

Comprehensive Annual Financial Report

For the fiscal year ended August 31, 2015



Jason Lee Middle School

Comprehensive Annual Financial Report

For the fiscal year ended August 31, 2015



Lincoln High School

Tacoma School District No. 10 • P.O. Box 1357 • Tacoma, Washington 98401-1357

Prepared by the Finance Department
Rosalind Medina, Chief Financial Officer

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Stadium High School

TACOMA SCHOOL DISTRICT No. 10
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**TACOMA SCHOOL DISTRICT NO. 10
2014-2015 DIRECTORY OF OFFICIALS**

ELECTED

<u>Directors</u>		<u>Term</u>	<u>Expiration</u>
President	Scott Heinze	6 Years	November 2017
Vice-President	Karen Vialle	6 Years	November 2017
	Catherine Ushka	6 Years	November 2015
	Debbie Winskill	6 Years	November 2019
	Kurt Miller	6 Years	November 2015

APPOINTED

Superintendent	Carla J. Santorno
Legal Counsel	Shannon McMinimee
Chief Financial Officer	Rosalind Medina
Executive Director, General Support Services	Stephen Murakami
Director, Financial Services	Patricia A. Luat
Accounting Services Manager	Marianne Bigelow

MAILING ADDRESS

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

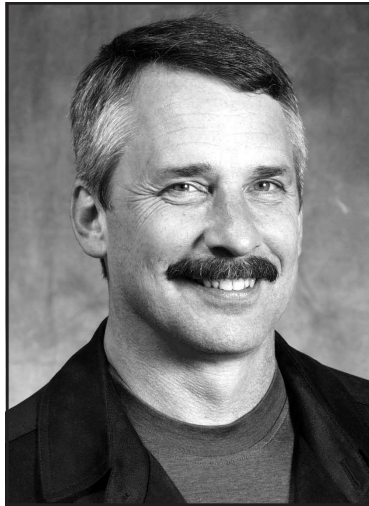
2014-2015 Board of Directors



Scott Heinz, President
Elected in 2011
Term expires in November 2017



Karen Vialle, Vice President
Elected in 2011
Term expires in November 2017



Kurt Miller
Elected in 2009
Term expires in November 2015



Catherine Ushka
Elected in 2009
Term expires in November 2015



Debbie Winskill
Elected in 2007
Term expires in November 2019



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

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

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

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

February 26, 2016

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

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, 2015. We believe this report presents comprehensive information about the scope and character of the district's fiscal activities and accomplishments during 2014-15. 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 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 management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The district's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

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

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

ECONOMIC CONDITION AND OUTLOOK

The district is located in Pierce County in the central Puget Sound region of Washington State. Pierce County is home to the City of Tacoma, the state's third largest city. Tacoma-Pierce County has been named one of the most livable areas in the country. The city of Tacoma, located on Puget Sound, encompasses approximately 50.1 square miles of land, and over 12 square miles of waterfront. Tacoma has 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.

Tacoma has the state's highest density of art and history museums, and people of all ages enjoy numerous museums such as the LeMay Car Museum, Washington State Historical Museum, the Tacoma Art Museum, and the Museum of Glass. The city supports a fine library system, musical entertainment, and many local events. The greater Tacoma area is also home to three universities: the University of Puget Sound, Pacific Lutheran University, and the University of Washington-Tacoma.

Tacoma-Pierce County boasts a diversified economy. The deep water Port of Tacoma is one of the largest container ports in North America and is a major center for autos, bulk, break bulk, and heavy-lift containers. The Port is a leading North American seaport, handling more than \$52.4B in international trade, and an estimated \$21.9B in trade to China/Hong Kong in 2014. The manufacturing sector produces aerospace, plastics, machinery, food, wood, and electronics products. Tacoma-Pierce County is also an agricultural leader in rhubarb, berries, and a variety of other produce.

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

THE SCHOOL DISTRICT

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

The district had 35 elementary schools, 9 middle schools, 5 comprehensive high schools, and 8 alternative learning sites operating during the 2014-15 school year. The district has over 5,000 employees and is the sixth largest employer in the Tacoma-Pierce County area.

MAJOR INITIATIVES

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

Academic Excellence

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

Partnerships

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

Early Learning

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

Safety

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

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

Through this Strategic Plan the Tacoma School District will gain:

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

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

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

Graduation Rates

Student graduation rates are a focus for the district, and the Board has set a goal to graduate 85 percent of students by 2020. Efforts to pursue a more comprehensive and aligned system to get more students to the finish line continues. The calculation begins with 9th grade students and tracks them for four years until their expected graduation date at the end of their senior year. For the class graduating in 2015, Tacoma's graduation rate reached 82.6 percent – the highest since the state began officially tracking the statistic in 2003.

Cohort Graduation Rates

Class	Tacoma	State Average
2015**	82.6%	N/A
2014*	78.3%	77.2%
2013*	70.2%	76.0%
2012*	73.5%	77.2%

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

** Source: Tacoma School District - Unofficial

State Achievement Measurement

The state-wide assessment tool for English language arts and mathematics was changed in 2014-15 to the Smarter Balanced Assessment. With this new test, the scores were lower across the entire state when measuring against last year's scores using the old tests. Tacoma's results were lower using the new tests, and mirrored the state's results when comparing 2014-15 to 2013-14. The science and end of course (EOC) biology exams did not change from last year to this year, and the district's scores in these two areas were slightly lower than the prior year. The district also continues to trend lower than the state-wide average on all test scores.

