

# Comprehensive Annual Financial Report

*For the fiscal year ended August 31, 2009*



**First Creek Middle School**



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**First Creek Middle School**



**TACOMA SCHOOL DISTRICT No. 10**  
**Comprehensive Annual Financial Report**  
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**TACOMA SCHOOL DISTRICT NO. 10  
2008-09 DIRECTORY OF OFFICIALS**

**ELECTED**

**Directors**

		<b><u>Term</u></b>	<b><u>Expiration</u></b>
<b>President</b>	Kim Golding	6 Years	November 2011
<b>Vice President</b>	Debbie Winskill	6 Years	November 2013
	James Dugan	6 Years	November 2011
	Kurt Miller	6 Years	November 2009
	Connie Rickman	6 Years	November 2009

**APPOINTED**

<b>Superintendent</b>	Arthur O. Jarvis
<b>Legal Counsel</b>	Susan Schreurs
<b>Chief Financial Officer</b>	Ronald H. Hack
<b>Executive Director, General Support Services</b>	Sam Bell
<b>Director, Financial Services</b>	Patricia Luat
<b>Accounting Services Manager</b>	Marianne Bigelow

**MAILING ADDRESS**

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



## 2008-2009 Board of Directors



**Kim Golding, President**  
 Elected in 2005  
 Term expires in November 2011



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



**James Dugan**  
 Elected in 2005  
 Term expires in November 2011



**Kurt Miller**  
 Elected in 2003  
 Term expires in November 2009



**Connie Rickman**  
 Elected in 2003  
 Term expires in November 2009



**Arthur O. Jarvis** was appointed interim superintendent of Tacoma School District No. 10 on August 1, 2007. On July 1, 2008, Dr. Jarvis was selected by the Board of Directors as the district's superintendent. He came to Tacoma from the Seattle School District where he was the Chief Financial Officer. Prior to that he was superintendent for twenty-two years—eleven in Enumclaw and eleven in South Whidby school districts.

Dr. Jarvis received his bachelor, masters, and doctorate degrees from the University of Washington.

In addition to his membership in national educational organizations such as the American Association of School Administrators and the National Association of School Board Directors, he is also a member of the Washington Association of School Administrators, Washington State Association for Supervision and Curriculum Development, Washington Association of School Principals, and Washington Association of School Business Officials.

Dr. Jarvis was named the 2005 Washington State Superintendent of the Year.

Tacoma School District No. 10  
Board of Directors, 1443

Superintendent  
Arthur Jarvis, 1010

Deputy Superintendent  
Teaching & Learning  
Carla Santomo  
1011

Chief Financial Officer  
Ron Hack  
1201

Director of Audit  
Paul Walker  
1305

Public Information  
Director  
Dan Voelpe  
1015

Human Resources  
Assistant  
Superintendent  
Laurie Taylor  
1252

Legal Services,  
General Counsel  
Susan Schreurs  
1013

Chief Operations Officer  
Sam Bell  
3300

Financial Services  
Director, Patty Luat  
1281

Accounting  
Services Manager  
Marianne Bigelow  
1198

Payroll Manager  
Diane Taylor  
1268

Budget Director  
Rosalind Medina  
1212

Contracts, Purchasing &  
Warehouse  
Manager  
Steve Demel  
3382

Printing & Graphics

Technology Services  
Executive Director  
Shaun Taylor  
1160

Instructional  
Technology Director  
Wes Burmark  
3541

Technical Support  
Manager  
Glen Desseau  
3553

Technical Operations  
Manager  
Dorothy Kippie  
1065

Student System  
Coordinator  
Karen Hase  
1516

Asst. Supt., K-12 Support  
Rosanne Fulton  
1036

Career &  
Technical Ed.  
Director  
Anita Jinks  
1024

Athletics &  
Activities  
Director  
Jennifer Kubista  
1123

Grants  
Management  
Deanna Briesse  
1456

Partnership  
Program  
Coordinator  
Kelly Hoekstra  
1087

Research and  
Evaluation  
Director  
Pat Cummings  
1192

Guidance &  
Counseling  
Coordinator  
Chris Backman  
1182

Student  
Assessment  
Coordinator  
Terry Easley  
1193

Professional  
Development,  
Classified  
Coordinator  
Cathy Martin  
1157

Professional  
Development  
Director  
Kelly Raymond  
1061

District Liaison for  
Equity & Diversity  
DaVonne Bell  
1292

Secondary Director  
Miguel Villahermosa  
1032

Security

Secondary Director  
Toni Pace  
1191  
HS Graduation

Assistant to the  
Secondary  
Directors

Curriculum &  
Instruction  
Executive Director  
Carolyn Treleven  
1135

Curriculum &  
Instruction Director  
Kathy Comfort  
1120  
Libraries

School Improvement  
Director  
Don Lloyd  
1049

Title 1, Tone  
School, LAP  
SIP & DIP, Tacoma  
360 (Elem), Head  
Start/ECEAP/Even  
Start

Elementary Director  
Minh Anh Hodge  
1415  
ELL, Indian Ed,  
World Languages

Elementary Director  
Karyn Clarke  
1032

Principals

Student Services  
Executive Director  
Barbara O'Rourke  
1224

Special Education  
Asst. Directors (5)  
Ann Chambers  
Linda Darling  
John Goebel  
Sharon Hartung  
Mark McNeal  
1040

Health Services  
Administrator  
Elizabeth Goldberg  
1506

Park Avenue  
Center  
Administrator  
Janet Gates Cortez  
1037

Human Resources  
Support Teams  
Director  
Gayle Elijah  
1246

Human Resources  
Recruitment Director  
Marilyn Crabtree  
1245

The Sound  
Partnership  
Executive Director  
Mike Peterson  
1240

Workers'  
Compensation/ADA  
Manager  
Leslie Nohr  
1021

Legal Support/  
Claim Manager  
Jeff Pance  
1484

Maintenance  
Supervisor (day)  
Margaret Ohlson  
3330

Maintenance/  
Custodial  
Supervisor (swing)  
Rick Watson  
3334

Custodial  
Supervisor (day)  
Peter Shoop  
3322

Transportation Services  
Director, Sue Race  
1909

Transportation  
Supervisor  
Mike Fletcher  
1901

Planning and  
Construction Director  
Pete Wall  
3350

Capital Projects  
Managers  
Ernie Eugenio,  
3350  
Christy Barrie  
3350

Nutrition Services  
Manager  
Paul Scott  
3371

Safety and  
Environmental Health  
Manager  
Ken Wilson  
3300

**Tacoma School  
District No. 10**  
Organization Chart  
by Function  
Date: December 2009  
Version 5.2



**Arthur O. Jarvis, Ed.D., Superintendent**  
601 South 8<sup>th</sup> Street, Tacoma, WA 98405  
253.571.1010 – Fax 253.571.2550

February 26, 2010

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, 2009. We believe this report presents comprehensive information about the scope and character of the district's fiscal activities and accomplishments during 2008-09. 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.

To facilitate readability, the Comprehensive Annual Financial Report is presented in three sections as described below:

The **Introductory Section** includes this letter of transmittal, certificates of excellence in financial reporting, directory of officials and list of contributing staff, and the district's organizational chart. This section is intended to provide a summary of financial transactions, an overview of the district as one entity, and a summary of other significant facts or trends related to the district.

The **Financial Section** includes the independent auditor's report on the financial statements, MD&A, government-wide and fund financial statements, proprietary fund financial statements, fiduciary fund financial statements, notes to the financial statements, required supplementary information, and supplemental data.

The **Statistical Section** includes selected financial and demographic information, presented on a multi-year basis, where possible. This section is intended to provide additional financial and non-financial information relevant to the district. This section is unaudited.

## **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 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 the sixth largest container port in North America and 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. 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.

Major private employers such as Multicare, Franciscan and Good Samaritan, The Boeing Company, Safeway, Fred Meyer stores, Intel Corporation, and Frank Russell Company continue to make Pierce County their home and add to the local economy. Another stabilizing influence in the area's economy is the two major military installations: Madigan Army Medical Center, and Joint Base Lewis-McChord.

### Population

It is projected that Tacoma-Pierce County's population will continue to grow. The following table 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>
2000*	700,818	193,556
2001**	713,398	194,500
2002**	724,998	194,900
2003**	733,700	196,300
2004**	744,000	196,800
2005**	755,900	198,100
2006**	773,500	199,600
2007**	790,500	201,700
2008**	805,400	202,700
2009**	813,600	203,400

*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 educational programs, special education for handicapped students, English language learner programs, and numerous educational enrichment programs. The district also provides transportation and nutritional services. The school district is the third largest in the state of Washington.

The district has 37 elementary schools, 11 middle schools, five comprehensive high schools and seven alternative learning sites. The district has approximately 5,000 employees and is one of the largest employers in the Tacoma-Pierce County area.

## MAJOR INITIATIVES

In 2007-2008 the board of directors together with the superintendent began the year by establishing board goals designed to improve achievement of all students.

The four board district improvement goals are as follows:

- Increase achievement for all students each year by 10%.
- Decrease the gap between underperforming subgroups and the district average performance on the Washington Assessment of Student Learning by 10% annually.
- Decrease the dropout rate by 10% annually.
- Reduce the number of students not graduating by 10% annually.

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 our goals.

Washington Assessment of Student Learning test results in 2008-09 compared to 2007-08 decreased in each content area.

**Percent of Tacoma School District Students Meeting the WASL standards in 2008-09**

<b>Grade Level</b>	<b>Reading</b>	<b>Math</b>	<b>Writing</b>	<b>Science</b>
3rd Grade	64.9%	55.0%		
4th Grade	66.8%	39.2%	55.7%	
5th Grade	67.8%	52.3%		32.3%
6th Grade	63.3%	38.9%		
7th Grade	48.4%	37.7%	60.4%	
8th Grade	62.3%	37.7%		36.8%
10th Grade	73.4%	30.9%	81.3%	25.7%

### 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:	2 hours or more each scheduled school day
Grades 1 – 3:	4 hours or more each scheduled school day
Grades 4 – 12:	5 hours or more each scheduled school day

The district's annual average FTE enrollment in 2008-09 was 28,088 students. Overall enrollment increased from 2007-08 by 428 FTE students. However, the increase at the elementary school level was a result of a re-classification of kindergarten students from a half time unit to a full-time unit. The increases and/or (decreases) are as follows:

Elementary Schools (grades K-5)	611
Middle Schools (grades 6-8)	(133)
High Schools (grades 9-12)	(32)
Home/Private	-
Summer School	(8)
Running Start (college level courses)	(10)
<b>Total</b>	<b>428</b>

Projected enrollments for the fiscal year 2009-10 and 2010-11 are shown below.

#### FULL TIME EQUIVALENT (FTE) ENROLLMENT

Actual and Projected (P) Annual Average Enrollment						
Grade	2006	2007	2008	2009	2010(P)	2011(P)
Total K-5	12,791	12,685	12,883	13,493	12,601	13,338
Total 6-8	6,918	6,562	6,337	6,205	6,157	6,285
Total 9-12	8,717	8,468	8,217	8,185	8,261	7,818
Other	222	216	222	205	187	184
<b>TOTAL K-12</b>	<b>28,648</b>	<b>27,931</b>	<b>27,659</b>	<b>28,088</b>	<b>27,206</b>	<b>27,625</b>

Source: Demographer, W. Les Kendrick, Ph.D, and OSPI 08-09 Fiscal Budget, F-195

#### Construction and Renovations

On February 6, 2001, voters approved a \$450 million bond issue. These funds have been and are being used for additional educational facilities, capital improvements, and technology improvements which included related infrastructure improvements in district facilities. The district is nearing the completion of the construction projects included in the bond issue and has two schools projects to complete.

The new Gray Middle School was completed and opened nine months early on January 5, 2009. Gray Middle School was awarded the Council of Educational Facilities Planner International Design Concept Award for 2006 and the Civic Design Merit Award for American Institute of Architects for 2009. The construction of First Creek middle school was completed. Students from both Gault and McIlvaigh began attending First Creek middle school in September 2009.

The district continues the implementation of Lawson, an Enterprise Resource Planning Software Suite, as part of the 2001 \$450 million bond issue. The procurement and financial modules were implemented in July 2008 and September 2008 respectively and the Human Resource Planning Module was implemented in June 2009.



### For the Future

The district continues to refine its school improvement plan goals. Under the federal No Child Left Behind Act, the Office of the Superintendent of Public Instruction (OSPI) is required to annually review the status of every school in the state, using Washington Assessment of Student Learning (WASL) benchmarks to ensure that the school is making adequate yearly progress (AYP) toward all students reaching proficiency in at least the core subjects of reading/language arts and math.

The law also focuses on the performance of school districts and requires OSPI to conduct an annual review to ensure they are fulfilling this responsibility. If the district does not make AYP for two or more consecutive years, the district must create or revise an improvement plan to address the deficiencies that prevent students in its schools from achieving proficiency. The district has been identified for school improvement because it did not make AYP for four years and is required to comply with the provisions of this law. The board approved the 2008-09 district improvement plan which is a revision of the plan originally created in the 2005-06 school year. Sixty-one percent of all Adequate Yearly Progress (AYP) were met compared to only 60% in Washington State. The district believes the goals in this plan are realistic, measurable and achievable. Federal and state funding has been redirected to support efforts on closing the achievement gap so that all students will be successful.

In September 2009 the district opened the Science and Math Institute (SAMI) which is located at Point Defiance Park. SAMI provides a creative high school focused on and integrated, inquiry-based experiences that combine math, science, the arts and environmental and marine studies. A key element in SAMI's vision is helping students make significant connections with the larger "real world" community. Like Tacoma School of the Arts (SOTA) and Lincoln Center, SAMI also incorporates community partnerships, especially with Metro Parks Tacoma and other science- and math-related organizations. The hope is to bring adjunct instructors with professional expertise to SAMI as we currently do with SOTA.

### Community Support

In November 2009 the board of directors approved two resolutions to place an Educational Programs and Operations Replacement Levy and a School Facility Improvements and Technology Upgrades Levy on the February 9, 2010 special election ballot.

The first proposition is the replacement of the expiring Educational Programs and Operations Replacement Levy. This four-year levy would replace a levy that is expiring in December 2010, and provides more than 22 percent of the general fund budget. The levy would; maintain education programs and small classes, fund day-to-day operations, including teachers, instructional aides, librarians and nurses; fund technology support, athletics and arts, music and safety programs; provide for textbooks and classroom materials; maintain playgrounds/playfields; support other educational and operational programs

The second proposition authorized the district to put a \$140,400,000 School Facility Improvements and Technology Upgrades Levy on the ballot. The School Facility Improvements Levy will be used to renovate or replace three schools and make district-wide school facility improvements and technology upgrades through a six-year levy, continuing a long-range plan to address the district's



aging schools. Over the last 30 years, the district has replaced or updated 65 percent of old and deteriorating schools. This levy will renovate or replace three of the district's oldest and neediest schools, Washington Elementary School and Baker and Hunt middle schools. The levy would fund district-wide school and facility improvements on roofs, energy-efficient heating/lighting, electrical, plumbing, playgrounds and playfields. Health, safety and security upgrades would also be addressed. The levy will also support technology and instruction in all schools, creating the best places for teachers and students to teach and learn.

The school district has been fortunate to have support of the voters. Both propositions passed on February 9, 2010.

## **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 Citizens' 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 accounting policies, internal control and financial reporting practices. During fiscal year 2008-09, the CFAC included two members of the board, the Superintendent, and six citizens. Throughout the year, the committee meets with the district's Director of Audit, without management present, to discuss the results of the examinations, evaluations of the district's internal controls, and the overall quality of the district's financial reporting.

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 books of account, 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 16th consecutive year, a Certificate of Achievement for Excellence in Financial Reporting. Copies of the financial reporting awards are on pages 10 and 11. The district will be applying to GFOA and ASBO for the 2008-09 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 2008-09 CAFR a success.



Arthur O. Jarvis, Ed.D.  
Superintendent and Board Secretary



Ronald Hack  
Chief Financial Officer

# 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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



This Certificate of Excellence in Financial Reporting is presented to

**TACOMA SCHOOL DISTRICT NO. 10**

**For its Comprehensive Annual Financial Report (CAFR)**

**For the Fiscal Year Ended August 31, 2008**

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Ange Peteman*

President

*John D. Mueso*

Executive Director



# Financial Section

**Independent Auditor's Opinion**

**Management's Discussion and Analysis**

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**Proprietary Fund (The Sound Partnership)**

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**First Creek Middle School**







**Washington State Auditor  
Brian Sonntag**

**INDEPENDENT AUDITOR'S REPORT**

February 26, 2010

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

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, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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, 93 percent, and 99 percent, respectively, of the assets, net assets, and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Sound Partnership, is based 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 of material misstatement. The financial statements of The Sound Partnership were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

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, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The management's discussion and analysis on pages 15 through 24, budgetary comparison on pages 63 through 64, and information on postemployment benefits other than pensions on pages 65 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying information listed as supplemental data on pages 67 through 92 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, 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 Introductory 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 express no opinion on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag", with a stylized, flowing script.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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## 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, 2009. 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 assets of governmental activities as of August 31, 2009, were \$534.5 million, an increase of \$8.3 million. Current and Other Assets decreased by \$32.9 million, Total assets decreased as construction projects are being closed out.
- During the year, the district had revenues of \$377.6 million and expenses of \$369.3 million incurred for all governmental activities, resulting in a corresponding increase in the district's net assets by \$8.3 million.
- At the end of the current fiscal year, the district's governmental funds reported a combined ending fund balance of \$126.4 million; a decrease of \$30.7 million from the prior year. The General Fund's total fund balance was \$39.4 million; a increase of \$6.5 million from the previous year. Approximately \$37.5 million is available for spending at the district's discretion (unreserved, designated fund balance).
- The district made principal payments on existing bonds of \$24.5 million during the year. Its overall long-term liabilities decreased by \$13.5 million or 4 percent from the prior year.

### 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 assets 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 Assets 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 assets* 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 assets*. 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 assets and changes in them. The district's net assets (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 assets 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 assets* and the *statement of activities*, most of the district's basic services are reported in governmental activities, including general fund, associated student body, debt service, capital projects, transportation vehicle, and permanent funds.

## **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 Statement 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 Assets 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 Assets and Changes in Fiduciary Net Assets 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 that the assets reported in these funds are used for their intended purposes.

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

Net assets may serve as a useful indicator of a government's financial position. The Tacoma School District's assets exceeded liabilities by \$534.5 million at the end of fiscal year 2008-09.

The largest portion of net assets is invested in capital assets. The investment in capital assets (e.g., land, building, and equipment), less any related outstanding debt used to acquire those assets, is currently \$394 million. The remainder consists of amount restricted for capital projects, debt services, and other proposes, with \$37.5 million unrestricted. The district's investment in its 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.

#### Government-Wide Net Assets As of August 31

	2008-09	2007-08	Changes
<b>ASSETS</b>			
Current and Other Assets	\$ 232,706,556	\$ 265,603,711	\$ (32,897,155)
Capital Assets	690,034,577	664,364,080	25,670,497
<b>Total Assets</b>	<b>922,741,133</b>	<b>929,967,791</b>	<b>(7,226,658)</b>
<b>LIABILITIES</b>			
Long-Term Debt Outstanding	343,280,524	356,744,707	(13,464,183)
Other Liabilities	44,953,286	47,027,548	(2,074,262)
<b>Total Liabilities</b>	<b>388,233,810</b>	<b>403,772,255</b>	<b>(15,538,445)</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Debt	394,062,543	343,600,058	50,462,485
Restricted	102,945,364	153,423,551	(50,478,187)
Unrestricted	37,499,416	29,171,927	8,327,489
<b>TOTAL NET ASSETS</b>	<b>\$ 534,507,323</b>	<b>\$ 526,195,536</b>	<b>\$ 8,311,787</b>

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

## Governmental Activities

The 2008-2009 revenues of \$377.6 million exceeded expenses by \$8.3 million. The 2007-2008 revenues exceeded the expenses of \$14.6 million. The district received \$12 million of new revenue from federal stimulus funding. The increased federal stimulus funding was partially offset by a reduction in special purpose grants from the state but still contributed to an overall increase in revenues. Key elements of this increase are as follows:

<b>Governmental Activities Changes in Net Assets</b> <b>PRIMARY GOVERNMENT</b> <b>As of August 31, 2009</b>			
	<b>2009</b>	<b>2008</b>	<b>Changes</b>
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 9,126,682	\$ 10,061,983	(935,301)
Operating Grants and Contributions	123,551,671	99,180,022	24,371,649
Capital Grants and Contributions	79,914	274,667	(194,753)
General Revenues:			
Property Taxes	106,279,066	106,406,893	(127,827)
Interest and Investment Earnings	2,513,752	6,749,852	(4,236,100)
Unallocated Revenues	136,088,259	133,258,959	2,829,300
<b>TOTAL REVENUES</b>	<b>377,639,344</b>	<b>355,932,376</b>	<b>21,706,968</b>
<b>PROGRAM EXPENSES:</b>			
Regular Instruction	174,351,344	164,420,601	9,930,743
Federal Stimulus	12,689,246	-	12,689,246
Special Instruction	42,166,389	41,694,092	472,297
Career & Technical Instruction	11,173,411	9,398,193	1,775,218
Compensatory Instruction	38,702,893	40,352,551	(1,649,658)
Other Instructional Programs	3,938,143	4,797,569	(859,426)
Community Services	474,692	317,133	157,559
Support Services	70,777,237	64,105,022	6,672,215
Extracurricular Activities	2,102,491	2,419,682	(317,191)
Debt Payment	12,951,711	13,741,676	(789,965)
<b>TOTAL EXPENSES</b>	<b>369,327,557</b>	<b>341,246,519</b>	<b>28,081,038</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>8,311,787</b>	<b>14,685,857</b>	<b>(6,374,070)</b>
<b>NET ASSETS - 9/1/08</b>	<b>526,195,537</b>	<b>511,509,679</b>	<b>14,685,857</b>
<b>NET ASSETS - 8/31/09</b>	<b>\$ 534,507,323</b>	<b>\$ 526,195,536</b>	<b>\$ 8,311,787</b>

The following table presents the cost of each of the district's largest programs – regular instruction, special instruction, vocational 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.

#### Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2008-09	2007-08	2008-09	2007-08
Regular Instruction	174,351,344	164,420,601	(172,484,846)	(162,660,266)
Federal Stimulus	12,689,246	-	(23,206)	-
Special Instruction	42,166,389	41,694,092	(2,555,915)	(9,565,936)
Career & Tech Instruction	11,173,411	9,398,193	483,130	978,721
Compensatory Instruction	38,702,893	40,352,551	(476,949)	822,012
Other Instructional Programs	3,938,143	4,797,569	(1,025,658)	(708,785)
Community Services	474,692	317,133	270,265	262,032
Support Services	70,777,237	64,105,022	(47,668,593)	(47,167,756)
Extracurricular Activities	2,102,491	2,419,682	(135,807)	51,807
Debt payments	12,951,711	13,741,676	(12,951,711)	(13,741,676)
<b>TOTALS</b>	<b>\$ 369,327,557</b>	<b>\$ 341,246,519</b>	<b>\$ (236,569,290)</b>	<b>\$ (231,729,847)</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 \$126.4 million, which is lower than last year's total by \$30.7 million. This change is the result of the following factors:

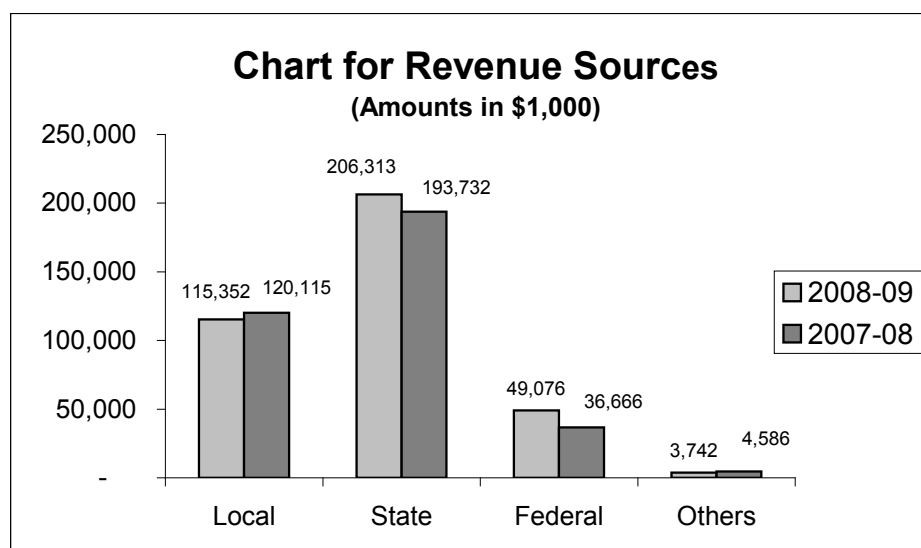
- The fund balance in the General Fund increased by \$6.5 million, because the district implemented a plan to decrease spending in non-essential positions and services.
- The fund balance in the Special Revenue Fund (ASB) Fund decreased by \$.13 million. All secondary schools and most elementary schools had activity in their ASB funds in 2008-09.
- The fund balance in the Debt Service Fund decreased by \$2.3 million 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 in this fund is lower than the prior year, the district's cash flow projections indicate this reserve is adequate to meet future needs.
- The fund balance in the Capital Projects Fund decreased by \$35 million. The district is nearing the completion of all construction projects from the \$450 million bond approved by the voters in December 2001.
- The fund balance in the Transportation Vehicle Fund increased by \$.317 million. Two buses were purchased during 2008-09. 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 2008-09 and the amounts and percentages of increases and decreases in relation to prior year. A graphical presentation of revenues and expenditures follows.

