
Compensatory Instruction	28,201,199	25,264,270	2,936,929	29,884,379
Other Instructional Programs	8,578,671	4,020,355	4,558,316	4,270,526
Community Services	414,311	398,150	16,161	428,850
Support Services	65,432,169	67,005,275	(1,573,106)	65,581,508
<b>CAPITAL OUTLAY</b>				
Other	1,116,116	671,852	444,264	1,208,707
<b>TOTAL EXPENDITURES</b>	<b>332,755,242</b>	<b>323,676,084</b>	<b>9,079,158</b>	<b>321,583,770</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(10,858,632)</b>	<b>(7,349,428)</b>	<b>3,509,204</b>	<b>(2,665,822)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	113,195	(113,195)	27,279
Transfers	1,400,000	1,363,700	36,300	508,364
<b>Total Other Financing Sources (Uses)</b>	<b>1,400,000</b>	<b>1,476,895</b>	<b>76,895</b>	<b>535,643</b>
<b>Net Change in Fund Balance</b>	<b>(9,458,632)</b>	<b>(5,872,532)</b>	<b>3,586,100</b>	<b>(2,130,179)</b>
<b>FUND BALANCE-September 1</b>	39,481,466	39,481,466	-	41,611,645
<b>FUND BALANCE -August 31</b>	<b>\$ 30,022,834</b>	<b>\$ 33,608,934</b>	<b>\$ 3,586,100</b>	<b>\$ 39,481,466</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

DESCRIPTION	2013		VARIANCE POSITIVE (NEGATIVE)	2012 ACTUAL
	BUDGET	ACTUAL		
<b>1000 LOCAL TAXES</b>				
1100 Local Property Tax	\$ 81,554,758	82,673,927	\$ (1,119,169)	82,145,826
1300 Sale of Tax Title Property	1,941	-	1,941	-
<b>TOTAL LOCAL TAXES</b>	<b>81,556,699</b>	<b>82,673,927</b>	<b>(1,117,228)</b>	<b>82,145,826</b>
<b>2000 LOCAL NON-TAX</b>				
2100 Tuition & Fees, Unassigned	470,000	606,865	(136,865)	573,616
2101 Regular Student Fees	100,000	68,167	31,833	115,934
2102 ALE Student Fees	-	1,224	(1,224)	39,372
2121 Special Ed Pre-School Tuition	70,250	55,981	14,269	54,466
2173 Summer School Tuition	85,000	63,262	21,738	71,365
2180 Convenience Fee	-	24,210	(24,210)	23,003
2186 Community School - Tuition & Fees	20,000	-	20,000	-
2200 Sales of Goods, Supplies & Services	-	290,133	(290,133)	356,520
2203 Sales of Sup. & Mat. Other	1,500	2	1,499	240
2204 Sale of Recoverable Items	102,071	97,654	4,417	98,973
2210 Other Storeroom Sales	23,147	7,669	15,478	6,998
2220 Copy Center Reimbursements	50,000	37,787	12,213	41,732
2231 Secondary CTE Sales of Goods	60,000	37,874	22,126	32,424
2291 Food Service Sales	1,585,846	1,658,755	(72,909)	1,755,403
2294 Food Serv. Sales - Special Events	15,000	14,287	713	15,865
2296 Food Service Sales - Breakfast	109,829	110,775	(946)	117,957
2299 School Bus Revenue	-	1,690	(1,690)	1,615
2300 Investment Earnings	100,000	68,660	31,340	63,484
2500 Gifts & Donations	120,000	236,865	(116,865)	299,634
2600 Fines & Damages	65,000	44,314	20,686	56,672
2700 Facility Rental	671,000	595,025	75,975	658,993
2800 Insurance Recoveries	-	5,594	(5,594)	115,562
2900 Local Non-Tax Unassigned	2,150,731	1,999,200	151,531	1,395,948
2910 E-Rate	-	6,457	(6,457)	363,234
2920 Commissions	152,000	261,553	(109,553)	189,666
<b>TOTAL LOCAL NONTAX</b>	<b>\$ 5,951,374</b>	<b>\$ 6,294,003</b>	<b>\$ (342,629)</b>	<b>\$ 6,448,676</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

DESCRIPTION	2013		VARIANCE POSITIVE (NEGATIVE)	2012 ACTUAL
	BUDGET	ACTUAL		
<b>3000 STATE FUNDS, GENERAL PURPOSE</b>				
3100 Apportionment	\$ 135,794,816	136,915,456	\$ (1,120,640)	136,271,134
3121 Apportionment - Special Ed	5,466,952	5,628,030	(161,078)	5,771,236
3300 Local Effort Assistance	6,593,123	7,046,052	(452,929)	6,258,452
<b>TOTAL STATE, GENERAL PURPOSE</b>	<b>147,854,891</b>	<b>149,589,538</b>	<b>(1,734,647)</b>	<b>148,300,822</b>
<b>4000 STATE FUNDS, SPECIAL PURPOSE</b>				
4100 Special Purpose, Unassigned	6,769,450	6,725	6,762,725	13,665
4121 Ed. of Handicapped Children	19,237,317	20,364,845	(1,127,528)	19,566,364
4155 Learning Assistance Program	4,885,008	4,901,577	(16,569)	4,669,626
4156 Institutes, Ctrs & Homes - Delinquents	442,244	423,739	18,505	495,354
4158 Special Pilot Programs	1,297,478	1,570,805	(273,327)	1,436,886
4159 Institutions - Juveniles in Adult Jails	86,747	90,931	(4,184)	88,482
4165 Transitional Bilingual	1,932,855	2,093,636	(160,781)	1,920,950
4174 Highly Capable	249,312	257,793	(8,481)	257,298
4198 School Food Service	299,246	304,455	(5,209)	302,132
4199 Transportation - Operations	6,197,622	5,867,725	329,897	5,754,102
<b>TOTAL STATE, SPECIAL PURPOSE</b>	<b>41,397,279</b>	<b>35,882,232</b>	<b>5,515,047</b>	<b>34,504,861</b>
<b>5000 FEDERAL FUNDS, GEN PURPOSE</b>				
5200 Direct Federal Revenue - Unassigned	294,080	318,079	(23,999)	307,107
5300 Impact Aid	-	14,068	(14,068)	-
5329 Impact Aid - Special Ed	-	26,399	(26,399)	-
5400 Federal In-Lieu-Of Taxes	-	55,637	(55,637)	75,778
5500 Federal Forests	80,000	25,158	54,842	25,518
<b>TOTAL FEDERAL, GENERAL PURPOSE</b>	<b>\$ 374,080</b>	<b>\$ 439,342</b>	<b>\$ (65,262)</b>	<b>\$ 408,403</b>
<b>6000 FEDERAL, SPECIAL PURPOSE</b>				
6100 Special Purpose, Unassigned	-	20,000	(20,000)	25,000
6110 Federal Stimulus - Title I	-	-	-	23,372
6112 Federal Stimulus - School Improvement	2,811,500	2,645,312	166,188	3,538,901
6113 Federal Stimulus - Fiscal Stabilization	-	-	-	92,106
6119 Federal Stimulus - Tech Ed	-	-	-	1,898

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

DESCRIPTION	2013		VARIANCE POSITIVE (NEGATIVE)	2012 ACTUAL
	BUDGET	ACTUAL		
6124 H/C, Supplemental, IDEA, Part B	\$ 7,600,894	\$ 7,482,406	\$ 118,488	\$ 7,813,589
6138 Career & Technical Education	334,336	299,294	35,042	334,437
6151 Disadvantaged, Federal Title I	11,657,649	9,077,394	2,580,255	13,251,330
6152 School Improvement, Federal Title II	1,971,283	2,010,851	(39,568)	2,678,080
6154 Reading First, Title I	-	-	-	24,237
6157 Institutions - Neglected & Delinquents	54,490	53,234	1,256	-
6164 Limited English Proficiency	402,980	272,755	130,225	388,445
6189 Other Community Services	99,411	78,902	20,509	87,167
6191 Nutrition Services Reimbursement	10,218,542	9,981,889	236,653	9,690,524
6200 Direct Special Purpose Grants	366,000	199,326	166,674	318,557
6261 Head Start	5,078,049	4,765,073	312,976	4,541,536
6268 Indian Education	159,186	157,936	1,250	164,587
6300 Fed Grants Thru Other Agencies	12,967	31,116	(18,149)	949,068
6321 Special Ed Medicaid Match	-	393,800	(393,800)	237,547
6998 USDA Commodities	550,000	627,876	(77,876)	573,187
<b>TOTAL FEDERAL, SPECIAL PURPOSE</b>	<b>41,317,287</b>	<b>38,097,163</b>	<b>3,220,124</b>	<b>44,733,568</b>
<b>7000 REVENUES FROM OTHER DISTRICTS</b>				
7121 Special Education	1,800,000	1,904,498	(104,498)	1,865,566
7145 CTE Skills Center	-	5,095	(5,095)	76,470
<b>TOTAL REVENUES FROM OTHER DISTRICTS</b>	<b>1,800,000</b>	<b>1,909,593</b>	<b>(109,593)</b>	<b>1,942,036</b>
<b>8000 REVENUES FROM OTHER AGENCIES</b>				
8100 Agency & Association Grants	245,000	460,244	(215,244)	395,785
8200 Private Foundation	-	15,626	(15,626)	-
8500 Educational Service Districts	-	964,988	(964,988)	37,971
<b>TOTAL REVENUES FROM OTHER AGENCIES</b>	<b>245,000</b>	<b>1,440,858</b>	<b>(1,195,858)</b>	<b>433,756</b>
<b>TOTAL REVENUES</b>	<b>320,496,610</b>	<b>316,326,656</b>	<b>4,169,954</b>	<b>318,917,948</b>
<b>9000 OTHER FINANCING SOURCES</b>				
9300 Sale of Surplus Equipment	-	113,195	(113,195)	27,279
9500 Long-Term Financing	-	-	-	-
9900 Operating Transfers	1,400,000	1,363,700	36,300	508,364
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,400,000</b>	<b>1,476,895</b>	<b>(76,895)</b>	<b>535,643</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 321,896,610</b>	<b>\$ 317,803,551</b>	<b>\$ 4,093,059</b>	<b>\$ 319,453,591</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY PROGRAM**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

PROGRAM NUMBER AND DESCRIPTION	2013		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
01 Basic Education	\$ 173,028,017	\$ 170,361,759	\$ 2,666,258	% 98.46
02 Basic Ed - Alternative Learning	397,991	420,983	(22,992)	105.78
12 Federal Stimulus - School Improvement	2,710,402	2,550,190	160,212	94.09
21 Special Education, Supplemental, State	34,786,331	35,224,269	(437,938)	101.26
24 Special Education, Supplemental, Federal	7,327,575	7,240,042	87,533	98.81
29 Special Education, Supplemental, Federal Other	-	26,399	(26,399)	100.00
31 Career & Technical Education, Basic, State	9,647,573	9,457,418	190,155	98.03
34 Career & Tech Ed - Middle School, State	873,273	761,904	111,369	100.00
38 Career & Technical Education, Federal	322,314	288,502	33,812	89.51
45 CTE Skill Centers, State	-	4,258	(4,258)	100.00
51 Disadvantaged, Federal Title I	11,238,455	8,751,077	2,487,378	77.87
52 School Improvement, Federal Title II	1,900,398	1,927,898	(27,500)	101.45
55 Learning Assistance Program (LAP), State	4,709,349	4,266,563	442,786	90.60
56 State Institutions, Centers and Homes, Delinquent	585,784	511,096	74,688	87.25
57 State Institutions, Neglected & Delinquent, Federal	52,531	51,305	1,226	100.00
58 Special & Pilot Programs, State	1,297,478	1,554,476	(256,998)	119.81
59 Juveniles in Adult Jails, State	82,853	79,118	3,735	95.49
61 Head Start, Federal	4,617,321	4,353,184	264,137	94.28
64 Limited English Proficiency, Federal	395,078	267,407	127,671	67.68
65 Transitional Bilingual, State	2,997,081	3,157,862	(160,781)	105.36
68 Indian Education, Federal ED	153,462	146,524	6,938	95.48
69 Compensatory Education, Other	191,409	197,759	(6,350)	103.32
73 Summer School	136,000	171,770	(35,770)	126.30
74 Highly Capable	327,373	336,877	(9,504)	102.90
79 Instructional Programs, Other	8,958,814	3,511,708	5,447,106	39.20
89 Other Community Services	414,311	405,621	8,690	97.90
97 District-wide Support	43,442,788	45,090,823	(1,648,035)	103.79
98 School Nutrition Services	11,891,171	12,098,331	(207,160)	101.74
99 Pupil Transportation	10,270,110	10,460,961	(190,851)	101.86
<b>TOTAL EXPENDITURES</b>	<b>\$ 332,755,242</b>	<b>\$ 323,676,084</b>	<b>\$ 9,079,158</b>	<b>% 97.27</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY ACTIVITY**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

ACTIVITY NUMBER AND DESCRIPTION	2013		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
<b>ADMINISTRATION</b>				
11 Board of Directors	\$ 932,254	\$ 1,086,622	\$ (154,368)	% 116.56
12 Superintendent's Office	957,152	597,237	359,915	62.40
13 Business Services	3,227,708	3,257,564	(29,856)	100.92
14 Human Resources	3,184,908	3,365,225	(180,317)	105.66
15 Public Relations	767,505	872,399	(104,894)	113.67
<b>TOTAL ADMINISTRATION</b>	<b>9,069,527</b>	<b>9,179,047</b>	<b>(109,520)</b>	<b>101.21</b>
<b>INSTRUCTION</b>				
21 Supervision	10,044,095	9,354,797	689,298	93.14
22 Learning Resources	6,924,176	6,626,888	297,288	95.71
23 Principal's Office	21,952,113	21,662,128	289,985	98.68
24 Guidance & Counseling	7,428,213	7,117,848	310,365	95.82
25 Pupil Management & Safety	3,084,536	3,481,397	(396,861)	112.87
26 Health Services	15,616,024	15,799,499	(183,475)	101.17
27 Teaching	186,244,010	172,257,948	13,986,062	92.49
28 Extra Curricular	3,260,397	4,427,790	(1,167,393)	135.81
31 Professional Development	12,072,758	11,861,663	211,095	98.25
32 Instructional Technology	439,417	3,529,068	(3,089,651)	803.13
<b>TOTAL INSTRUCTION</b>	<b>267,065,739</b>	<b>256,119,026</b>	<b>10,946,713</b>	<b>95.90</b>
<b>NUTRITION SERVICES</b>				
41 Supervision	784,883	812,101	(27,218)	103.47
42 Food	5,223,126	5,445,131	(222,005)	104.25
44 Operations	6,075,784	6,036,378	39,406	99.35
49 Nutrition Services Transfers	(192,622)	(195,279)	2,657	101.38
<b>TOTAL NUTRITION SERVICES</b>	<b>11,891,171</b>	<b>12,098,331</b>	<b>(207,160)</b>	<b>101.74</b>
<b>PUPIL TRANSPORTATION</b>				
51 Supervision	611,859	619,772	(7,913)	101.29
52 Operations	10,553,351	10,304,647	248,704	97.64
53 Maintenance	133,000	382,257	(249,257)	287.41
59 Transportation Services Transfers	(1,028,100)	(845,716)	(182,384)	82.26
<b>TOTAL PUPIL TRANSPORTATION</b>	<b>\$ 10,270,110</b>	<b>\$ 10,460,960</b>	<b>\$ (190,850)</b>	<b>% 101.86</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY ACTIVITY**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