Percent of Tacoma School District Students Meeting Standards for 2014-15

Grade Level	Reading	Math	Science	End of Course Biology
3rd Grade	42.3%	47.7%		
4th Grade	42.3%	44.7%		
5th Grade	50.7%	42.9%	52.5%	
6th Grade	45.4%	37.6%		
7th Grade	50.7%	41.1%		
8th Grade	47.3%	37.7%	47.5%	
10th Grade	-	-		61.0%
11th Grade	23.1%	8.4%		

Tacoma School District's Test Scores as Compared to State-Wide Average Results for 2014-15

Grade Level	Reading	Math	Science	End of Course Biology
3rd Grade	-9.8%	-9.0%		
4th Grade	-12.3%	-9.3%		
5th Grade	-6.9%	-5.2%	-10.9%	
6th Grade	-8.6%	-7.9%		
7th Grade	-6.2%	-6.9%		
8th Grade	-9.6%	-8.4%	-13.2%	
10th Grade	-	-		-11.5%
11th Grade	-3.2%	-5.3%		

Student Demographics

The percentage of students eligible for participation in the federal free and reduced lunch program is 63.5 percent, much higher than the 45.0 percent statewide average. Children from families with incomes at or below 130 percent of the poverty level are eligible for free meals. Those with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price meals. For the period July 1, 2015 through June 30, 2016, 130 percent of the poverty level is \$31,525 in income annually for a family of four; 185 percent is \$44,863.

Percentage of Students Eligible for Participation In the Federal Free and Reduced Lunch Program					
	2011	2012	2013	2014	2015
Tacoma	61.1%	60.0%	63.9%	63.3%	63.5%
State-Wide Average	42.3%	43.7%	45.5%	45.9%	45.0%

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

Enrollment

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

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

The district's annual average FTE enrollment in 2014-15 was 28,323 students as compared to 28,011 from the prior year. Enrollment increased from 2013-14 by 312 FTE students.

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

Elementary Schools (grades K-5)	325
Middle Schools (grades 6-8)	(59)
High Schools (grades 9-12)	(31)
Running Start/Open Doors	<u>77</u>
Total	312

Projected enrollments for fiscal year 2015-16 and 2016-17 are shown below.

FULL TIME EQUIVALENT (FTE) ENROLLMENT

Actual and Projected (P) Annual Average Enrollment						
Grade	2012	2013	2014	2015	2016(P)	2017(P)
Total K-5	13,264	13,470	13,788	14,112	14,297	14,531
Total 6-8	6,193	6,083	6,137	6,078	6,057	6,014
Total 9-12	7,927	7,801	7,515	7,484	7,450	7,622
Other	177	177	572	648	515	616
TOTAL K-12	<u>27,562</u>	<u>27,531</u>	<u>28,011</u>	<u>28,323</u>	<u>28,318</u>	<u>28,783</u>

Source: Demographer, W. Les Kendrick, Ph.D, and OSPI P-223 Reports

Construction and Technology Projects

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

In February 2013, the district's voters approved a \$500M district-wide school improvements and safety upgrades bond measure. The bond funds will replace 14 neighborhood schools across the city that average 74 years old. Three of the schools, Washington and McCarver elementary schools and Stewart Middle School are on the historic register, and renovations will preserve their exterior architectural characteristics. Additionally, the bond funds will make more than 200 needed safety repairs and upgrades at almost every site in the district.

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

For the Future

A new, annual innovative school process has been adopted by the school board to help fill gaps in current district offerings, or to expand an innovative program to an entire school. Proposals are sought each year for creating innovative schools within the district. Sites lacking innovative options for students and showing the largest anticipated growth in enrollment over the next few years are given priority. In August 2015, the school board approved two new innovative schools following an extensive research and evaluation effort: iDEA – a high school focused on industrial design, engineering and art that will open in the fall of 2016 at the former Park Avenue school in the South End, and a “school within a school” academy at Jason Lee Middle School incorporating physical activity, health and nutrition to stimulate academic performance will also begin enrolling students for 2016.

In September 2015, the Washington State Supreme Court declared the initiative that established the state's charter schools to be unconstitutional. The nine charter schools authorized by the state have continued to stay open after this decision, though they are no longer receiving any state funding for the 1,200 students attending their schools. Lawmakers are considering bills in the current legislative session that would allow charters to operate under rules that would satisfy legal challenges. Three of the charter schools are operating in Tacoma. One opened in October 2014, and the other two charter schools opened for enrollment in the fall of 2015.

The district has proposed new elementary and middle school attendance boundary adjustments to accommodate the opening of Wainwright Intermediate School in the fall of 2016. A Boundary Review Committee, with representation from parents, principals, and district administrators, will make recommendations that will affect Arlington, Edison, Manitou Park, Whittier, DeLong, Franklin, and Geiger elementary school attendance areas. Additionally, the new intermediate school will eventually absorb students currently attending Truman, Mason, and Gray middle schools.