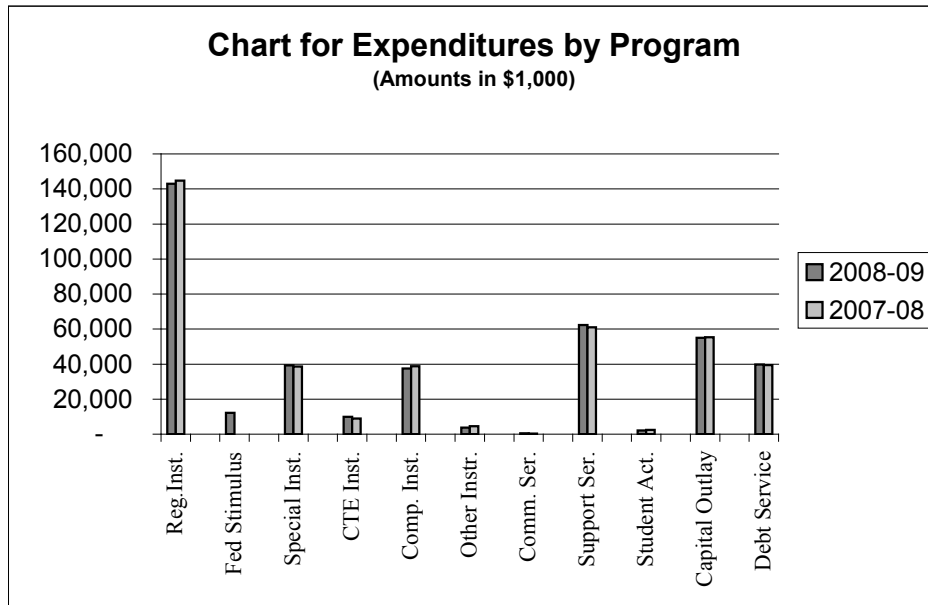
<b>Revenue Source</b>	<b>2008-09 Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) Over 2007-08</b>	<b>Percent Increase (Decrease)</b>
Local Taxes & Non-taxes	115,351,776	30.80%	(4,763,283)	(0.04)
State Revenues	206,313,203	55.09%	12,581,172	0.06
Federal Revenues	49,076,253	13.11%	12,410,411	0.34
Others	3,741,790	1.00%	(844,034)	(0.18)
<b>Total</b>	<b>374,483,022</b>	<b>100.00%</b>	<b>24,147,549</b>	<b>0.07</b>
<b>Expenditures</b>				
Regular Instruction	142,968,422	35.28%	(1,719,021)	(0.01)
Federal Stimulus	12,096,304	2.99%	12,096,304	-
Special Instruction	39,323,625	9.70%	623,371	0.02
Career & Tech Instruction	9,969,499	2.46%	1,074,627	0.12
Compensatory Instruction	37,496,859	9.25%	(1,205,812)	(0.03)
Other Instructional Programs	3,792,643	0.94%	(1,104,992)	(0.23)
Community Services	447,585	0.11%	139,101	0.45
Support Services	62,318,533	15.38%	1,345,040	0.02
Extracurricular Activities	2,096,938	0.52%	(293,797)	(0.12)
Capital Outlay	54,950,133	13.56%	(341,603)	(0.01)
Debt Service	39,740,370	9.81%	312,426	0.01
<b>Total</b>	<b>\$ 405,200,911</b>	<b>100.01%</b>	<b>\$ 10,925,644</b>	<b>0.03</b>

### Changes in Revenues and Expenditures Governmental Funds





## Changes in Revenues and Expenditures Governmental Funds



### 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 2008-09.

The beginning balance in 2008-09 was \$32.85 million as reported in the Required Supplemental Information, Schedule A-1.

Revenues were \$.573 million under budget. Washington statutes establish expenditure budgets as absolute expenditure limits, encouraging contingency budgeting. Expenditures were \$25.4 million under budget.

The district received \$12 million in federal stimulus funds and expended funds within the stimulus program. This new revenue and expenditure category is presented to allow the reader to gauge the significance of the short term federal stimulus program. The federal stimulus program is available until September 2011.

Other financing sources were \$.24 million below budget. The district transferred \$2 million from the capital project fund to the general fund for technology purchases as permitted under state statute.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2008-09, the district had \$923.6 million invested in a broad range of capital assets, including technology equipment and school buildings. This amount represents a net increase (including additions and deletions) of \$18 million over last year. School construction projects were responsible for most of this increase.

#### Capital Assets As of August 31, 2009

	2008-09 Governmental Activities		
	Historical Cost	Accumulated Depreciation	NET
Land	47,454,135	-	47,454,135
Building and Improvements	498,447,630	(206,966,985)	291,480,645
Equipment	37,157,325	(28,080,246)	9,077,079
Construction-in-progress	340,542,180	-	340,542,180
<b>TOTALS</b>	<b>\$ 923,601,270</b>	<b>\$ (235,047,231)</b>	<b>\$ 688,554,039</b>

This year's additions to construction-in-progress included:

#### Construction Projects:

Elementary Schools	\$ 191,733
Middle Schools	36,217,104
High Schools	1,154,091
	<u>\$ 37,562,928</u>

The district's 2008-09 fiscal year budget for Capital Projects Fund expenditures was set at \$80.5 million. Gault and McIlvaigh Middle School were combined into one school and opened under the new name First Creek. These projects and others were financed by the 2001 capital bonds (\$450 million), approved by the voters in 2001. Additional information on capital assets is included in the Notes to the Financial Statements, note 4.

### Debt

At year-end, the district had \$294.5 million in unlimited general obligation bonds and qualified zone academy bonds outstanding versus \$319 million last year – a decrease of \$24.6 million. Additional information on debt is included in the Notes to the Financial Statements, Note 7.

**Outstanding Debt at Year-End  
(In Millions)**

<b>Governmental Activities</b>	<b>2008-09</b>	<b>2007-08</b>	<b>Increase/ (Decrease)</b>	
99 Qualified Zone Academy Bonds	3.28	3.28	0.00	0%
00 Qualified Zone Academy Bonds	1.15	1.24	(0.09)	-7%
01 UTGO Bonds	17.50	30.49	(12.99)	-43%
03 UTGO Bonds	69.10	72.60	(3.50)	-5%
05 Refunding of 2001 UTGO	147.42	148.09	(0.67)	0%
05 UTGO Bonds	42.89	42.89	0.00	0%
05B UTGO Bonds	13.15	20.50	(7.35)	-36%
<b>TOTALS</b>	<b>\$ 294.49</b>	<b>\$ 319.09</b>	<b>\$ (24.60)</b>	<b>-8%</b>

## **NEXT YEAR'S BUDGET AND RATES**

The district's 2009-10 expenditure budget for governmental funds was set at over \$411.7 million. The 2009 property tax rate was \$4.76 per thousand dollars of assessed value for the amounts collected in both the General Fund and the Debt Service Fund.

## **ECONOMIC FACTORS**

The district serves the City of Tacoma and small outlying areas in Pierce County. In 2008 Pierce County withstood some of the negative effects from the national recession. Pierce County's slower overall growth was significantly better mostly due to the military and health care sectors. The recession in Pierce County will continue through the first half of 2010 and come to an end during the third quarter. A recovering U.S. economy combined with expansionary fiscal and monetary programs will help the local economy.

While Pierce County's economy and population is forecasted to grow, the district continues to anticipate flat or declining enrollment next year. The 2009 official enrollment count, as measured by the state on the first day of school in October of each year, is 307 students lower than the enrollment from October 2008. Elementary enrollment declined by 92 students overall, middle school only declined by 8 students, and high school enrollment declined by 207 students. It was projected that high school enrollment would decline by 250-300 students but the enrollments at the 9<sup>th</sup> and 10<sup>th</sup> grade level were higher than expected. Reasons for a higher enrollment may be a result of attracting students from private schools as a result of the economic downturn. Elementary enrollment should remain relatively stable over the next 2 years. The district's 2009-10 budget reflects another year of declining student enrollment, and this reduction may be attributed to the changing demographics of the community.

The school board and management are committed to maintaining a minimum general fund balance of 4.5% in anticipated revenues. In planning for the future, management continues to proactively monitor enrollment trends and actions taken by the state legislature as well as, the effect of a slow economy.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the district's finances. If you have questions about this report or need additional financial information, contact the district's Accounting Services Department at 601 South 8th Street, Tacoma, Washington, 98405-4614.

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 ASSETS**  
**August 31, 2009**

			<b>Primary Government</b>
	<b>Note #</b>		<b>Governmental Activities</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	1.F.1	\$	14,717,522
Cash Held by Trustees	2.C		2,243,917
Investments	2.A		142,043,804
Time Deposits	2.A		8,518,496
Property Tax Receivable	1.F.2		55,990,708
Receivables, Net	1.F.3		3,393,722
Due From Other Governments	1.F.5		3,664,828
Inventories	1.G		934,029
Prepaid Items			1,199,530
Capital Assets, net of accumulated depreciation, where applicable:	1.I		
Land			47,454,135
Buildings & Improvements			291,480,646
Equipment			9,077,078
Construction-in-Progress			340,542,180
Unamortized Bond Issuance Costs	7.B		1,480,538
<b>TOTAL ASSETS</b>			<b>922,741,133</b>
<b>LIABILITIES</b>			
Accounts Payable			17,811,069
Accrued Wages & Benefits Payable			26,483,006
Unearned Revenue	1.J		659,211
Long-Term Liabilities	7.A		
Due within one year			16,204,929
Due in more than one year			327,075,595
<b>TOTAL LIABILITIES</b>			<b>388,233,810</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt			394,062,543
Restricted for:			
Associated Student Body			2,025,244
Capital Projects			96,633,386
Debt Service			2,409,974
Encumbrances & Inventories			1,876,760
Unrestricted			37,499,416
<b>TOTAL NET ASSETS</b>		<b>\$</b>	<b>534,507,323</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, 2009**

					NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
PROGRAM REVENUES					PRIMARY GOVERNMENT
Functions/Programs	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Regular Instruction	\$ 174,351,344	\$ 977,061	\$ 889,437	\$ -	\$ (172,484,846)
Federal Stimulus	12,689,246	-	12,666,040	-	(23,206)
Special Instruction	42,166,389	1,485,568	38,119,153	5,753	(2,555,915)
Career & Technical Instruction	11,173,411	213,596	11,368,784	74,161	483,130
Compensatory Instruction	38,702,893	3,700	38,222,244	-	(476,949)
Other Instructional Programs	3,938,143	416,539	2,495,946	-	(1,025,658)
Community Services	474,692	645,545	99,412	-	270,265
Support Services	70,777,237	3,417,989	19,690,655	-	(47,668,593)
Extracurricular Activities (ASB)	2,102,491	1,966,684	-	-	(135,807)
Interest Payment on Long-Term Debt	12,951,711	-	-	-	(12,951,711)
<b>Total Governmental Activities</b>	<b>\$ 369,327,557</b>	<b>\$ 9,126,682</b>	<b>\$ 123,551,671</b>	<b>\$ 79,914</b>	<b>\$ (236,569,290)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levies for maintenance and operations					69,052,008
Property taxes, levies for debt service					37,226,743
Property taxes, levies for capital projects					315
Unallocated State Apportionment & Others					136,088,259
Interest and Investment earnings					2,513,752
<b>Total General Revenues</b>					<b>244,881,077</b>
<b>Changes in Net Assets</b>					<b>8,311,787</b>
<b>Net Assets - Beginning</b>					<b>526,195,536</b>
<b>Net Assets - Ending</b>					<b>\$ 534,507,323</b>

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, 2009**

	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	\$ 178,530	\$ 47,728	\$ -	\$ 10,000	\$ -	\$ 236,258
Cash on Deposit with County Treasurer	11,331,339	(1,326)	164,544	601	595	11,495,753
Construction Retainage Escrow	-	-	-	2,243,917	-	2,243,917
Investments	48,000,000	2,226,000	1,650,000	82,474,000	2,333,000	136,683,000
Time Deposits	3,497,000	-	590,000	4,431,496	-	8,518,496
Property Tax Receivable	36,630,877	-	19,344,913	14,918	-	55,990,708
Accounts Receivable, Net	247,720	5,954	-	-	-	253,674
Accrued Interest Receivable	21,043	939	5,430	2,610,633	594	2,638,639
Due From Other Funds	3,343,627	9,078	-	50,172	-	3,402,877
Due From Other Government Units	3,664,828	-	-	-	-	3,664,828
Inventories at Cost	934,029	-	-	-	-	934,029
Prepaid Items	1,108,807	90,723	-	-	-	1,199,530
<b>TOTAL ASSETS</b>	<b>108,957,800</b>	<b>2,379,096</b>	<b>21,754,887</b>	<b>91,835,737</b>	<b>2,334,189</b>	<b>227,261,709</b>
<b>LIABILITIES:</b>						
Accounts Payable	5,835,453	253,925	-	6,032,926	-	12,122,304
Retainage Payable	-	-	-	2,243,917	-	2,243,917
Accrued Wages & Benefits Payable	26,483,006	-	-	-	-	26,483,006
Due To Other Funds	59,104	13,900	-	3,323,783	-	3,396,787
Unearned Revenue	37,204,061	86,027	19,344,913	14,918	-	56,649,919
<b>TOTAL LIABILITIES</b>	<b>69,581,624</b>	<b>353,852</b>	<b>19,344,913</b>	<b>11,615,544</b>	<b>-</b>	<b>100,895,933</b>
<b>FUND BALANCES</b>						
Reserved for Inventory	1,694,943	88,895	-	-	-	1,783,838
Reserved for Encumbrances	181,817	11,189	-	354,289	337,071	884,366
Reserved for Arbitrage Rebate	-	-	-	1,276,583	-	1,276,583
Reserved for Construction	-	-	-	60,378,713	-	60,378,713
Reserved for Technology	-	-	-	17,528,259	-	17,528,259
Unreserved:						
Designated for Self Insurance	1,500,000	-	-	-	-	1,500,000
Designated for Curriculum & Instruction	5,958,057	-	-	-	-	5,958,057
Designated for Other Cash Items	10,009,490	-	-	-	-	10,009,490
Designated for Budget Carryover	4,532,497	-	-	-	-	4,532,497
Designated for Student Achievement	1,790,695	-	-	-	-	1,790,695
Designated for Future Use	13,708,677	-	-	-	-	13,708,677
Undesignated	-	1,925,160	2,409,974	682,349	1,997,118	7,014,601
<b>TOTAL FUND BALANCES</b>	<b>39,376,176</b>	<b>2,025,244</b>	<b>2,409,974</b>	<b>80,220,193</b>	<b>2,334,189</b>	<b>126,365,776</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 108,957,800</b>	<b>\$ 2,379,096</b>	<b>\$ 21,754,887</b>	<b>\$ 91,835,737</b>	<b>\$ 2,334,189</b>	<b>\$ 227,261,709</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 ASSETS**  
**August 31, 2009**

	<b>Total Governmental Funds</b>	<b>Long-Term Assets, Liabilities *</b>	<b>Internal Service Fund **</b>	<b>Reclassifications and Eliminations</b>	<b>Statement of Net Assets Totals</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 11,732,011	\$ -	\$ 2,985,511	\$ -	\$ 14,717,522
Cash Held by Trustees	2,243,917	-	-	-	2,243,917
Investments	136,683,000	-	5,360,804	-	142,043,804
Time Deposits	8,518,496	-	-	-	8,518,496
Property Tax Receivable	55,990,708	-	-	-	55,990,708
Receivables, Net	2,892,313	-	495,319	6,090	3,393,722
Due From Other Funds	3,402,877	-	-	(3,402,877)	-
Due From Other Governments	3,664,828	-	-	-	3,664,828
Inventories	934,029	-	-	-	934,029
Prepaid Items	1,199,530	-	-	-	1,199,530
Capital Assets, Net (land, bldg, eqmt)	-	688,554,039	-	-	688,554,039
Unamortized Bond Issue Costs	-	1,480,538	-	-	1,480,538
<b>TOTAL ASSETS</b>	<b>227,261,709</b>	<b>690,034,577</b>	<b>8,841,634</b>	<b>(3,396,787)</b>	<b>922,741,133</b>
<b>LIABILITIES</b>					
Accounts Payable	14,366,221	-	3,444,848	-	17,811,069
Wages, Benefits & Other Payables	26,483,006	-	-	-	26,483,006
Due To Other Funds	3,396,787	-	-	(3,396,787)	-
Unearned Revenue	56,649,919	(55,990,708)	-	-	659,211
Long-Term Liabilities	-	343,280,524	-	-	343,280,524
<b>TOTAL LIABILITIES</b>	<b>100,895,933</b>	<b>287,289,816</b>	<b>3,444,848</b>	<b>(3,396,787)</b>	<b>388,233,810</b>
<b>FUND BALANCES/NET ASSETS</b>					
Total Fund Balances/Net Assets	126,365,776	402,744,761	5,396,786	-	534,507,323
<b>TOTAL LIABILITIES AND FUND BALANCES/NET ASSETS</b>	<b>\$ 227,261,709</b>	<b>\$ 690,034,577</b>	<b>\$ 8,841,634</b>	<b>\$ (3,396,787)</b>	<b>\$ 922,741,133</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, 2009**

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>						
Local	\$ 76,114,062	\$ -	\$ 37,303,931	\$ 1,900,719	\$ 33,064	\$ 115,351,776
State	186,586,989	-	-	19,287,778	438,436	206,313,203
Federal	49,076,253	-	-	-	-	49,076,253
Miscellaneous	1,775,106	1,966,684	-	-	-	3,741,790
<b>TOTAL REVENUES</b>	<b>313,552,410</b>	<b>1,966,684</b>	<b>37,303,931</b>	<b>21,188,497</b>	<b>471,500</b>	<b>374,483,022</b>
<b>EXPENDITURES</b>						
<b>Current Operating:</b>						
Regular Instruction	142,968,422	-	-	-	-	142,968,422
Federal Stimulus	12,096,304	-	-	-	-	12,096,304
Special Instruction	39,323,625	-	-	-	-	39,323,625
Career & Technical Instruction	9,969,499	-	-	-	-	9,969,499
Compensatory Instruction	37,496,859	-	-	-	-	37,496,859
Other Instructional Programs	3,792,643	-	-	-	-	3,792,643
Community Services	447,585	-	-	-	-	447,585
Support Services	62,318,533	-	-	-	-	62,318,533
Student Activities	-	2,096,938	-	-	-	2,096,938
<b>Debt Service:</b>						
Principal	-	-	24,598,578	-	-	24,598,578
Interest and Other Charges	-	-	15,141,792	-	-	15,141,792
<b>Capital Outlay:</b>						
Other	567,640	-	-	54,215,243	167,250	54,950,133
<b>TOTAL EXPENDITURES</b>	<b>308,981,110</b>	<b>2,096,938</b>	<b>39,740,370</b>	<b>54,215,243</b>	<b>167,250</b>	<b>405,200,911</b>
<b>Excess (Deficiency) of Revenues</b>						
<b>Over Expenditures</b>	<b>4,571,300</b>	<b>(130,254)</b>	<b>(2,436,439)</b>	<b>(33,026,746)</b>	<b>304,250</b>	<b>(30,717,889)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Sale of Surplus Equipment	10,220	-	-	-	12,976	23,196
Proceeds from Sale of Surplus Property	-	-	-	-	-	-
Transfers	1,940,678	-	88,578	(2,029,256)	-	-
<b>TOTAL OTHER FINANCING</b>						
<b>SOURCES AND USES</b>	<b>1,950,898</b>	<b>-</b>	<b>88,578</b>	<b>(2,029,256)</b>	<b>12,976</b>	<b>23,196</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>6,522,198</b>	<b>(130,254)</b>	<b>(2,347,861)</b>	<b>(35,056,002)</b>	<b>317,226</b>	<b>(30,694,693)</b>
<b>Fund Balance - Beginning</b>	<b>32,853,978</b>	<b>2,155,498</b>	<b>4,757,835</b>	<b>115,276,195</b>	<b>2,016,963</b>	<b>157,060,469</b>
<b>Fund Balance - Ending</b>	<b>\$ 39,376,176</b>	<b>\$ 2,025,244</b>	<b>\$ 2,409,974</b>	<b>\$ 80,220,193</b>	<b>\$ 2,334,189</b>	<b>\$ 126,365,776</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, 2009**

	<b>Total Governmental Funds</b>	<b>Long-Term Revenue, Expenses *</b>	<b>Capital Related items *</b>	<b>Internal Service Fund *</b>	<b>Long-Term Debt Transactions *</b>	<b>Statement of Activities Totals</b>
<b>REVENUES AND OTHER SOURCES</b>						
Property Taxes	\$ 106,279,066	\$ 2,788,058	\$ -	\$ -	\$ -	\$ 109,067,124
Local Non-Taxes	9,072,710	-	-	-	-	9,072,710
State	206,313,203	-	-	-	-	206,313,203
Federal	49,076,253	-	-	-	-	49,076,253
Miscellaneous	3,741,790	-	-	345,068	-	4,086,858
<b>Other Sources:</b>						
Proceeds from Sale of Surplus Eqmt	23,196	-	-	-	-	23,196
Proceeds from Sale of Surplus Property	-	-	-	-	-	-
<b>TOTAL</b>	<b>374,506,218</b>	<b>2,788,058</b>	<b>-</b>	<b>345,068</b>	<b>-</b>	<b>377,639,344</b>
<b>EXPENDITURES/EXPENSES</b>						
<b>Current:</b>						
Regular Instruction	142,968,422	11,012,526	10,649,777	1,573,539	-	166,204,264
Federal Stimulus	12,096,304	-	-	-	-	12,096,304
Special Instruction	39,323,625	437,736	1,875	432,804	-	40,196,040
Career & Technical Instruction	9,969,499	494,940	77,136	109,726	-	10,651,301
Compensatory Instruction	37,496,859	(1,016,186)	1,016	412,698	-	36,894,387
Other Instructional Programs	3,792,643	(104,699)	24,435	41,743	-	3,754,122
Community Services	447,585	-	-	4,926	-	452,511
Support Services	62,318,533	2,693,569	1,771,970	685,890	-	67,469,962
Student Activities	2,096,938	-	5,553	-	-	2,102,491
<b>Debt Service:</b>						-
Principal	24,598,578	-	-	-	(24,598,578)	-
Interest and Other Charges	15,141,792	-	-	-	(2,190,081)	12,951,711
Capital Outlay **	54,950,133	-	(38,395,669)	-	-	16,554,464
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>405,200,911</b>	<b>13,517,886</b>	<b>(25,863,907)</b>	<b>3,261,326</b>	<b>(26,788,659)</b>	<b>369,327,557</b>
<b>NET CHANGE FOR THE YEAR</b>						
	<b>\$ (30,694,693)</b>	<b>\$ (10,729,828)</b>	<b>\$ 25,863,907</b>	<b>\$ (2,916,258)</b>	<b>\$ 26,788,659</b>	<b>\$ 8,311,787</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)**

The Sound Partnership, a blended component unit, is reported in the proprietary fund in accordance with the Governmental Accounting Standard Board (GASB), Statement No. 10 (Risk Financing).