ACTIVITY NUMBER AND DESCRIPTION	2013		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
<b>MAINTENANCE &amp; OPERATIONS</b>				
61 Supervision	\$ 770,663	\$ 699,753	\$ 70,910	% 90.80
62 Grounds Maintenance	1,736,553	1,700,408	36,145	97.92
63 Building Operations	12,430,474	13,154,328	(723,854)	105.82
64 Maintenance	3,580,235	3,617,963	(37,728)	101.05
65 Utilities	7,395,126	7,298,452	96,674	98.69
67 Building Security	1,426,316	1,389,158	37,158	97.39
68 Insurance	90,000	1,120	88,880	1.24
<b>TOTAL MAINTENANCE &amp; OPERATIONS</b>	<b>27,429,367</b>	<b>27,861,182</b>	<b>(431,815)</b>	<b>101.57</b>
<b>OTHER SUPPORT SERVICES</b>				
72 Information Services	5,844,546	6,914,634	(1,070,088)	118.31
73 Printing	360,737	270,138	90,599	74.89
74 Warehouse & Distributions	677,392	613,839	63,553	90.62
83 Interest	-	7,271	(7,271)	100.00
84 Principal	-	36,522	(36,522)	100.00
<b>TOTAL OTHER SUPPORT SERVICES</b>	<b>6,882,675</b>	<b>7,842,404</b>	<b>(959,729)</b>	<b>113.94</b>
<b>PUBLIC ACTIVITIES</b>				
91 Public Activities	146,653	115,134	31,519	78.51
<b>TOTAL GENERAL FUND</b>	<b>\$ 332,755,242</b>	<b>\$ 323,676,084</b>	<b>\$ 9,079,158</b>	<b>% 97.27</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY OBJECT**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

OBJECT NUMBER AND DESCRIPTION	2013		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
0 Debit Transfer	\$ 2,716,218	\$ 2,156,298	\$ 559,920	% 79.39
1 Credit Transfer	(2,716,218)	(2,156,298)	(559,920)	79.39
2 Certificated Salaries	153,280,439	151,718,262	1,562,177	98.98
3 Classified Salaries	53,957,149	51,934,210	2,022,939	96.25
4 Employee Benefits	70,873,271	69,426,592	1,446,679	97.96
5 Supplies & Materials	21,012,561	18,363,983	2,648,578	87.40
7 Contractual Services	31,780,776	30,553,159	1,227,617	96.14
8 Travel	734,930	1,008,027	(273,097)	137.16
9 Capital Outlay	1,116,116	671,851	444,265	60.20
<b>TOTAL GENERAL FUND</b>	<b>\$ 332,755,242</b>	<b>\$ 323,676,084</b>	<b>\$ 9,079,158</b>	<b>% 97.27</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**TACOMA SCHOOL DISTRICT No. 10**  
**SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)**  
**COMPARATIVE BALANCE SHEETS**  
**AUGUST 31, 2013 AND 2012**

	2013	2012
<b>ASSETS</b>		
Cash on Hand and in Bank	\$ 67,848	\$ 50,010
Cash on Deposit with County Treasurer	3,496	3,777
Accounts Receivable	4,303	8,054
Investments	2,125,000	1,995,000
Accrued Interest Receivable	13	9
Due From Other Funds	5,226	9,263
Prepaid Items	82,037	114,764
<b>TOTAL ASSETS</b>	<b>2,287,923</b>	<b>2,180,877</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts Payable	141,204	166,713
Accrued Wages & Benefits Payable	-	105
Due To Other Funds	4,928	500
Unearned Revenue	178,981	132,427
<b>Total Liabilities</b>	<b>325,113</b>	<b>299,745</b>
<b>Fund Balance:</b>		
<b>Nonspendable</b>		
Nonspendable - Inventory & Prepaid Items	82,037	113,323
<b>Restricted</b>		
Restricted to Fund Purposes	1,880,723	1,767,759
<b>Assigned</b>		
Assigned to Encumbrances	50	50
<b>Total Fund Balance</b>	<b>1,962,810</b>	<b>1,881,132</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,287,923</b>	<b>2,180,877</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

	2013			2012
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
General	\$ 1,364,323	901,681	\$ 462,642	\$ 890,339
Athletics	223,200	223,763	(563)	163,429
Classes	503,300	264,334	238,966	260,486
Clubs	2,277,458	701,166	1,576,292	657,085
Private Monies	124,880	11,713	113,167	8,430
<b>Total Revenues</b>	<b>4,493,161</b>	<b>2,102,657</b>	<b>2,390,504</b>	<b>1,979,769</b>
<b>EXPENDITURES</b>				
General	1,528,706	838,867	689,839	1,031,236
Athletics	239,497	228,749	10,748	84,860
Classes	372,850	265,305	107,545	275,467
Clubs	2,084,565	676,277	1,408,288	585,179
Private Monies	123,980	11,780	112,200	23,881
<b>Total Expenditures</b>	<b>4,349,598</b>	<b>2,020,978</b>	<b>2,328,620</b>	<b>2,000,623</b>
<b>Changes in Fund Balance</b>	<b>143,563</b>	<b>81,679</b>	<b>61,884</b>	<b>(20,854)</b>
<b>FUND BALANCE - September 1</b>	1,643,180	1,881,132	237,952	1,901,986
<b>FUND BALANCE - August 31</b>	<b>\$ 1,786,743</b>	<b>\$ 1,962,810</b>	<b>\$ 176,067</b>	<b>\$ 1,881,132</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**TACOMA SCHOOL DISTRICT No. 10  
DEBT SERVICE FUND (BOND FUND)  
COMPARATIVE BALANCE SHEETS  
AUGUST 31, 2013 AND 2012**

	2013	2012
<b>ASSETS</b>		
Cash on Deposit with County Treasurer	\$ 141,653	\$ 143,967
Investments	7,100,000	6,894,000
Property Tax Receivable	15,270,714	15,012,534
Accrued Interest Receivable	44	32
<b>TOTAL ASSETS</b>	<b>22,512,411</b>	<b>22,050,533</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Unearned Revenue-Taxes Receivable	15,270,714	15,012,534
<b>Total Liabilities</b>	<b>15,270,714</b>	<b>15,012,534</b>
<b>Fund Balance:</b>		
<b>Restricted</b>		
Restricted for Debt Service	7,241,697	7,037,999
<b>Total Fund Balance</b>	<b>7,241,697</b>	<b>7,037,999</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 22,512,411</b>	<b>\$ 22,050,533</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**DEBT SERVICE FUND (BOND FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

	2013			2012
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
Local Taxes	\$ 29,713,200	\$ 30,069,252	\$ 356,052	\$ 29,829,399
Local Non-Tax	16,500	9,080	(7,420)	10,375
<b>Total Revenues</b>	<b>29,729,700</b>	<b>30,078,332</b>	<b>348,632</b>	<b>29,839,774</b>
<b>EXPENDITURES</b>				
<b>DEBT SERVICE</b>				
Principal Payment	19,265,000	19,265,000	-	25,199,340
Interest Expense	11,896,201	11,288,147	608,054	12,804,301
Bond Fees	250,000	1,671	248,329	908
<b>Total Expenditures</b>	<b>31,411,201</b>	<b>30,554,818</b>	<b>856,383</b>	<b>38,004,548</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(1,681,501)</b>	<b>(476,486)</b>	<b>1,205,015</b>	<b>(8,164,774)</b>
<b>OTHER FINANCING SOURCES(USES)</b>				
Bond Premium	-	961,188	(961,188)	-
Refunded Bonds	-	92,281,142	(92,281,142)	-
Cost of Issuance	-	(385,193)	385,193	-
Deposit to Refunding Account	-	(92,176,953)	92,176,953	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>680,184</b>	<b>(680,184)</b>	<b>-</b>
<b>Changes in Fund Balance</b>	<b>(1,681,501)</b>	<b>203,698</b>	<b>1,885,199</b>	<b>(8,164,774)</b>
<b>FUND BALANCE - September 1</b>	7,037,999	7,037,999	-	10,948,433
<b>FUND BALANCE -August 31</b>	<b>\$ 5,356,498</b>	<b>\$ 7,241,697</b>	<b>\$ 1,885,199</b>	<b>\$ 2,783,659</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**TACOMA SCHOOL DISTRICT No. 10  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
AUGUST 31, 2013 AND 2012**

	2013	2012
<b>ASSETS</b>		
Cash on Hand and in Bank	\$ 49,186	\$ 10,058
Cash on Deposit with County Treasurer	84,027	79,180
Investments	118,565,000	12,580,000
Cash Held by Trustee:		
Construction Retainage Escrow	2,628,167	2,516,352
Property Tax Receivable	10,205,806	8,848,226
Accrued Interest Receivable	26,895	58
Due From Other Funds	33,398	225,049
Due From Other Governmental Units	11,806	3,337,974
Prepaid Items	-	41,274
<b>TOTAL ASSETS</b>	<b>131,604,285</b>	<b>27,638,170</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts Payable	4,109,429	3,383,705
Accrued Salaries & Benefits Payable	221,338	148,165
Retainage Payable	2,628,167	2,516,352
Due to Other Funds	2,545,392	1,158,907
Unearned Revenue-Taxes Receivable	10,205,807	8,848,226
<b>TOTAL LIABILITIES</b>	<b>19,710,133</b>	<b>16,055,355</b>
<b>Fund Balance:</b>		
<b>Restricted</b>		
Restricted for Construction	61,219,306	7,858,532
Restricted for Technology	28,922,144	-
<b>Assigned</b>		
Assigned to Encumbrances	21,752,702	3,724,283
<b>TOTAL FUND BALANCE</b>	<b>111,894,152</b>	<b>11,582,815</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 131,604,285</b>	<b>\$ 27,638,170</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

	2013			2012
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
Local Taxes	\$ 19,571,350	\$ 19,187,006	\$ (384,344)	\$ 16,608,950
Local Non-Tax	17,200	68,569	51,369	28,802
State, Special Purpose	4,158,000	1,598,875	(2,559,125)	14,106,397
Other Governmental Agencies	-	84,975	84,975	(35,146)
<b>TOTAL REVENUES</b>	<b>23,746,550</b>	<b>20,939,425</b>	<b>(2,807,125)</b>	<b>30,709,003</b>
<b>EXPENDITURES</b>				
Capital Outlay				
Sites	187,104	2,198,833	(2,011,729)	7,329,212
Buildings	17,931,596	11,909,103	6,022,493	28,610,308
Equipment	6,951,340	4,921,693	2,029,647	9,306,926
Bond Issuance	150,000	402,119	(252,119)	
Sale of Real Estate	-	77,575	(77,575)	5,008
<b>TOTAL EXPENDITURES</b>	<b>25,220,040</b>	<b>19,509,323</b>	<b>5,710,717</b>	<b>45,251,454</b>
<b>Excess Of Revenues Over (Under) Expenditures</b>	<b>(1,473,490)</b>	<b>1,430,102</b>	<b>(8,517,842)</b>	<b>(14,542,451)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Real Property	-	-	-	-
Transfers	(1,400,000)	(1,363,700)	(36,300)	(4,762,704)
Sale of Bonds	-	98,865,000	-	-
Bonds, Premium on Sale		1,379,935		
Bonds, Refund from Bond Escrow				
Sale of Property	-	-	-	752,139
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,400,000)</b>	<b>98,881,235</b>	<b>100,281,235</b>	<b>(4,010,565)</b>
<b>Changes in Fund Balance</b>	<b>(2,873,490)</b>	<b>100,311,337</b>	<b>91,763,393</b>	<b>(18,553,016)</b>
<b>FUND BALANCE (DEFICITS) - September 1</b>	11,582,815	11,582,815	-	30,135,831
<b>FUND BALANCE - August 31</b>	<b>\$ 8,709,325</b>	<b>\$ 111,894,152</b>	<b>\$ 103,184,827</b>	<b>\$ 11,582,815</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**TACOMA SCHOOL DISTRICT No. 10  
TRANSPORTATION VEHICLE FUND  
COMPARATIVE BALANCE SHEETS  
AUGUST 31, 2013 AND 2012**

	2013	2012
<b>ASSETS</b>		
Cash on Deposit with County Treasurer	\$ 1,305	\$ 2,198
Accrued Interest Receivable	21	15
Investments	3,340,000	3,264,000
<b>TOTAL ASSETS</b>	<b>3,341,326</b>	<b>3,266,213</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts Payable	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>		
<b>Assigned</b>		
Assigned to Fund Purposes	3,341,326	3,266,213
<b>Total Fund Balance</b>	<b>3,341,326</b>	<b>3,266,213</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,341,326</b>	<b>\$ 3,266,213</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**TRANSPORTATION VEHICLE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

	2013			2012
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
Local Non-Tax	\$ 5,000	\$ 4,920	\$ 80	\$ 3,705
State, Special Purpose	500,000	525,399	(25,399)	503,844
<b>TOTAL REVENUES</b>	<b>505,000</b>	<b>530,319</b>	<b>(25,319)</b>	<b>507,549</b>
<b>EXPENDITURES</b>				
Purchase of Buses	1,100,000	455,736	644,264	-
<b>TOTAL EXPENDITURES</b>	<b>1,100,000</b>	<b>455,736</b>	<b>644,264</b>	<b>-</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(1,605,000)</b>	<b>74,583</b>	<b>(669,583)</b>	<b>507,549</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment/Buses	10,000	530	9,470	-
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b>10,000</b>	<b>530</b>	<b>9,470</b>	<b>-</b>
<b>Changes in Fund Balance</b>	<b>(585,000)</b>	<b>75,113</b>	<b>(660,113)</b>	<b>507,549</b>
<b>FUND BALANCE - September 1</b>	<b>3,265,000</b>	<b>3,266,213</b>	<b>(1,213)</b>	<b>2,758,664</b>
<b>FUND BALANCE - August 31</b>	<b>\$ 2,680,000</b>	<b>\$ 3,341,326</b>	<b>\$ 661,326</b>	<b>\$ 3,266,213</b>

\* The budgetary basis of accounting is modified accrual, the same as the fund basis of accounting.