The district has embraced a whole child initiative to meet student social and emotional needs as well as academics, and has partnered with the University of Washington Tacoma's Center for Strong Schools to promote positive relationships between adults and students. These relationships are based on shared expectations for behavior, with a goal of reducing classroom disruptions, suspensions, and expulsions as well as keeping students engaged and in school.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

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

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

The district's Director of Audit periodically reviews, reports on, and recommends improvements to the internal controls in all operational and financial areas of the district. This position reports to the Superintendent and is advised by the Citizen's Finance and Audit Committee (CFAC) of the Board of Directors. The CFAC is organized as a permanent citizen's committee with members who are experts in finance and internal controls. The primary responsibilities of the committee involve assisting the board in carrying out its responsibilities related to the district's financial planning policies, internal control and financial reporting practices. During fiscal year 2014-15, the CFAC included two members of the board, the Superintendent, and five citizens. Throughout the year, the committee meets with the district's Director of Audit and financial management to discuss the results of the examinations, evaluations of the district's internal controls, and the overall quality of the district's financial reporting. The Director of Audit meets privately with the committee at least annually.

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

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

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

INDEPENDENT AUDIT

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

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

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


CERTIFICATES OF ACHIEVEMENT

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

Last year, the Association of School Business Officials (ASBO) and the Government Finance Officers Association (GFOA) awarded the district, for the 21st consecutive year, a Certificate of Achievement for Excellence in Financial Reporting. Copies of the financial reporting awards are included in the CAFR. The district will be applying to GFOA and ASBO for the 2014-15 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 2014-15 CAFR a success.



Carla Santorno
Superintendent



Rosalind Medina
Chief Operating Officer



Government Finance Officers Association

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

Presented to

**Tacoma School District No. 10
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2012

Executive Director/CEO

Association of School Business Officials International



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

Tacoma School District 10

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2014*

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



A handwritten signature in black ink, appearing to read "Mark C. Pepera", is written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

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

John D. Musso, CAE, RSBA
Executive Director

Financial Section

Independent Auditor's Opinion

Management's Discussion and Analysis

Government-Wide Financial Statements

Governmental Fund Financial Statements

Proprietary Fund (The Sound Partnership)

Fiduciary Fund Financial Statements

Notes to the Financial Statements

Required Supplementary Information

Supplemental Data



Lincoln High School



Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

February 26, 2016

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tacoma School District No. 10, Pierce County, Washington, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Sound Partnership, which represents 94 percent, 94 percent and 100 percent, respectively, of the assets, net assets and revenues of the aggregate remaining fund information. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Sound Partnership, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Sound Partnership were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audit and the report of 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 6, during the year ended August 31, 2015, the District has implemented the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20 through 30, budgetary comparison information on pages 77 through 78, information on postemployment benefits other than pensions on pages 79, Schedule of the District's proportionate share of the Net Pension Liability and Schedule of District Contribution information on pages 80 through 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 83 through 104 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the 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 do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated February 26, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sincerely,



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Tacoma School District's financial performance provides an overview of the district's financial activities for the fiscal year ended August 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information presented in the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The district's total net position for governmental activities as of August 31, 2015, was \$385.6M, a decrease of \$164.9M from 2013-14. The district implemented Governmental Accounting Standards Board (GASB) Statement 68, which created the new category of Net Pension Liability which generated an initial \$168.3M liability on the district's Statement of Net Position.
- During the year, the district had revenues of \$418.9M and expenses of \$396.9M incurred for all governmental activities, resulting in a corresponding increase in the district's net position by \$22.1M. A \$187.6M negative adjustment to the beginning Net Position on Schedule 2 reflects the change in accounting principle with the implementation of GASB 68.
- At the end of the current fiscal year, the district's governmental funds reported a combined ending fund balance of \$191.6M; an increase of \$69.3 M from the prior year. The general fund's total fund balance was \$40.8M; an increase of \$8.2M from the previous year. Approximately \$21.5M is available for spending at the district's discretion (assigned fund balance).
- The district issued \$152.6M in Unlimited Tax General Obligation bonds in November, 2014, to refinance its Bond Anticipation Note into permanent debt and issued \$80M in new bonds for capital construction projects. The premium on the bond sale was \$22.4M.

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of fund activity to the district's budget for the year, the OPEB schedule of funding progress, the district's proportional share of the net pension liability, and the district's schedule of pension contributions.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

Our analysis of the district as a whole begins in the *government-wide financial statement* section. Is the district as a whole better off or worse off as a result of the year's activities? The *statement of net position* and the *statement of activities* report information about the district as a whole and about its activities in a way that helps answer this question. The financial statements of the district present a decline in financial position from the prior year as reflected in the *statement of net position*. This was caused by the inclusion of \$168M in net pension liabilities from the implementation of GASB 68. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash was received or paid.

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Governmental Fund Financial Statements

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

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

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

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

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

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

Net position may serve as a useful indicator of a government's financial position. The Tacoma School District's assets exceeded liabilities by \$385.6M at the end of the fiscal, August 31, 2015.

The largest portion of the net position at \$492.7M is net investment in capital assets (e.g., land, building, and equipment), less any related outstanding debt used to acquire those assets. The remainder consists of an amount restricted for capital projects, debt services, associated student body fund, and other proposes, with a negative \$150.9M unrestricted. The district's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The decrease in total net position for the year was \$164.9M and includes current period increase of \$22.1M and a decrease of \$187.6M from the cumulative change in accounting principle due to the GASB 68 implementation and the inclusion of the Net Pension Liability on the government-wide statements. Key elements of this decrease are shown below:

Tacoma School District's Net Position As of August 31

	Governmental Activities		
	2015	2014	Changes
ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
Current and Other Assets	\$ 301,818,941	\$ 228,261,324	\$ 73,557,617
Capital Assets	748,657,608	739,140,558	9,517,050
Deferred Outflows - Pension Plan	9,319,651	-	9,319,651
Total Assets & Deferred Outflows	1,059,796,200	967,401,882	92,394,318
LIABILITIES & DEFERRED INFLOWS OF RESOURCES			
Long-Term Debt Outstanding	615,092,672	382,210,156	232,882,516
Other Liabilities	34,294,786	33,265,586	1,029,200
Unavailable Revenue	870,755	846,160	24,595
Deferred Inflows - Pension Plan	23,954,685	-	23,954,685
Total Liabilities & Deferred Inflows	674,212,898	416,321,902	257,890,996
NET POSITION			
Net Investment in Capital Assets	492,723,196	489,838,116	2,885,080
Restricted	43,728,518	28,833,686	14,894,832
Unrestricted	(150,868,412)	32,408,178	(183,276,590)
TOTAL NET POSITION	\$ 385,583,302	\$ 551,079,980	\$ (165,496,678)

The restricted net position represents resources that are subject to external restrictions on how they may be used.

Governmental Activities

The 2014-15 revenues of \$418.9M exceeded expenses by \$22.1M. The 2013-14 revenues exceeded the expenses by \$5.3M. A \$187.6M adjustment to the previous year was made to reflect the implementation of GASB 68 and includes the 2013-14 Net Pension Liability which was provided by the Department of Retirement for the 2014-15 school district financial statements. Key elements of the increases in revenues and decreases in expenditures are as follows:

Governmental Activities Changes in Net Position			
PRIMARY GOVERNMENT			
As of August 31			
	2015	2014	Changes
REVENUES			
Program Revenues:			
Charges for Services	\$ 10,062,083	\$ 11,284,377	\$ (1,222,294)
Operating Grants and Contributions	197,464,102	115,572,241	81,891,861
Capital Grants and Contributions	412,640	1,653,062	(1,240,422)
General Revenues:			
Property Taxes	141,198,835	134,008,007	7,190,828
Interest and Investment Earnings	474,073	245,630	228,443
Unallocated Revenues	69,361,658	129,796,551	(60,434,893)
TOTAL REVENUES	418,973,391	392,559,868	26,413,523
PROGRAM EXPENSES:			
Regular Instruction	204,605,892	202,869,927	1,735,965
Federal Stimulus	12,901	176,527	(163,626)
Special Instruction	48,295,312	46,538,041	1,757,271
Career & Technical Instruction	11,890,668	11,320,711	569,957
Compensatory Instruction	34,220,184	31,392,881	2,827,303
Other Instructional Programs	6,555,962	5,545,242	1,010,720
Community Services	569,669	536,295	33,374
Support Services	75,439,637	76,924,636	(1,484,999)
Extracurricular Activities	1,871,077	2,018,381	(147,304)
Debt Payment	13,429,084	9,925,834	3,503,250
TOTAL EXPENSES	396,890,383	387,248,476	9,641,911
INCREASE (DECREASE) IN NET POSITION	22,083,008	5,311,394	16,771,614
NET POSITION - 9/1/14	551,079,980	545,768,586	5,311,394
Cumulative Change in Accounting Principle			
Pensions	(187,579,682)	-	(187,579,682)
NET POSITION - 8/31/15	\$ 385,583,302	\$ 551,079,980	\$ 22,083,008

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

Governmental Activities				
	Total Cost of Services		Net Cost of Services	
	2014-15	2013-14	2014-15	2013-14
Regular Instruction	204,605,892	202,869,927	(113,822,340)	(183,791,269)
Federal Stimulus	12,901	176,527	(9,961)	(30,494)
Special Instruction	48,295,312	46,538,041	(9,344,431)	(9,321,377)
Career & Tech Instruction	11,890,668	11,320,711	710,038	1,194,313
Compensatory Instruction	34,220,184	31,392,881	583,320	(599,402)
Other Instructional Programs	6,555,962	5,545,242	(3,730,285)	(2,664,827)
Community Services	569,669	536,295	194,988	269,184
Support Services	75,439,636	76,924,636	(50,102,262)	(53,841,721)
Extracurricular Activities	1,871,077	2,018,381	(1,544)	(27,369)
Debt payments	13,429,084	9,925,834	(13,429,084)	(9,925,834)
TOTALS	\$ 396,890,383	\$387,248,476	\$ (188,951,560)	\$ (258,738,796)

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.