**TACOMA SCHOOL DISTRICT No. 10**  
**PROPRIETARY FUND (The Sound Partnership)**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2009**

		<div style="border: 1px solid black; padding: 2px; text-align: center;"> <b>Governmental Activities</b> </div> <div style="border: 1px solid black; padding: 2px; text-align: center;"> <b>Internal Service Fund</b> </div>
<b>OPERATING REVENUES</b>		
Premiums Contributions	\$	36,727,559
Miscellaneous Earnings		338
<b>TOTAL OPERATING REVENUES</b>		<b>36,727,897</b>
<b>OPERATING EXPENSES</b>		
Benefits Claims		35,009,115
Insurance Premiums		2,248,094
Administrative Expenses		2,764,765
Working on Wellness		58,075
<b>TOTAL OPERATING EXPENSES</b>		<b>40,080,049</b>
<b>OPERATING INCOME (LOSS)</b>		<b>(3,352,152)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Earnings		345,068
Net Appreciation in Fair Value of Investments		90,826
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>		<b>435,894</b>
<b>CHANGE IN NET ASSETS</b>		<b>(2,916,258)</b>
<b>NET ASSETS - BEGINNING</b>		8,313,044
<b>NET ASSETS - ENDING</b>	<b>\$</b>	<b>5,396,786</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, 2009**

Governmental Activities
Internal Service Fund

**CASH FLOWS FROM OPERATING ACTIVITIES**

Premium Contributions	\$ 36,727,559
Miscellaneous Receipts	338
Accounts Receivable - Stop Loss	(421,606)
Prepaid Expenditures	(2)
Benefits Payments	(35,274,475)
Insurance Premium Payments	(2,248,094)
Administrative	(2,764,765)
Miscellaneous Payments	(58,075)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(4,039,120)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases and Sales of Investments	2,619,000
Interest and Dividends	378,394
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>2,997,394</b>

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

<b>(1,041,726)</b>
--------------------

**BALANCES - BEGINNING OF THE YEAR**

4,027,237

**BALANCES - END OF THE YEAR**

<b>\$ 2,985,511</b>
---------------------

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating Income (Loss)	\$ (3,352,152)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
(Increase) Decrease in Accounts Receivable	(421,606)
(Increase) Decrease in Prepaid Expenses	(2)
Increase (Decrease) in Liabilities	(265,360)

**NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

<b>\$ (4,039,120)</b>
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**NONCASH FINANCING AND INVESTING**

Appreciation in Fair Value of Investments	(90,826)
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The notes to the basic financial statements are an integral part of this statement.



**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 ASSETS**  
**FIDUCIARY FUNDS**  
**August 31, 2009**

	<b>Private-Purpose Trusts</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 32,699	\$ 6,042
Accounts Receivable	1,711	-
Investments at Fair Value	391,000	-
Accrued Interest Receivable	-	16
Prepaid Items	457	-
<b>TOTAL ASSETS</b>	<b>425,867</b>	<b>6,058</b>
<b>LIABILITIES</b>		
Accounts Payable	35,045	953
Unearned Revenue	5,252	-
Custodial Accounts	-	5,105
<b>TOTAL LIABILITIES</b>	<b>40,297</b>	<b>6,058</b>
<b>NET ASSETS</b>		
Held in Trust for Gifts and Scholarships	385,570	-
<b>TOTAL NET ASSETS</b>	<b>\$ 385,570</b>	<b>\$ -</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 ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2009**

		<b>Private Purpose Trusts</b>
<b>ADDITIONS</b>		
Donations	\$	289,841
<b>Total Additions</b>		<b>289,841</b>
<b>DEDUCTIONS</b>		
Scholarships		70,323
Tuition and Fees		26,794
Books and Materials		103,950
Field Trips		15,073
Salaries & Benefits		107
Administrative		403
<b>Total Deductions</b>		<b>216,650</b>
<b>Change in Net Assets</b>		<b>73,191</b>
Net Assets, Beginning of the year		312,379
Net Assets, End of the year	<b>\$</b>	<b>385,570</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, 2008 through August 31, 2009**

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

**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. Tacoma School District operates under an 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 those of the district and its component unit, entities for which the district is considered to be financially accountable. 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 3,600 employees of the Tacoma School District. The Tacoma School District retains complete governing control (appoint board of trustees, and accountable for financial matters) over the Sound Partnership which provides health and dental care, and life insurance to the above participants' employees and 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's 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 Tacoma School District's financial reports, as reflected by the accompanying financial statements, conform to generally accepted accounting principals. 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 (i.e., all non-fiduciary 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).

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 Assets** – The Statement of Net Assets report 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 Statement of Activities demonstrates the degree to which the direct expenses of a given function/program are offset by program revenues. 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 include charges to customers, parents or students who purchase, use or directly benefit from goods or services provided by a function and grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. All revenues not associated with a program are defined as general revenues. General revenues include general apportionment from the State of Washington, local property taxes, investment earnings and special items.

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 general fund, special revenue fund (associated student body fund), capital projects fund, transportation vehicle fund, and debt service fund.

### **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. In keeping with the principle of as few funds as necessary, food services, maintenance, data processing, printing, and transportation activities are included in this fund. These activities are legally designated in the general fund, and also principally serve and receive their support from the general fund.

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

This fund is used to account for the extracurricular fees and resources collected in fundraising events for students. Disbursements require the joint approval of the appropriate student body organization and the district's board of directors. This fund is accounted for as a special revenue fund since the financial resources legally belong to the Tacoma School District.

#### **Debt Service Fund**

This fund is used to account for the accumulation of resources for the payment of matured long-term debt principal, interest and related expenditures. The Debt Service Fund revenues are primarily local property taxes.

There are no legal requirements which mandate a separate fund for each bond issue, therefore, the district maintains one Debt Service Fund for all bond issues.

#### Capital Projects Fund

The Capital Projects Fund is used to account for the construction or purchase of major capital facilities. This fund must be used when projects are financed wholly or in part by bond issues, intergovernmental resources, major private donations, or insurance recoveries. This fund is also used to account for energy capital improvements, and the purchase of additional major items of equipment or furniture.

#### Transportation Vehicle Fund

This 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 activity has 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 fund reporting focuses on net assets and changes in net assets. Trust and agency funds are used to account for assets held for individuals, private organizations, other governments, or other funds in its fiduciary capacity as trustee or agent. These funds include private-purpose trust and agency funds.

#### Private Purpose Trust Fund

This fund is used to account for resources legally held in trust, and the entire income and principal of a private-purpose fund may be disbursed in the course of its operation. These trusts are primarily used for post-secondary scholarships, and to assist needy students with the purchase of uniforms, ASB memberships, etc.

#### Agency Fund

This fund is used to account for resources where the district's role is purely custodial. The Tacoma School District's agency funds include numerous student aid accounts which assist students with purchasing school uniforms, shoes, backpacks, etc.; scholarships for post-secondary education, and the International School of Lagos which holds funds to reimburse the Tacoma School District for supplies and materials used in its operations.

### **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 at anytime during the fiscal year. There were no revisions at the fund level during fiscal year 2008-09.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders) outstanding at year end are reported as reservations of 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 purposes, revenues and expenditures are accounted for on a modified accrual basis of accounting as prescribed in laws for all governmental funds. Beginning fund balance is budgeted as available resources and, pursuant to laws, the budgeted ending fund balance cannot be negative.

Formal budgetary accounting is employed as a management control for all governmental funds. Budgets are adopted on the same basis of accounting used to reflect actual revenues and expenditures on a generally accepted accounting principles basis.

### **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 assets (or cost recovery), and financial position.

Governmental fund financial statements (general fund, special revenue fund, debt service fund, capital projects fund, and transportation vehicle fund) use the current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available financial resources during a given period. These funds use fund balance as their measure of available financial resources at the end of the period.

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 used to account for resources legally held in trust for the benefit of specially named organizations (not to support the district's programs) or expenditures that are to assist the poor or infirm and are reported on the accrual basis of accounting. Agency funds that are custodial in 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 Statement of Net Assets and the Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this method, revenues are recognized when they become 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. Property taxes receivable are measurable but not available and are therefore not accrued. However, categorical program claims and interdistrict billings are measurable and available and are accrued. The district considers revenues derived from property taxes available when they are collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred. The fund liability is incurred when the goods or services have been received. The one exception to this rule is the recognition of principal and interest on general long-term debt, which is recognized when due.

## **E. ELIMINATIONS AND RECLASSIFICATIONS**

In the process of aggregating data for the government-wide Statements of Net Assets 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 redemption. Short-term investments are shown on the Statement of Net Assets 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. Pierce County forecloses on property following the third year of delinquency. In governmental fund financial statements, property tax revenue which is measurable but not available (taxes that are not expected to be collected within 60 days after the current period) is recorded as a receivable and unearned revenue. In government-wide financial statements, property tax revenue, net of estimated uncollectible property taxes, is 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 reserve for inventory is equal to the ending inventory amount to indicate a portion of the fund balance which is not available for future expenditure.

United States Dept. of Agriculture 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, 2009, the value of the USDA commodities included in this district's inventory was \$364,298.

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 begin 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 changed its capitalization policy effective September 1, 2008. Prior to this date, capital assets were defined by the district as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. The new capitalization policy changes the individual cost of the asset to be \$5,000 or more per item, and aligns the district with the State of Washington's policies as recommended in performance audits. The effect on the district's books as a result of the district's policy change is as follows:

Basis		
Book Value	LTD Depr	Loss
2,755,187.98	2,461,939.85	293,248.13

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, there is no depreciation for capital assets. However, depreciation is charged to expense and allocated to various functions/programs in government-wide financial statements 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. Depreciation is provided over the



assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

## **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, and local grants, and unearned revenues on long-term receivables. In government-wide financial statements, property taxes less estimated uncollectible 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, up to 180 days of sick leave accumulated by district employees is reimbursed at death or retirement at the rate of one day for each four days of accrued leave. Full-time employees earn sick leave at a rate of 12 days per year up to a maximum of 195 days, including the annual accumulation, as of December 31 of each year. This statute also provides for an annual buy out of an amount up to the maximum annual accumulation of twelve days. To qualify for annual sick leave buy out, the employee must have accumulated an excess of 60 days of sick leave as of January 1.

Sick leave is reported under long-term liabilities in the Statement of Net Assets. For reporting purposes, 25 percent of the sick leave liability (up to 180 days) for those eligible for retirement is considered accrual. The vesting method in GASB statement No. 16 was applied in calculating the sick leave. The amount of accrued sick leave as of August 31, 2009 was \$13,092,554 and reported as long-term liabilities in government-wide financial statements.

### **2. Vacation Leave**

For the employees that receive vacation leave, vacation leave is accrued according to the particular bargaining agreement. Employees are allowed to accrue up to a maximum of 30 days of vacation leave.

Vacation pay is recorded as an expenditure at the time of payment which occurs upon usage or upon employee termination. It is computed at 100 percent of the accrued amount. The amount accrued for vacation leave as of August 31, 2009 was \$6,151,523 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 ASSETS (Government-wide Financial Statements)**

The "Invested in Capital Assets, Net of Related Debt" 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 Assets" component reports the assets with constraints placed on net assets by external laws, regulations, or legislation. Therefore, they are available for disbursements only for specific

purposes (i.e. debt service, capital projects, and others). The “Unrestricted Net Assets” 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. RESERVES AND DESIGNATIONS (Governmental Fund Financial Statements)**

Reserves represent those portions of the fund balance not appropriable for expenditures or legally segregated for a specific future use.

Not appropriable for expenditures: Reserve for Inventory (general fund and special revenue fund) and Reserve for Encumbrances place restrictions on the current year’s fund balance for the inventory and purchasing commitments for the next fiscal period.

Legally segregated for specific future use: Reserves for Gifts & Scholarships (fiduciary funds).

Designated unreserved fund balances such as designated for self-insurance, for curriculum and instruction, for budget carryover, student achievement, and for other cash items, represent tentative plans for future use of financial resources. These plans are subject to changes and may never be legally authorized or result in expenditures.

**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	Cash Held by Trustees	Time Deposits	Investments
Governmental Funds	\$11,732,011	\$2,243,917	\$8,518,496	\$136,683,000
Sound Partnership	2,985,511	-	-	5,360,804
Total Government-Wide	14,717,522	2,243,917	8,518,496	142,043,804
Fiduciary Funds	38,741	-	-	391,000
Total Deposits & Investments	<u>\$14,756,263</u>	<u>\$2,243,917</u>	<u>\$8,518,496</u>	<u>\$142,434,804</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. At year end, the carrying amounts of the certificates of deposit (\$8,518,496) are classified as deposits, which are subject to FDIC coverage up to \$100,000 per certificate of deposit or \$2,500,000 (25 certificates) and to the Washington Public Deposit Protection Commission for the remaining balance.

As of August 31, 2009, the total carrying amount of the district’s investments was \$142,434,804 and this amount approximates fair value as defined by GASB Statement No. 31. The district’s funds are invested in Local Government Pool and NOW accounts and held by the Pierce County Treasurer on behalf of the district. NOW accounts are full faith and credit federal backed accounts with interest earnings limited to .50 percent.

The Sound Partnership's investments are held in the trust's name at local banks as certificates of deposit and deposit notes, and the majority of its investments are short term (three months or less).

Interest Rate Risk – The Pierce County Treasurer's investment policy does not specifically address management of interest rate risk. Exposure to fair value losses arising from increasing interest rates is managed by limiting 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 during the 2008-09 fiscal year, the district changed its investment practices and had all 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.

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 & Poors. With the exception of U.S. Treasuries and Government agencies and instrumentalities, no more than 20 percent of investments shall be from any single issuer. Credit quality distribution for securities with credit exposure are presented as a percentage of total investments

The district's objective is to invest with the objective of producing the greatest return consistent with Washington State statutes.

Concentration of Credit Risk – The district places no limit on the amount it may invest with any one issuer. More than 90 percent of the district's investments are in the Local Government Investment Pool and NOW Accounts.

Investment Type	Moody's Investor Service	Standard & Poors
Local Government Investment Pool	Not rated	Not rated
NOW Accounts	Not rated	Not rated

## **B. CASH WITH FISCAL AGENT**

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.

## **C. CASH HELD BY TRUSTEE**

Construction retainage which is held by the escrow companies is reported as an asset of the district.

**Note 3.     INTERFUND TRANSACTIONS**

As of August 31, 2009, 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	\$3,337,537	\$ 59,104
Capital Projects Fund	50,172	3,323,783
Special Revenue Fund	9,078	13,900
<b>Total</b>	<b><u>\$3,396,787</u></b>	<b><u>\$ 3,396,787</u></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. The amounts "Due From" and "Due To" private-purpose trust funds and agencies are combined into one amount (\$6,090) and reclassified as third party receivables/payables in the government-wide financial statements.

Planned transfers between funds are included in the budgeting process. In 2008-09 there was a transfer from the Capital Projects Fund to the Debt Service Fund for the principal payment of the QZAB bonds (\$88,578), and a transfer from the Capital Projects Fund to the General Fund for district-wide technology transactions (\$1,940,678).

**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 is \$725,285,635 on August 31, 2009.

	<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	\$ 47,454,135	\$ -	\$ -	\$ 47,454,135
Construction-in-Progress	302,979,252	37,562,928		340,542,180
Total Capital Assets, not being depreciated	<b>350,433,387</b>	<b>37,562,928</b>	<b>0</b>	<b>387,996,315</b>
Capital assets, being depreciated:				
Building and Improvements	491,430,033	7,017,598		498,447,631
Equipment	63,721,628	995,874	(27,560,178)	37,157,324
Total Capital assets, being depreciated:	<b>555,151,661</b>	<b>8,013,472</b>	<b>(27,560,178)</b>	<b>535,604,955</b>
Less Accumulated Depreciation for:				
Building and Improvements	(197,545,655)	(9,421,330)		(206,966,985)
Equipment	(45,349,261)	(3,110,432)	20,379,447	(28,080,246)
Total Accumulated Depreciation	<b>(242,894,916)</b>	<b>(12,531,762)</b>	<b>20,379,447</b>	<b>(235,047,231)</b>
Total Capital assets, being depreciated, net	<b>312,256,745</b>	<b>(4,518,290)</b>	<b>(7,180,731)</b>	<b>300,557,724</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$662,690,132</b>	<b>\$ 33,044,638</b>	<b>\$ (7,180,731)</b>	<b>\$688,554,039</b>

Depreciation expense was charged to governmental activities as follows:

Regular Instruction	\$ 10,649,777
Special Instruction	1,875
Career & Technical Instruction	77,136
Compensatory Instruction	1,016
Other Instruction Programs	24,435
Support Services	1,771,970
Extracurricular Activities (ASB)	5,553
	<b>\$ 12,531,762</b>

**Note 5. CONSTRUCTION IN PROGRESS**

School	Project	Project Authorization	Accumulated Expenditures to 8/31/2009
<b>Elementary Schools</b>			
Cirque & Alameda	New School	\$ 19,169,377	\$ 44,754
Fern Hill	Modernization	18,142,021	16,920,920
Geiger	Modernization	7,217,387	236,886
Stafford	New School	17,090,930	15,744,290
<b>Total Elementary Schools</b>		<b>61,619,715</b>	<b>32,946,850</b>
<b>Middle Schools</b>			
Baker	New School	3,000,000	345,100
Gray	New School	45,013,851	38,134,767
First Creek (Portland Ave.)	New School	49,047,065	36,435,429
Hunt	New School	3,000,000	464,439
<b>Total Middle Schools</b>		<b>100,060,916</b>	<b>75,379,735</b>
<b>High Schools</b>			
Foss	Modernization	31,683,169	30,906,056
Lincoln	Modernization	75,251,312	71,708,397
Stadium	Modernization	108,269,541	103,221,349
Wilson	Modernization	28,955,729	26,379,793
<b>Total High Schools</b>		<b>244,159,751</b>	<b>232,215,595</b>
<b>GRAND TOTAL</b>		<b>\$405,840,382</b>	<b>\$ 340,542,180</b>

**Note 6. PENSIONS****A. GENERAL INFORMATION**

Substantially all 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 Systems (TRS), Public Employees' Retirement System (PERS), and School Employees' Retirement System (SERS).

Membership by retirement system program as of June 30, 2008:

Retirement Program	Active Members	Inactive Vested Members	Retired Members
TRS	66,524	8,699	39,150
PERS	161,668	27,267	73,122
SERS	51,774	8,600	3,873

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 year 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.

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 SERS and TRS, respectively. Members are eligible to retire with full benefits after five years of credited service and attainment of age 60 or after ten years of credited service and attainment of age 55 with the benefit actuarially reduced from age 65.

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 advice from the Office of the State Actuary. 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 RCW chapters 41.40, 41.32, and 41.35 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

Pension contribution rates as of July 1, 2009, are summarized in the table below:

	7/1/08 Rate as of 7/1/08	7/1/09 Rate as of 7/1/09
<b>TRS 1</b>		
Employee Contribution Rate	0.0600	0.0600
Employer Contribution Rate	0.0582	0.0846
<b>TRS 2</b>		
Employee Contribution Rate	0.0290	0.0426
Employer Contribution Rate	0.0582	0.0846
<b>TRS 3</b>		
Employee Contribution Rate	---	---
Employer Contribution Rate	0.0582*	0.0846*
<b>PERS 1</b>		
Employee Contribution Rate	0.0600	0.0600
Employer Contribution Rate	0.0831	0.0529
<b>PERS 2</b>		
Employee Contribution Rate	0.0545	0.0389
Employer Contribution Rate	0.0831	0.0529
<b>PERS 3</b>		
Employee Contribution Rate	---	---
Employer Contribution Rate	.0831*	.0529*
<b>SERS 2</b>		
Employee Contribution Rate	0.0390	0.0468
Employer Contribution Rate	0.0588	0.0754
<b>SERS 3</b>		
Employee Contribution Rate	---	---
Employer Contribution Rate	.0588*	.0754*

\* = Defined benefit portion only.

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 September 30):

<u>Plan</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Plan I TRS	\$ 1,356,042	\$ 1,038,417	\$ 935,429
Plan II TRS	2,187,130	1,376,116	940,727
Plan III TRS	7,601,457	4,893,156	3,530,815
Plan I PERS	\$ 237,211	\$ 186,758	\$ 118,193
Plan II SERS	1,422,344	1,064,237	705,327
Plan III SERS	1,351,272	1,005,211	645,647



Historical trend information showing TRS and PERS progress in accumulating sufficient assets to pay benefits when due is presented in the State of Washington's June 30, 2009, comprehensive annual financial report. Refer to said report for detailed trend information. It is available from:

State of Washington  
Office of Financial Management  
PO Box 43113  
Olympia, Washington 98504-3113

**Note 7. LONG-TERM DEBT**

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

Bonds payable at August 31, 2009 include the following: Qualified Zone Academy Bonds (QZAB) 1999 maturing in 2011, QZAB 2000 maturing in 2012, Unlimited Tax General Obligation Bonds (UTGO) of 2001, UTGO Bonds of 2003, UTGO Bonds of 2005, a Refunded Bond Issue of the 2001 UTGO, and UTGO Bonds of 2005A. Except for the QZABs, interest is payable on June 1 and December 1. The QZABs are interest-free bonds and only principal payments are made on the debt.

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, including the new Mt. Tahoma High School, new Giaudrone Middle School, modernization and addition to Foss High School, and the modernization of Stadium High School. Interest rates on these general obligation bonds are fixed at 3.125 to 5.50 percent, depending on the year of maturity. The majority of this bonds issue was refunded in June 2005, and will be 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 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 will be retired on December 1, 2021.

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. These bonds will be retired on December 1, 2024.

In December 2005, the board issued the final \$55M in seventeen-year property-tax supported general obligation bonds for the final phase of projects. First Creek Middle School was constructed with this phase of funding, and about \$6M of the Gray Middle School costs came from this source. Interest rates on these bonds are 4.0 to 5.0 percent depending on the year of maturity. These bonds will be retired on June 1, 2021.

The debt service fund is established to redeem the outstanding bonds. Compensated absence liabilities are liquidated by the fund that pays the salary of the individual using the leave; liquidations are generally equal to the accruals each year. 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, 2009, the following changes occurred in liabilities reported in the government-wide financial statements:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One Year
<b>GOVERNMENT ACTIVITIES</b>					
Bonds and Contracts Payable:					
1999 QZAB	3,280,000	-	-	3,280,000	-
2000 QZAB	1,240,074	-	88,578	1,151,496	88,578
2001 UTGO Bonds	30,490,000	-	12,990,000	17,500,000	7,500,000
2003 UTGO Bonds	72,600,000	-	3,500,000	69,100,000	3,000,000
2005 Refunding of 2001 UTGO	148,090,000	-	670,000	147,420,000	690,000
2005 UTGO Bonds	42,890,000	-	-	42,890,000	-
2005B UTGO Bonds	20,500,000	-	7,350,000	13,150,000	1,850,000
Total Bonds and Contracts Payable	319,090,074	-	24,598,578	294,491,496	13,128,578
Other Liabilities:					
Unamortized Bond Premium	17,761,269	-	2,383,491	15,377,778	2,163,785
Net OPEB Obligation	3,738,156	10,677,850	248,833	14,167,173	-
Compensated Absences	16,155,208	3,830,438	741,569	19,244,077	912,566
Total Other Liabilities	37,654,633	14,508,288	3,373,893	48,789,028	3,076,351
GRAND-TOTAL	\$ 356,744,707	\$14,508,288	\$27,972,471	\$343,280,524	\$ 16,204,929

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

The unamortized bond issuance costs for the limited/unlimited tax general obligation bonds and the qualified zone academy bond are as follows:

Descriptions	Unamortized Bond Issuance Costs			
	Beginning Balance	Increase	Decrease	Ending Balance
1999 Qualified Zone Academy Bonds	\$ 9,091		\$ 2,728	\$ 6,363
2000 Qualified Zone Academy Bonds	859		203	656
2001 Unlimited Tax GO Bonds	182,556		91,278	91,278
2003 Unlimited Tax GO Bonds	431,177		32,542	398,635
2005A Unlimited Tax GO Bonds	804,079		49,482	754,597
2005B Unlimited Tax GO Bonds	246,185		17,176	229,008
	\$ 1,673,947	\$ -	\$ 193,409	\$ 1,480,538

### C. BOND PREMIUM

The district sold Unlimited General Obligation Bonds at a premium in each of the four bond sales in 2001, 2003, and 2005 (A and B). 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			Ending Balance
	Beginning Balance	Increase	Decrease	
2001 Unlimited Tax GO Bonds	179,390	-	143,833	35,558
2003 Unlimited Tax GO Bonds	3,667,598	-	646,424	3,021,174
2005A Unlimited Tax GO Bonds	13,270,792	-	1,411,744	11,859,048
2005B Unlimited Tax GO Bonds	643,489	-	181,490	461,999
	<u>\$17,761,269</u>	<u>\$ -</u>	<u>\$ 2,383,491</u>	<u>\$ 15,377,778</u>

### D. DEBT SERVICE REQUIREMENT TO MATURITY

Year Ending August 31,	UTGO & QZAB Bonds		
	Principal	Interest	Total
2010	13,128,578	14,016,813	27,145,391
2011	11,378,578	13,421,707	24,800,285
2012	25,199,340	12,804,301	38,003,641
2013	19,265,000	11,896,201	31,161,201
2014	19,165,000	10,935,788	30,100,788
2015	17,850,000	10,026,125	27,876,125
2016	21,670,000	9,125,875	30,795,875
2017	20,180,000	8,029,750	28,209,750
2018	29,840,000	6,913,125	36,753,125
2019	30,140,000	5,449,750	35,589,750
2020	29,215,000	3,915,250	33,130,250
2021	13,070,000	2,602,500	15,672,500
2022	9,775,000	1,971,375	11,746,375
2023	10,620,000	1,465,250	12,085,250
2024	11,520,000	911,750	12,431,750
2025	12,475,000	311,875	12,786,875
TOTAL	<u>\$294,491,496</u>	<u>\$113,797,435</u>	<u>\$ 408,288,931</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. This requirement is in effective for the district's 2001, 2003, and 2005A and 2005B bond issues, currently totaling \$290,060,000 as of August 31, 2009. Of the rebate, 90 percent 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 they 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. Because of the uncertainty of having to make this payment, the district has provided a reserve in the Capital Projects Fund of \$1,276,583 (as calculated by Bond Logistics, Inc.) for federal arbitrage rebate associated with the four bond issues.