**TACOMA SCHOOL DISTRICT No. 10**  
**FIDUCIARY FUNDS**  
**COMBINING BALANCE SHEET**  
**AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

	2013 TOTAL	2012 TOTAL
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,645	\$ 5,298
Accounts Receivable	465	580
Investments	325,000	397,750
<b>TOTAL ASSETS</b>	<b>330,110</b>	<b>403,627</b>
<b>LIABILITIES</b>		
Accounts Payable	(3,247)	16,074
Unearned Revenue	659	5,773
Custodial Accounts	-	2,778
<b>TOTAL LIABILITIES</b>	<b>(2,588)</b>	<b>24,625</b>
<b>NET POSITION</b>		
Committed to Other Purposes	332,699	379,002
<b>TOTAL NET POSITION</b>	<b>\$ 332,699</b>	<b>\$ 379,002</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**PRIVATE-PURPOSE TRUSTS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

	<b>2013 TOTAL</b>	<b>2012 TOTAL</b>
<b>ADDITIONS</b>		
Donations	\$ 198,883	\$ 197,604
<b>TOTAL ADDITIONS</b>	<b>198,883</b>	<b>197,604</b>
<b>DEDUCTIONS</b>		
Scholarships	75,205	71,010
Tuition and Fees	15,778	12,937
Supplies & Materials	110,788	89,615
Field Trips & Travel	21,759	12,997
Purchased Services	9,145	4,634
Salaries & Benefits	12,510	7,246
Capital Outlay	-	6,749
<b>TOTAL DEDUCTIONS</b>	<b>245,186</b>	<b>205,188</b>
<b>CHANGE IN NET POSITION</b>	<b>(46,303)</b>	<b>(7,584)</b>
<b>Net Position, Beginning of the year</b>	<b>379,002</b>	<b>386,586</b>
<b>Net Position, End of the year</b>	<b>\$ 332,699</b>	<b>\$ 379,002</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

	<b>BALANCE</b>			<b>BALANCE</b>
	<b>9/1/2012</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>8/31/2013</b>
Unlimited Tax General Obligation Bonds	\$ 244,785,000	\$ 78,905,000	\$ 102,655,000	\$ 221,035,000
Bond Anticipation Notes	-	98,865,000	-	98,865,000
Long-Term Financing (Daktronics Scoreboard)	146,087	-	36,521	109,566
Compensated Absences	19,847,375	1,847,786	1,803,072	19,892,090
Unamortized Bond Premium	9,202,175	15,717,265	9,031,304	15,888,136
Net OPEB Obligation	36,064,452	10,015,837	5,205,180	40,875,109
<b>TOTAL</b>	<b>\$ 310,045,090</b>	<b>\$ 205,350,888</b>	<b>\$ 118,731,077</b>	<b>\$ 396,664,900</b>

TACOMA SCHOOL DISTRICT No. 10  
 OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS  
 AUGUST 31, 2013

DUE DATE	AMOUNT: \$100,000,000 2003 UTGO BOND ISSUE DATED: 12/9/03		AMOUNT: \$150,360,000 2001 REFUNDED BOND DATED: 6/1/05		AMOUNT: \$55,000,000 2005B UTGO BOND ISSUE DATED: 12/21/05		AMOUNT: \$78,905,000 2012 REFUNDED BOND DATED: 11/06/2012		AMOUNT: \$98,865,000 2013 BAN DATED: 6/6/2013		TOTAL DEBT SERVICE	TOTAL BY YEAR
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST		
Dec. 1, 2012	9,000,000	494,413	4,175,000	3,537,375	-	-	-	-	-	-	17,206,788	28,761,175
Jun. 1, 2013	-	221,913	4,190,000	3,433,000	1,900,000	47,500	-	1,761,975	-	961,188	11,554,388	28,761,175
Dec. 1, 2013	9,000,000	221,913	4,185,000	3,328,250	-	-	430,000	1,547,100	-	988,650	19,673,451	31,408,526
Jun. 1, 2014	-	-	5,980,000	3,223,625	-	-	-	1,542,800	-	988,650	11,735,075	31,408,526
Dec. 1, 2014	-	-	5,965,000	3,074,125	-	-	5,905,000	1,542,800	98,865,000	988,650	116,340,575	127,234,325
Jun. 1, 2015	-	-	6,485,000	2,925,000	-	-	-	1,483,750	-	-	10,893,750	127,234,325
Dec. 1, 2015	-	-	6,475,000	2,762,875	-	-	3,075,000	1,483,750	-	-	13,796,625	27,540,250
Jun. 1, 2016	-	-	6,995,000	2,601,000	-	-	2,710,000	1,437,625	-	-	13,743,625	27,540,250
Dec. 1, 2016	-	-	6,980,000	2,426,125	-	-	4,400,000	1,417,300	-	-	15,223,425	27,540,250
Jun. 1, 2017	-	-	8,000,000	2,251,625	-	-	55,000	1,329,300	-	-	11,635,925	26,859,350
Dec. 1, 2017	-	-	7,985,000	2,051,625	-	-	8,605,000	1,328,475	-	-	19,970,100	26,859,350
Jun. 1, 2018	-	-	13,355,000	1,852,000	-	-	55,000	1,156,375	-	-	16,418,375	36,388,475
Dec. 1, 2018	-	-	13,340,000	1,518,125	-	-	2,020,000	1,155,550	-	-	18,033,675	36,388,475
Jun. 1, 2019	-	-	14,800,000	1,184,625	-	-	60,000	1,115,150	-	-	17,459,775	35,193,450
Dec. 1, 2019	-	-	14,790,000	814,625	-	-	1,655,000	1,114,250	-	-	18,373,875	35,193,450
Jun. 1, 2020	-	-	8,925,000	444,875	-	-	3,890,000	1,081,150	-	-	14,341,025	32,714,900
Dec. 1, 2020	-	-	8,870,000	221,750	-	-	1,635,000	1,003,350	-	-	11,730,100	32,714,900
Jun. 1, 2021	-	-	-	-	-	-	2,560,000	970,650	-	-	3,530,650	15,260,750
Dec. 1, 2021	-	-	-	-	-	-	6,850,000	919,450	-	-	7,769,450	15,260,750
Jun. 1, 2022	-	-	-	-	-	-	10,795,000	775,500	-	-	11,570,500	8,544,950
Dec. 1, 2022	-	-	-	-	-	-	775,500	775,500	-	-	1,551,000	8,544,950
Jun. 1, 2023	-	-	-	-	-	-	11,705,000	505,625	-	-	12,210,625	12,076,125
Dec. 1, 2023	-	-	-	-	-	-	505,625	505,625	-	-	1,011,250	12,076,125
Jun. 1, 2024	-	-	-	-	-	-	297,500	297,500	-	-	595,000	12,508,125
Dec. 1, 2024	-	-	-	-	-	-	12,500,000	297,500	-	-	12,797,500	12,508,125
Jun. 1, 2025	-	-	-	-	-	-	-	-	-	-	-	12,797,500
Dec. 1, 2025	-	-	-	-	-	-	-	-	-	-	-	12,797,500
<b>TOTAL</b>	<b>\$ 18,000,000</b>	<b>\$ 938,238</b>	<b>\$ 141,495,000</b>	<b>\$ 37,650,625</b>	<b>\$ 1,900,000</b>	<b>\$ 47,500</b>	<b>\$ 78,905,000</b>	<b>\$ 26,548,050</b>	<b>\$ 98,865,000</b>	<b>\$ 2,938,488</b>	<b>\$ 407,287,901</b>	<b>\$ 407,287,901</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**SCHEDULE OF CAPITAL ASSETS BY LOCATION**  
**August 31, 2013**

PROPERTY	LOCATION	LAND	BUILDINGS & IMPROVEMENTS	EQUIPMENT	TOTALS
<b>SENIOR HIGH SCHOOLS</b>					
Foss	2112 S. Tyler St.	\$ 1,053,377	\$ 42,781,229	\$ 685,991	\$ 44,520,598
Lincoln	701 S. 37th St.	1,006,499	93,475,513	1,515,230	95,997,242
Lincoln Bowl	S. 37th & G St.	1,979,476	1,463,670	-	3,443,146
Mount Tahoma (New)	4634 S. 74th St.	7,071,355	73,136,473	1,090,389	81,298,217
Oakland	3319 S. Adams St.	99,270	1,509,634	111,747	1,720,652
Science & Math Inst.	5501 N. Pearl St.		2,098,835	30,317	2,129,151
School of the Arts	1950 Pacific Ave.	493,085	12,054,494	134,567	12,682,147
Stadium	111 North E St.	4,272,371	114,371,555	1,410,107	120,054,033
Stadium Bowl	N. 1st & E St.	4,825,151	1,059,946	-	5,885,097
Wilson	1202 N. Orchard St.	378,979	36,807,656	821,594	38,008,229
<b>MIDDLE SCHOOLS</b>					
Baker	8320 S. I St.	2,408,821	50,414,102	308,227	53,131,150
Gault	1115 E. Division Lane	67,314	2,966,740	19,205	3,053,259
Giaudrone	4902 S. Alaska St.	58,279	23,445,255	295,541	23,799,075
Gray	6229 S. Tyler	708,404	39,742,376	308,271	40,759,051
Hunt	6501 S. 10th St.	60,230	3,602,322	242,565	3,905,117
Jason Lee	602 N. Sprague Ave.	1,918,440	26,330,838	304,814	28,554,092
Mason	3901 N. 28th St.	103,379	23,782,768	485,705	24,371,851
Meeker	4402 Nassau Ave NE	1,416,692	12,186,989	301,739	13,905,420
Stewart	5010 Pacific Ave.	176,943	4,121,338	236,567	4,534,848
Truman	5801 N. 35th St.	18,860	23,593,508	292,550	23,904,918
First Creek	1801 E. 56th St.	167,722	42,003,479	206,249	42,377,450
<b>ELEMENTARY SCHOOLS</b>					
Arlington	3002 S. 72nd St.	68,537	1,398,211	78,734	1,545,482
Birney	1202 S. 76th St.	97,147	3,151,164	178,756	3,427,067
Blix	1302 E. 38th St.	932,339	12,015,938	275,443	13,223,721
Boze	1140 E. 65th St.	76,181	4,666,452	141,844	4,884,477
Browns Point	1526 - 51st. St. NE	71,147	3,773,537	176,803	4,021,487
Bryant	717 S. Grant Ave.	149,325	1,495,289	46,290	1,690,904
Crescent Heights	4410 Nassau Ave NE	533,450	13,730,836	225,280	14,489,566
DeLong	4901 S. 14th St.	34,905	5,339,212	126,200	5,500,317
Downing	2502 N. Orchard St.	107,558	1,931,750	219,834	2,259,142
Edison	5830 S. Pine St.	724,068	15,600,687	267,424	16,592,179
Fawcett	126 E. 60th St.	71,679	5,027,024	159,023	5,257,726
Fern Hill	8442 S. Park Ave.	79,816	18,832,276	371,724	19,283,816
Franklin	1402 S. Lawrence	1,733,534	11,857,193	184,746	13,775,472
Geiger	621 S. Jackson Ave.	455,146	24,865,034	78,276	25,398,456
Grant	1018 N. Prospect St.	133,229	2,076,788	149,014	2,359,031
Jefferson	4302 N. 13th St.	59,160	11,893,936	218,098	12,171,194
Larchmont	8601 E. B St.	234,613	7,657,673	220,246	8,112,532
Lister	2106 E. 44th St.	704,349	12,240,212	153,163	13,097,724
Lowell	810 N. 13th St.	119,300	2,120,873	196,967	2,437,140
Lyon	101 E. 46th St.	17,142	2,159,623	85,887	2,262,652
Manitou Park	4430 S. 66th St.	778,177	9,681,019	153,200	10,612,396
Mann	1002 S. 52nd. St.	1,052,818	9,222,253	148,390	10,423,460
McCarver	2111 S. J St.	296,583	3,337,101	125,683	3,759,368
Northeast Tacoma	5412 29th St. NE	158,628	7,830,145	232,910	8,221,683
Point Defiance	4330 N. Visscher St.	266,166	6,451,308	208,733	6,926,207

TACOMA SCHOOL DISTRICT NO. 10  
SCHEDULE OF CAPITAL ASSETS BY LOCATION  
August 31, 2013

PROPERTY	LOCATION	LAND	BUILDINGS & IMPROVEMENTS	EQUIPMENT	TOTALS
Reed	1802 S. 36th St.	\$ 143,309	\$ 5,790,027	\$ 130,233	\$ 6,063,569
Roosevelt	3550 E. Roosevelt Ave.	257,632	6,813,371	51,883	7,122,886
Sheridan	6317 McKinley Ave.	1,061,019	7,749,788	205,042	9,015,849
Sherman	4415 N. 38th St.	20,000	10,582,611	312,150	10,914,760
Skyline	2301 N. Mildred St.	96,603	1,621,928	280,437	1,998,969
Stafford	1615 S. 92nd St.	9,714	15,786,921	206,324	16,002,959
Stanley	1712 S. 17th St.	137,380	7,875,299	25,463	8,038,142
Washington-Hoyt	3701 N. 26th St.	89,594	1,934,810	149,502	2,173,906
Whitman	1120 S. 39th St.	71,095	8,031,054	100,661	8,202,810
Whittier	777 Elm Tree Lane	101,469	3,159,070	259,417	3,519,955
<b>OTHER BLDGS. &amp; SITES</b>					
Building & Grounds	3223 S. Union Ave.	86,188	8,424,034	4,031,298	12,541,520
Central Administration Bldg.	601 S. 8th St.	84,380	8,383,682	11,082,212	19,550,274
CAB Annex	708 S. G St.		134,392	61,642	196,034
Camp Joshua Taylor	Longbranch	30,000	27,872		57,872
Lincoln Tree Farm	28001 Mountain Highway	1,986	5,431,488	109,443	5,542,917
Madison - Head Start Use	3102 S. 43rd St.	143,962	1,330,836	163,157	1,637,954
District Wide				54,267	54,267
McKinley	3702 McKinley	89,259	1,809,129	41,376	1,939,763
Park Avenue Center	6701 Park Ave.	153,329	1,208,713	-	1,362,042
Pearl Street Center	815 S. Pearl St.				-
Professional Development Ctr	6501 N. 23rd St.	107,352	4,122,126	302,102	4,531,580
Purchasing/Food Services	3321 S. Union Ave.		146,467	731,229	877,696
Remann Hall	5501 6th Ave.		27,502		27,502
Wainwright	130 Alameda Ave.	143,892	1,735,296	86,458	1,965,646
Willard	3201 South D St.	2,299	767,979	94,302	864,580
<b>VACANT SITES</b>					
Construction-in-Progress			8,189,457		8,189,457
<b>TOTALS</b>		<b>\$ 40,716,666</b>	<b>\$ 940,743,274</b>	<b>37,393,570</b>	<b>\$ 1,018,853,511</b>

**(INTENTIONALLY LEFT BLANK)**



# Statistical Section

The statistical section includes certain financial and non-financial data to provide context for interpreting information in the financial statements, note disclosures, and required supplementary information. The additional information is provided to present the economic, financial, and social framework in which the district operates, and to assist the financial statement users to better understand the overall operations and financial health of the Tacoma School District.