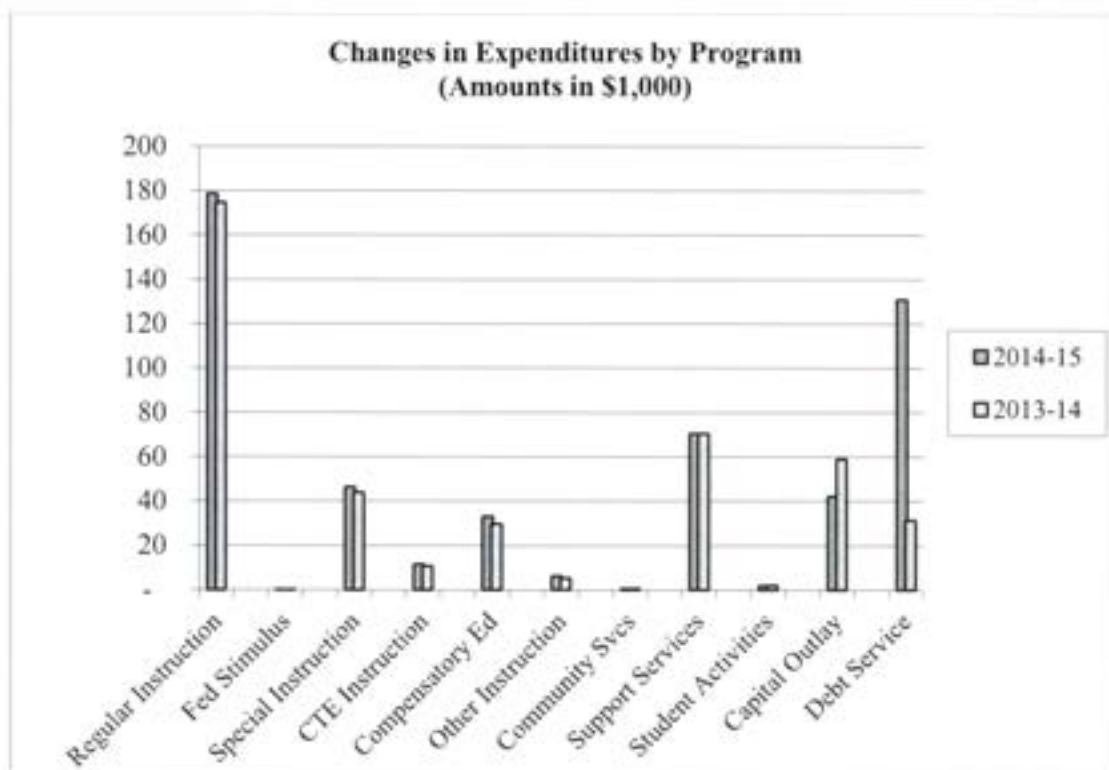
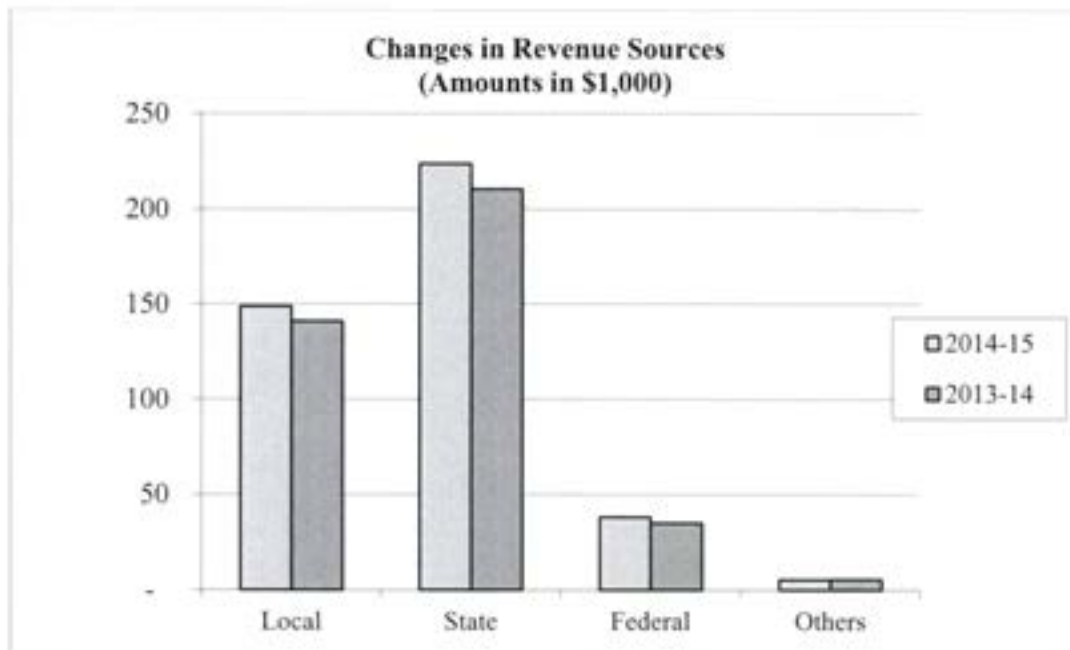
As the district completed the fiscal year, its governmental funds (as presented in the balance sheets under the governmental financial statement section) reported a combined fund balance of \$191.7M, an increase of \$69.3M over the prior year. This change is the result of the following factors:

- The fund balance in the General Fund increased by \$8.2M. While the district had budgeted for its reserves to drop, additional revenues (above budget) were recorded in property taxes, regular state apportionment, and state local levy assistance (LEA). The regular state apportionment revenue increase was due to student enrollment coming in above projections, and property tax collections were more favorable than original assumptions. Labor (salaries and benefits) costs and spending for supplies and materials were much lower than anticipated. The combination of increased revenues and expenditures below forecast caused the fund balance to be above the amount forecast for the year. Twelve percent of the fund balance is in the nonspendable, restricted, or committed categories; \$14.2M (or 35 percent of the fund balance) is categorized as Unassigned for Minimum Fund Balance Policy which was previously reported as a committed fund balance category.
- The fund balance in the Special Revenue Fund (ASB) increased by \$6K. All secondary schools and most elementary schools had activity in their ASB funds in 2014-15.
- The fund balance in the Debt Service Fund increased by \$6.1M from the prior year. The expenditure amounts are set by the payment schedules on the district's outstanding bonds. Revenues are generated by setting an annual property tax rate at a level which will generate enough funds to repay the debt. The ending fund balance is higher than the prior year, and the district's cash flow projections indicate this reserve is adequate to meet future needs.
- The fund balance in the Capital Projects Fund increased by \$55.8M. The district issued bonds in November, 2014, and an additional \$80M in bond revenues were received in this fund to pay for capital construction projects. Virtually all of the fund balance is in restricted categories.