**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 these figures represent the on-going obligation. The following is a schedule by years 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, 2009.

Year Ending August 31	Amount
2009	\$ 515,014
2010	515,014
2011	<u>515,014</u>
Minimum payments required	\$1,545,042

**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.

Fiscal Year	Beg. Balance	Unemployment		End. Balance
		Additions	Reductions	
2008	\$869,586	\$327,510	\$197,585	\$999,511
2009	999,511	309,394	273,987	1,034,918

**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 a monthly basis at a flat rate of \$50,000 per month 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 employees hours worked, according to job classification codes as developed by the Department of Labor & Industries. In addition, the district reimburses the Trust for quarterly assessments assessed 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.

Fiscal Year	Beg. Balance	Industrial Insurance		End. Balance
		Additions	Reductions	
2008	\$4,876,181	\$3,628,842	\$3,087,317	\$5,417,706
2009	5,417,706	3,404,967	3,381,066	5,441,607

### **C. RISK MANAGEMENT POOL**

The district is one of over 70 school districts, educational service districts, and inter-local cooperative members of the Washington Schools Risk Management Pool (WSRMP), which was formed on August 30, 1986 pursuant to Chapter 48.62 of the Revised Code of Washington. The purpose of WSRMP is to join together in a cooperative manner to provide its members the capability and authority to jointly purchase property and liability insurance, establish and maintain a reserve to pay for self-insurance coverage, provide a plan of self-insurance, and provide related services, including a cooperative program of risk management.

The district paid \$1,817,835 for its annual premium contribution to WSRMP for its property and liability insurance coverage. For the period of September 1, 2008 to August 31, 2009, WSRMP self-insures the first \$1 million per occurrence for property and purchases excess property insurance to a limit of \$500 million per occurrence. WSRMP self-insures the first \$1 million per occurrence for liability, including errors and omissions and employment practices liability and purchases liability reinsurance to a limit of \$20 million per occurrence; including coverage for sexual molestation. The district had no settlements which exceeded its insurance coverage in fiscal year 2008-09 or in the previous two years.

The WSRMP Executive Board sets rates annually, after consultation with an independent actuarial firm, based on actual loss experience. An independent actuarial firm also performs an annual solvency report, which WSRMP is in excess of a 93 percent confidence level. Should the assets of the Pool be exhausted; members would be responsible for the Pool's liabilities, based on an allocation in proportion to each member's contribution.

The Washington Schools Risk Management Pool is audited independently by the Washington State Auditor's Office and has a completed audit file on their website.

### **D. EMPLOYEE BENEFITS**

The district made payments totaling \$36,727,559 in 2008-09 to the Sound Partnership which is a health and welfare trust fund administered by a joint board of five management and five labor trustees. This trust provides comprehensive medical, dental, vision, life, and long-term disability coverage for qualified employees of the district. The district participates in lieu of obtaining insurance from commercial carriers, thereby minimizing the cost for benefit coverage. The Sound Partnership serves the Tacoma School District's 3,500 employees. The Trust also provides health and dental care for the Tacoma School District's employees after separation from the district until they reach the age of 65.

The district's contributions are based on a fixed sum per FTE (full-time equivalent). The total assets and liabilities of the Sound Partnership at August 31, 2009 were respectively \$8,841,634 and \$3,393,958.

### **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. Currently there are approximately 20 participants in the COBRA program. The Sound Partnership maintains its financial records using the accrual basis of accounting. The total claims reported and approved for payment were \$35,274,991 and the total contributions from participants were \$36,727,559 during fiscal year 2008-09.

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

	Year Ended	
	8/31/2009	8/31/2008
Amounts Currently Payable for Claims Participants		
Balance at beginning of year	\$ 56,314	\$ 99,800
Claims reported & approved for payment	35,274,991	32,508,112
Claims Paid	(35,280,415)	(32,551,598)
Balance at End of Year	<u>50,890</u>	<u>56,314</u>
Other Obligations for Current Benefit Coverage at Estimated Amounts		
Balance at beginning of year	3,575,100	3,402,700
Net Change during the year	(271,300)	172,400
Balance at End of Year	<u>3,303,800</u>	<u>3,575,100</u>
Plan's Total Benefit Obligation at End of Year	<u>\$ 3,354,690</u>	<u>\$ 3,631,414</u>

The Sound Partnership was established in 1984 to provide health and dental care to the district's employees and dependents even after their separation from the district until they reach the age of 65. 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 provision 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 day-to-day operations of the Trust. The Sound Partnership has signed a health service contract with Pierce County Medical Bureau and Group Health Cooperative of Puget Sound.

The Sound Partnership has a vision care service contract with Davis Vision to provide vision services to the district's employees and their dependents.

The district's monthly contributions to the Sound Partnership are based on the state funding calculated on "full time equivalent." Any extra coverage is paid by the district's employees through payroll deductions and the amount is remitted to the Sound Partnership on a monthly basis.

**F. OTHER POST-EMPLOYMENT BENEFITS**

The state, through the Health Care Authority (HCA), administers an agent multiple-employer other post-employment benefit plan. 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 plan include the state (which includes general government agencies and higher education institutions), 52 of the state's K-12 school and educational service districts (ESDs), and 200 political subdivisions. Additionally, the PEBB plan is available to the retirees of the remaining 249 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 is deemed to provide to its retirees employer-provided subsidies associated with post-employment medical and life insurance benefits provided 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 are mandated to pay the state HCA \$60.40 per month per full-time equivalent employee in the 2008-09 fiscal year to support the program. This assessment to the district is subject to change annually. Because the district is self-insured for its active employee health and welfare programs, it does not participate in the PEBB. 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 TRS Plan 2 and Plan 3.

- Age 65 with 5 years of service
- Age 55 with 20 years of service

Former members who are entitled to a deferred vested pension benefit are not eligible to receive medical and life insurance 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 pay the following monthly rates for pre-65 Medical coverage for 2009:

Descriptions	Type of Coverage			
	Employee	Employee & Spouse	Employee & Children	Full Family
Aetna Public Employees Plan	513.44	1,020.79	893.95	1,401.30
Group Health Classic	508.50	1,010.91	885.31	1,387.72
Group Health Value	426.16	846.23	741.21	1,161.28
Kaiser Permanente Classic	476.60	947.11	829.48	1,299.99
Kaiser Permanente Value	433.88	861.67	754.72	1,182.51
Uniform Medical Plan	427.25	848.41	743.12	1,164.28

For calendar year 2008, after age 65 retired members receive a subsidy of 50 percent of their monthly medical premiums up to \$164.08. For calendar year 2009, after age 65 retired members receive a subsidy of 50 percent of their monthly medical premiums up to \$182.89 per Medicare covered person. For 2008, retirees also receive an explicit subsidy of \$4.77 per month toward life insurance premiums.

### 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 other post-employment benefit (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 over a period of thirty years as of September 1, 2008 (level cost method).

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. The Table was prepared by Milliman, an actuarial company experienced in providing GASB 45 and OPEB calculations. Last fiscal year, 2007-08, was the first year for reporting the OPEB liability. This calculation is required to be performed every second year. An updated actuarial study is not due until the fiscal year ended August 31, 2010, and the figures represented are estimates as of August 31, 2008. The figures disclosed in the prior year's financial statements, 2007-08,



were based on Milliman's report dated March 24, 2009. A revised valuation was provided in a report dated January 15, 2010, with an explanation that the initial report was understated due to an erroneous assumption where the actuaries failed to realize the PEBB had been providing the over-65 subsidy to Medicare eligible spouses in addition to Medicare eligible retirees. This assumption significantly changed their estimates enough that they felt a revision was necessary. Their revised report is being used to restate previously reported values.

	<b>Original Estimate  August 31, 2008</b>	<b>Revised Estimate August 31, 2008</b>	<b>August 31, 2009</b>
<b>Determination of Annual Required Contribution</b>			
Normal Cost at Year End	\$ 3,352,230	\$ 5,703,417	\$ 7,216,148
Amortization of UAAL	2,848,892	4,922,896	4,922,896
Annual Required Contribution (ARC)	6,201,122	10,626,313	12,139,044
<b>Determination of Net OPEB Obligation</b>			
Annual required Contribution	6,201,122	10,626,313	10,626,313
Interest on Prior Year Net OPEB Obligation	-	-	324,727
Adjustment to ARC	-	-	(248,833)
Annual OPEB Cost	6,201,122	10,626,313	10,702,207
Less Contributions Made*	(2,462,966)	(3,410,165)	(3,751,182)
Increase in Net OPEB Obligation	3,738,156	7,216,148	6,951,025
Net OPEB Obligation - End of Year	\$ 3,738,156	\$ 7,216,148	\$ 6,951,025

\* Estimated based on 2008-09 retiree benefit amounts,  
adjusted for medical trend.

The district's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

<b>Fiscal Year Ended</b>	<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

#### Funded Status and Funding Progress

As of August 31, 2008, the most recent actuarial valuation date, the plan was 0 percent funded. The accrued liability for benefits was \$147.7 million, and the actuarial value of assets was \$0, resulting in a UAAL of \$147.7 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 healthcare 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.

#### 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.

The health cost trend rates used for the actuarial study are as follows:



<u>Year</u>	<u>Medical Trend</u>	<u>Life Trend</u>
2008-2009	10.00%	5.00%
2009-2010	9.50%	4.50%
2010-2011	9.00%	4.50%
2011-2012	8.50%	4.00%
2012-2013	8.00%	4.00%
2013-2014	7.50%	3.50%
2014-2015	7.00%	3.50%
2015-2016	6.50%	3.50%
2016-2017	6.00%	3.50%
2017-2018	5.50%	3.50%
2018 and beyond	5.00%	3.50%

In the August 31, 2008 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions used included a 4.5 percent discount rate, which is based upon the long-term investment yield on the investments that are expected to be used to finance the payment of benefits.

The UAAL is being amortized on a closed basis at the assumed discount rate. The remaining amortization period at August 31, 2008 was 30 years. The covered payroll amount for the Schedule A represents the retirement eligible wage amounts for 2008-09.

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).

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

**A. BALANCE SHEETS/STATEMENT OF NET ASSETS (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 Assets includes those capital assets among the assets of the district as a whole.

- Cost of capital assets \$923,601,270  
Accumulated Depreciation (235,047,231)  
Net \$688,554,039
- \$1,480,538** – 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 Assets. Refer to Note 7B (Unamortized bond issuance costs).
- Long-term liabilities of **\$343,280,524** (due within one year: \$16,204,929 due more than one year: \$327,075,595) 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 Assets.
- Property tax levies (**\$55,990,708**) 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 (**\$3,396,787**) – Internal transfers between governmental funds were eliminated in government-wide statements to avoid the "doubling-up" effect. The remaining balances are the "Due To" and "Due From" private-purpose trusts which are reclassified to third party receivable/payable (\$6,090).

6. 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 **\$8,841,634** and **\$3,444,848**) of the internal service fund are included in governmental activities in the Statement of Net Assets.

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

1. **\$2,788,058** – 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 **\$13,517,886** represents the current year increase in compensated absences (\$3,088,869) and other post-employment benefits (\$10,429,017) 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. However, the Statement of Net Assets includes those capital assets among the assets of the district as a whole.

Capital Outlay	\$38,395,669
Depreciation Expense	<u>(12,531,762)</u>
Difference	<b>\$25,863,907</b>

- b. Governmental Funds Financial Statements report capital outlay as expenditures while Government-Wide Financial Statements report depreciation expense (\$12,531,762) allocated to various applicable programs.

4. **\$24,598,578** - Repayment of bond principal amounts 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 Assets.

5. **\$2,190,081** – The current year amortization of bond premium and issuance costs is to be charged to expenditures in Government-Wide Financial Statements. Below is a breakdown of the net amount:

Current year amortization/bond premium	\$2,383,491
Current year amortization/bond issuance costs	<u>(193,410)</u>
	<b>\$2,190,081</b>

6. Internal service fund (The Sound Partnership) is used to provide medical, dental, and life insurances for the district's employees. The adjustments for internal service fund "close" the fund by allocating the net loss (**\$3,261,326**), except investment income (**\$345,068**) is shown as investment earnings under miscellaneous revenues.

**Note 11. FUND EQUITY (GOVERNMENTAL FUNDS)****Changes in Undesignated Fund Balances**

	General Fund	Special Revenue Fund (ASB)	Debt Service	Capital Projects Fund	Trans Vehicle Fund
<b>Undesignated Unres.Fund Bal.8/31/08</b>	\$ 946,916	\$ 1,993,058	\$ 4,757,835	\$ 2,763,747	\$ 2,016,963
Decr./ (Incr.) Res for Inventory	31,547	23,666			
Decr./ (Incr.) Res for Encumbrances	(1,836,838)	(108,400)		(36,246,598)	337,071
Decr./ (Incr.) Res for Arbitrage Rebate	-	-	-	(212,516)	
Decr./ (Incr.) Res for Carryover	364,804			3,484,513	
Decr./ (Incr.) Res for Student Achvmnt	(1,274,040)				
Decr./ (Incr.) Res for Other Cash Items	2,063,752				
Decr./ (Incr.) Res for Curr & Instruction	(388,788)				
Decr./ (Incr.) Res for Self-Insurance	-				
Decr./ (Incr.) Res for Future Use	8,508,677				
Changes in Fund Balances	(8,416,030)	16,836	(2,347,861)	30,893,203	(356,916)
<b>Undesignated Unres.Fund Bal.8/31/09</b>	\$ -	\$ 1,925,160	\$ 2,409,974	\$ 682,349	\$ 1,997,118

**Note 12. SPECIAL ITEMS**

The gain/(loss) on the sale of capitalized assets are regarded as special items because it is infrequent for the Tacoma School District to sell capitalized assets. The gain/(loss) during the year is immaterial, however, and is reported as ordinary revenue.

**Note 13. 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 14. 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 State Risk Management Pool. For actions not covered by the Pool, possible losses are provided for in the General Fund reserve for self-insurance and payables.

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 exceeds coverage amounts by \$15M. While the district does not have this available in its general fund reserves for self-insurance and payables, its legal team is vigorously defending the district against the lawsuit.

**Note 15. SUBSEQUENT EVENTS**

The district sold a piece of vacant property (S. 52<sup>nd</sup> & Cheyenne St.) for \$1.58M in January, 2010. The district also ran an election on February 9, 2010 requesting voters approve the maintenance and operations levy and a \$300M capital improvement and technology levy measure. Both measures passed.

The district continues to monitor the State of Washington budget. Given projected shortfalls as of the report date, the district may experience further reductions in state funding. The district has a formal process with the community to communicate budget reductions and collect input prior to the adoption of a budget. The Board of Directors and district administration are aware of the budget concerns and will monitor the financial situation of the district to ensure the district ends the fiscal year with an appropriate positive fund balance and the 2010-11 budget is developed within available resources.

**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, 2009**

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET POSITIVE(NEGATIVE)
	ORIGINAL *	FINAL *		
REVENUES				
Local	\$ 76,459,494	\$ 76,459,494	\$ 76,114,062	\$ (345,432)
State	198,646,947	198,646,947	186,586,989	(12,059,958)
Federal	37,501,591	37,501,591	49,076,253	11,574,662
Other	1,517,859	1,517,859	1,775,106	257,247
Total Revenues	314,125,891	314,125,891	313,552,410	(573,481)
EXPENDITURES				
CURRENT				
Regular Instruction	156,032,339	156,032,339	142,968,422	13,063,917
Federal Stimulus	-	-	12,096,304	(12,096,304)
Special Education	40,589,383	40,589,383	39,323,625	1,265,758
Career & Technical Education	9,203,086	9,203,086	9,969,499	(766,413)
Compensatory Education	41,797,284	41,797,284	37,496,859	4,300,425
Other Instructional Programs	6,644,564	6,644,564	3,792,643	2,851,921
Community Services	415,000	415,000	447,585	(32,585)
Support Services	66,279,270	66,279,270	62,318,533	3,960,737
CAPITAL OUTLAY				
Other	1,334,231	1,334,231	567,640	766,591
Total Expenditures	322,295,157	322,295,157	308,981,110	13,314,047
Excess of Revenues Over (Under) Expenditures	(8,169,266)	(8,169,266)	4,571,300	12,740,566
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	10,220	10,220
Transfers	2,188,393	2,188,393	1,940,678	(247,715)
Total Other Financing Sources (Uses)	2,188,393	2,188,393	1,950,898	(237,495)
CHANGE IN FUND BALANCE	(5,980,873)	(5,980,873)	6,522,198	12,503,071
FUND BALANCE-September 1	32,853,978	32,853,978	32,853,978	-
FUND BALANCE -August 31	\$ 26,873,105	\$ 26,873,105	\$ 39,376,176	\$ 12,503,071

\* 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, 2009**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL *	FINAL *		
<b>REVENUES</b>				
General	\$ 1,591,385	\$ 1,591,385	\$ 902,212	\$ (689,173)
Athletics	261,730	261,730	180,123	(81,607)
Classes	466,150	466,150	234,675	(231,475)
Clubs	1,889,780	1,889,780	637,050	(1,252,730)
Private Monies	146,900	146,900	12,624	(134,276)
<b>Total Revenues</b>	<b>4,355,945</b>	<b>4,355,945</b>	<b>1,966,684</b>	<b>(2,389,261)</b>
<b>EXPENDITURES</b>				
General	1,727,287	1,727,287	955,859	771,428
Athletics	299,139	299,139	230,955	68,184
Classes	406,988	406,988	226,973	180,015
Clubs	1,860,435	1,860,435	674,648	1,185,787
Private Monies	94,276	94,276	8,503	85,773
<b>Total Expenditures</b>	<b>4,388,125</b>	<b>4,388,125</b>	<b>2,096,938</b>	<b>2,291,187</b>
<b>Changes in Fund Balance</b>	<b>(32,180)</b>	<b>(32,180)</b>	<b>(130,254)</b>	<b>(98,074)</b>
<b>FUND BALANCE - September 1</b>	<b>2,155,498</b>	<b>2,155,498</b>	<b>2,155,498</b>	
<b>FUND BALANCE - August 31</b>	<b>\$ 2,123,318</b>	<b>\$ 2,123,318</b>	<b>\$ 2,025,244</b>	<b>\$ (98,074)</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%

\*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.



**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, 2009 AND 2008**

	2009	2008
<b>ASSETS</b>		
Cash on Hand and in Bank	178,530	\$ 210,790
Cash on Deposit with County Treasurer	11,331,339	1,056,002
Investments	48,000,000	5,600,000
Time Deposits	3,497,000	52,093,400
Property Tax Receivable	36,630,877	34,172,415
Accounts Receivable, Net	247,720	320,446
Accrued Interest Receivable	21,043	417,409
Due From Other Funds	3,343,627	2,581,326
Due From Other Governmental Units	3,664,828	3,624,799
Inventories, at Cost	934,029	1,663,396
Prepaid Items	1,108,807	56,052
<b>TOTAL ASSETS</b>	<b>108,957,800</b>	<b>101,796,035</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts Payable	5,835,453	11,599,533
Accrued Wages and Benefits Payable	26,483,006	22,353,118
Due To Other Funds	59,104	192,326
Unearned Revenue	37,204,061	34,797,080
<b>TOTAL LIABILITIES</b>	<b>69,581,624</b>	<b>68,942,057</b>
<b>Fund Balance:</b>		
Reserve for Inventory	1,694,943	1,663,396
Reserve for Encumbrances	181,817	2,018,655
Unreserved:		
Designated for Self Insurance	1,500,000	1,500,000
Designated for Curriculum & Instruction	5,958,057	6,346,845
Designated for Other Items	10,009,490	7,945,738
Designated for Budget Carryover	4,532,497	4,167,693
Designated for Student Achievement	1,790,695	3,064,735
Unreserved, Designated for Future Use	13,708,677	5,200,000
Unreserved	-	946,916
<b>TOTAL FUND BALANCE</b>	<b>39,376,176</b>	<b>32,853,978</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 108,957,800</b>	<b>\$ 101,796,035</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, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

	2009			2008
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
Local	\$ 76,459,494	76,114,062	\$ (345,432)	\$ 75,188,531
State	198,646,947	186,586,989	(12,059,958)	184,567,109
Federal	37,501,591	36,410,213	(1,091,378)	36,665,841
Federal Stimulus	-	12,666,040	12,666,040	-
Other	1,517,859	1,775,106	257,247	2,114,335
<b>TOTAL REVENUES</b>	<b>314,125,891</b>	<b>313,552,410</b>	<b>(573,481)</b>	<b>298,535,816</b>
<b>EXPENDITURES</b>				
<b>CURRENT</b>				
Regular Instruction	156,032,339	142,968,422	13,063,917	144,687,443
Federal Stimulus	-	12,096,304		
Special Education	40,589,383	39,323,625	1,265,758	38,700,253
Career & Technical Instruction	9,203,086	9,969,499	(766,413)	8,894,872
Compensatory Instruction	41,797,284	37,496,859	4,300,425	38,702,671
Other Instructional Programs	6,644,564	3,792,643	2,851,921	4,587,635
Community Services	415,000	447,585	(32,585)	308,484
Support Services	66,279,270	62,318,533	3,960,737	60,973,493
<b>CAPITAL OUTLAY</b>				
Other	1,334,231	567,640	766,591	4,453,157
<b>TOTAL EXPENDITURES</b>	<b>322,295,157</b>	<b>308,981,110</b>	<b>25,410,351</b>	<b>301,308,008</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(8,169,266)</b>	<b>4,571,300</b>	<b>12,740,566</b>	<b>(2,772,192)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	10,220	48,721	48,721
Transfers	2,188,393	1,940,678	(1,330,731)	857,662
<b>Total Other Financing Sources (Uses)</b>	<b>2,188,393</b>	<b>1,950,898</b>	<b>(1,282,010)</b>	<b>906,383</b>
<b>Net Change in Fund Balance</b>	<b>(5,980,873)</b>	<b>6,522,198</b>	<b>12,503,071</b>	<b>(1,865,809)</b>
<b>FUND BALANCE-September 1</b>	<b>32,853,978</b>	<b>32,853,978</b>	<b>1,865,809</b>	<b>34,719,787</b>
<b>FUND BALANCE -August 31</b>	<b>\$ 26,873,105</b>	<b>\$ 39,376,176</b>	<b>\$ 14,368,880</b>	<b>\$ 32,853,978</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, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