**Financial Trends - Tables I-VI** present trend information to provide historical context for the district's financial performance and financial health.

**Revenue Capacity - Tables VII-X** present information on key factors that affect the district's ability to generate property taxes.

**Debt Capacity - Tables XI-XV** present information to help the reader assess affordability of current levels of outstanding debt and assess the ability of the district to issue additional debt in the future.

**Demographic and Economic Information - Tables XVI-XVIII** present demographic and economic indicators to help the reader understand the environment in which the district's financial activities take place, and to provide a history of district operations and comparisons with other governments.

**Operating Information - Tables XIX-XXIII** present information about district operations and resources to help the reader understand how district financial information relates to services the district provides and to the activities the district performs.

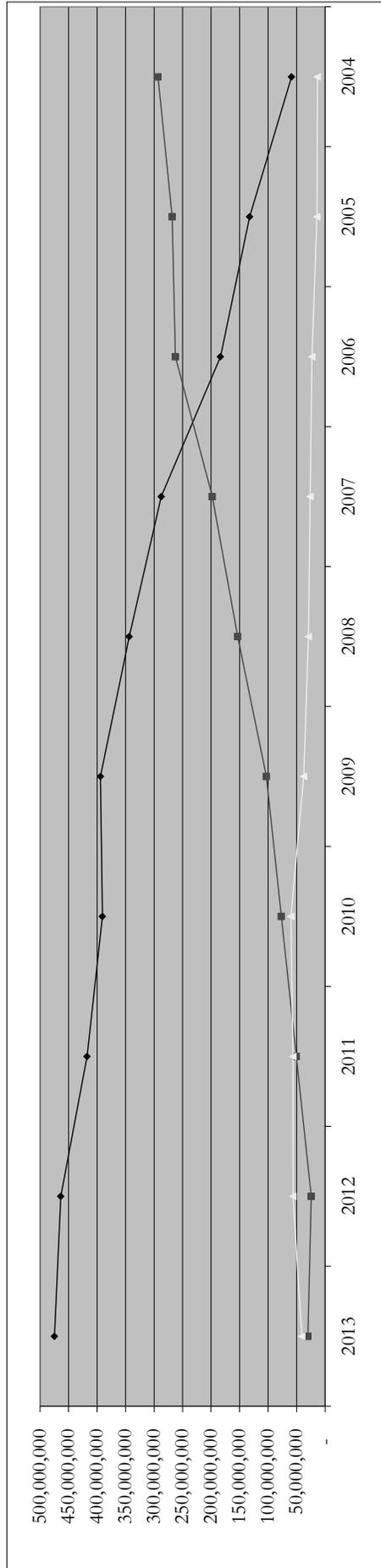


Table I

**TACOMA SCHOOL DISTRICT No. 10**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 474,767,679	\$ 463,667,781	\$ 417,592,334	\$ 390,590,421	\$ 394,062,543	\$ 343,600,058	\$ 287,407,153	\$ 183,498,584	\$ 132,366,783	\$ 58,768,336
Restricted	30,228,711	24,314,115	50,519,297	76,739,255	102,945,364	153,423,551	197,907,793	262,567,611	268,256,372	293,191,174
Unrestricted	40,772,196	56,195,876	56,326,323	59,868,566	37,499,416	29,171,927	26,194,733	23,090,635	14,346,560	13,322,222
<b>Total Governmental Activities Net Position</b>	<b>\$ 545,768,586</b>	<b>\$ 544,177,772</b>	<b>\$ 524,437,954</b>	<b>\$ 527,198,242</b>	<b>\$ 534,507,323</b>	<b>\$ 526,195,536</b>	<b>\$ 511,509,679</b>	<b>\$ 469,156,830</b>	<b>\$ 414,969,715</b>	<b>\$ 365,281,732</b>

The three components of net position are shown separately and in total.



TACOMA SCHOOL DISTRICT No. 10  
 CHANGES IN NET POSITION  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

Expenses by function, program revenues by category, net (expense) revenue, general revenues and other changes in net assets and total changes in net assets are presented.

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>EXPENSES</b>										
<b>Governmental Activities:</b>										
Regular Instruction	\$ 200,132,388	\$ 187,974,729	\$ 187,974,729	\$ 179,431,742	\$ 174,351,344	\$ 164,420,601	\$ 156,326,162	\$ 149,234,160	\$ 138,740,033	\$ 141,922,048
Federal Stimulus	2,712,607	3,595,817	15,819,024	16,381,307	12,689,246	-	-	-	-	-
Special Instruction	45,199,346	42,916,763	43,070,486	37,471,143	42,166,389	41,691,092	30,520,173	29,178,309	27,462,651	29,506,331
Career & Technical Instruction	11,199,076	10,897,908	11,085,804	10,266,650	11,173,411	9,398,193	9,623,177	9,918,936	9,004,395	9,590,188
Compensatory Instruction	26,882,336	30,504,519	28,974,680	32,111,417	38,702,893	40,352,551	36,450,450	35,035,205	33,814,991	33,624,081
Other Instructional Programs	4,285,329	4,366,029	4,567,290	3,926,777	3,938,143	4,797,569	5,230,923	5,317,223	5,584,411	6,008,281
Community Services	417,267	433,295	492,726	493,678	474,692	317,133	152,941	82,594	116,253	118,850
Support Services	73,960,390	69,686,722	69,100,770	67,074,218	70,777,237	64,105,022	64,172,357	60,295,526	59,535,299	65,322,369
Extracurricular Activities (ASB)	2,033,416	2,001,607	2,178,978	1,988,996	2,102,491	2,419,682	2,126,537	22,219,507	2,414,283	2,761,137
Interest on Long-Term Debt	2,240,457	12,983,037	11,717,080	12,048,130	12,951,711	13,741,676	14,803,241	13,616,689	7,552,948	12,459,076
<b>Total Governmental Activities Expenses</b>	<b>369,062,612</b>	<b>364,479,546</b>	<b>374,981,567</b>	<b>361,194,058</b>	<b>369,327,557</b>	<b>341,243,519</b>	<b>319,405,961</b>	<b>324,898,149</b>	<b>284,225,263</b>	<b>301,312,361</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities:</b>										
Charges for Services:	\$ 1,330,547	\$ 1,339,342	\$ 964,227	\$ 1,609,631	\$ 977,061	\$ 877,796	\$ 1,118,195	\$ 1,091,413	\$ 2,509,931	\$ 4,616,768
Regular Instruction	-	-	-	-	-	-	-	-	-	-
Federal Stimulus	1,906,917	1,872,069	1,624,089	1,633,529	1,485,568	1,614,967	782,310	1,034,840	614,971	857,457
Special Instruction	140,185	126,490	533,577	42,150	213,596	39,581	57,341	76,667	69,246	56,413
Career & Technical Instruction	8,525	9,400	14,550	9,599	3,700	-	-	-	-	-
Compensatory Instruction	763,198	776,168	724,126	413,810	416,539	1,271,683	1,202,942	914,182	1,022,742	817,399
Other Instructional Programs	587,554	658,743	716,019	678,450	645,545	579,165	537,285	304,148	314,140	123,796
Community Services	3,913,427	3,475,889	2,744,998	2,975,681	3,417,989	3,207,302	2,937,576	3,107,453	3,170,440	2,960,153
Support Services	2,102,657	1,979,769	2,015,440	2,025,124	1,966,684	2,471,489	2,101,622	2,386,939	2,439,263	2,579,591
Extracurricular Activities (ASB)	109,133,062	108,030,433	119,870,018	118,095,063	123,551,671	99,180,022	88,838,632	86,565,918	82,410,500	80,890,978
Operating Grants and Contributions	671,852	1,208,706	197,045	135,941	79,914	274,667	177,984	426,067	217,099	578,215
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>120,557,924</b>	<b>119,477,009</b>	<b>129,404,089</b>	<b>127,618,978</b>	<b>132,758,267</b>	<b>109,516,672</b>	<b>97,753,887</b>	<b>95,907,627</b>	<b>92,768,332</b>	<b>93,480,770</b>
<b>NET (EXPENSE)/REVENUE</b>	<b>(248,504,688)</b>	<b>(245,002,537)</b>	<b>(245,577,478)</b>	<b>(233,575,080)</b>	<b>(236,569,290)</b>	<b>(231,726,847)</b>	<b>(221,652,074)</b>	<b>(228,990,522)</b>	<b>(191,456,931)</b>	<b>(207,831,591)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Taxes:	\$ 82,673,927	\$ 82,145,826	\$ 77,928,963	\$ 72,876,736	\$ 69,052,008	\$ 66,388,111	\$ 64,642,843	\$ 61,731,341	\$ 59,201,540	\$ 56,297,209
Property Taxes for Maintenance & Operations	30,069,252	29,829,399	28,469,965	31,805,847	37,226,743	40,016,240	44,238,901	43,786,896	41,230,008	29,132,664
Property Taxes for Debt Service	19,187,006	16,608,950	8,155,985	36	315	2,542	24,340	116,325	345,040	9,871,097
Property Taxes for Capital Projects	118,011,453	136,048,820	128,024,123	121,135,325	136,088,259	133,258,959	141,820,613	146,571,226	134,447,216	140,721,155
Unallocated State Apportionment & Others	153,864	109,360	238,154	448,055	2,513,752	6,749,852	13,278,226	10,971,849	5,921,111	4,511,765
Interest and Investment Earnings	250,095,502	264,742,355	242,817,190	226,265,999	244,881,077	246,415,704	264,004,923	263,177,637	241,144,915	240,553,890
<b>Total Governmental Activities</b>	<b>1,590,814</b>	<b>19,739,818</b>	<b>(2,760,288)</b>	<b>(7,309,081)</b>	<b>8,311,787</b>	<b>14,688,857</b>	<b>42,352,849</b>	<b>34,187,115</b>	<b>49,687,984</b>	<b>32,722,299</b>

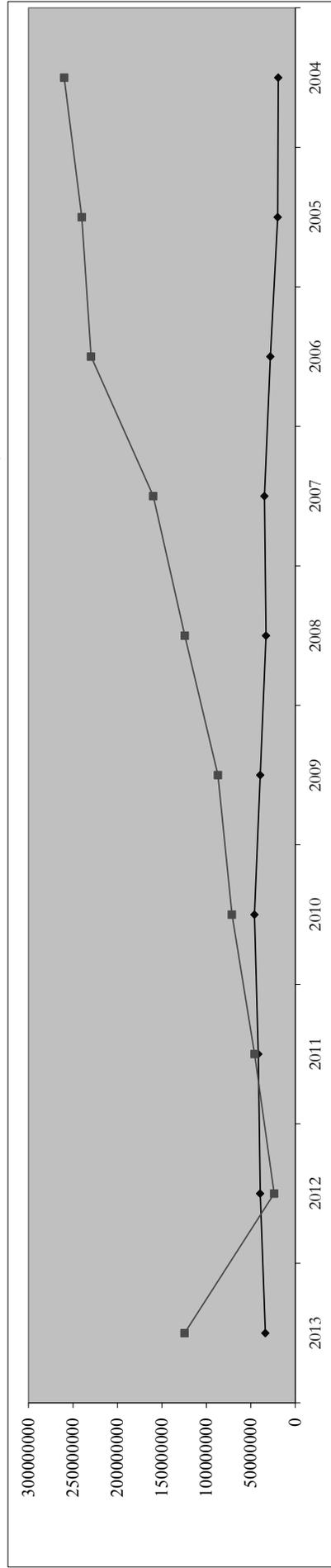
TACOMA SCHOOL DISTRICT No. 10

FUND BALANCES, GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

This table and graph display the reserved and unreserved fund balances for both the general fund and all other governmental funds.