- The fund balance in the Transportation Vehicle Fund decreased by \$938K. Thirteen new buses were purchased during 2014-15. 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 2014-15 and the amounts and percentages of increases and decreases in relation to the prior year.

Changes in Revenues and Expenditures Governmental Funds				
Revenue Source	2014-15 Amount	Percent of Total	Increase (Decrease) Over 2013-14	Percent Increase (Decrease)
Local Taxes & Non-taxes	148,654,356	35.74%	7,718,799	5.48%
State Revenues	223,786,261	53.81%	13,277,053	6.31%
Federal Revenues	38,091,289	9.16%	3,239,057	9.29%
Others	5,361,047	1.29%	(285,715)	-5.06%
Total	415,892,953	100.00%	23,949,194	6.11%
Expenditures				
Regular Instruction	178,604,394	34.23%	4,015,255	2.30%
Federal Stimulus	2,818	0.00%	(151,737)	0.00%
Special Instruction	46,461,341	8.91%	2,502,566	5.69%
Career & Tech Instruction	11,399,640	2.19%	723,022	6.77%
Compensatory Instruction	32,905,572	6.31%	3,261,596	11.00%
Other Instructional Programs	6,288,925	1.21%	1,063,020	20.34%
Community Services	553,050	0.11%	36,017	6.97%
Support Services	70,460,303	13.51%	(5,044)	-0.01%
Extracurricular Activities	1,869,533	0.36%	(148,848)	-7.37%
Capital Outlay	42,276,676	8.10%	(16,781,473)	-28.42%
Debt Service	130,891,410	25.09%	99,481,981	316.73%
Total	\$ 521,713,662	100.00%	\$ 93,996,355	21.98%



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 2014-15.

The general fund's beginning fund balance in 2014-15 was \$32.5M as reported in the Required Supplemental Information, Schedule A-1.

Revenues were \$2.2M above budget, and expenditures were \$16.9M under budget. Washington State statutes establish expenditure budgets as absolute expenditure limits, encouraging contingency budgeting.

Property tax revenues came in over \$1.4M above budget, and local tax collections were \$3.1M above the prior year. The district received \$171.7M in general state apportionment revenues in 2014-15, an increase of \$8.1M over 2013-14. The State's school funding model formula was adjusted as the legislature copes with the McCleary ruling compliance targets set by the courts, and this resulted in increased funds flowing to school districts. The average annual student enrollment came in 717 FTE above budget, and that was another factor contributing to the increase in state apportionment revenues. Federal revenues from grant sources were \$1.9M below budget, but \$3.3M more than the prior year. Federal grant revenues that were larger than the prior year include: IDEAB for special education up \$300K, Title I for disadvantaged students up \$4.2M; grant revenues that were smaller than the prior year include: Title II for teacher and principal professional development down \$880K, and Head Start for early learners down by \$174K.

Expenditures in the general fund were less than planned. While spending in all categories except for capital outlay were above the prior year, expenditures were well below budget. Certificated and classified salaries and benefits were underspent as a result of unfilled or late-filled positions. Supply and material expenditures were \$5M under budget – this category included unused budget capacity for grants and carryover allocations from prior years. Purchased services and travel costs were slightly above budget; and capital outlay costs were below budget as plant equipment replacement expenditures came in below expectations. The district had also budgeted capacity (both revenue and expenditure) for state and federal grants that did not materialize.

Other financing sources were \$391K, \$1.1M below budget. The district had a planned transfer of \$1.5M from the capital projects fund to the general fund for district-wide technology software licenses as permitted under state statute, however only \$360K in eligible software licenses was transferred between the funds. The remaining amount represents surplus equipment proceeds (\$30K).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2014-15, the district had \$748.7 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 \$9.5M over last year.

Capital Assets As of August 31, 2015

Asset Type	2014-15 Governmental Activities		
	Historical Cost	Accumulated Depreciation	NET
Land	42,745,423	-	42,745,423
Building and Improvements	979,375,690	(308,059,708)	671,315,982
Equipment	41,600,675	(36,692,446)	4,908,229
Construction-in-progress	29,687,974	-	29,687,974
TOTALS	\$ 1,093,409,762	\$ (344,752,154)	\$ 748,657,608

Several schools listed for replacement or modernization with the 2013 capital bond issue were in design phase in 2014-15. Additional information can be found in the Notes to the Financial Statements, Note 4.

Construction in Progress - Changes from Prior Year:

Elementary Schools	\$ (17,754,968)
Middle Schools	6,065,229
High Schools	5,438,516
	<hr/>
	\$ (6,251,223)

The district's 2014-15 fiscal year budget for capital projects fund expenditures was set at \$84.1M. Planning and design are underway for the Science & Math Institute, Wainwright Intermediate School, Arlington Elementary, Browns Point Elementary, and Mary Lyon Elementary. Construction is in full swing at Wilson High School – this project has been expanded and its budget increased by \$60M to include the music building and track and field upgrades. Construction also began at Stewart Middle School and McCarver Elementary School in the summer of 2015. McCarver and Stewart are both historical buildings; McCarver is scheduled to reopen in the fall of 2016, and Stewart will reopen in the fall of 2017.