DESCRIPTION	2009		VARIANCE	2008
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	
<b>1000 LOCAL TAXES</b>				
1100 Local Property Tax	\$ 69,535,474	69,052,008	\$ (483,466)	\$ 66,388,111
1300 Sale of Tax Title Property	1,941	-	(1,941)	-
<b>TOTAL LOCAL TAXES</b>	<b>69,537,415</b>	<b>69,052,008</b>	<b>(485,407)</b>	<b>66,388,111</b>
<b>2000 LOCAL NON-TAX</b>				
2100 Tuition & Fees, Unassigned	188,700	307,051	118,351	998,042
2101 Regular Student Fees	40,000	74,659	34,659	54,944
2121 Special Ed Pre-School Tuition	30,000	54,405	24,405	50,930
2173 Summer School Tuition	85,000	68,422	(16,578)	63,490
2180 Convenience Fee	-	15,601	15,601	-
2200 Sales of Goods, Supplies & Services	-	151,684	151,684	-
2203 Sales of Sup. & Mat. Other	1,500	1,245	(255)	1,474
2204 Sale of Recoverable Items	102,071	112,316	10,245	92,431
2210 Other Storeroom Sales	23,147	16,256	(6,891)	17,414
2220 Copy Center Reimbursements	100,000	63,655	(36,345)	100,054
2231 Secondary CTE Sales of Goods	60,000	29,906	(30,094)	34,808
2289 Other Community Services	-	83,469	83,469	-
2291 Food Service Sales	2,212,255	2,348,998	136,743	2,252,817
2292 Food Service Sales - Fed Programs	-	-	-	369
2293 Food Service Refunds	-	-	-	23
2294 Food Serv. Sales - Special Events	-	79,570	79,570	71,990
2296 Food Service Sales - Breakfast	212,056	154,156	(57,900)	150,802
2300 Investment Earnings	1,100,000	478,052	(621,948)	1,912,442
2500 Gifts & Donations	120,000	201,686	81,686	206,469
2600 Fines & Damages	65,000	52,690	(12,310)	59,146
2700 Facility Rental	575,000	548,757	(26,243)	563,821
2701 Facility Rental - Computer Lab Fees	-	-	-	80
2702 Facility Rental - Utility Surcharge	-	13,798	13,798	15,350
2800 Insurance Recoveries	-	56,546	56,546	17,561
2900 Local Non-Tax Unassigned	1,927,350	2,074,481	147,131	2,066,659
2910 E-Rate	80,000	74,650	(5,350)	69,305
<b>TOTAL LOCAL NONTAX</b>	<b>\$ 6,922,079</b>	<b>\$ 7,062,053</b>	<b>\$ 139,974</b>	<b>\$ 8,800,421</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, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

DESCRIPTION	2009		VARIANCE	2008
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	
<b>3000 STATE FUNDS, GENERAL PURPOSE</b>				
3100 Apportionment	\$ 138,612,920	131,528,295	\$ (7,084,625)	\$ 129,752,210
3121 Apportionment - Special Ed	5,576,414	5,806,505	230,091	5,208,441
3300 Local Effort Assistance	3,354,300	2,937,977	(416,323)	3,167,789
<b>TOTAL STATE, GENERAL PURPOSE</b>	<b>147,543,634</b>	<b>140,272,777</b>	<b>(7,270,857)</b>	<b>138,128,440</b>
<b>4000 STATE FUNDS, SPECIAL PURPOSE</b>				
4100 Special Purpose, Unassigned	5,603,791	879,562	(4,724,229)	777,324
4121 Ed. of Handicapped Children	18,183,001	19,126,115	943,114	18,013,539
4134 CTE Middle School	-	8,638		
4155 Learning Assistance Program	5,172,883	5,183,368	10,485	4,080,625
4156 Institutes, Ctrs & Homes - Delinquents	1,067,775	1,126,250	58,475	1,082,697
4158 Special Pilot Programs	103,598	1,672,019	1,568,421	880,980
4163 Promoting Academic Success	-	-	-	907,932
4165 Transitional Bilingual	1,684,841	1,687,663	2,822	1,597,610
4166 Student Achievement	12,624,311	9,888,324	(2,735,987)	12,626,280
4174 Highly Capable	253,576	258,040	4,464	244,455
4175 Professional Development	503,234	516,518	13,284	482,376
4198 School Food Service	368,942	386,543	17,601	378,799
4199 Transportation - Operations	5,530,301	5,565,472	35,171	5,210,981
4300 Other State Agencies - Unassigned	7,060	15,700	8,640	155,071
<b>TOTAL STATE, SPECIAL PURPOSE</b>	<b>51,103,313</b>	<b>46,314,212</b>	<b>(4,797,739)</b>	<b>46,438,669</b>
<b>5000 FEDERAL FUNDS, GEN PURPOSE</b>				
5200 Direct Federal Revenue - Unassigned	263,183	283,363	20,180	263,677
5400 Federal In-Lieu-Of Taxes	-	94,795	94,795	152,342
5500 Federal Forests	80,000	72,295	(7,705)	75,938
<b>TOTAL FEDERAL, GENERAL PURPOSE</b>	<b>\$ 343,183</b>	<b>\$ 450,453</b>	<b>\$ 107,270</b>	<b>\$ 491,957</b>
<b>6000 FEDERAL, SPECIAL PURPOSE</b>				
6100 Special Purpose, Unassigned	-	105,000	105,000	87,000
6113 Federal Stimulas - Fiscal Stabilization	-	12,664,469	12,664,469	-
6114 Federal Stimulas - IDEA	-	1,571	1,571	-
6121 Federal Special Purpose - Medical	457,000	-	(457,000)	316,031



**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

DESCRIPTION	2009		VARIANCE FAVORABLE (UNFAVORABLE)	2008 ACTUAL
	BUDGET	ACTUAL		
6124 H/C, Supplemental, IDEA, Part B	\$ 6,815,875	\$ 6,775,343	\$ (40,532)	\$ 6,975,178
6138 Career & Technical Education	310,509	354,177	43,668	450,399
6151 Disadvantaged, Federal Title I	11,320,928	10,192,565	(1,128,363)	11,616,748
6152 School Improvement, Federal Title II	3,403,522	2,484,258	(919,264)	1,593,940
6154 Reading First, Title I	1,561,222	1,519,794	(41,428)	1,630,415
6157 Inst, Neg. & Del., Title I	-	-	-	49,298
6164 Limited English Proficiency	312,660	234,767	(77,893)	203,980
6189 Other Community Services	104,000	99,412	(4,588)	60,050
6191 Nutrition Services Reimbursement	7,418,236	8,094,318	676,082	7,216,757
6200 Direct Special Purpose Grants	-	(894)	(894)	205,911
6261 Head Start	4,837,386	4,804,191	(33,195)	4,839,570
6268 Indian Education	107,345	113,599	6,254	198,790
6300 Fed Grants Thru Other Agencies	21,967	96,616	74,649	57,966
6321 Special Ed Medicaid Match	-	367,357	367,357	-
6998 USDA Commodities	487,758	719,257	231,499	671,851
<b>TOTAL FEDERAL, SPECIAL PURPOSE</b>	<b>37,158,408</b>	<b>48,625,800</b>	<b>11,467,392</b>	<b>36,173,884</b>
<b>7000 REVENUES FROM OTHER DISTRICTS</b>				
7121 Special Education	1,500,000	1,477,629	(22,371)	1,608,984
<b>TOTAL REVENUES FROM OTHER DISTRICTS</b>	<b>1,500,000</b>	<b>1,477,629</b>	<b>(22,371)</b>	<b>1,608,984</b>
<b>8000 REVENUES FROM OTHER AGENCIES</b>				
8100 Agency & Association Grants	17,859	285,477	267,618	505,351
8500 Educational Service Districts	-	12,000	12,000	-
<b>TOTAL REVENUES FROM OTHER AGENCIES</b>	<b>17,859</b>	<b>297,477</b>	<b>279,618</b>	<b>505,351</b>
<b>TOTAL REVENUES</b>	<b>314,125,891</b>	<b>313,552,409</b>	<b>(582,120)</b>	<b>298,535,817</b>
<b>9000 OTHER FINANCING SOURCES</b>				
9300 Sale of Surplus Equipment	-	10,221	10,221	48,721
9900 Operating Transfers	2,188,393	1,940,678	(247,715)	857,662
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>2,188,393</b>	<b>1,950,899</b>	<b>(237,494)</b>	<b>906,383</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 316,314,284</b>	<b>\$ 315,503,308</b>	<b>\$ (819,614)</b>	<b>\$ 299,442,200</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY PROGRAM**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2009**

PROGRAM NUMBER AND DESCRIPTION	2009		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
01 Basic Education	\$ 156,171,018	\$ 142,972,979	\$ 13,198,039	% 91.55
13 Impact Aid, Federal Stimulus	-	12,094,804	(12,094,804)	0.00
14 Special Education, Federal Stimulus	-	1,500	(1,500)	0.00
21 Special Education, Basic, State	33,773,508	32,455,953	1,317,555	96.10
24 Special Ed, Supplemental, Federal	6,815,875	6,873,425	(57,550)	100.84
31 Career & Technical Education, State	9,040,830	9,723,546	(682,716)	107.55
34 Career & Tech Ed - Middle School, State	-	11,516	(11,516)	0.00
38 Career & Technical Education, Federal	296,542	308,598	(12,056)	104.07
51 Disadvantaged, Federal Title I	10,819,389	9,727,533	1,091,856	89.91
52 School Improvement, Federal Title II	3,254,940	2,379,107	875,833	73.09
54 Reading First, Federal	1,508,427	1,468,168	40,259	97.33
55 Learning Assistance, State	4,940,200	4,704,230	235,970	95.22
56 Institutions, State	1,019,842	1,047,416	(27,574)	102.70
58 Special & Pilot Programs, State	101,124	960,149	(859,025)	949.48
61 Head Start, Federal	4,479,061	4,425,453	53,608	98.80
63 Promoting Academic Success, State	-	243,422	(243,422)	0.00
64 Limited English Proficiency, Federal	306,529	230,163	76,366	75.09
65 Transitional Bilingual, State	1,684,841	1,687,287	(2,446)	100.15
66 Student Achievement, State	13,600,415	10,515,464	3,084,951	77.32
68 Indian Education, Federal	102,516	108,466	(5,950)	105.80
73 Summer School	136,000	83,170	52,830	61.15
74 Highly Capable	331,637	309,735	21,902	93.40
75 Professional Development	503,234	173,896	329,338	34.56
79 Instructional Programs, Other	6,517,209	3,225,842	3,291,367	49.50
89 Other Community Services	415,000	447,585	(32,585)	107.85
97 District-wide Support	45,360,807	43,085,554	2,275,253	94.98
98 Nutrition Services	10,757,743	11,560,475	(802,732)	107.46
99 Pupil Transportation	10,358,470	8,155,674	2,202,796	78.73
<b>TOTAL EXPENDITURES</b>	<b>\$ 322,295,157</b>	<b>\$ 308,981,110</b>	<b>\$ 13,314,047</b>	<b>% 95.87</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, 2009**

ACTIVITY NUMBER AND-DESCRIPTION		2009		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED				
		BUDGET	ACTUAL						
ADMINISTRATION									
11	Board of Directors	\$	963,561	\$	1,024,105	\$	(60,544)	%	106.28
12	Superintendent's Office		1,251,158		672,529		578,629		53.75
13	Business Office		3,406,753		3,024,331		382,422		88.77
14	Human Resources		3,365,885		2,986,696		379,189		88.73
15	Public Relations		748,654		732,359		16,295		97.82
TOTAL ADMINISTRATION			9,736,011		8,440,020		1,295,991		86.69
INSTRUCTION									
21	Supervision		9,273,780		8,389,452		884,328		90.46
22	Learning Resources		6,290,642		5,851,065		439,577		93.01
23	Principal's Office		21,104,940		20,756,901		348,039		98.35
24	Guidance and Counseling		8,140,463		7,831,269		309,194		96.20
25	Pupil Mgmt & Safety		4,051,527		4,067,772		(16,245)		100.40
26	Health Services		14,033,913		14,319,906		(285,993)		102.04
27	Teaching		189,486,589		181,011,138		8,475,451		95.53
28	Extra Curricular		3,197,035		3,765,017		(567,982)		117.77
TOTAL INSTRUCTION			255,578,889		245,992,520		9,586,369		96.25
NUTRITION SERVICES									
41	Supervision		666,879		651,786		15,093		97.74
42	Food		4,051,155		4,948,814		(897,659)		122.16
44	Operations		6,219,781		6,176,325		43,456		99.30
49	Nutrition Services Transfers		(180,072)		(216,450)		36,378		120.20
TOTAL NUTRITION SERVICES			10,757,743		11,560,475		(802,732)		107.46
PUPIL TRANSPORTATION									
51	Supervision		654,149		664,803		(10,654)		101.63
52	Operations		10,210,125		8,787,934		1,422,191		86.07
53	Maintenance		163,000		207,530		(44,530)		127.32
59	Transportation Services Transfers		(668,804)		(1,504,594)		835,790		224.97
TOTAL PUPIL TRANSPORTATION		\$	10,358,470	\$	8,155,673	\$	2,202,797	%	78.73

\* 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, 2009**

ACTIVITY NUMBER AND-DESCRIPTION		2009		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED				
		BUDGET	ACTUAL						
MAINTENANCE & OPERATIONS									
61	Supervision	\$	895,037	\$	727,542	\$	167,495	%	81.29
62	Grounds Care		1,623,047		1,342,666		280,381		82.73
63	Plant Operations		12,534,959		12,636,638		(101,679)		100.81
64	Plant Maintenance		3,968,323		4,115,928		(147,605)		103.72
65	Utilities		7,811,659		7,897,377		(85,718)		101.10
67	Plant Security		1,443,860		1,062,704		381,156		73.60
68	Insurance		90,000		9,389		80,611		10.43
TOTAL MAINTENANCE & OPERATIONS			28,366,885		27,792,244		574,641		97.97
OTHER SUPPORT SERVICES									
72	Information Services		6,534,967		6,079,366		455,601		93.03
73	Printing		226,968		(22,410)		249,378		(9.87)
74	Warehouse & Distributions		615,224		655,790		(40,566)		106.59
TOTAL OTHER SUPPORT SERVICES			7,377,159		6,712,746		664,413		90.99
PUBLIC ACTIVITIES									
91	Public Activities		120,000		327,432		(207,432)		272.86
TOTAL GENERAL FUND		\$	322,295,157	\$	308,981,110	\$	13,314,047	%	95.87

**TACOMA SCHOOL DISTRICT No. 10**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY OBJECT**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2009**

OBJECT NUMBER AND DESCRIPTION	2009		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
0 Debit Transfer	\$ 2,603,885	\$ 3,274,130	\$ (670,245)	% 125.74
1 Credit Transfer	(2,603,885)	(3,274,130)	670,245	125.74
2 Certificated Salaries	153,305,814	149,933,114	3,372,700	97.80
3 Classified Salaries	54,726,115	52,033,927	2,692,188	95.08
4 Employee Benefits	71,722,529	68,444,944	3,277,585	95.43
5 Supplies & Materials	15,551,997	12,263,020	3,288,977	78.85
7 Contractual Services	25,254,045	24,978,478	275,567	98.91
8 Travel	400,426	778,277	(377,851)	194.36
9 Capital Outlay	1,334,231	549,350	784,881	41.17
<b>TOTAL GENERAL FUND</b>	<b>\$ 322,295,157</b>	<b>\$ 308,981,110</b>	<b>\$ 13,314,047</b>	<b>% 95.87</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, 2009 AND 2008**

	2009	2008
<b>ASSETS</b>		
Cash on Hand and in Bank	\$ 47,728	\$ 11,935
Cash on Deposit with County Treasurer	(1,326)	102,149
Accounts Receivable	5,954	550
Investments	2,226,000	-
Time Deposits	-	2,150,000
Accrued Interest Receivable	939	15,263
Due From Other Funds	9,078	158,121
Inventory - Schools	-	65,229
Prepaid Items	90,723	1,275
<b>TOTAL ASSETS</b>	<b>2,379,096</b>	<b>2,504,522</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts Payable	253,925	130,300
Due To Other Funds	13,900	77,710
Unearned Revenue	86,027	141,014
<b>Total Liabilities</b>	<b>353,852</b>	<b>349,024</b>
<b>Fund Balance:</b>		
Reserve for Inventory	88,895	65,229
Reserve for Encumbrances	11,189	97,211
Unreserved Fund Balance	1,925,160	1,993,058
<b>Total Fund Balance</b>	<b>2,025,244</b>	<b>2,155,498</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,379,096</b>	<b>\$ 2,504,522</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, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2007)**

	2009			2008
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
General	\$ 1,591,385	902,212	\$ (689,173)	\$ 1,085,814
Athletics	261,730	180,123	(81,607)	188,149
Classes	466,150	234,675	(231,475)	255,569
Clubs	1,889,780	637,050	(1,252,730)	924,621
Private Monies	146,900	12,624	(134,276)	17,336
<b>Total Revenues</b>	<b>4,355,945</b>	<b>1,966,684</b>	<b>(2,389,261)</b>	<b>2,471,489</b>
<b>EXPENDITURES</b>				
General	1,727,287	955,859	771,428	1,135,274
Athletics	299,139	230,955	68,184	140,358
Classes	406,988	226,973	180,015	239,874
Clubs	1,860,435	674,648	1,185,787	855,936
Private Monies	94,276	8,503	85,773	19,293
<b>Total Expenditures</b>	<b>4,388,125</b>	<b>2,096,938</b>	<b>2,291,187</b>	<b>2,390,735</b>
<b>Changes in Fund Balance</b>	<b>(32,180)</b>	<b>(130,254)</b>	<b>(98,074)</b>	<b>80,754</b>
<b>FUND BALANCE - September 1</b>	2,155,498	2,155,498	-	2,074,744
<b>FUND BALANCE - August 31</b>	<b>\$ 2,123,318</b>	<b>\$ 2,025,244</b>	<b>\$ (98,074)</b>	<b>\$ 2,155,498</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, 2009 AND 2008**

	2009	2008
<b>ASSETS</b>		
Cash on Deposit with County Treasurer	\$ 164,544	\$ 156,707
Investments	1,650,000	-
Time Deposits	590,000	4,573,000
Property Tax Receivable	19,344,913	19,014,430
Accrued Interest Receivable	5,430	28,128
<b>TOTAL ASSETS</b>	<b>21,754,887</b>	<b>23,772,265</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Unearned Revenue-Taxes Receivable	19,344,913	19,014,430
<b>Total Liabilities</b>	<b>19,344,913</b>	<b>19,014,430</b>
<b>Fund Balance:</b>		
Unreserved Fund Balance	2,409,974	4,757,835
<b>Total Fund Balance</b>	<b>2,409,974</b>	<b>4,757,835</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 21,754,887</b>	<b>\$ 23,772,265</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, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2007)**

	2009			2008
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
Local Taxes	\$ 37,620,000	\$ 37,226,743	\$ (393,257)	\$ 40,016,240
Local Non-Tax	235,222	77,188	(158,034)	252,096
<b>Total Revenues</b>	<b>37,855,222</b>	<b>37,303,931</b>	<b>(551,291)</b>	<b>40,268,336</b>
<b>EXPENDITURES</b>				
<b>DEBT SERVICE</b>				
Principal Payment	24,598,578	24,598,578	-	23,103,578
Interest Expense	15,140,101	15,140,100	1	16,163,916
Bond Transfer Fees	250,321	1,692	248,629	1,866
<b>Total Expenditures</b>	<b>39,989,000</b>	<b>39,740,370</b>	<b>248,630</b>	<b>39,269,360</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(2,133,778)</b>	<b>(2,436,439)</b>	<b>(302,661)</b>	<b>998,976</b>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers	88,578	88,578	-	88,578
<b>Total Other Financing Sources</b>	<b>88,578</b>	<b>88,578</b>	<b>-</b>	<b>88,578</b>
<b>Changes in Fund Balance</b>	<b>(2,045,200)</b>	<b>(2,347,861)</b>	<b>(302,661)</b>	<b>1,087,554</b>
<b>FUND BALANCE - September 1</b>	<b>4,757,835</b>	<b>4,757,835</b>	<b>-</b>	<b>3,670,281</b>
<b>FUND BALANCE -August 31</b>	<b>\$ 2,712,635</b>	<b>\$ 2,409,974</b>	<b>\$ (302,661)</b>	<b>\$ 4,757,835</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, 2009 AND 2008**

	2009	2008
<b>ASSETS</b>		
Cash on Hand and in Bank	\$ 10,000	\$ 10,000
Cash on Deposit with County Treasurer	601	689,176
Investments	82,474,000	55,400,000
Time Deposits	4,431,496	63,320,074
Cash Held by Trustee:		
Construction Retainage Escrow	2,243,917	1,832,419
Property Tax Receivable	14,918	15,805
Accrued Interest Receivable	2,610,633	1,549,773
Due From Other Funds	50,172	32,193
Due From Other Governmental Units	-	3,409,056
Accounts Receivable	-	-
<b>TOTAL ASSETS</b>	<b>91,835,737</b>	<b>126,258,496</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts Payable	6,032,926	6,636,291
Retainage Payable	2,243,917	1,832,419
Due to Other Funds	3,323,783	2,497,786
Unearned Revenue-Taxes Receivable	14,918	15,805
<b>TOTAL LIABILITIES</b>	<b>11,615,544</b>	<b>10,982,301</b>
<b>FUND BALANCE</b>		
Reserve for Encumbrances	354,289	36,600,887
Reserve for Arbitrage Rebate	1,276,583	1,489,099
Reserve for Construction	60,378,713	55,257,932
Reserve for Technology	17,528,259	19,164,530
Unreserved, Designated for Contingency	682,349	2,763,747
<b>TOTAL FUND BALANCE</b>	<b>80,220,193</b>	<b>115,276,195</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 91,835,737</b>	<b>\$ 126,258,496</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, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

	2009			2008
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
Local Taxes	\$ -	\$ 315	\$ (315)	\$ 2,542
Local Non-Tax	2,109,068	1,900,404	208,664	4,554,694
State, Special Purpose	16,621,960	19,287,778	(2,665,818)	8,696,574
<b>TOTAL REVENUES</b>	<b>18,731,028</b>	<b>21,188,497</b>	<b>(2,457,469)</b>	<b>13,253,810</b>
<b>EXPENDITURES</b>				
Capital Outlay				
Sites	679,148	14,994,333	(14,315,185)	861,688
Buildings	66,806,583	29,586,537	37,220,046	38,690,770
Equipment	12,883,973	9,605,786	3,278,187	10,891,664
Sale of Real Estate	-	28,587	(28,587)	-
Bond Issuance	150,000	-	150,000	-
Debt Service				
Principal	-	-	-	156,815
Interest	-	-	-	1,769
<b>TOTAL EXPENDITURES</b>	<b>80,519,704</b>	<b>54,215,243</b>	<b>26,304,461</b>	<b>50,602,706</b>
<b>Excess Of Revenues Over (Under) Expenditures</b>	<b>(61,788,676)</b>	<b>(33,026,746)</b>	<b>28,761,930</b>	<b>(37,348,896)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	(2,276,971)	(2,029,256)	(247,715)	(946,240)
Sale of Property	1,200,000	-	1,200,000	1,390,464
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,076,971)</b>	<b>(2,029,256)</b>	<b>952,285</b>	<b>444,224</b>
<b>Changes in Fund Balance</b>	<b>(62,865,647)</b>	<b>(35,056,002)</b>	<b>27,809,645</b>	<b>(36,904,672)</b>
<b>FUND BALANCE (DEFICITS) - September 1</b>	<b>115,276,195</b>	<b>115,276,195</b>	<b>36,904,672</b>	<b>152,180,867</b>
<b>FUND BALANCE - August 31</b>	<b>\$ 52,410,548</b>	<b>\$ 80,220,193</b>	<b>\$ 64,714,317</b>	<b>\$ 115,276,195</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, 2009 AND 2008**