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Fund</b>										
Nonspendable	\$ 2,453,324	\$ 3,650,093	\$ 2,243,741	\$ 3,135,309	\$ 1,876,760	\$ 3,682,051	\$ 8,525,054	\$ 4,961,132	\$ 5,388,046	\$ 5,872,964
Restricted	604,556	150,569	2,129,678	2,039,119	3,290,695	4,564,735	4,640,910	3,009,912	2,331,787	1,500,000
Committed	12,058,267	10,833,433	10,739,785	9,848,216	10,009,490	7,945,738	2,446,206	5,408,886	5,048,611	5,715,000
Assigned	18,492,786	24,847,371	26,498,441	30,835,584	24,199,231	15,714,538	18,280,253	14,227,738	4,818,093	6,084,636
Unassigned	-	-	-	-	-	946,916	827,364	444,099	2,148,069	22,586
<b>Total General Fund</b>	<b>33,608,933</b>	<b>39,481,466</b>	<b>41,611,645</b>	<b>45,858,228</b>	<b>39,376,176</b>	<b>32,853,978</b>	<b>34,719,787</b>	<b>28,051,767</b>	<b>19,734,606</b>	<b>19,195,186</b>
<b>All Other Governmental Funds</b>										
Nonspendable	82,037	113,323	43,107	44,607	88,895	65,229	75,481	127,416	283,542	133,909
Restricted	99,263,870	16,664,290	14,676,157	32,658,001	79,183,555	75,911,561	113,306,913	147,130,424	170,996,188	229,730,608
Committed	0	3,724,333	11,975,218	24,474,174	702,549	36,698,098	36,379,806	61,260,440	51,262,899	10,865,077
Assigned	25,094,078	3,266,213	19,050,432	14,091,937	7,025,790	11,531,603	10,003,108	21,170,860	17,537,669	19,196,292
<b>Total All Other Governmental Funds</b>	<b>124,439,985</b>	<b>23,768,159</b>	<b>45,744,914</b>	<b>71,268,719</b>	<b>87,000,789</b>	<b>124,206,491</b>	<b>159,765,308</b>	<b>229,689,140</b>	<b>240,080,298</b>	<b>259,925,886</b>

Fund Balances, Governmental Funds



TACOMA SCHOOL DISTRICT No. 10  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

This table shows revenues by source, expenditures by program, other financing sources (uses) and other changes in fund balances, and the total change in fund balances for total governmental funds.

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>REVENUES</b>										
Local Taxes	\$ 131,930,185	\$ 128,584,175	\$ 114,554,913	\$ 104,682,619	\$ 106,279,067	\$ 106,406,893	\$ 108,906,084	\$ 105,634,562	\$ 100,776,588	\$ 101,283,214
Local Non-Tax	6,376,572	6,491,558	6,875,408	6,605,606	9,072,709	13,708,167	19,864,775	17,321,631	12,252,308	4,149,542
State Funds, General Purpose	149,589,538	148,300,822	141,890,600	146,132,687	140,272,777	138,128,440	134,098,632	131,161,547	130,237,393	131,575,092
State Funds, Special Purpose	38,006,506	49,115,102	39,156,219	38,810,327	66,040,426	55,603,591	57,287,331	59,696,928	47,662,248	55,174,141
Federal Funds, General Purpose	439,342	408,403	359,623	370,471	450,453	491,957	434,204	460,790	372,302	360,829
Federal Funds, Special Purpose	38,097,163	44,733,568	52,731,623	54,910,681	48,625,800	36,173,884	36,653,736	37,044,126	37,864,899	33,479,260
Revenues from Other Districts	1,909,593	1,942,036	1,701,195	1,626,362	1,477,629	1,608,984	774,167	1,034,840	614,971	857,457
Revenues from Other Agencies	1,525,833	398,610	654,495	243,813	297,477	505,351	588,246	340,936	617,718	1,244,474
Miscellaneous	2,102,657	1,979,769	2,015,440	2,025,124	1,966,684	2,471,489	2,101,622	2,386,939	2,439,263	2,579,591
<b>TOTAL REVENUES</b>	<b>369,977,389</b>	<b>381,954,043</b>	<b>359,939,544</b>	<b>355,407,690</b>	<b>374,483,022</b>	<b>355,098,756</b>	<b>360,708,797</b>	<b>355,082,299</b>	<b>332,837,690</b>	<b>330,703,600</b>
<b>EXPENDITURES</b>										
Regular Instruction	170,771,737	164,008,333	160,298,122	150,804,463	142,968,422	148,591,332	139,992,844	132,888,574	132,488,019	130,608,680
Federal Stimulus	2,550,190	3,511,395	15,164,242	15,708,343	12,096,304	-	-	-	-	-
Special Instruction	42,490,710	42,051,072	41,038,872	35,917,278	39,323,625	38,700,254	29,649,440	28,550,134	28,449,433	26,787,850
Career & Technical Instruction	10,503,546	10,639,000	10,518,005	9,835,694	9,969,499	8,894,872	8,985,654	9,230,191	8,944,708	8,402,209
Compensatory Education	25,264,270	29,884,379	27,552,787	30,930,647	37,496,859	38,702,671	35,333,345	34,112,362	34,715,833	30,469,429
Other Instructional Programs	4,020,355	4,270,526	4,371,799	3,780,501	3,792,643	4,587,635	4,949,859	5,068,887	5,488,760	5,344,820
Community Services	398,150	428,850	485,678	486,859	447,585	308,484	148,622	80,803	121,032	108,309
Support Services	67,005,275	65,581,508	62,454,950	63,273,284	62,318,533	57,069,604	59,942,714	57,071,240	57,238,978	56,852,458
Student Activities	2,020,978	2,000,623	2,177,379	1,986,443	2,096,938	2,390,735	2,087,909	2,172,968	2,369,376	2,719,115
Capital Outlay	20,636,911	46,460,161	40,830,753	26,408,149	54,950,133	55,291,736	85,797,229	100,850,896	83,141,804	91,444,859
Debt Service:										
Interest	11,289,818	12,805,208	11,378,578	13,128,578	15,141,792	22,260,393	17,608,995	16,778,426	15,791,159	14,282,817
Principal	19,265,000	25,199,340	13,666,695	14,018,506	24,598,578	16,167,551	39,627,867	27,291,445	31,522,206	12,078,545
<b>TOTAL EXPENDITURES</b>	<b>376,216,940</b>	<b>406,840,395</b>	<b>389,937,860</b>	<b>366,278,745</b>	<b>405,200,911</b>	<b>392,965,267</b>	<b>424,124,478</b>	<b>414,095,926</b>	<b>400,271,308</b>	<b>379,099,091</b>
<b>Excess of Revenues Over/(Under)</b>	<b>(6,239,551)</b>	<b>(24,886,352)</b>	<b>(29,998,316)</b>	<b>(10,871,055)</b>	<b>(30,717,889)</b>	<b>(37,866,511)</b>	<b>(63,415,680)</b>	<b>(59,013,627)</b>	<b>(67,433,618)</b>	<b>(48,395,491)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of Equipment & Property	113,725	779,418	45,320	1,632,226	23,196	1,441,885	159,870	9,407	28,489	462,737
Long-Term Financing	-	-	182,608	-	-	-	-	-	-	-
Sales of Bonds	98,865,000	-	-	-	-	-	-	55,000,000	31,543,986	100,000,000
Bond Premium/(Discount)	2,341,123	-	-	-	-	-	-	1,853,628	16,554,973	6,627,063
Capital Leases	-	-	-	-	-	-	-	-	-	-
Bonds, Deposit to Refunding Account	(92,176,953)	-	-	-	-	-	-	-	-	-
Refunded Bonds	92,281,142	-	-	-	-	-	-	-	-	-
Cost of Issuance	(385,193)	-	-	-	-	-	-	-	-	-
Refund from Bond Escrow Account	-	-	-	-	-	-	-	76,595	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>101,038,844</b>	<b>779,418</b>	<b>227,928</b>	<b>1,632,226</b>	<b>23,196</b>	<b>1,441,885</b>	<b>159,870</b>	<b>56,939,630</b>	<b>48,127,448</b>	<b>107,089,800</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 94,799,293</b>	<b>\$ (24,106,934)</b>	<b>\$ (29,770,388)</b>	<b>\$ (9,238,829)</b>	<b>\$ (30,694,693)</b>	<b>\$ (36,424,626)</b>	<b>\$ (63,255,810)</b>	<b>\$ (2,073,997)</b>	<b>\$ (19,306,170)</b>	<b>\$ 58,694,309</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.59%</b>	<b>10.55%</b>	<b>7.17%</b>	<b>7.99%</b>	<b>11.35%</b>	<b>11.38%</b>	<b>16.92%</b>	<b>14.07%</b>	<b>14.92%</b>	<b>9.16%</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS (Unaudited)**

This table presents general fund revenues by category and the other major funds' total revenues over the last ten years for comparison purposes.

<b>FISCAL YEAR</b>	<b>LOCAL TAXES</b>	<b>STATE FUNDS</b>	<b>FEDERAL FUNDS</b>	<b>LOCAL NON-TAX REVENUE</b>
2004	56,297,209	167,449,797	33,840,090	5,962,244
2005	59,201,540	164,849,344	38,237,201	7,019,819
2006	61,731,341	167,990,989	37,504,916	7,898,631
2007	64,642,843	174,288,249	37,087,940	9,118,168
2008	66,388,111	184,567,109	36,665,841	8,800,421
2009	69,052,008	186,586,989	49,076,253	7,062,054
2010	72,876,736	180,860,443	55,281,152	6,080,372
2011	77,928,963	178,017,671	53,091,274	6,753,411
2012	82,145,826	182,805,683	45,141,971	6,448,676
2013	82,673,927	185,471,770	38,536,505	6,294,003

<b>FISCAL YEAR</b>	<b>PAYMENTS FROM OTHER DISTRICTS</b>	<b>PAYMENTS FROM OTHER AGENCIES AND ASSOC.</b>	<b>TOTAL REVENUES GENERAL FUND</b>
2004	857,457	1,244,474	265,651,271
2005	614,971	617,718	270,540,593
2006	1,034,840	340,936	276,501,653
2007	774,167	588,246	286,499,613
2008	1,608,984	505,351	298,535,817
2009	1,477,629	297,477	313,552,410
2010	1,626,362	243,813	316,968,878
2011	1,701,195	387,601	317,880,115
2012	1,942,036	433,756	318,917,948
2013	1,909,593	1,440,858	316,326,656

<b>FISCAL YEAR</b>	<b>SPECIAL REVENUE FUNDS</b>	<b>DEBT SERVICE FUND</b>	<b>*CAPITAL PROJECTS FUNDS</b>	<b>TOTAL ALL FUNDS</b>
2004	2,579,591	29,292,030	33,180,708	330,703,600
2005	2,439,263	41,510,405	18,347,429	332,837,690
2006	2,386,939	44,317,352	31,876,355	355,082,299
2007	2,101,622	44,727,324	27,380,238	360,708,797
2008	2,471,489	40,268,336	13,823,114	355,098,756
2009	1,966,684	37,303,931	21,659,997	374,483,022
2010	2,025,124	31,827,636	4,586,052	355,407,690
2011	2,015,440	28,484,967	11,559,022	359,939,544
2012	1,979,769	29,839,774	31,216,552	381,954,043
2013	2,102,657	30,078,332	21,469,744	369,977,389

\* Capital Projects Fund and Transportation Vehicle Fund

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**LAST TEN FISCAL YEARS (Unaudited)**

This table presents general fund expenditures by activity and the other major funds' total expenditures over the last ten years for comparison purposes.

<b>GENERAL FUND</b>					
<b>FISCAL YEAR</b>	<b>ADMIN</b>	<b>INSTRUCTION</b>	<b>NUTRITION SERVICES</b>	<b>PUPIL TRANSPORT</b>	<b>MAINT. &amp; OPERATIONS</b>
2004	7,901,178	208,029,924	9,899,073	8,922,354	23,670,570
2005	7,866,570	213,510,881	10,410,009	8,873,990	24,020,756
2006	8,462,545	212,201,005	9,847,517	8,232,114	24,523,664
2007	7,937,321	221,059,843	9,980,145	8,549,236	26,650,933
2008	8,054,951	239,329,044	10,828,147	9,698,502	26,787,426
2009	8,440,020	245,992,520	11,560,475	8,155,673	27,792,244
2010	8,892,110	247,663,918	11,609,925	9,285,131	27,411,725
2011	7,969,484	259,669,149	11,749,525	9,695,602	27,512,527
2012	8,990,937	254,898,444	12,034,030	9,798,484	27,405,809
2013	9,179,047	256,119,026	12,098,331	10,460,960	27,861,182

<b>FISCAL YEAR</b>	<b>INFORMATION SERVICES</b>	<b>PRINTING</b>	<b>WAREHOUSE DISTRIBUTION</b>	<b>OTHER SERVICES (1)</b>	<b>TOTAL GENERAL FUND</b>
2004	5,428,191	288,946	437,752	108,309	264,686,297
2005	4,049,247	211,957	463,684	121,032	269,528,126
2006	4,100,831	187,622	557,798	80,803	268,193,899
2007	5,196,173	(12,829)	345,919	148,622	279,855,363
2008	5,588,841	185,959	703,613	131,526	301,308,009
2009	6,079,366	(22,410)	655,790	327,432	308,981,110
2010	5,515,363	191,446	608,614	132,213	311,310,445
2011	5,537,598	253,769	627,326	98,401	323,113,381
2012	7,466,543	189,370	643,427	156,726	321,583,770
2013	6,914,634	270,138	613,839	158,927	323,676,084

<b>FISCAL YEAR</b>	<b>SPECIAL REVENUE FUND</b>	<b>DEBT SERVICE FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>TRANSPORTATION VEHICLE FUND</b>	<b>TOTAL ALL FUNDS</b>
	<b>STUDENT ACTIVITIES</b>	<b>DEBT SERVICE</b>	<b>FACILITIES CONSTRUCTION</b>	<b>BUS PURCHASES</b>	
2004	2,719,115	25,997,910	85,221,131	474,638	379,099,091
2005	2,369,376	46,955,489	81,418,317	-	400,271,308
2006	2,172,968	43,711,995	99,556,094	460,970	414,095,926
2007	2,087,909	56,998,986	84,840,217	342,003	424,124,478
2008	2,390,735	39,269,360	50,602,706	394,457	393,965,267
2009	2,096,938	39,740,370	54,215,243	167,250	405,200,911
2010	1,986,443	27,147,084	25,356,335	478,438	366,278,745
2011	2,177,379	24,804,216	39,842,884	-	389,937,860
2012	2,000,623	38,004,548	45,251,454	-	406,840,395
2013	2,020,978	30,554,818	19,509,323	455,736	376,216,940

(1) Other Services includes Interest and Principal, Debt Services, Motor Pool, and Public Activities.

**TACOMA SCHOOL DISTRICT No. 10  
FOR GOVERNMENTAL FUNDS @  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN CALENDAR YEARS  
(Unaudited)**

This table presents historical information over the last ten years on the district's property taxes levied and collected for its general fund maintenance and operations levy, capital projects construction and technology levies, and debt service bond repayments for capital projects.