These projects and others are financed through the 2013 (\$500M) capital bonds approved by voters. Additional information on capital assets is included in the Notes to the Financial Statements, Note 5.

The district maintains a fleet of 73 yellow buses to serve its Special Education routes, and these buses are purchased from the Transportation Vehicle Fund. In 2000, the district began a long-term bus replacement plan which was meant to be self-supporting through the use of state bus depreciation payments. In 2014-15, the district received \$627K in bus depreciation payments from the state. The district purchased 13 buses for \$1.6M in 2014-15 in an effort to catch up on its bus replacement plan and keep its fleet of yellow buses current.

Debt

At year end, the district owed \$335.7M in outstanding bonds, versus \$300.3M last year – an increase of \$35.4M. This debt is secured by a pledge of the full faith and credit of the district. On September 23, 2015, Moody's Investors Services confirmed the district's underlying rating of Aa2 and enhanced rating of Aa1. Standard & Poor's confirmed its AA- unenhanced rating to the district on September 25, 2015; and confirmed a long term rating of AA+. The credit ratings for the district haven't changed since the last review in October, 2014. More detailed information on the district's debt can be found in Note 7 of the notes to the financial statements.

Outstanding Debt at Year-End

Governmental Activities	2014-15	2013-14	Increase/(Decrease)	
2005 Refunding of 2001 UTGO	110,515,000	122,965,000	(12,450,000)	-10.12%
2012 Refunding of the 03, 05, 05A UTGO's	72,570,000	78,475,000	(5,905,000)	-7.52%
2013 Bond Anticipation Note	-	98,865,000	(98,865,000)	-100.00%
2014 UTGO	152,625,000	-	152,625,000	100.00%
TOTALS	335,710,000	300,305,000	35,405,000	11.79%

NEXT YEAR'S BUDGET AND RATES

The district's 2015-16 expenditure budgets for governmental funds were set at over \$746M. The 2015 property tax rate decreased from \$7.76 (2014) to \$7.69 (2015) per thousand dollars of assessed value for the amounts collected in the general fund, capital projects fund, and debt service fund. Total assessed value

increased by over 7 percent between 2014 and 2015, and property values increased from \$17.44B to \$18.83B over the calendar year. Property values continue to improve in 2016, and the increased assessed value was at a point that the district could move the Bond Anticipation Note into permanent debt and still maintain its targeted rates per \$1,000 of assessed valuation.

ECONOMIC FACTORS

The district serves the City of Tacoma and small outlying areas in Pierce County. Pierce County's economy is expected to continue to grow slowly, as it has for the last several consecutive quarters. The Pierce County Economic Index is forecast to end 2015 up by 1.9 percent for the year, and forecasts for 2016 show annualized gains of 1.8 percent.

Two uncertainties in the Pierce County economy have been resolved. Troop drawdowns at Joint Base Lewis McChord (JBLM) are limited to 1,250 soldiers – substantially less than the 11,000 reduction in force that was announced as possible. In Tacoma, voters passed implementation of a graduated increase to the city's minimum wage to \$12 by 2018.

Employment growth continues to be sluggish, as compared to the rest of Washington and to Pierce County's own economic history. A 3.5 percent increase in employment from year to year saw increases in healthcare, education, finance, professional services, retail and transportation. The leisure and tourist industry was most noticeable in its relative growth, though the actual numbers in this area are small. Weaker performance continues in manufacturing and construction. Public jobs remain the second largest source of employment for county residents, and government employment is unlikely to grow going forward.

The King County labor market continues to be an important source of employment for Pierce County residents. Twenty percent of the Pierce County's total personal income in 2014 came from commuters. Employment growth is expected at about 3.6 percent in 2015, or about 10,000 jobs. In 2016, growth is expected to be about 3.4 percent, for a total of 309,000 jobs at the end of the year. The unemployment rate has fallen from a peak of 10.7 percent in the second quarter of 2010, to an average of 6.8 percent in 2015. Unemployment is expected to drop slightly by about 0.8 percent from 2015 to 2016.

Pierce County's retail spending has seen a strong resurgence since 2013. Retail sales have continued their positive trend through the end of 2015, with evidence of strong holiday retail sales. Retail sales in 2016 are expected to grow to 5.1 percent and should reach \$6.6B in 2009 dollars.

Home foreclosures are up as of October, 2015 as compared with 2014. Personal bankruptcy filings have declined about 17 percent as compared with 2014. At best, it is forecast that the local housing market won't regain 2003 pre-bubble levels until late in 2016. Home prices increased by 8.3 percent in 2015, and a 4.2 percent gain is forecast for 2016. Negative equity rates have improved to 14.2 percent of houses at the end of the third quarter, 2015. Pierce County housing continues to remain relatively inexpensive as compared to King County.

In September 2014, the court ruled the state was in contempt of court for failing to comply with a previous court order, which required the state to submit a plan for fully implementing funding for the prototypical school model for the current year through 2017-18. The court has retained jurisdiction of this McCleary case to monitor the state's progress. In August, 2016, the courts fined the state \$100,000 per day for non-compliance.

In January, 2017, the state House passed a bill instructing the 2017 Legislature to finish repairing the way the state pays for public schools; the state Senate has yet to approve this measure. The measure would setup a task force to find a solution to the state's overreliance on local levies to pay for basic education and

related questions concerning teacher pay. The governor remains optimistic the Legislature will reach a bipartisan agreement on education funding reform.