	2009	2008
<b>ASSETS</b>		
Cash on Deposit with County Treasurer	\$ 595	\$ 151
Accrued Interest Receivable	594	4,812
Investments	2,333,000	-
Time Deposits	-	2,012,000
<b>TOTAL ASSETS</b>	<b>2,334,189</b>	<b>2,016,963</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts Payable	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>		
Reserve for Encumbrances	337,071	-
Unreserved Fund Balance	1,997,118	2,016,963
<b>Total Fund Balance</b>	<b>2,334,189</b>	<b>2,016,963</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,334,189</b>	<b>\$ 2,016,963</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, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

	2009			2008
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
<b>REVENUES</b>				
Local Non-Tax	\$ 40,000	\$ 33,064	\$ 6,936	\$ 100,956
State, Special Purpose	400,000	438,436	(38,436)	468,348
<b>TOTAL REVENUES</b>	<b>440,000</b>	<b>471,500</b>	<b>(31,500)</b>	<b>569,304</b>
<b>EXPENDITURES</b>				
Purchase of Buses	625,000	167,250	457,750	394,457
<b>TOTAL EXPENDITURES</b>	<b>625,000</b>	<b>167,250</b>	<b>457,750</b>	<b>394,457</b>
<b>Excess of Revenues (Under) Expenditures</b>	<b>(185,000)</b>	<b>304,250</b>	<b>426,250</b>	<b>174,847</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment/Buses	-	12,976	(12,976)	2,700
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b>-</b>	<b>12,976</b>	<b>(12,976)</b>	<b>2,700</b>
<b>Changes in Fund Balance</b>	<b>(185,000)</b>	<b>317,226</b>	<b>502,226</b>	<b>177,547</b>
<b>FUND BALANCE - September 1</b>	<b>2,016,963</b>	<b>2,016,963</b>	<b>(177,547)</b>	<b>1,839,416</b>
<b>FUND BALANCE - August 31</b>	<b>\$ 1,831,963</b>	<b>\$ 2,334,189</b>	<b>\$ 502,226</b>	<b>\$ 2,016,963</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, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

	<b>PRIVATE- PURPOSES TRUSTS</b>		<b>AGENCY FUNDS</b>		<b>2009 TOTAL</b>	<b>2008 TOTAL</b>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$	32,699	\$	6,042	\$	38,741
Accounts Receivable		1,711		-		1,711
Investments		391,000		-		391,000
Accrued Interest Receivable		-		16		16
Prepaid Items		457		-		457
<b>TOTAL ASSETS</b>		<b>425,867</b>		<b>6,058</b>		<b>431,925</b>
<b>LIABILITIES</b>						
Accounts Payable		35,045		953		35,998
Unearned Revenue		5,252		-		5,252
Custodial Accounts		-		5,105		5,105
<b>TOTAL LIABILITIES</b>		<b>40,297</b>		<b>6,058</b>		<b>46,355</b>
<b>NET ASSETS</b>						
Reserve for Gifts and Scholarships		385,570		-		385,570
<b>TOTAL NET ASSETS</b>	<b>\$</b>	<b>385,570</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>312,379</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**PRIVATE-PURPOSE TRUSTS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

	<b>MISC. K-12 TRUST</b>	<b>KAISER MEMORIAL TRUST</b>	<b>2009 TOTAL</b>	<b>2008 TOTAL</b>
<b>ADDITIONS</b>				
Donations	\$ 289,841	\$ -	\$ 289,841	\$ 190,471
<b>TOTAL ADDITIONS</b>	<b>289,841</b>	<b>-</b>	<b>289,841</b>	<b>190,471</b>
<b>DEDUCTIONS</b>				
Scholarships	70,323	-	70,323	97,155
Tuition and Fees	26,794	-	26,794	16,777
Supplies & Materials	103,950	-	103,950	82,566
Field Trips & Travel	15,073	-	15,073	17,341
Salaries & Benefits	107	-	107	-
Administrative	403	-	403	5,963
<b>TOTAL DEDUCTIONS</b>	<b>216,650</b>	<b>-</b>	<b>216,650</b>	<b>219,802</b>
<b>CHANGE IN NET ASSETS</b>	<b>73,191</b>	<b>-</b>	<b>73,191</b>	<b>(29,331)</b>
Net Assets, Beginning of the year	303,848	8,531	312,379	341,710
Net Assets, End of the year	<b>\$ 377,039</b>	<b>\$ 8,531</b>	<b>\$ 385,570</b>	<b>\$ 312,379</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**PRIVATE-PURPOSES TRUSTS**  
**COMBINING BALANCE SHEET**  
**AUGUST 31, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

	MISC. K-12 TRUST		KAISER MEMORIAL TRUST		2009 TOTAL	2008 TOTAL
<b>ASSETS</b>						
Cash and Cash Equivalents	\$	32,699	\$	-	\$ 32,699	\$ 54,627
Accounts Receivable		1,711		-	1,711	2,012
Investment		382,469		8,531	391,000	295,000
Prepaid Items		457		-	457	-
<b>TOTAL ASSETS</b>		<b>417,336</b>		<b>8,531</b>	<b>425,867</b>	<b>351,639</b>
<b>LIABILITIES</b>						
Account Payable		35,045		-	35,045	39,260
Unearned Revenue		5,252		-	5,252	-
<b>TOTAL LIABILITIES</b>		<b>40,297</b>		<b>-</b>	<b>40,297</b>	<b>39,260</b>
<b>NET ASSETS</b>						
Reserve for Gifts and Scholarships		377,039		8,531	385,570	312,379
<b>TOTAL NET ASSETS</b>	<b>\$</b>	<b>377,039</b>	<b>\$</b>	<b>8,531</b>	<b>\$ 385,570</b>	<b>\$ 312,379</b>



**TACOMA SCHOOL DISTRICT No. 10**  
**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**AUGUST 31, 2009**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2008)**

INTERNATIONAL SCHOOL OF LAGOS FUND	MISCELLANEOUS AGENCIES FUND	T O T A L	
		2009	2008

**ASSETS**

Cash on Hand and In Bank	\$	4,333	\$	1,709	\$	6,042	\$	(27,348)
Investments		-		-		-		35,000
Accrued Interest Receivable		11		5		16		43

**TOTAL ASSETS**

<b>4,344</b>	<b>1,714</b>	<b>6,058</b>	<b>7,695</b>
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**LIABILITIES**

Accounts Payable		953		-		953		145
Custodial Accounts		3,391		1,714		5,105		7,550

**TOTAL LIABILITIES**

<b>\$ 4,344</b>	<b>\$ 1,714</b>	<b>\$ 6,058</b>	<b>\$ 7,695</b>
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**TACOMA SCHOOL DISTRICT No. 10**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2009**

**INTERNATIONAL SCHOOL OF LAGOS**

<b>BALANCE</b>			<b>BALANCE</b>
<b>9/1/2008</b>	<b>ADDITIONS</b>	<b>DEDUCTIONS</b>	<b>8/31/2009</b>

**ASSETS**

Cash on Hand and In Bank	\$ -	\$ 4,333	\$ -	\$ 4,333
Investments	6,022		6,022	-
Accrued Interest Receivable	32	11	32	11

<b>TOTAL ASSETS</b>	<b>6,054</b>	<b>4,344</b>	<b>6,054</b>	<b>4,344</b>
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**LIABILITIES**

Accounts Payable	145	953	145	953
Custodial Accounts	5,909	3,391	5,909	3,391

<b>TOTAL LIABILITIES</b>	<b>6,054</b>	<b>4,344</b>	<b>6,054</b>	<b>4,344</b>
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**MISCELLANEOUS AGENCIES FUND**

<b>BALANCE</b>			<b>BALANCE</b>
<b>9/1/2008</b>	<b>ADDITIONS</b>	<b>DEDUCTIONS</b>	<b>8/31/2009</b>

**ASSETS**

Cash on Hand and In Bank	(27,348)	1,709	(27,348)	1,709
Investments	28,978	-	28,978	-
Accrued Interest Receivable	11	5	11	5

<b>TOTAL ASSETS</b>	<b>1,641</b>	<b>1,714</b>	<b>1,641</b>	<b>1,714</b>
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**LIABILITIES**

Accounts Payable	-	-	-	-
Custodial Accounts	1,641	1,714	1,641	1,714

<b>TOTAL LIABILITIES</b>	<b>1,641</b>	<b>1,714</b>	<b>1,641</b>	<b>1,714</b>
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**COMBINED TOTAL FOR ALL AGENCY FUNDS**

<b>BALANCE</b>			<b>BALANCE</b>
<b>9/1/2008</b>	<b>ADDITIONS</b>	<b>DEDUCTIONS</b>	<b>8/31/2009</b>

**ASSETS**

Cash on Hand and In Bank	(27,348)	6,042	(27,348)	6,042
Investments	35,000	-	35,000	-
Accrued Interest Receivable	43	16	43	16

<b>TOTAL ASSETS</b>	<b>7,695</b>	<b>6,058</b>	<b>7,695</b>	<b>6,058</b>
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**LIABILITIES**

Accounts Payable	145	953	145	953
Custodial Accounts	7,550	5,105	7,550	5,105

<b>TOTAL LIABILITIES</b>	<b>\$ 7,695</b>	<b>\$ 6,058</b>	<b>\$ 7,695</b>	<b>\$ 6,058</b>
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**TACOMA SCHOOL DISTRICT No. 10**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2009**

	<b>BALANCE</b>			<b>BALANCE</b>
	<b>9/1/2008</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>8/31/2009</b>
Unlimited G. O. Bonds	\$ 314,570,000	\$ -	\$ 24,510,000	\$ 290,060,000
Limited Tax G.O. Bonds	4,520,074	-	88,578	4,431,496
Compensated Absences	16,155,208	3,830,438	741,569	19,244,077
Unamortized Bond Premium	17,761,269	-	2,383,491	15,377,778
Net OPEB Obligation	3,738,156	10,677,850	248,833	14,167,173
<b>TOTAL</b>	<b>\$ 356,744,707</b>	<b>\$ 14,508,288</b>	<b>\$ 27,972,471</b>	<b>\$ 343,280,524</b>

**TACOMA SCHOOL DISTRICT No. 10**  
**OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS**  
**AUGUST 31, 2009**

	AMOUNT: \$250,000,000 2001 UTGO BOND ISSUE DATED: 12/1/01		AMOUNT: \$100,000,000 2003 UTGO BOND ISSUE DATED: 12/9/03		AMOUNT: \$150,360,000 2001 REFUNDED BOND DATED: 6/1/05		AMOUNT: \$45,000,000 2005 UTGO BOND ISSUE DATED: 6/1/05		AMOUNT: \$55,000,000 2005B UTGO BOND ISSUE DATED: 12/21/05		AMOUNT: \$3,280,000 QZAB 12/20/1999	AMOUNT: \$1,860,120 QZAB 8/1/2000	TOTAL DEBT	TOTAL BY
DUE DATE	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	PRINCIPAL	SERVICE	YEAR
Dec. 1, 2008	7,990,000	706,000	3,500,000	1,721,938	325,000	3,686,331	-	1,072,250	-	512,500		44,289	19,558,308	
Jun. 1, 2009	5,000,000	506,250		1,669,438	345,000	3,680,644	-	1,072,250	7,350,000	512,500		44,289	20,180,371	39,738,678
Dec. 1, 2009	7,500,000	393,750	3,000,000	1,669,438	330,000	3,674,606	-	1,072,250	-	328,750		44,289	18,013,083	
Jun. 1, 2010		206,250		1,601,938	360,000	3,668,831	-	1,072,250	1,850,000	328,750		44,289	9,132,308	27,145,390
Dec. 1, 2010	2,500,000	206,250	8,000,000	1,601,938	335,000	3,662,531	-	1,072,250	-	282,500		44,289	17,704,758	
Jun. 1, 2011	90,000	150,000		1,435,238	365,000	3,656,250	-	1,072,250	-	282,500		44,289	7,095,527	24,800,284
Dec. 1, 2011	7,410,000	148,200	9,000,000	1,435,238	360,000	3,648,950	-	1,072,250	-	282,500	3,280,000	44,289	26,681,427	
Jun. 1, 2012		-		1,220,663	4,175,000	3,641,750	-	1,072,250	-	282,500		930,051	11,322,214	38,003,640
Dec. 1, 2012			9,000,000	1,220,663	4,175,000	3,537,375	-	1,072,250	-	282,500			19,287,788	
Jun. 1, 2013				995,663	4,190,000	3,433,000	-	1,072,250	1,900,000	282,500			11,873,413	31,161,200
Dec. 1, 2013			9,000,000	995,663	4,185,000	3,328,250	-	1,072,250	-	235,000			18,816,163	
Jun. 1, 2014				773,750	5,980,000	3,223,625	-	1,072,250	-	235,000			11,284,625	30,100,788
Dec. 1, 2014			5,400,000	773,750	5,965,000	3,074,125	-	1,072,250	-	235,000			16,520,125	
Jun. 1, 2015				638,750	6,485,000	2,925,000	-	1,072,250	-	235,000			11,356,000	27,876,125
Dec. 1, 2015			5,200,000	638,750	6,475,000	2,762,875	-	1,072,250	-	235,000			16,383,875	
Jun. 1, 2016				508,750	6,995,000	2,601,000	-	1,072,250	3,000,000	235,000			14,412,000	30,795,875
Dec. 1, 2016			5,200,000	508,750	6,980,000	2,426,125	-	1,072,250	-	160,000			16,347,125	
Jun. 1, 2017				378,750	8,000,000	2,251,625	-	1,072,250	-	160,000			11,862,625	28,209,750
Dec. 1, 2017			8,500,000	378,750	7,985,000	2,051,625	-	1,072,250	-	160,000			20,147,625	
Jun. 1, 2018				166,250	13,355,000	1,852,000	-	1,072,250	-	160,000			16,605,500	36,753,125
Dec. 1, 2018			2,000,000	166,250	13,340,000	1,518,125	-	1,072,250	-	160,000			18,256,625	
Jun. 1, 2019				116,250	14,800,000	1,184,625	-	1,072,250	-	160,000			17,333,125	35,589,750
Dec. 1, 2019			1,650,000	116,250	14,790,000	814,625	-	1,072,250	-	160,000			18,603,125	
Jun. 1, 2020				75,000	8,925,000	444,875	-	1,072,250	3,850,000	160,000			14,527,125	33,130,250
Dec. 1, 2020			1,650,000	75,000	8,870,000	221,750	-	1,072,250	-	63,750			11,952,750	
Jun. 1, 2021				33,750			-	1,072,250	2,550,000	63,750			3,719,750	15,672,500
Dec. 1, 2021			1,500,000	33,750			8,275,000	1,072,250	-	-			10,881,000	
Jun. 1, 2022							-	865,375					865,375	11,746,375
Dec. 1, 2022							10,620,000	865,375					11,485,375	
Jun. 1, 2023							-	599,875					599,875	12,085,250
Dec. 1, 2023							11,520,000	599,875					12,119,875	
Jun. 1, 2024							-	311,875					311,875	12,431,750
Dec. 1, 2024							12,475,000	311,875					12,786,875	
	\$ 30,490,000	\$ 2,316,700	\$ 72,600,000	\$ 20,950,313	\$ 148,090,000	\$ 66,970,518	\$ 42,890,000	\$ 32,505,000	\$ 20,500,000	\$ 6,195,000	\$ 3,280,000	\$ 1,240,074	\$ 448,027,605	\$ 435,240,730

**TACOMA SCHOOL DISTRICT No. 10**  
**SCHEDULE OF CAPITAL ASSETS BY LOCATION**  
**August 31, 2009**

PROPERTY	LOCATION	LAND	BUILDINGS & IMPROVEMENTS	EQUIPMENT	TOTALS
<b>SENIOR HIGH SCHOOLS</b>					
Foss	2112 S. Tyler St.	\$ 1,125,732	\$ 10,792,363	\$ 1,003,829	\$ 12,921,924
Lincoln	701 S. 37th St.	1,470,611	20,791,787	1,443,817	23,706,215
Lincoln Bowl	S. 37th & G St.	1,979,476	1,287,500	-	3,266,976
Mount Tahoma (New)	4634 S. 74th St.	7,431,453	72,871,245	972,008	81,274,706
Oakland	3319 S. Adams St.	99,270	1,360,186	161,921	1,621,377
Science & Math Institute	Pt Defiance Park	-	950,816	-	950,816
School of the Arts	1950 Pacific Ave.	493,085	11,967,090	129,147	12,589,322
Stadium	111 North E St.	4,049,108	14,498,671	1,762,842	20,310,621
Stadium Bowl	N. 1st & E St.	4,825,151	112,692	-	4,937,843
Wilson	1202 N. Orchard St.	389,823	8,366,927	780,887	9,537,637
<b>MIDDLE SCHOOLS</b>					
Baker	8320 S. I St.	175,491	5,441,440	490,213	6,107,144
Gault	1115 E. Division Lane	67,314	2,887,719	259,372	3,214,405
Giaudrone	4902 S. Alaska St.	206,675	23,368,766	145,821	23,721,262
Gray	3109 S. 60th St.	165,092	4,352,274	149,198	4,666,564
Hunt	6501 S. 10th St.	60,230	3,567,895	232,539	3,860,664
Jason Lee	602 N. Sprague Ave.	1,918,440	24,999,382	447,885	27,365,707
Mason	3901 N. 28th St.	1,388,445	23,655,904	456,118	25,500,467
McIlvaigh	1801 E. 56th St.	167,722	3,179,163	693,690	4,040,575
Meeker	4402 Nassau Ave NE	1,416,692	11,913,080	402,180	13,731,952
Stewart	5010 Pacific Ave.	176,943	4,034,053	324,040	4,535,036
Truman	5801 N. 35th St.	2,201,371	20,209,469	304,290	22,715,130
First Creek	1801 E. 56th St.	-	-	43,435	43,435
<b>ELEMENTARY SCHOOLS</b>					
Arlington	3002 S. 72nd St.	68,537	811,337	75,080	954,954
Birney	1202 S. 76th St.	97,147	2,471,777	127,506	2,696,430
Blix	1302 E. 38th St.	2,209,037	11,730,949	275,443	14,215,429
Boze	1140 E. 65th St.	110,155	4,164,532	573,395	4,848,082
Browns Point	1526 - 51st. St. NE	567,653	3,634,673	185,450	4,387,776
Bryant	717 S. Grant Ave.	194,551	1,366,016	166,706	1,727,273
Crescent Heights	4410 Nassau Ave NE	533,450	10,497,346	230,800	11,261,596
DeLong	4901 S. 14th St.	64,384	4,616,268	88,089	4,768,741
Downing	2502 N. Orchard St.	107,558	1,720,379	326,281	2,154,218
Edison	5830 S. Pine St.	561,262	10,121,056	490,309	11,172,627
Fawcett	126 E. 60th St.	151,289	4,918,348	130,974	5,200,611
Fern Hill	8442 S. Park Ave.	94,728	1,886,121	343,675	2,324,524
Franklin	1402 S. Lawrence	1,733,534	11,604,925	211,952	13,550,411
Geiger	621 S. Jackson Ave.	455,146	1,640,710	162,786	2,258,642
Grant	1018 N. Prospect St.	133,229	1,753,724	277,908	2,164,861
Jefferson	4302 N. 13th St.	59,160	11,885,900	202,947	12,148,007
Larchmont	8601 E. B St.	237,033	7,324,242	90,227	7,651,502
Lister	2106 E. 44th St.	704,349	11,602,459	148,144	12,454,952
Lowell	810 N. 13th St.	120,732	2,041,988	196,967	2,359,687
Lyon	101 E. 46th St.	28,646	1,805,565	391,778	2,225,989
Manitou Park	4430 S. 66th St.	778,177	9,631,211	120,133	10,529,521
Mann	1002 S. 52nd. St.	1,052,818	9,508,089	126,790	10,687,697
McCarver	2111 S. J St.	379,460	3,032,367	132,253	3,544,080
McKinley	3702 McKinley	93,447	1,731,254	166,355	1,991,056
Northeast Tacoma	5412 29th St. NE	158,628	7,770,832	211,535	8,140,995
Point Defiance	4330 N. Visscher St.	266,166	5,606,149	180,685	6,053,000

**TACOMA SCHOOL DISTRICT NO. 10**  
**SCHEDULE OF CAPITAL ASSETS BY LOCATION**  
**August 31, 2009**

PROPERTY	LOCATION	LAND	BUILDINGS & IMPROVEMENTS		EQUIPMENT	TOTALS
Reed	1802 S. 36th St.	\$ 179,489	\$ 5,258,104	\$ 325,482	\$ 5,763,075	
Roosevelt	3550 E. Roosevelt Ave.	282,537	6,273,170	121,640	6,677,347	
Sheridan	6317 McKinley Ave.	1,061,019	7,399,056	221,236	8,681,311	
Sherman	4415 N. 38th St.	696,848	9,597,433	312,150	10,606,431	
Skyline	2301 N. Mildred St.	137,380	1,442,224	25,463	1,605,067	
Stafford	1615 S. 92nd St.	124,198	13,620	178,276	316,094	
Stanley	1712 S. 17th St.	9,714	7,637,258	252,389	7,899,361	
Wainwright	130 Alameda Ave.	143,892	1,608,179	86,458	1,838,529	
Washington-Hoyt	3701 N. 26th St.	108,427	1,895,245	149,502	2,153,174	
Whitman	1120 S. 39th St.	111,880	8,015,179	72,612	8,199,671	
Whittier	777 Elm Tree Lane	568,662	2,652,379	244,265	3,465,306	
OTHER BLDGS. & SITES						
Building & Grounds	3223 S. Union Ave.	144,351	8,113,273	3,425,945	11,683,569	
Central Administration Bldg. (CAB)	601 S. 8th St.	271,228	7,808,838	9,108,767	17,188,833	
CAB Annex	708 S. G St.		110,357	77,416	187,773	
Camp Joshua Taylor	Longbranch	30,000	27,872	-	57,872	
Lincoln Tree Farm	28001 Mountain Highway	1,986	5,305,903	227,345	5,535,234	
Madison - Head Start Use	3102 S. 43rd St.	143,962	1,145,364	219,834	1,509,160	
Mount Tahoma (Old)	6229 S. Tyler	1,685,746	1,936,083	54,267	3,676,096	
Old Gray Middle School	3109 S. 60th	-	242,301	-	242,301	
Park Avenue Center	6701 Park Ave.	156,079	1,177,624	28,339	1,362,042	
Pearl Street Center	815 S. Pearl St.	-	-	-	-	
Private Schools	Various Locations	-	-	-	-	
Professional Development Ctr	6501 N. 23rd St.	107,352	4,092,909	577,744	4,778,005	
Purchasing/Food Services	3321 S. Union Ave.		71,883	745,778	817,661	
Remann Hall	5501 6th Ave.		27,502	9,236	36,738	
Transportation	4002 S. Cedar	280,880	327,123	4,761,480	5,369,483	
Willard	3201 South D St.	2,299	767,979	94,302	864,580	
VACANT SITES						
Blueberry Farm	E. 80th & D St.	365,680	-	-	365,680	
S. 52nd & Cheyenne St.	S. 52nd & Cheyenne St.	11,601	-	-	11,601	
38th Elementary School	S. 56th & Alameda St.	60,525	14,133	-	74,658	
Construction-in-Progress			340,542,180		340,542,180	
TOTALS		\$ 47,454,135	\$ 838,989,810	\$ 37,157,326	\$ 923,601,270	

# 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.

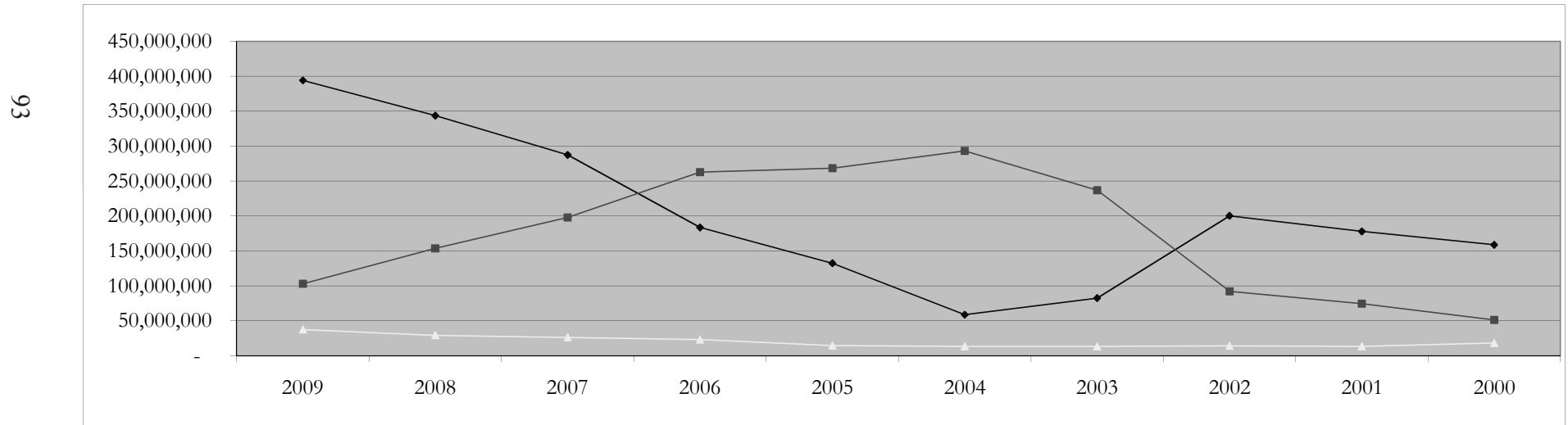




**TACOMA SCHOOL DISTRICT No. 10**  
**NET ASSETS BY COMPONENT**  
**Last Ten Fiscal Years**  
 (Accrual Basis of Accounting)

The three components of net assets are shown separately and in total. This table presents information from the Schedule of Net Assets since it became a part of the CAFR in 1999-2000.