CALENDAR YEAR	ORIGINAL TAX LEVY	NET ADJUSTMENTS TO TAX LEVIES	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTION
2003	92,286,543	(233,749)	88,667,081	96.08	2,145,511
2004	98,443,516	(460,708)	95,130,458	96.63	3,317,816
2005	102,309,960	(594,553)	99,015,003	96.78	1,545,957
2006	109,798,162	(425,551)	106,281,886	96.80	3,003,495
2007	109,938,536	(360,264)	106,078,588	96.49	2,733,996
2008	105,699,741	(618,296)	101,945,879	96.45	2,723,280
2009	110,170,949	(965,380)	105,923,086	96.14	2,746,515
2010	102,282,949	(1,038,740)	97,957,039	95.77	3,144,997
2011	128,588,377	(2,287,874)	123,138,650	95.76	2,803,867
2012	131,363,270	(608,313)	127,033,450	96.70	3,429,623

CALENDAR YEAR	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS AS PERCENT OF CURRENT LEVY
2003	90,812,592	98.40
2004	98,448,274	100.00
2005	100,560,960	98.29
2006	109,285,381	99.53
2007	108,812,584	98.98
2008	104,669,159	99.02
2009	108,669,601	98.64
2010	101,102,036	98.85
2011	125,942,517	97.94
2012	130,463,072	99.31

@ General, Debt Service, and Capital Projects Funds

**TACOMA SCHOOL DISTRICT No. 10**  
**ASSESSED VALUE OF TAXABLE PROPERTY AND PROPERTY TAX RATES**  
**ALL OVERLAPPING TAXING AUTHORITIES**  
**TAX ASSESSMENTS PER \$ 1,000 VALUE**  
**LAST TEN CALENDAR YEARS**  
**(Unaudited)**

Table VIII displays the calendar year and assessed valuation amount used to calculate the tax rate per \$1,000 for the district and other taxing entities within its boundaries.

CALENDAR YEAR	SCHOOL DISTRICT TAXABLE VALUES FOR EXCESS LEVIES	DISTRICT ASSESSED			
		SPECIAL LEVY	SCHOOL BOND	CAPITAL PROJECTS	COURT ORDER REFUND
2004	13,127,711,870	4.4194	3.0787	-	-
2005	14,039,768,452	4.2638	3.0163	-	-
2006	16,736,729,965	3.8231	2.7323	-	-
2007	19,992,922,799	3.3053	2.1754	-	0.0275
2008	22,171,379,203	3.0695	1.6959	-	0.0014
2009	22,966,978,151	3.1474	1.6545	-	-
2010	21,961,694,749	3.4272	1.2179	-	0.0092
2011	20,129,053,134	4.0771	1.5107	0.7924	-
2012	18,649,828,373	4.4873	1.5914	0.9621	-
2013	16,863,514,338	4.8848	1.8153	1.2263	-

CALENDAR YEAR	STATE SCHOOL	CITY	METRO PARK	PORT OF TACOMA	COUNTY	TOTAL
2004	3.0260	4.2891	0.9857	0.1863	1.6137	17.5989
2005	2.9119	4.1344	0.8512	0.1863	1.5283	16.8922
2006	2.6388	3.3830	0.8768	0.1857	1.3354	14.9751
2007	2.2912	3.0797	0.7603	0.1856	1.1355	12.9605
2008	2.0688	2.8396	0.7310	0.1851	1.0838	11.6750
2009	2.0234	2.8107	0.7203	0.1829	1.0815	11.6205
2010	2.0674	2.9902	0.7666	0.1840	1.1599	11.8225
2011	2.2737	3.2445	1.0872	0.1819	1.2415	14.4090
2012	2.4079	3.6158	1.1074	0.1814	1.3721	15.7254
2013	2.6294	4.0381	1.1513	0.1833	1.5263	17.4548

**TACOMA SCHOOL DISTRICT No. 10  
 PRINCIPAL PROPERTY TAX PAYERS  
 Comparison of Assessed Valuations for  
 CURRENT YEAR AND TEN YEARS AGO**

TAXPAYER	TYPE OF BUSINESS	2013			2004		
		PROPERTY ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL DISTRICT TAXABLE ASSESSED VALUE*	PROPERTY ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL DISTRICT TAXABLE ASSESSED VALUE
Tacoma Mall Partnership	Retail	\$ 198,644,887	1	1.18 %	\$ 120,381,257	6	0.92 %
Puget Sound Energy/Gas	Utilities	82,094,941	2	0.49	390,541,327	1	2.97
CSC of Tacoma LLC	Correctional Services	81,277,900	3	0.48			-
AT&T Mobility LLC	Telecommunications	80,989,178	4	0.48			-
Targa Sound Terminal LLC	Energy Supplier	68,784,800	5	0.41			-
Simpson Lumber Company LLC	Timber	58,838,500	6	0.35			-
Qwest Corporation	Telecommunications	54,206,595	7	0.32	257,595,507	3	1.96
Simpson Tacoma Kraft Co	Paper Products	49,989,245	8	0.30			-
Fairfield Fairways WA LLC	Property Management	47,667,900	9	0.28			-
Seattle SMSA LTD Partnership	Cellular Service	41,854,212	10	0.25			-
The Boeing Co.	Manufacturer			-	346,561,281	2	2.64
Fredrickson Power	Utility			-	129,469,100	4	0.99
Intel Corporation	Manufacturer			-	125,579,868	5	0.96
Costco Wholesale Corp	Retail			-	116,227,174	7	0.89
Lakewood Industrial Park	Industrial Park			-	115,540,728	8	0.88
Fred Meyer Stores	Retail			-	96,087,176	9	0.73
ERP Operating LP/Holly Residential Properties	Construction			-	92,015,800	10	0.70
		<b>\$ 764,348,158</b>		<b>4.53 %</b>	<b>\$ 1,789,999,218</b>		<b>13.64 %</b>

\* Percentage of total assessed value of \$20,230,959,134

\*\*Registered Trade Name

**TACOMA SCHOOL DISTRICT No. 10**  
**ASSESSED & ESTIMATED ACTUAL PROPERTY VALUE AND CONSTRUCTION**  
**LAST TEN FISCAL YEARS**  
**(CALENDAR YEAR)**

This table shows the actual assessed valuations and estimates used to calculate the district's property tax revenues over the past ten years. Additional information is provided on the number and value of the building permits issued in the City of Tacoma for the same period of time.

CALENDAR YEAR	ASSESSED VALUATION		ESTIMATED ACTUAL TAXABLE PROPERTY	PROPERTY TAX RATE	RESIDENTIAL UNITS	BUILDING PERMITS		VALUE	COMMERCIAL UNITS	VALUE
	OF REAL PROPERTY	TAXABLE PROPERTY				RESIDENTIAL UNITS	COMMERCIAL UNITS			
2003	12,424,183,839	12,424,000,000	12,424,000,000	17.5946	2,441	2,441	383,810,794			
2004	13,127,711,870	13,128,000,000	13,128,000,000	17.5989	2,441	2,441	323,424,000			
2005	14,039,768,452	14,040,000,000	14,040,000,000	16.8922	2,586	2,586	345,444,070			
2006	16,736,729,965	16,737,000,000	16,737,000,000	14.9751	2,746	2,746	482,193,093			
2007	19,992,921,762	19,993,000,000	19,993,000,000	12.9605	1,369	1,369	128,620,917		1,259	390,955,334
2008	22,171,379,203	22,171,000,000	22,171,000,000	11.6750	1,033	1,033	87,120,812		1,113	256,764,093
2009	22,966,978,151	22,967,000,000	22,967,000,000	11.6205	896	896	45,309,886		900	169,220,515
2010	21,961,694,749	21,961,000,000	21,961,000,000	11.8225	908	908	44,535,987		630	252,177,640
2011	20,129,053,134	20,129,000,000	20,129,000,000	14.4090	1,065	1,065	62,437,154		628	189,274,033
2012	18,649,828,373	18,650,000,000	18,650,000,000	15.7254	906	906	49,186,682		673	257,626,062

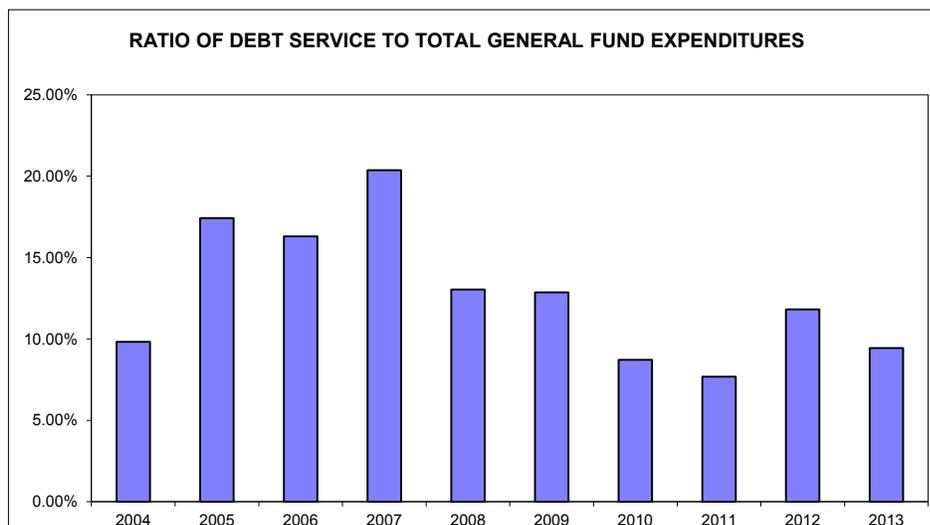
**TACOMA SCHOOL DISTRICT No. 10**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR**  
**GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

This table displays the district's debt service fund expenditures for principal and interest payments over the last ten years and calculates the ratio of these expenditures against the total general fund expenditures for the same year.

FISCAL YEAR	DEBT SERVICE FUND			TOTAL GENERAL FUND EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL FUND EXPENDITURES
	PRINCIPAL(1)	INTEREST(2)	TOTAL		
2004	11,718,578	14,279,332	25,997,910	264,686,297	9.82
2005	31,168,578	15,786,911	46,955,489	269,528,126	17.42
2006	26,938,578	16,771,322	43,709,900	268,193,899	16.30
2007	39,393,578	17,603,713	56,997,291	279,855,363	20.37
2008	23,103,578	16,163,916	39,267,494	301,308,008	13.03
2009	24,598,578	15,140,100	39,738,678	308,981,110	12.86
2010	13,128,578	14,016,812	27,145,390	311,310,445	8.72
2011	11,378,578	13,421,706	24,800,284	323,113,381	7.68
2012	25,199,340	12,804,301	38,003,641	321,583,770	11.82
2013	19,265,000	11,288,147	30,553,147	323,676,084	9.44

(1) General obligation bond principal payments reported in the debt service funds.

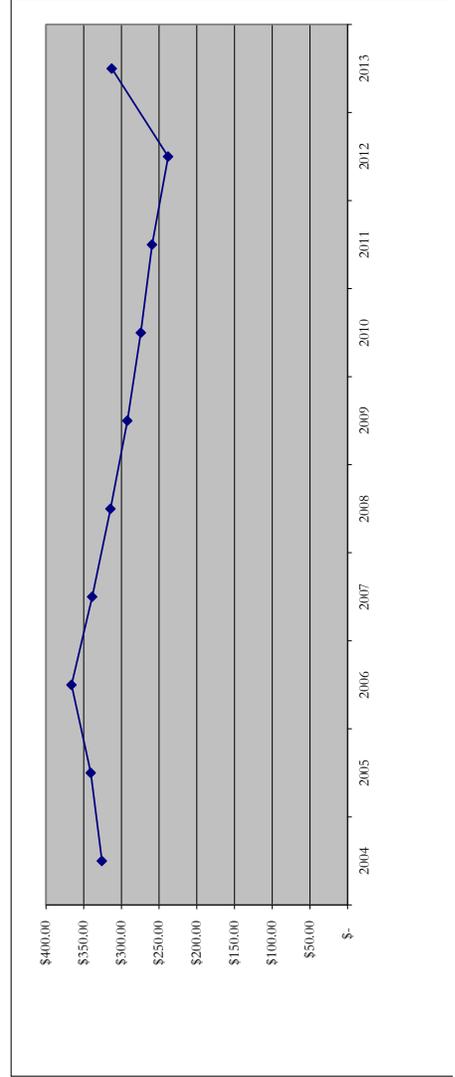
(2) Excludes bond issuance and other costs.