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 394,062,543	\$ 343,600,058	\$ 287,407,153	\$ 183,498,584	\$ 132,366,783	\$ 58,768,336	\$ 82,410,998	\$ 200,184,926	\$ 178,001,761	\$ 158,715,076
Restricted	102,945,364	153,423,551	197,907,793	262,567,611	268,256,372	293,191,174	236,838,514	92,196,571	74,579,816	51,230,207
Unrestricted	37,499,416	29,171,927	26,194,733	23,090,635	14,346,560	13,322,222	13,309,920	13,933,474	13,172,528	18,053,202
<b>Total Governmental Activities Net Assets</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>	<b>\$ 332,559,432</b>	<b>\$ 306,314,971</b>	<b>\$ 265,754,105</b>	<b>\$ 227,998,485</b>



**TACOMA SCHOOL DISTRICT No. 10**  
**CHANGES IN NET ASSETS**  
**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									
		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>EXPENSES</b>											
<b>Governmental Activities:</b>											
Regular Instruction	\$	174,351,344	\$ 164,420,601	\$ 156,326,162	\$ 149,234,160	\$ 138,740,033	\$ 141,922,048	\$ 140,509,840	\$ 136,359,153	\$ 133,412,052	\$ 98,023,826
Federal Stimulus		12,689,246	-	-	-	-	-	-	-	-	-
Special Instruction		42,166,389	41,691,092	30,520,173	29,178,309	27,462,651	29,506,331	25,979,612	24,791,209	23,276,390	24,931,300
Career & Technical Instruction		11,173,411	9,398,193	9,623,177	9,918,936	9,004,395	9,590,188	8,405,639	8,778,879	6,974,345	7,151,566
Compensatory Instruction		38,702,893	40,352,551	36,450,450	35,035,205	33,814,991	33,624,081	27,931,265	24,361,038	21,811,348	18,911,980
Other Instructional Programs		3,938,143	4,797,569	5,230,923	5,317,223	5,584,411	6,008,281	6,996,210	10,261,785	10,064,152	9,037,720
Community Services		474,692	317,133	152,941	82,594	116,253	118,850	94,739	104,691	104,522	87,870
Support Services		70,777,237	64,105,022	64,172,357	60,295,526	59,535,299	65,322,369	59,618,994	55,599,334	55,266,389	81,865,252
Extracurricular Activities (ASB)		2,102,491	2,419,682	2,126,537	2,219,507	2,414,283	2,761,137	2,666,311	2,545,688	2,312,910	2,302,293
Interest on Long-Term Debt		12,951,711	13,741,676	14,803,241	13,616,689	7,552,948	12,459,076	11,252,477	6,862,088	879,460	962,963
<b>Total Governmental Activities Expenses</b>		<b>369,327,557</b>	<b>341,243,519</b>	<b>319,405,961</b>	<b>304,898,149</b>	<b>284,225,263</b>	<b>301,312,361</b>	<b>283,455,087</b>	<b>269,663,865</b>	<b>254,101,568</b>	<b>243,274,770</b>
<b>PROGRAM REVENUES</b>											
<b>Governmental Activities:</b>											
Charges for Services:											
Regular Instruction	\$	977,061	\$ 877,796	\$ 1,118,195	\$ 1,091,413	\$ 2,509,931	4,616,768	7,521,594	1,750,664	1,035,120	495,039
Federal Stimulus		-	-	-	-	-	-	-	-	-	-
Special Instruction		1,485,568	1,614,967	782,310	1,034,840	614,971	857,457	714,035	802,418	731,591	643,236
Career & Technical Instruction		213,596	39,581	57,341	76,667	69,246	56,413	43,693	45,412	128,708	54,081
Compensatory Instruction		3,700	-	-	-	-	-	-	-	-	-
Other Instructional Programs		416,539	1,271,683	1,202,942	914,182	1,022,742	817,399	782,901	931,950	766,192	665,383
Community Services		645,545	579,165	537,285	304,148	314,140	123,796	84,115	88,348	41,862	34,149
Support Services		3,417,989	3,207,302	2,937,576	3,107,453	3,170,440	2,960,153	2,972,871	3,092,327	3,153,472	3,508,192
Extracurricular Activities (ASB)		1,966,684	2,471,489	2,101,622	2,386,939	2,439,263	2,579,591	2,588,855	2,558,131	2,514,526	-
Operating Grants and Contributions		123,551,671	99,180,022	88,838,632	86,565,918	82,410,500	80,890,978	70,702,124	66,363,578	60,239,485	66,063,937
Capital Grants and Contributions		79,914	274,667	177,984	426,067	217,099	578,215	313,205	720,185	315,493	-
<b>Total Governmental Activities Program Revenues</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>85,723,393</b>	<b>76,353,013</b>	<b>68,926,449</b>	<b>71,464,017</b>
<b>NET (EXPENSE)/REVENUE</b>		<b>(236,569,290)</b>	<b>(231,726,847)</b>	<b>(221,652,074)</b>	<b>(208,990,522)</b>	<b>(191,456,931)</b>	<b>(207,831,591)</b>	<b>(197,731,694)</b>	<b>(193,310,852)</b>	<b>(185,175,119)</b>	<b>(171,810,753)</b>
<b>General Revenues and Other Changes in Net Assets</b>											
<b>Governmental Activities:</b>											
Taxes:											
Property Taxes for Maintenance & Operations	\$	69,052,008	\$ 66,388,111	\$ 64,642,843	\$ 61,731,341	\$ 59,201,540	56,297,209	53,523,215	50,583,207	50,144,954	73,215,587
Property Taxes for Debt Service		37,226,743	40,016,240	44,238,901	43,786,896	41,230,008	29,152,664	13,488,138	5,413,421	1,488,850	2,152,138
Property Taxes for Capital Projects		315	2,542	24,340	116,325	345,040	9,871,097	23,800,930	29,030,627	31,334,016	42,233,194
Unallocated State Apportionment & Others		136,088,259	133,258,959	141,820,613	146,571,226	134,447,216	140,721,155	128,982,277	138,728,118	136,150,115	124,340,259
Interest and Investment Earnings		2,513,752	6,749,852	13,278,226	10,971,849	5,921,111	4,511,765	4,181,595	10,116,344	3,812,804	2,968,768
<b>Total Governmental Activities</b>		<b>244,881,077</b>	<b>246,415,704</b>	<b>264,004,923</b>	<b>263,177,637</b>	<b>241,144,915</b>	<b>240,553,890</b>	<b>223,976,155</b>	<b>233,871,717</b>	<b>222,930,739</b>	<b>244,909,946</b>
<b>Change in Net Assets</b>	<b>\$</b>	<b>8,311,787</b>	<b>\$ 14,688,857</b>	<b>\$ 42,352,849</b>	<b>\$ 54,187,115</b>	<b>\$ 49,687,984</b>	<b>\$ 32,722,299</b>	<b>\$ 26,244,461</b>	<b>\$ 40,560,865</b>	<b>\$ 37,755,620</b>	<b>\$ 73,099,193</b>

TACOMA SCHOOL DISTRICT No. 10

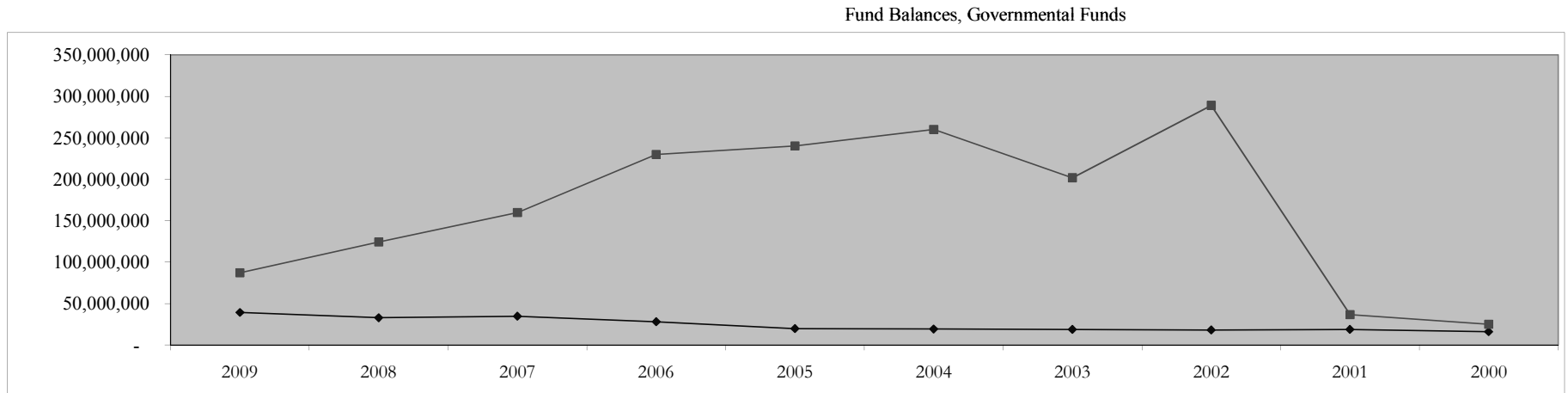
Table III

**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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>General Fund</b>										
Reserved	\$ 1,876,760	\$ 3,682,051	\$ 8,525,054	\$ 4,961,132	\$ 5,388,046	\$ 5,872,964	\$ 5,391,461	\$ 6,066,814	\$ 6,547,112	\$ 5,871,299
Unreserved	37,499,416	29,171,927	26,194,733	23,090,635	14,346,560	13,322,222	13,309,920	11,959,461	12,127,758	10,028,376
<b>Total General Fund</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>18,701,381</b>	<b>18,026,275</b>	<b>18,674,870</b>	<b>15,899,675</b>
<b>All Other Governmental Funds</b>										
Reserved	79,974,999	112,674,888	149,762,200	208,518,280	222,542,629	240,729,594	174,587,156	8,094,023	3,990,866	1,783,815
Unreserved reported in:										
Special Revenue Fund (ASB)	1,925,160	1,993,058	1,951,441	1,839,427	1,532,000	1,455,440	1,670,782	1,738,237	1,738,835	1,431,148
Debt Service Fund	2,409,974	4,757,835	3,670,281	15,853,366	13,597,792	15,855,338	6,431,328	7,825,819	696,291	949,105
Capital Project Fund	682,349	2,763,747	2,541,970	1,736,916	583,730	911,888	18,469,185	271,147,435	30,148,249	20,640,339
Transportation Vehicle Fund	1,997,118	2,016,963	1,839,416	1,741,151	1,824,147	973,626	566,930	235,776	99,357	91,511
<b>Total All Other Governmental Funds</b>	<b>\$ 86,989,600</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>	<b>\$ 201,725,381</b>	<b>\$ 289,041,290</b>	<b>\$ 36,673,598</b>	<b>\$ 24,895,918</b>

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**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									
		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>REVENUES</b>											
Local Taxes	\$	106,279,067	\$ 106,406,893	\$ 108,906,084	\$ 105,634,562	\$ 100,776,588	\$ 101,283,214	\$ 90,817,247	\$ 85,027,255	\$ 80,595,296	\$ 76,824,900
Local Non-Tax		9,072,709	13,708,167	19,864,775	17,321,631	12,252,308	4,149,542	9,834,604	16,403,550	8,689,619	9,152,170
State Funds, General Purpose		140,272,777	138,128,440	134,098,632	131,161,547	130,237,393	131,575,092	132,871,497	132,436,280	128,363,766	122,857,745
State Funds, Special Purpose		66,040,426	55,603,591	57,287,331	59,696,928	47,662,248	55,174,141	35,544,374	37,342,620	38,478,344	34,511,151
Federal Funds, General Purpose		450,453	491,957	434,204	460,790	372,302	360,829	325,567	352,321	347,022	156,158
Federal Funds, Special Purpose		48,625,800	36,173,884	36,653,736	37,044,126	37,864,899	33,479,260	32,983,466	30,670,350	28,852,258	27,805,437
Revenues from Other Districts		1,477,629	1,608,984	774,167	1,034,840	614,971	857,457	712,128	793,874	718,435	642,026
Revenues from Other Agencies		297,477	505,351	588,246	340,936	617,718	1,244,474	1,028,157	998,964	351,078	482,276
Miscellaneous		1,966,684	2,471,489	2,101,622	2,386,939	2,439,263	2,579,591	2,588,854	2,558,132	2,514,526	2,408,052
<b>TOTAL REVENUES</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>306,705,894</b>	<b>306,583,346</b>	<b>288,910,344</b>	<b>274,839,915</b>
<b>EXPENDITURES</b>											
Regular Instruction		142,968,422	148,591,332	139,992,844	132,888,574	132,488,019	130,608,680	131,925,265	124,544,999	123,542,590	89,507,548
Federal Stimulus		12,096,304	-	-	-	-	-	-	-	-	-
Special Instruction		39,323,625	38,700,254	29,649,440	28,550,134	28,449,433	26,787,850	25,679,896	24,081,287	23,054,478	24,630,398
Career & Technical Instruction		9,969,499	8,894,872	8,985,654	9,230,191	8,944,708	8,402,209	8,079,691	8,458,711	6,922,895	7,103,431
Compensatory Education		37,496,859	38,702,671	35,333,345	34,112,362	34,715,833	30,469,429	27,619,539	23,772,717	21,573,917	18,597,508
Other Instructional Programs		3,792,643	4,587,635	4,949,859	5,068,887	5,488,760	5,344,820	6,812,579	9,938,104	9,956,707	8,840,324
Community Services		447,585	308,484	148,622	80,803	121,032	108,309	94,118	102,927	103,976	87,655
Support Services		62,318,533	57,069,604	59,942,714	57,071,240	57,238,978	56,852,458	56,586,798	53,243,274	54,584,234	81,065,415
Student Activities		2,096,938	2,390,735	2,087,909	2,172,968	2,369,376	2,719,115	2,624,906	2,512,449	2,295,096	2,279,373
Capital Outlay		54,950,133	55,291,736	85,797,229	100,850,896	83,141,804	91,444,859	107,554,359	57,376,752	29,445,115	26,020,169
Debt Service:											
Interest		15,141,792	22,260,393	17,608,995	16,778,426	15,791,159	14,282,817	12,706,403	6,861,859	932,223	1,001,674
Principal		24,598,578	16,167,551	39,627,867	27,291,445	31,522,206	12,078,545	15,901,417	4,898,133	2,059,311	1,939,326
<b>TOTAL EXPENDITURES</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>395,584,971</b>	<b>315,791,212</b>	<b>274,470,542</b>	<b>261,072,821</b>
<b>Excess of Revenues Over/(Under)</b>											
<b>Expenditures</b>		<b>(30,717,889)</b>	<b>(37,866,511)</b>	<b>(63,415,681)</b>	<b>(59,013,626)</b>	<b>(67,433,618)</b>	<b>(48,395,491)</b>	<b>(88,879,077)</b>	<b>(9,207,866)</b>	<b>14,439,802</b>	<b>13,767,094</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Sale of Equipment & Property		23,196	1,441,885	159,870	9,407	28,489	462,737	470,022	47,618	4,222	688,935
Long-Term Financing		-	-	-	-	-	-	-	-	108,850	-
Sales of Bonds		-	-	-	55,000,000	31,543,986	100,000,000	-	250,000,000	-	5,140,120
Bond Premium/(Discount)		-	-	-	1,853,628	16,554,973	6,627,063	-	10,879,349	-	(32,734)
Capital Leases		-	-	-	-	-	-	1,768,250	-	-	-
Refund from Bond Escrow Account		-	-	-	76,595	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</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>2,238,272</b>	<b>260,926,967</b>	<b>113,072</b>	<b>5,796,321</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$</b>	<b>(30,694,693)</b>	<b>\$ (36,424,626)</b>	<b>\$ (63,255,811)</b>	<b>\$ (2,073,996)</b>	<b>\$ (19,306,170)</b>	<b>\$ 58,694,309</b>	<b>\$ (86,640,805)</b>	<b>\$ 251,719,101</b>	<b>\$ 14,552,874</b>	<b>\$ 19,563,415</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</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>	<b>9.93%</b>	<b>4.55%</b>	<b>1.22%</b>	<b>1.25%</b>

Source data: Tacoma School District CAFR Schedules: 4, B-3, C-2, D-2, E-2, and F-2

**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>
2000	47,869,699	151,611,206	27,961,595	5,920,656
2001	49,368,370	160,456,429	29,199,280	6,703,748
2002	50,583,207	166,133,251	31,022,670	6,631,413
2003	53,526,944	165,662,165	33,309,032	5,887,595
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

<b>FISCAL YEAR</b>	<b>PAYMENTS FROM OTHER DISTRICTS</b>	<b>PAYMENTS FROM OTHER AGENCIES AND ASSOC.</b>	<b>TOTAL REVENUES GENERAL FUND</b>
2000	642,026	482,276	234,487,458
2001	718,435	351,078	246,797,340
2002	793,874	998,964	256,163,379
2003	712,128	1,028,157	260,126,022
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

<b>FISCAL YEAR</b>	<b>SPECIAL REVENUE FUNDS</b>	<b>DEBT SERVICE FUND</b>	<b>*CAPITAL PROJECTS FUNDS</b>	<b>TOTAL ALL FUNDS</b>
2000	2,408,052	1,580,763	36,363,642	274,839,915
2001	2,514,526	1,458,163	38,140,315	288,910,344
2002	2,558,132	5,554,463	42,307,371	306,583,345
2003	2,588,854	13,596,912	30,394,107	306,705,895
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

\* 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>
2000	7,055,715	181,976,258	8,364,497	8,852,146	22,638,699
2001	7,368,478	188,770,597	8,675,948	8,941,021	23,335,894
2002	7,155,132	197,271,974	9,626,642	10,837,294	24,170,077
2003	8,078,327	202,399,206	9,450,900	9,395,642	23,668,546
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

<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>
2000	4,056,865	164,073	517,380	146,897	233,772,530
2001	5,790,115	168,821	457,053	164,106	243,672,033
2002	6,320,436	336,906	544,746	102,927	256,366,134
2003	6,592,337	244,378	433,423	94,128	260,356,888
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

	<b>SPECIAL REVENUE FUND</b>	<b>DEBT SERVICE FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>TRANSPORTATION VEHICLE FUND</b>	
<b>FISCAL YEAR</b>	<b>STUDENT ACTIVITIES</b>	<b>DEBT SERVICE</b>	<b>FACILITIES CONSTRUCTION</b>	<b>BUS PURCHASES</b>	<b>TOTAL ALL FUNDS</b>
2000	2,279,373	2,453,680	39,660,008	-	278,165,591
2001	2,343,195	2,515,765	25,536,476	403,073	274,470,542
2002	2,512,449	8,655,436	48,257,192	-	315,791,211
2003	2,624,906	28,404,981	103,331,969	866,227	395,584,971
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

(1) Other Services includes 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
1999	75,031,518	(209,984)	72,251,636	96.49	2,079,577
2000	79,654,835	(343,991)	76,831,598	96.46	2,388,553
2001	83,575,801	(343,991)	80,148,207	95.90	2,571,372
2002	88,624,406	(78,375)	84,412,509	95.25	2,662,952
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

CALENDAR YEAR	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS AS PERCENT OF CURRENT LEVY
1999	74,331,213	99.07
2000	79,220,151	99.45
2001	82,719,579	98.98
2002	87,075,461	98.25
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

@ 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
2000	9,632,065,972	4.8110	0.1215	2.8075	0.1710
2001	10,286,717,152	4.5200	0.1343	2.8232	-
2002	11,171,728,984	4.2754	0.7654	2.2578	-
2003	12,135,554,297	4.3934	1.4225	1.6073	-
2004	12,424,183,839	4.4194	3.0787	-	-
2005	13,127,711,870	4.2638	3.0163	-	-
2006	14,039,768,452	3.8231	2.7323	-	-
2007	16,736,729,965	3.3053	2.1753	-	-
2008	21,975,625,731	3.0970	1.7110	-	-
2009	22,171,379,203	3.0695	1.6959	-	0.0013

CALENDAR YEAR	STATE SCHOOL	CITY	METRO PARK	PORT OF TACOMA	COUNTY	TOTAL
2000	3.1806	4.1569	1.1246	0.1873	1.7591	18.3195
2001	2.9987	4.2592	0.8728	0.1788	1.7484	17.5354
2002	2.9160	4.0584	0.9809	0.1859	1.6773	17.1171
2003	2.9385	4.3989	0.9772	0.1840	1.6728	17.5946
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	12.9329
2008	2.0688	2.8396	0.7310	0.1851	1.0838	11.7162



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

TAXPAYER	TYPE OF BUSINESS	2009				2000			
		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	\$ 208,473,516	1	%	0.94	\$ 107,151,100	1		1.11
Simpson Kraft Company	Paper Products	128,186,578	2		0.58	93,709,665	3		0.97
CSC of Tacoma LLC	Correctional Services	79,333,100	3		0.36				
Simpson Lumber Company LLC	Timber	70,745,800	4		0.32				
Qwest Corporation	Telecommunications	70,174,227	5		0.32	94,618,467	2		0.98
AT&T Mobility LLC	Telecommunications	69,613,949	6		0.31	42,349,023	6		
Puget Sound Energy/Gas	Utility	66,049,352	7		0.30	61,713,935	4		0.64
NGP Centennial Tacoma LLC	Real Estate	55,488,100	8		0.25				
Fred Meyer Stores Inc #615	Retail	52,057,653	9		0.23	31,051,960	10		0.32
909 A Street LLC	Real Estate	50,093,700	10		0.23				
Pioneer Chlor Alkali Co.	Chemical				-	43,091,897	5		0.45
Johnson Security LLC	Security				-	38,256,300	7		0.40
Vine Street Associates	Property Development	-			-	36,083,000	8		0.37
PF Acquisition Corporation/Nalley Valley	Food	-			-	31,769,800	9		0.33
* Percentage of total assessed value of \$22,171,379,203		<b>\$ 850,215,975</b>		%	<b>1.32</b>	<b>\$ 579,795,147</b>		%	<b>2.51</b>

**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 OF REAL PROPERTY	ESTIMATED ACTUAL TAXABLE PROPERTY	BUILDING PERMITS	
			NUMBER	VALUE
1999	9,632,065,972	9,632,000,000	2,747	250,071,000
2000	10,286,717,152	10,287,000,000	2,399	287,742,000
2001	11,171,728,984	11,172,000,000	2,599	284,359,070
2002	12,135,554,297	12,136,000,000	2,339	297,617,993
2003	12,424,183,839	12,424,000,000	2,441	383,810,794
2004	13,127,711,870	13,128,000,000	2,441	323,424,000
2005	14,039,768,452	14,040,000,000	2,586	345,444,070
2006	16,736,729,965	16,737,000,000	2,746	482,193,093
2007	19,992,921,762	19,993,000,000	2,628	519,576,251
2008	22,171,379,203	22,171,000,000	2,146	343,884,905

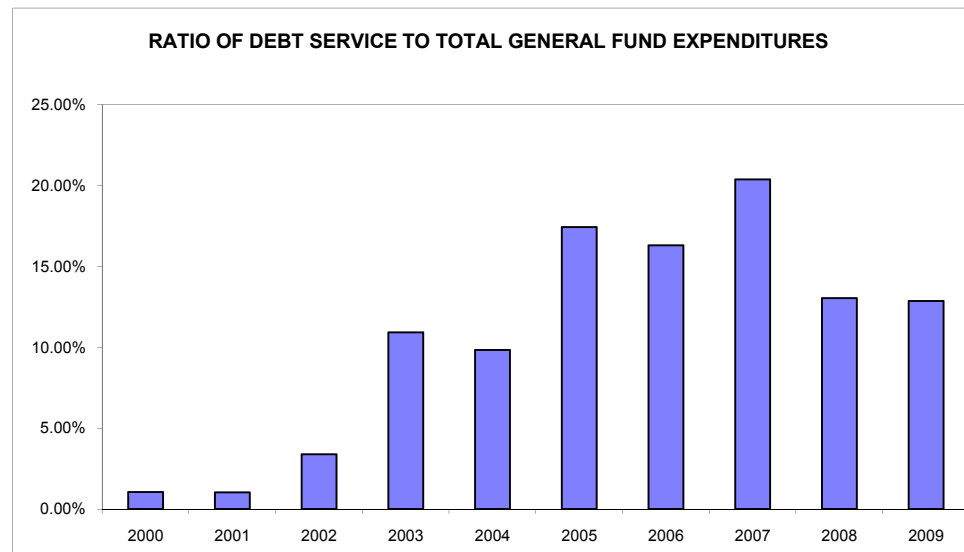
**TACOMA SCHOOL DISTRICT No. 10**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR**  
**GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

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		
2000	1,655,000	798,680	2,453,680	233,772,530	1.05
2001	1,750,000	765,765	2,515,765	243,672,033	1.03
2002	1,793,577	6,861,859	8,655,436	256,366,134	3.38
2003	15,698,578	12,706,403	28,404,981	260,356,888	10.91
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

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

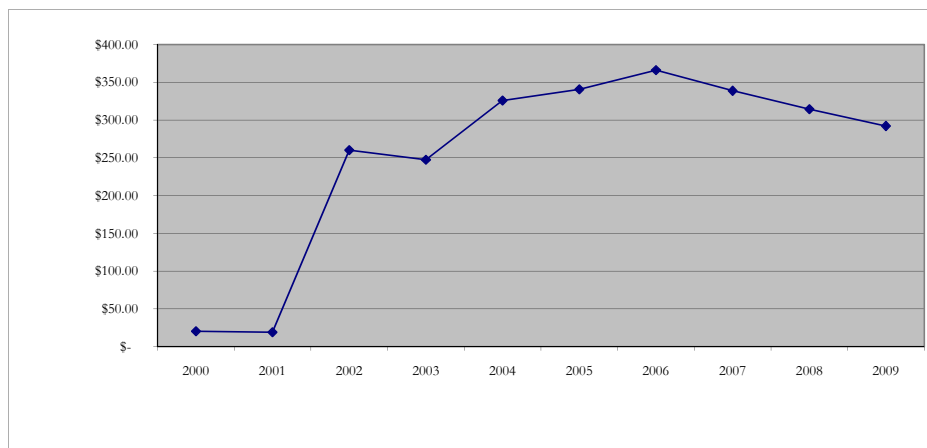
(2) Excludes bond issuance and other costs.



**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	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
2000	187,200	10,286,717,152	21,595,120	949,105	20,646,015	0.2007%	0.3999%	110
2001	193,556	11,171,728,984	19,845,120	696,291	19,148,829	0.1714%	0.3433%	99
2002	194,500	12,135,554,297	268,051,542	7,825,819	260,225,723	2.1443%	4.5500%	1,338
2003	194,900	12,424,183,839	253,810,529	6,431,328	247,379,201	1.9911%	4.2324%	1,269
2004	196,300	13,127,711,870	341,731,984	15,855,048	325,876,936	2.4824%	5.3198%	1,660
2005	198,100	14,039,768,452	354,269,779	13,597,791	340,671,988	2.4265%	5.2999%	1,720
2006	199,600	16,736,729,965	381,978,334	15,853,366	366,124,968	2.1876%	5.1237%	1,834
2007	201,700	19,992,921,762	342,350,467	3,670,281	338,680,186	1.6940%	4.5260%	1,679
2008	202,700	22,171,379,203	319,090,074	4,757,835	314,332,239	1.4177%	4.4306%	1,551
2009	203,400	21,961,694,749	294,491,496	2,409,974	292,081,522	1.3300%	4.2611%	1,436

**Net Bonded Debt**

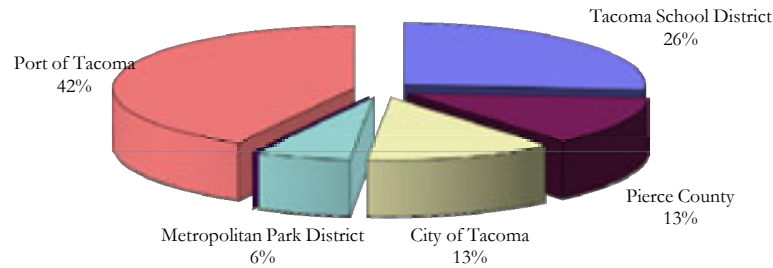


Source data: City of Tacoma, Pierce County, and Tacoma School District CAFR Schedule D-1 and Long-Term Debt Tables

**TACOMA SCHOOL DISTRICT No. 10**  
**STATEMENT OF DIRECT AND OVERLAPPING DEBT**  
**August 31, 2009**  
**(Unaudited)**

	AREA DEBT OUTSTANDING	PERCENT APPLICABLE DISTRICT*	DEBT WITHIN DISTRICT BOUNDARY
Tacoma School District	\$ 294,491,496	% 100.00	\$ 294,491,496
Pierce County	143,258,384	26.96	38,622,460
City of Tacoma	141,332,000	100.00	141,332,000
Metropolitan Park District	71,043,866	100.00	71,043,866
Port of Tacoma	472,770,000	26.96	127,458,792
<b>TOTALS:</b>	<b><u>\$ 1,122,895,746</u></b>		<b><u>\$ 672,948,614</u></b>

## AREA OF DEBT OUTSTANDING

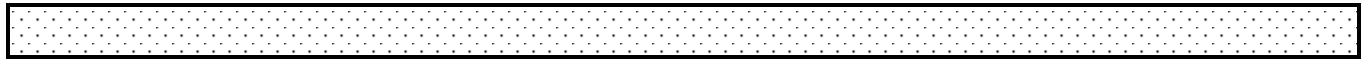


\* Information provided by Pierce County Assessor's Office

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

**TACOMA SCHOOL DISTRICT No. 10**  
**CONSTITUTIONAL LIMIT OF INDEBTEDNESS**  
**August 31, 2009**

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)	\$ 83,142,672
Less: Limited Tax G.O. Bonds	(4,431,496)

DEBT CAPACITY AVAILABLE FOR NON-VOTED DEBT	78,711,176
--	------------

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

FOR GENERAL PURPOSES(1)

2 1/8% of Assessed Valuation(2)	471,141,808
Add: Bond Fund Cash	2,404,544
Bond Fund Taxes Receivable	19,344,913
Less: Bonds Outstanding	(290,060,000)

BOND CAPACITY AVAILABLE FOR GENERAL PURPOSES	202,831,265
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FOR ADDITIONAL CAPITAL OUTLAY(1)

Add: 2 1/2% of Assessed Valuation	554,284,480
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BOND CAPACITY FOR ADDITIONAL CAPITAL OUTLAY	554,284,480
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**UNUSED PORTION OF INDEBTEDNESS LIMIT**

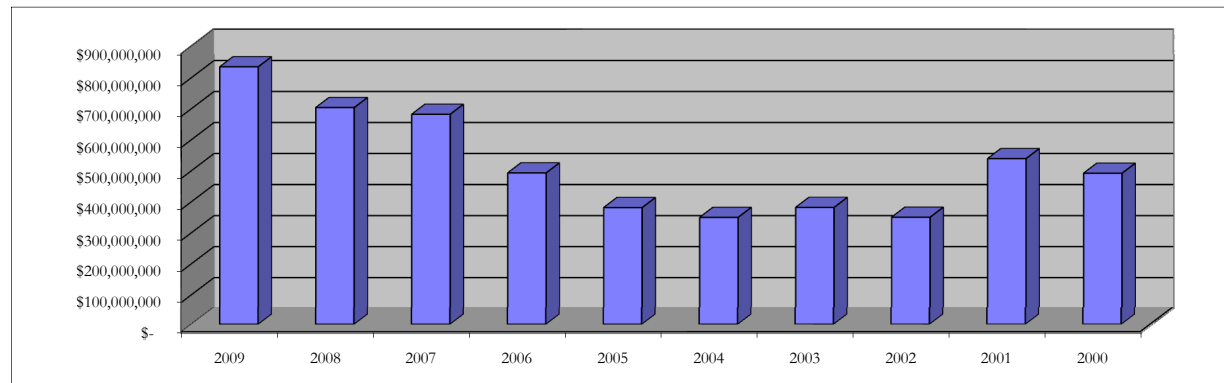
	\$ 835,826,921
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- (1) Per 39.36.015 and 39.36.020 Revised Code Of Washington  
(2) 2008 Assessment for 2009 Tax Base \$22,171,379,203 (for Bond Levy)

**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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Debt Limit:</b>										
Non-Voted Debt	\$ 83,142,672	\$ 74,973,457	\$ 74,973,457	\$ 62,762,737	\$ 52,649,132	\$ 49,228,920	\$ 46,590,689	\$ 45,508,329	\$ 41,893,984	\$ 38,575,189
Voted Debt/General Purposes	471,141,808	424,849,587	424,849,587	355,655,512	298,345,081	278,963,877	264,013,907	257,880,529	237,399,241	218,592,739
Voted Debt/Additional Capital Outlay	554,284,480	499,823,044	499,823,044	418,418,249	350,994,213	328,192,797	310,604,596	303,388,857	279,293,225	257,167,929
<b>Total Debt Limit</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>621,209,192</b>	<b>606,777,715</b>	<b>558,586,450</b>	<b>514,335,857</b>
<b>Total Net Debt Applicable to Limit</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>238,663,825</b>	<b>255,885,333</b>	<b>18,672,332</b>	<b>21,633,294</b>
<b>Legal Debt Margin</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>	<b>\$ 382,545,367</b>	<b>\$ 350,892,382</b>	<b>\$ 539,914,118</b>	<b>\$ 492,702,563</b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.60%	29.55%	31.69%	41.00%	45.59%	46.62%	38.42%	42.17%	3.34%	4.21%
<b>Assessed Valuation (Revenue Base)</b>	<b>22,171,379,203</b>	<b>21,975,625,731</b>	<b>16,736,729,965</b>	<b>14,039,768,452</b>	<b>13,127,711,870</b>	<b>12,424,183,839</b>	<b>12,135,554,297</b>	<b>11,171,728,984</b>	<b>10,286,717,152</b>	<b>9,632,065,972</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.

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT PERCENTAGE RATE (c)	F.T.E. AVERAGES K-12 ENROLLMENT (d)	FREE & REDUCED LUNCH K-12 PERCENTAGE RATE (e)
2000	187,200	27,580	5.00%	30,622	49.00%
2001	193,556	28,818	6.50%	30,842	50.50%
2002	194,500	29,405	8.10%	31,119	47.60%
2003	194,900	29,989	8.20%	31,057	54.90%
2004	196,300	31,206	7.10%	30,299	52.00%
2005	198,100	32,448	5.90%	29,439	52.80%
2006	199,600	35,800	5.20%	28,649	52.50%
2007	201,700	37,100	5.01%	27,932	54.80%
2008	202,700	35,000	5.93%	27,659	56.60%
2009	203,400	33,700	9.29%	28,088	58.80%

(a) City of Tacoma

(b) U.S. Department of Commerce, Bureau of Economic Analysis (currently updated only through 2005)

(c) WA State Employment Security Department (monthly rates averaged)

(d) WA State Office of Superintendent of Public Instruction, Report P223

(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	2009				2000			
	EMPLOYEES	RANK		PERCENTAGE OF TOTAL	EMPLOYEES	RANK		PERCENTAGE OF TOTAL
Federal Government	58,037	1	%	51.52	50,704	1	%	54.58
Local Government	34,019	2		30.20	29,225	2		31.46
MultiCare Health Systems	6,204	3		5.51	3,281	3		3.53
Franciscan Health Systems	4,406	4		3.91	2,306	4		2.48
Fred Meyer Stores	2,321	5		2.06	1,206	8		1.30
Emerald Queen Casino	1,915	6		1.70	-	-		-
Wal-Mart	1,820	7		1.62	-	-		-
Boeing Company	1,537	8		1.36	1,300	6		1.40
Safeway Stores, Inc.	1,261	9		1.12	1,526	5		1.64
Costco	1,134	10		1.01				-
Intel Corporation					1,300	7		1.40
Russell Investments					1,133	9		1.22
McDonald's Restaurants					910	10		0.98
<b>Total</b>	<b>112,654</b>		<b>%</b>	<b>100.00</b>	<b>92,891</b>		<b>%</b>	<b>100.00</b>

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

Year Incorporated (Tacoma School District)	1878
Population (City of Tacoma)	203,400
Total Personal Income in 2007 (Pierce County)	23,776,091,000
Land Area	49.05 Square Miles
Average Rainfall	38.8 Inches
Average Temperature Summer	76.4° F.
Average Temperature Winter	36.6° F.
Number of Police Stations	6
Number of Fire Stations	16
Number of Hospitals	4
Number of City Operated Public Libraries	10 Branches

**TACOMA SCHOOL DISTRICT**

Schools	Elementary	37
	Middle	11
	High	7
Students	Elementary (Grades K-5)	13,493
	Middle School (Grades 6-8)	6,205
	High School (Grades 9-12)	8,390
Average FTE (District Total)		<hr/> 28,088

**OTHER SCHOOLS**

Private Schools (Above Kindergarten)	22
Business Colleges (Private)	2
Technical Colleges	1
Community Colleges	1
Universities (Private)	2
Universities (Branch Campus)	1

**RECREATION - CITY OWNED**

Parks	78
Tidelands	6
Swimming Pools	5
Golf Courses (Public)	1
Playfields/Athletic Fields	39
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

Kati Boe

Wanda Moore

Alice Shaw

Christina Weaver

**FINANCE**

Lela Cross

Patricia Luat

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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Regular Instruction										
Certificated	1,379.660	1,359.463	1,430.135	1,437.151	1,504.650	1,563.525	1,574.198	1,579.603	1,606.920	1,645.813
Classified	222.436	219.807	204.968	217.619	223.379	224.547	228.630	227.831	229.230	227.573
Special Instruction										
Certificated	308.579	307.456	240.287	248.882	259.389	247.252	246.234	244.271	248.713	227.342
Classified	195.082	189.475	181.179	172.982	178.889	176.684	164.130	163.453	151.748	145.712
Career & Technical Instruction										
Certificated	90.754	89.700	91.891	94.997	93.082	93.158	88.962	90.667	80.649	83.214
Classified	7.822	10.834	13.405	15.211	15.350	12.611	11.212	7.741	9.471	10.114
Compensatory Instruction										
Certificated	284.069	289.341	300.757	269.794	270.859	245.844	254.425	214.497	176.583	144.463
Classified	105.145	102.572	99.995	113.555	114.794	111.068	114.269	121.109	148.254	142.967
Other Instructional Programs										
Certificated	15.000	22.500	28.562	28.448	35.499	35.395	38.640	69.444	69.973	59.900
Classified	14.190	13.915	13.788	14.630	15.186	12.903	24.197	18.827	22.639	19.871
Support Services										
Certificated	4.000	3.000	4.000	5.000	3.000	3.000	3.250	3.250	3.000	4.000
Classified	374.065	374.100	387.426	420.858	431.281	418.306	425.559	420.862	409.621	411.361
Food Services										
Classified	108.278	109.554	110.836	113.447	115.190	117.387	113.044	112.529	112.867	109.233
Transportation										
Classified	43.883	44.978	44.959	48.365	50.928	48.685	49.260	47.160	48.145	49.210
Planning & Construction (CPF)										
Certificated	1.401	1.000	4.000	-	-	-	-	-	-	-
Classified	17.834	17.995	13.219	15.239	13.731	13.719	12.606	9.230	7.850	8.900
<b>TOTAL</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>	<b>3,348.616</b>	<b>3,330.474</b>	<b>3,325.663</b>	<b>3,289.673</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 EIGHT 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. Information prior to 2002 was not available.

<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>
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%
2003	2,082.209	27,700	43,532	8,009	13.30	44.60%
2002	1,758.711	26,933	42,316	6,402	13.90	45.70%

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

(2) From OSPI Washington State Report Card

Table XXII

**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>
2000	243,274,770	30,622	7,944	7.56	2,131	14.4
2001	254,101,568	30,842	8,239	3.71	2,199	14.0
2002	269,663,865	31,119	8,666	5.18	1,914	16.3
2003	283,455,086	31,057	9,127	5.32	1,893	16.4
2004	301,312,360	30,299	9,945	8.96	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

(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, 2009**

PROPERTY	LOCATION	YEAR BUILT	YEAR OF ADDITION/ MODERNIZATION	SQUARE FOOTAGE	ACREAGE
<b>SENIOR HIGH SCHOOLS</b>					
224 Foss	2112 S. Tyler St.	1972	1997, 2005 1967, 1973, 1987, 1996, 2007	256,013	34.29
226 Lincoln	701 S. 37th St.	1913		280,334	25.15
228 Mount Tahoma	4634 S. 74th St.	2004		277,912	86.00
234 Oakland	3319 S. Adams St.	1911	1957, 1999	34,276	2.95
725 School of the Arts	1950 Pacific Ave.	1904	2004	21,601	0.25
720 School of the Arts	1818 Tacoma Ave.	1919	1966	7,518	0.45
726 School of the Arts	1117-1123 Broadway	1922	2002, 2005	33,516	0.13
230 Stadium	111 North E St.	1912	1966, 1974, 1987, 2006	295,792	9.81
232 Wilson	1202 N. Orchard St.	1958	1962, 1968, 2006	246,699	41.20
<b>MIDDLE SCHOOLS</b>					
202 Baker	8320 S. I St.	1954	1963, 1969, 1979	98,366	4.69
204 First Creek	1801 E. 56th St.	2009		119,872	37.41
200 Giadrone	4902 S. Alaska St.	2003		118,104	15.54
206 Gray (New)	6229 S. Tyler	2009		116,872	15.09
208 Hunt	6501 S. 10th St.	1957	1964, 1968, 1974	112,321	24.83
210 Jason Lee	602 N. Sprague Ave.	1923	1963, 2001	127,053	8.37
212 Mason	3901 N. 28th St.	2003		114,869	7.92
216 Meeker	4402 Nassau Ave NE	1991	2002	103,588	25.00
218 Stewart	5010 Pacific Ave.	1924	1963, 1973	147,657	7.29
220 Truman	5801 N. 35th St.	1999		124,750	13.00
<b>ELEMENTARY SCHOOLS</b>					
101 Arlington	3002 S. 72nd St.	1924	1953	39,061	6.30
103 Birney	1202 S. 76th St.	1961	1971	57,559	8.70
104 Blix	1302 E. 38th St.	2002		62,028	8.80
105 Boze	1140 E. 65th St.	1969	1971, 1989	52,456	14.57
107 Browns Point	1526 - 51st. St. NE	1952	1960, 1979	74,778	18.72
109 Bryant	717 S. Grant Ave.	1960		40,662	2.60
110 Crescent Heights	4410 Nassau Ave NE	1999		60,648	15.00
113 DeLong	4901 S. 14th St.	1953	1958, 1963, 1986	56,412	5.00
115 Downing	2502 N. Orchard St.	1948	1953, 1973	60,698	10.08
117 Edison	5830 S. Pine St.	1997		62,834	4.00
119 Fawcett	126 E. 60th St.	1949	1957, 1979, 1987	55,808	5.59
121 Fern Hill	8442 S. Park Ave.	1919	1925, 1957, 2006	58,257	3.96
123 Franklin	1402 S. Lawrence	1997		62,525	6.00
125 Geiger	621 S. Jackson Ave.	1948	1952, 1953, 1957	48,751	7.22
127 Grant	1018 N. Prospect St.	1919	1955, 1967, 1982	51,386	3.51
Hoyt	2708 N. Union Ave.	1957		7,495	0.86
133 Jefferson	4302 N. 13th St.	2004		60,440	3.55
135 Larchmont	8601 E. B St.	1969	1991, 2002	73,504	14.06
137 Lister	2106 E. 44th St.	1998		70,782	6.90
139 Lowell	810 N. 13th St.	1949	1961	55,600	2.84
143 Lyon	101 E. 46th St.	1924	1948, 1949, 1967, 1979	41,017	2.82
147 Manitou Park	4430 S. 66th St.	1994		67,055	2.40
149 Mann	1002 S. 52nd. St.	1952	1968, 2003	67,759	3.30
151 McCarver	2111 S. J St.	1924	1961	100,457	5.79
155 McKinley	3702 McKinley	1908	1957, 2002	53,876	2.44
157 Northeast Tacoma	5412 29th St. NE	1994		54,863	4.34
163 Point Defiance	4330 N. Visscher St.	1911	1959, 1968, 1979, 1987	55,944	12.44

**TACOMA SCHOOL DISTRICT NO. 10**  
**BUILDINGS & PROPERTIES**  
**August 31, 2009**

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
Wainwright	130 Alameda Ave.	1924	1948, 1954, 1957, 1971	48,441	7.26
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
OTHER BLDGS. & SITES					
Building & Grounds	3223 S. Union Ave.	1940	1965	74,428	6.92
Central Administration Bldg. (CAB)	601 S. 8th St.	1930		96,968	3.33
CAB Annex	708 S. G St.	1960		7,200	0.15
Food Svcs/Purchasing/Warehouse	3321 S. Union Ave.	1940	1965	85,515	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	78,849	10.00
VACANT SITES					
Blueberry Farm	E. 80th & D St.				50.49
Camp Joshua Taylor	Longbranch	1975		3,851	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	1970	130,279	7.33
Mount Tahoma (old) Gym & Pool	6229 S. Tyler	1960		61,698	29.51
S. 52nd & Cheyenne St.	S. 52nd & Cheyenne St.				7.77
38th Elementary School	S. 56th & Alameda St.				14.08
Willard	3201 South D St.	1951		25,471	1.03
TOTALS		5,507,738 1,120.84			







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## 2009-2010 Board of Directors

Debbie Winskill, President

Kurt Miller, Vice President

Jim Dugan

Kim Golding

Catherine Ushka-Hall

Arthur O. Jarvis, Ed.D., Superintendent

### CAMBODIAN

ផ្ញើភ្ជាប់មកជាមួយនេះគឺជាឯកសារដ៏សំខាន់មកពីសាលារៀនរបស់កូនអ្នក ។ សូមមេត្តារកគេជួយបកប្រែឯកសារនេះឲ្យអ្នក ។ សូមអរគុណ ។

### KOREAN

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

### LAOTIAN

ຂັດຕິດມາພ້ອມນີ້ແມ່ນເອກະສານສໍາຄັນ ຈາກໂຮງຮຽນຂອງລູກທ່ານ. ກະລຸນາຮັບເອົາເອກະສານຊຶ່ງພວກເຮົາໄດ້ແປໃຫ້ທ່ານແລ້ວນີ້ໄວ້ດ້ວຍ. ຂອບໃຈ.

### RUSSIAN

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

### SPANISH

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

### 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. Cảm ơn.

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

*Tacoma School District No. 10 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 service animal 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 Dr. Da Verne S. Bell, coordinator, equity and diversity, telephone 253.571.1292. Inquiries regarding the application of Title IX should be directed to Dr. Da Verne S. Bell, coordinator, equity and diversity, telephone 253.571.1292. 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 Chris Backman, coordinator of guidance and counseling, telephone 253.571.1182. Inquiries regarding accommodations for disabled employees and the public should be directed to Leslie Nohr, disability accommodation officer, telephone, 253.571.1021. These individuals may be contacted by mail at P.O. Box 1357, Tacoma, WA 98401-1357.*