**TACOMA SCHOOL DISTRICT No. 10**  
**RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
 (Unaudited)

FISCAL YEAR	POPULATION	ASSESSED VALUE	GROSS BONDED DEBT	CAPITAL LEASES/ LONG TERM FINANCING	LESS DEBT SERVICE FUNDS AVAILABLE	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	RATIO OF NET BONDED DEBT TO PERSONAL INCOME	NET BONDED DEBT PER CAPITA
2004	196,300	13,127,711,870	340,634,386	1,097,598	15,855,048	325,876,936	2.4824%	5.3198%	1,660
2005	198,100	14,039,768,452	353,525,808	743,971	13,597,791	340,671,988	2.4265%	5.2999%	1,720
2006	199,600	16,736,729,965	381,978,334	391,104	15,853,366	366,124,968	2.1876%	5.0217%	1,834
2007	201,700	19,992,921,762	342,193,652	156,815	3,670,281	338,680,186	1.6940%	4.3522%	1,679
2008	202,700	22,171,379,203	319,090,074	-	4,757,835	314,332,239	1.4177%	3.8326%	1,551
2009	203,400	22,966,978,151	294,491,496	-	2,409,974	292,081,522	1.2717%	3.6625%	1,436
2010	204,200	21,961,694,749	281,362,918	-	7,179,104	274,183,814	1.2485%	3.3770%	1,343
2011	198,900	20,129,053,134	269,984,340	182,608	10,948,433	259,218,515	1.2878%	3.1793%	1,303
2012	199,600	18,649,828,373	244,785,000	146,087	7,037,999	237,893,088	1.2756%	2.6981%	1,192
2013	200,400	16,863,514,338	319,900,000	109,566	7,241,697	312,804,390	1.8549%	3.4007%	1,561

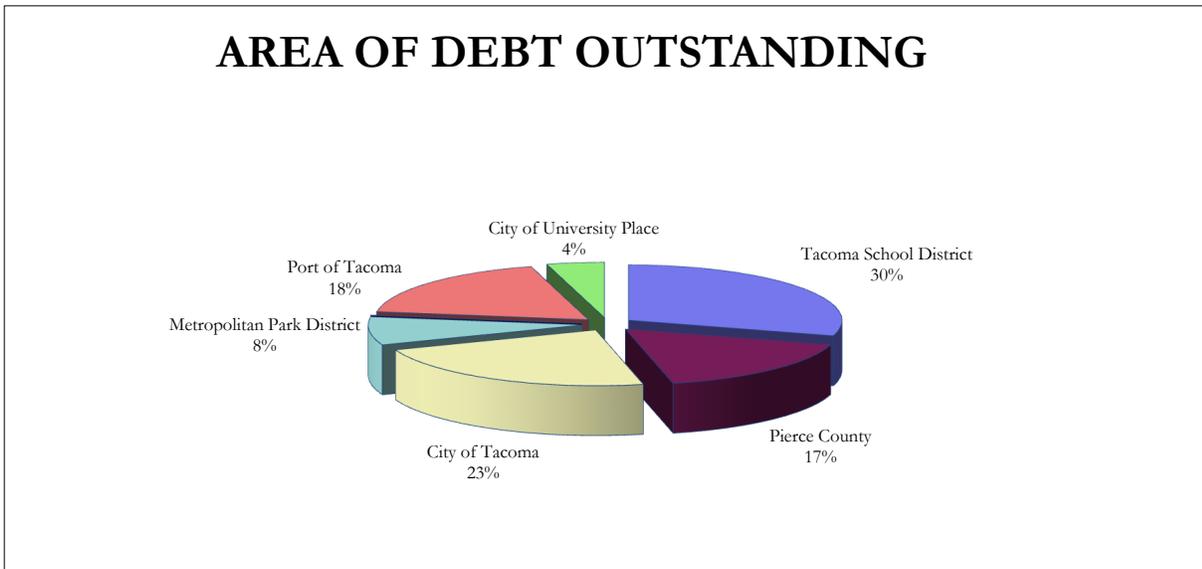
**Net Bonded Debt**



Source data: Office of Financial Management, Pierce County Assessor's Office, and Tacoma School District CAFR Schedule D-1 and Long-Term Debt Tables

**TACOMA SCHOOL DISTRICT No. 10**  
**STATEMENT OF DIRECT AND OVERLAPPING DEBT**  
**August 31, 2013**  
**(Unaudited)**

	AREA DEBT OUTSTANDING		PERCENT APPLICABLE DISTRICT*	DEBT WITHIN DISTRICT BOUNDARY
<b><u>DIRECT BONDED DEBT:</u></b>				
Tacoma School District	\$ 319,900,000	%	100.00	\$ 319,900,000
<b><u>OVERLAPPING BONDED DEBT:</u></b>				
Pierce County	183,068,506		26.96	49,355,269
City of Tacoma	245,899,978		100.00	245,899,978
Metropolitan Park District	88,515,000		100.00	88,515,000
Port of Tacoma	198,445,000		26.96	53,500,772
City of University Place	47,005,000		2.13	1,001,207
TOTAL OVERLAPPING BONDED DEBT	762,933,484			438,272,226
<b>TOTAL DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>\$ 1,082,833,484</b>			<b>\$ 758,172,226</b>



\* Information provided by Pierce County Assessor's Office. The percentage of overlap is calculated by dividing the Tacoma School District's assessed value within a taxing district by the total assessed value of the taxing district.

Source data: Tacoma School District CAFR Long-Term Debt Schedule  
 Pierce County Treasurer's Office  
 City of Tacoma  
 Metropolitan Park District  
 Port of Tacoma  
 City of University Place

**TACOMA SCHOOL DISTRICT No. 10**  
**CONSTITUTIONAL LIMIT OF INDEBTEDNESS**  
**August 31, 2013**

This table provides information upon which the legal debt margin is calculated for the current year. The total limit on indebtedness may be up to five percent of assessed valuation. Additional debt can only be incurred by an authorized 3/5 of the people vote.



**NON-VOTED DEBT**

FOR GENERAL PURPOSES (1)

3/8% of Assessed Valuation (2)	\$ 69,936,856
Less: Limited Tax G.O. Bonds	-

DEBT CAPACITY AVAILABLE FOR NON-VOTED DEBT	69,936,856
--	------------

**BY 3/5 OF THE PEOPLE AUTHORIZATION VOTE**

FOR GENERAL PURPOSES(1)

2 1/8% of Assessed Valuation(2)	396,308,853
Add: Bond Fund Cash	7,241,653
Bond Fund Taxes Receivable	15,270,714
Less: Bonds Outstanding	(319,990,000)

BOND CAPACITY AVAILABLE FOR GENERAL PURPOSES	98,831,220
--	------------

FOR ADDITIONAL CAPITAL OUTLAY(1)

Add: 2 1/2% of Assessed Valuation	466,245,709
-----------------------------------	-------------

BOND CAPACITY FOR ADDITIONAL CAPITAL OUTLAY	466,245,709
---	-------------

**UNUSED PORTION OF INDEBTEDNESS LIMIT**

	\$ 635,013,786
--	----------------

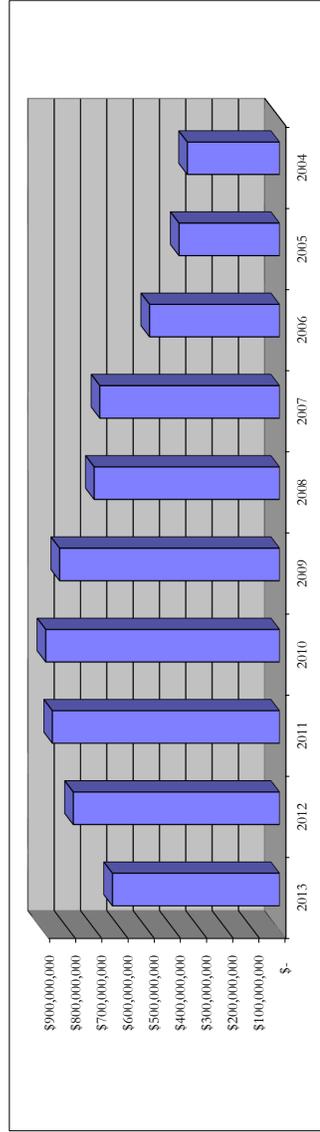
(1) Per 39.36.015 and 39.36.020 Revised Code Of Washington

(2) 2012 Assessment for 2013 Tax Base \$18,649,828,373 (for Bond Levy)

**TACOMA SCHOOL DISTRICT No. 10  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years**

This table shows the debt limit amounts, total net debt applicable to the limit, amount of the legal debt margin, and percentage of debt to the debt limit for the last ten years.

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Debt Limit:</b>										
Non-Voted Debt	\$ 69,936,856	\$ 75,483,949	\$ 82,356,355	\$ 86,126,168	\$ 83,142,672	\$ 74,973,457	\$ 74,973,457	\$ 62,762,737	\$ 52,649,132	\$ 49,228,920
Voted Debt/General Purposes	396,308,853	427,742,379	466,686,013	488,048,286	471,141,808	424,849,587	424,849,587	355,655,512	298,345,081	278,963,877
Voted Debt/Additional Capital Outlay	466,245,709	503,226,328	549,042,369	574,174,454	554,284,480	499,823,044	499,823,044	418,418,249	350,994,213	328,192,797
<b>Total Debt Limit</b>	<b>932,491,418</b>	<b>1,006,452,656</b>	<b>1,098,084,737</b>	<b>1,148,348,908</b>	<b>1,108,568,960</b>	<b>999,646,088</b>	<b>999,646,088</b>	<b>836,836,498</b>	<b>701,988,426</b>	<b>656,385,594</b>
<b>Total Net Debt Applicable to Limit</b>	<b>297,477,633</b>	<b>222,734,499</b>	<b>235,062,291</b>	<b>260,156,855</b>	<b>272,742,039</b>	<b>295,345,937</b>	<b>316,833,088</b>	<b>343,081,418</b>	<b>320,025,026</b>	<b>306,031,089</b>
<b>Legal Debt Margin</b>	<b>\$ 635,013,786</b>	<b>\$ 783,718,158</b>	<b>\$ 863,022,446</b>	<b>\$ 888,192,053</b>	<b>\$ 835,826,921</b>	<b>\$ 704,300,151</b>	<b>\$ 682,813,000</b>	<b>\$ 493,755,080</b>	<b>\$ 381,963,400</b>	<b>\$ 350,354,505</b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	31.90%	22.13%	21.41%	22.65%	24.60%	29.55%	31.69%	41.00%	45.59%	46.62%
<b>Assessed Valuation (Revenue Base)</b>	<b>16,863,514,338</b>	<b>18,649,828,373</b>	<b>20,129,053,134</b>	<b>21,961,694,749</b>	<b>22,966,978,151</b>	<b>22,171,379,203</b>	<b>19,992,922,799</b>	<b>16,736,729,965</b>	<b>14,039,768,452</b>	<b>13,127,711,870</b>



**TACOMA SCHOOL DISTRICT No. 10  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

Table XVI displays the population for the City of Tacoma, and the per capita income and unemployment rates for Pierce County.

<b>YEAR</b>	<b>POPULATION (a)</b>	<b>PERSONAL INCOME (In Thousands) (b)</b>	<b>PER CAPITA PERSONAL INCOME (b)</b>	<b>UNEMPLOYMENT PERCENTAGE RATE (c)</b>	<b>F.T.E. AVERAGES K 12 ENROLLMENT (d)</b>	<b>FREE &amp; REDUCED LUNCH K-12 PERCENTAGE RATE (e)</b>
2004	198,100	23,906,049	31,206	7.10%	30,299	52.00%
2005	199,600	25,580,131	32,448	5.90%	29,439	52.80%
2006	201,700	27,915,671	36,527	5.20%	28,649	52.50%
2007	202,700	29,863,847	38,581	5.01%	27,932	54.80%
2008	203,400	31,846,581	40,461	5.93%	27,659	56.60%
2009	204,200	31,228,180	39,208	9.29%	28,088	58.80%
2010	204,200	31,625,073	39,761	9.20%	27,828	57.00%
2011	198,900	33,117,849	40,992	9.10%	27,806	60.00%
2012	199,600	35,232,946	44,174	8.50%	27,562	63.90%
2013	200,400	Not Available	45,900	7.50%	27,531	63.20%

(a) Office of Financial Management

(b) Bureau of Economic Analysis, Pierce County Economic Index

(c) WA State Employment Security Department

(d) WA State Office of Superintendent of Public Instruction

(e) WA State Office of Superintendent of Public Instruction, Washington State Report Card

Table XVII

**TACOMA SCHOOL DISTRICT No. 10**  
**PRINCIPAL EMPLOYERS**  
 Current Year and Nine Years Ago

EMPLOYER	2013			2004		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL	EMPLOYEES	RANK	PERCENTAGE OF TOTAL
Federal Government	64,754	1	% 55.67	41,321	1	% 56.18
Local Government	27,877	2	23.97	16,570	2	22.53
MultiCare Health Systems	6,776	3	5.83	3,748	3	5.10
Franciscan Health Systems	5,814	4	5.00	3,521	4	4.79
Fred Meyer Stores	2,328	5	2.00	1,992	5	2.71
Wal-Mart	2,102	6	1.81	-	-	-
Emerald Queen Casino	2,070	7	1.78	1,400	7	1.90
The Boeing Company	1,802	8	1.55	958	10	1.30
Safeway Stores, Inc.	1,616	9	1.39			
Costco	1,181	10	1.02			
Good Samaritan Hospital				1,610	6	2.19
Intel Corporation				1,300	8	1.77
Milgard Manufacturing, Inc				1,126	9	1.53
<b>Total</b>	<b>116,320</b>		<b>% 100.00</b>	<b>73,546</b>		<b>% 100.00</b>

Source data: Economic Development Board for Tacoma-Pierce County, Pierce County

**TACOMA SCHOOL DISTRICT No. 10**  
**MISCELLANEOUS STATISTICS**  
**CITY OF TACOMA**  
**(Unaudited)**

Year Incorporated (Tacoma School District)	1878
Population (City of Tacoma)	200,400
Total Personal Income (Pierce County)	35,232,946
Land Area	50.1 Square Miles
Average Rainfall	39.0 Inches
Average Temperature Summer	64.2 F.
Average Temperature Winter	41.8 F.
Number of Police Stations	6
Number of Fire Stations	17
Number of Hospitals	5
Number of City Operated Public Libraries	8 Branches
Numer of Museums	12

**TACOMA SCHOOL DISTRICT**

Schools	Elementary	35
	Middle	9
	High	8
	Alternative Learning Sites	14
Students	Elementary (Grades K-5)	15,448
	Middle School (Grades 6-8)	6,158
	High School (Grades 9-12)	6,850
	Alternative Learning Sites	1,939
Average FTE (District Total)		30,395

**OTHER SCHOOLS**

Private Schools (Above Kindergarten)	30
Business Colleges (Private)	2
Technical Colleges	1
Community Colleges	1
Universities (Private)	2
Universities (Branch Campus)	1

**RECREATION - CITY OWNED**

Parks	72
Tidelands	6
Swimming Pools	4
Golf Courses, including Disk Golf (Public)	2
Playfields/Athletic Fields	30
Professional Baseball Park	1
Domed Stadiums	1

**TACOMA SCHOOL DISTRICT No. 10  
CONTRIBUTING STAFF**

The following individuals contributed to the successful completion of the Tacoma School District's Comprehensive Annual Financial Report:

**ACCOUNTING SERVICES**

Marianne Bigelow

Andrea O'Brien-Henley

Wanda Moore

Alice Shaw

Christina Weaver

Anne Cumings

**FINANCE**

Lela Cross

Patricia Luat

Robin Mason

Robert Peters

**PRINTING AND ART WORK**

David Gjertsen

Mike Griswold

Greg Weber

**TACOMA SCHOOL DISTRICT No. 10**  
**FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY PROGRAM**  
 Last Ten Fiscal Years

Program Description	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Regular Instruction										
Certificated	1,414,586	1,400,864	1,446,442	1,348,652	1,379,660	1,359,463	1,430,135	1,437,151	1,504,650	1,563,525
Classified	224,991	217,115	147,552	225,080	222,436	219,807	204,968	217,619	223,379	224,547
Federal Stimulus										
Certificated	22,969	32,355	62,683	129,456	-	-	-	-	-	-
Classified	0,724	2,676	90,732	48,778	-	-	-	-	-	-
Special Instruction										
Certificated	300,301	303,773	301,980	274,661	308,579	307,456	240,287	248,882	259,389	247,252
Classified	165,316	175,023	181,176	151,997	195,082	189,475	181,179	172,982	178,889	176,684
Career & Technical Instruction										
Certificated	100,814	97,850	94,004	91,283	90,754	89,700	91,891	94,997	93,082	93,158
Classified	7,261	8,876	7,876	8,468	7,822	10,834	13,405	15,211	15,350	12,611
Compensatory Instruction										
Certificated	149,498	171,298	158,048	189,615	284,069	289,341	300,757	269,794	270,859	245,844
Classified	83,580	94,381	99,365	101,416	105,145	102,572	99,995	113,555	114,794	111,068
Other Instructional Programs										
Certificated	14,400	16,270	15,506	15,200	15,000	22,500	28,562	28,448	35,499	35,395
Classified	13,459	16,067	14,848	13,603	14,190	13,915	13,788	14,630	15,186	12,903
Other Community Services										
Classified	-	-	0,688	0,688	-	-	-	-	-	-
Support Services										
Certificated	2,000	2,000	2,000	4,000	4,000	3,000	4,000	5,000	3,000	3,000
Classified	354,468	354,244	353,312	368,486	374,065	374,100	387,426	420,858	431,281	418,306
Food Services										
Classified	105,758	103,536	106,439	111,193	108,278	109,554	110,836	113,447	115,190	117,387
Transportation										
Classified	38,865	41,079	40,991	44,842	43,883	44,978	44,959	48,365	50,928	48,685
Planning & Construction (CPF)										
Certificated	3,000	2,000	2,100	1,600	1,401	1,000	4,000	-	-	-
Classified	16,308	16,650	18,263	15,413	17,834	17,995	13,219	15,239	13,731	13,719
<b>TOTAL</b>	<b>3,018,298</b>	<b>3,056,057</b>	<b>3,144,005</b>	<b>3,144,431</b>	<b>3,172,198</b>	<b>3,155,690</b>	<b>3,169,407</b>	<b>3,216,178</b>	<b>3,325,207</b>	<b>3,324,084</b>

Source data:  
 State of Washington's Office of Supt. of Public Instruction's 1801 Reports

**TACOMA SCHOOL DISTRICT No. 10  
CERTIFICATED INSTRUCTIONAL STAFF INFORMATION  
LAST TEN FISCAL YEARS**

This table displays information on the district's certificated instructional staff which includes all non-administrative full-time equivalent staff holding a teaching or ESA certification, e.g. teachers, school psychologists, speech language pathologists, occupation and physical therapists, etc. The derived base is the amount paid to a teacher with zero years of experience and a bachelor's degree with no additional credits.

<b>Year</b>	<b>Certificated Instructional Staff (1)</b>	<b>Derived Base Salary (1)</b>	<b>Average Base Salary (1)</b>	<b>Average Other Salaries (1)</b>	<b>Average Years of Experience (2)</b>	<b>Percent of Staff with Master's Degree or Higher (3)</b>
2013	1,882,636	33,255	52,228	15,673	12.90	60.00%
2012	1,902,810	33,328	52,282	15,229	12.90	60.00%
2011	1,943,746	34,003	53,060	15,887	13.10	57.60%
2010	1,941,582	34,237	53,175	13,747	13.10	55.70%
2009	1,969,494	34,209	52,370	12,505	13.00	54.90%
2008	1,954,333	32,600	49,617	11,670	13.30	54.40%
2007	1,946,098	31,008	47,237	11,228	13.10	53.10%
2006	1,957,372	30,066	45,769	10,403	13.30	51.60%
2005	2,040,179	29,699	44,978	9,314	13.50	49.90%
2004	2,062,805	28,472	43,895	8,849	13.60	48.20%

(1) From OSPI Report 1801Cert, District Instructional Staff for Compliance Purposes

(2) From OSPI Washington State Report Card

**TACOMA SCHOOL DISTRICT No. 10**  
**OPERATING STATISTICS**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Expenses (1)</b>	<b>Average FTE Enrollment (2)</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Classroom Teachers (3)</b>	<b>Pupil/Teacher Ratio</b>
2004	301,312,360	30,299	9,945	20.70	1,897	16.0
2005	284,225,264	29,439	9,655	(2.92)	1,864	15.8
2006	304,898,149	28,649	10,643	10.23	1,771	16.2
2007	319,405,961	27,932	11,435	7.45	1,741	16.0
2008	341,246,519	27,659	12,338	7.89	1,734	16.0
2009	369,327,557	28,088	13,149	6.58	1,703	16.5
2010	361,194,058	27,828	12,980	(1.29)	1,677	16.6
2011	374,981,567	27,806	13,486	3.90	1,672	16.6
2012	364,479,546	27,562	13,224	(1.94)	1,810	15.2
2013	369,062,612	27,531	13,405	1.37	1,619	17.0

(1) Tacoma School District CAFR Schedule 2

(2) Annual average FTE enrollment figures from WA State Office of Supt of Public Instruction Report P223

(3) Classroom teachers from WA State Office of Supt of Public Instruction Report Card

**TACOMA SCHOOL DISTRICT No. 10**  
**BUILDINGS & PROPERTIES**  
**August 31, 2013**

PROPERTY	LOCATION	YEAR BUILT	YEAR OF ADDITION/ MODERNIZATION	SQUARE FOOTAGE	ACREAGE
<b>SENIOR HIGH SCHOOLS</b>					
Foss	2112 S. Tyler St.	1972	2005 1956, 1967, 1973, 1979,	256,013	34.29
Lincoln	701 S. 37th St.	1913	1997, 2007	280,334	25.15
Mount Tahoma	4634 S. 74th St.	2004		277,912	86.00
Oakland	3319 S. Adams St.	1912	1958	34,276	2.95
School of the Arts - Pacific	1950 Pacific Ave.	1904	1965	21,601	0.25
School of the Arts - Ted Brown	1117-1123 Broadway	1922	2002, 2005	33,516	0.13
Science and Math Institute	5501 N Pearl St.	2009		9,047	-
Stadium	111 North E St.	1912	1974, 2006	295,792	9.81
Wilson	1202 N. Orchard St.	1958	1968, 2006	246,699	41.20
<b>MIDDLE SCHOOLS</b>					
Baker	8320 S. I St.	2011		119,594	13.06
First Creek	1801 E. 56th St.	2009		119,861	37.41
Giaudrone	4902 S. Alaska St.	2003		119,402	15.54
Gray (New)	6229 S. Tyler	2008		116,872	15.09
Hunt	6501 S. 10th St.	1957	1964, 1968, 1974	112,321	24.83
Jason Lee	602 N. Sprague Ave.	1923	1964, 2001	127,053	8.37
Mason	3901 N. 28th St.	1925	1951, 1963, 1979, 2003	114,869	7.92
Meeker	4402 Nassau Ave NE	1991	2002	103,588	25.00
Stewart	5010 Pacific Ave.	1924	1963, 1973	147,657	7.29
Truman	5801 N. 35th St.	1999		124,750	13.00
<b>ELEMENTARY SCHOOLS</b>					
Arlington	3002 S. 72nd St.	1924	1938, 1953	39,061	6.30
Birney	1202 S. 76th St.	1961	1964, 1971	57,559	8.70
Blix	1302 E. 38th St.	2002		62,028	8.80
Boze	1140 E. 65th St.	1969	1971, 1989	52,456	14.57
Browns Point	1526 - 51st. St. NE	1952	1956, 1960	74,778	18.72
Bryant	717 S. Grant Ave.	1960		40,662	2.60
Crescent Heights	4410 Nassau Ave NE	1999		60,648	15.00
DeLong	4901 S. 14th St.	1953	1986	56,412	5.00
Downing	2502 N. Orchard St.	1948	1953, 1958, 1973	60,698	10.08
Edison	5830 S. Pine St.	1952	1967, 1983	62,834	4.00
Fawcett	126 E. 60th St.	1950	1957, 1987	55,808	5.59
Fern Hill	8442 S. Park Ave.	1919	1925, 1957, 2006	58,257	3.96
Franklin	1402 S. Lawrence	1889	1910, 1953, 1968, 1997	62,525	6.00
Geiger	6501 S. 10th Street	2012		67,823	7.22
Grant	1018 N. Prospect St.	1900	1920, 1955, 1967	51,386	3.51
Hoyt	2708 N. Union Ave.	1959		7,495	0.86
Jefferson	4302 N. 13th St.	2003		60,440	3.55
Larchmont	8601 E. B St.	1969	2002	73,504	14.06
Lister	2106 E. 44th St.	1998		70,782	6.90
Lowell	810 N. 13th St.	1949	1951	55,600	2.84
Lyon	101 E. 46th St.	1924	1949, 1966	41,017	2.82
Manitou Park	4430 S. 66th St.	1994		67,055	2.40
Mann	1002 S. 52nd. St.	1953	1967, 2003	67,759	3.30
McCarver	2111 S. J St.	1925	1961	100,457	5.79
Northeast Tacoma	5412 29th St. NE	1992		54,863	4.34
Point Defiance	4330 N. Visscher St.	1911	1920, 1946, 1957, 1979, 1980, 1987	55,944	12.44

**TACOMA SCHOOL DISTRICT NO. 10**  
**BUILDINGS & PROPERTIES**  
August 31, 2013

PROPERTY	LOCATION	Year Built		Square Footage	Acreage
Reed	1802 S. 36th St.	1951	1952, 1987	57,815	5.39
Roosevelt	3550 E. Roosevelt Ave.	1922	1967, 1972, 1973, 1984	53,638	7.33
Sheridan	6317 McKinley Ave.	1994		57,227	4.13
Sherman	4415 N. 38th St.	1999		59,127	3.56
Skyline	2301 N. Mildred St.	1962	1967, 1979	59,083	9.80
Stafford	1615 S. 92nd St.	2005		63,610	10.04
Stanley	1712 S. 17th St.	1927	1955, 1967, 1973, 1987	59,679	3.00
Washington	3701 N. 26th St.	1901	1905, 1967, 1968	42,680	1.91
Whitman	1120 S. 39th St.	1952	1954, 1983, 2003	63,971	3.64
Whittier	777 Elm Tree Lane	1962		62,205	5.14
<b>OTHER BLDGS. &amp; SITES</b>					
Building & Grounds	3223 S. Union Ave.	1940	1965	74,428	6.92
Central Administration Bldg. (CAB)	601 S. 8th St.	1930		111,426	3.33
CAB Annex	708 S. G St.	1960		8,276	0.15
Food Svcs/Purchasing/Warehouse	3321 S. Union Ave.	1940	1965	37,003	4.79
Lincoln Tree Farm	28001 Mountain Highway	1969		2,849	332.16
Madison - Head Start Use	3102 S. 43rd St.	1924	1958, 1968	29,966	9.00
Park Avenue Center	6701 Park Ave.	1912	1949	44,613	19.80
Professional Development Ctr	6501 N. 23rd St.	1950	1963, 1968, 1979, 2003	78,750	10.00
<b>VACANT SITES</b>					
Blueberry Farm	E. 80th & D St.				50.49
Camp Joshua Taylor	Longbranch	1975		1,876	14.92
Gault	1115 E. Division Lane	1925	1952, 1973, 1979 1943, 1952, 1963, 1973,	109,582	7.20
Gray (old)	3109 S. 60th St.	1924	1974	18,590	7.33
McKinley	3702 McKinley	1908	1910, 1954, 1958, 1967	53,876	2.44
School of the Arts	1818 Tacoma Ave.	1919	1966	7,518	0.45
Wainwright	130 Alameda Ave.	1924	1948, 1954, 1957, 1971	48,441	7.26
Willard	3201 South D St.	1951		25,471	1.03
<b>TOTALS</b>				5,410,708	1,077.85



www.tacomaschools.org

Board of Directors

Debbie Winskill, President

Kurt Miller, Vice President

Scott Heinze

Catherine Ushka

Karen Vialle

Carla J. Santorno, Superintendent

CAMBODIAN

ធ្វើក្លាប់មកជាមួយនេះគឺជាឯកសារដ៏សំខាន់មកពីសាលារៀនរបស់កូនអ្នក ។ សូមមេត្តារកគេជួយបកប្រែឯកសារនេះឲ្យអ្នក ។ សូមអរគុណ ។

LAOTIAN

ຂັດຕິດມາພ້ອມនີ້ແມ່ນເອກະສານສຳຄັນ ຈາກໂຮງຮຽນຂອງລູກທ່ານ. ກະລຸນາຮັບເອົາເອກະສານຊຶ່ງພວກເຮົາໄດ້ແປໃຫ້ທ່ານແລ້ວນີ້ໄວ້ດ້ວຍ. ຂອບໃຈ.

SPANISH

Adjunto encontrará un documento importante de la escuela de su hijo/a. Si corresponde, sírvase pedir que se lo traduzcan. Muchas gracias.

KOREAN

귀댁 자녀의 학교에서 보내 드리는 본 서류는 중요합니다. 자녀에게 서류에 있는 내용을 설명해 달라고 하십시오. 감사합니다.

RUSSIAN

В приложении Вы найдете важный документ из школы, где учится Ваш ребенок. Пожалуйста, попросите, чтобы Вам его перевели. Спасибо!

VIETNAMESE

Kèm theo đây là giấy tờ quan trọng của nhà trường con em quý vị. Xin hãy nhờ người giải thích những giấy tờ này cho quý vị. Cám ơn.

Attached is an important document from your child's school. Please have this document translated for you. Thank you.

Tacoma School District complies with all federal and state laws and regulations and does not discriminate on the basis of race, color, religion, sex, gender identity, sexual orientation, national origin, or ancestry, the presence of any sensory, mental or physical disability or use of a trained guide dog or miniature horse by a person with a disability, age, familial or marital status, honorably discharged veteran or military status. This applies to all educational programs and extra-curricular activities. Inquiries regarding the application of the above should be directed to the Assistant Superintendent of Human Resources, telephone 253-571-1252. Inquiries regarding the application of the above to students and the application of Title IX should be directed to the Director of Student Life, telephone 253-571-1123. Inquiries regarding the application of Section 504 of the Rehabilitation Act (concerning students with disabilities who are not eligible for special education) should be directed to the Executive Director of Student Services, telephone 253-571-1224. These individuals may be contacted by mail at P.O. Box 1357, Tacoma, WA 98401-1357.