For 2014-15, state apportionment revenues increased as a result of the McCleary court decision directing the state to fully fund basic education. State apportionment revenues increased by almost \$7M from the prior year – a combination of student enrollment up 310 FTE from the prior year, and the increase in the prototypical school funding model. Additional funding for student transportation, all-day kindergarten, smaller class sizes, and classroom supplies were included with the increase in the state apportionment revenues.

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

REQUESTS FOR INFORMATION

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

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

Tacoma School District No. 10

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position 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 Position displays the “*assets plus deferred outflows less liabilities plus deferred inflows equal net position*” format.

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

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

TACOMA SCHOOL DISTRICT No. 10
STATEMENT OF NET POSITION
August 31, 2015

			Primary Government
	Note No.		Governmental Activities
ASSETS			
Cash and Cash Equivalents	I.F.1	\$	9,115,774
Investments	2.A		213,446,000
Property Tax Receivable	I.F.2		70,148,084
Receivables, Net	I.F.3		196,043
Due From Other Governments	I.F.5		5,481,206
Inventories	I.G		2,699,973
Prepaid Items	I.G		731,861
Capital Assets, net of accumulated depreciation, where applicable:	4		
Land			42,745,423
Buildings & Improvements			671,315,982
Equipment			4,908,229
Construction-in-Progress			29,687,974
TOTAL ASSETS			1,050,476,549
DEFERRED OUTFLOW OF RESOURCES			
Pension Plan Experience Difference	6		5,771,782
Pension Plan Assumption Changes	6		37,027
Pension Plan Contributions	6		3,510,842
TOTAL DEFERRED OUTFLOW OF RESOURCES			9,319,651
LIABILITIES			
Accounts Payable			20,506,490
Accrued Wages & Benefits Payable			13,662,142
Deferred Revenue			126,154
Net Pension Liability	7.A		168,271,443
Long-Term Liabilities	7.A		
Due within one year			37,778,382
Due in more than one year			409,042,847
TOTAL LIABILITIES			649,387,458
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	1.J		870,755
Pension Plan Changes in Proportions	6		497,997
Pension Plan Investment Earnings & Changes in Proportion(net difference)	6		23,456,688
TOTAL DEFERRED INFLOWS OF RESOURCES			24,825,440
NET POSITION			
Net Investment in Capital Assets			492,723,196
Restricted for:			
Associated Student Body			1,941,337
Capital Projects			18,073,268
Debt Service			15,553,166
The Sound Partnership Employee Benefit Trust			7,444,100
State Grants			716,647
Unrestricted			(150,868,412)
TOTAL NET POSITION		\$	385,583,302

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, 2015

					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
Primary Government:					
Governmental Activities:					
Regular Instruction	\$ 204,605,892	\$ 1,769,244	\$ 89,013,987	\$ 323	\$ (113,822,340)
Federal Stimulus	12,901	-	2,940	-	(9,961)
Special Instruction	48,295,312	2,254,024	36,695,918	938	(9,344,431)
Career & Technical Instruction	11,890,668	137,817	12,370,970	91,919	710,038
Compensatory Instruction	34,220,184	8,042	34,763,768	31,694	583,320
Other Instructional Programs	6,555,962	961,123	1,848,786	15,768	(3,730,285)
Community Services	569,669	640,639	122,889	1,129	194,988
Support Services	75,439,637	2,421,661	22,644,844	270,869	(50,102,263)
Extracurricular Activities (ASB)	1,871,077	1,869,533	-	-	(1,544)
Interest Payment on Long-Term Debt	13,429,084	-	-	-	(13,429,084)
Total Governmental Activities	\$ 396,890,384	\$ 10,062,083	\$ 197,464,102	\$ 412,640	\$ (188,951,561)

General Revenues:

Taxes:

Property taxes, levies for maintenance and operations	85,484,428
Property taxes, levies for debt service	42,648,706
Property taxes, levies for capital projects	13,065,701
Unallocated State Apportionment & Others	69,361,658
Interest and Investment earnings	474,073

Total General Revenues**211,034,566****Changes in Net Position****22,083,008****Net Position - Beginning**

551,079,980

Cumulative Effect of Change in Accounting Principle (Pensions)

(187,579,682)

Adjusted Net Position-Beginning

363,500,298

Net Position - Ending**\$ 385,583,302**

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, 2015

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECT FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:						
Cash on Hand and in Bank	\$ 1,241,947	\$ 48,263	\$ 200,583	\$ 67,480	\$ 1,009	\$ 1,559,281
Investments	52,764,000	2,079,000	15,316,000	141,037,000	2,250,000	213,446,000
Property Tax Receivable	42,077,928	-	23,016,437	5,053,718	-	70,148,084
Accounts Receivable, Net	147,792	6,672	-	-	-	154,465
Interest Receivable	201	8	59	41,302	8	41,578
Interfund Receivable	1,364,185	2,577	-	-	-	1,366,762
Due From Other Government Units	4,720,746	75	-	760,385	-	5,481,206
Inventories at Cost	2,682,181	17,792	-	-	-	2,699,973
Prepaid Items	654,034	-	-	-	-	654,034
TOTAL ASSETS	105,653,014	2,154,387	38,533,080	146,959,885	2,251,018	295,551,384
LIABILITIES:						
Accounts Payable	8,287,215	107,676	-	9,326,185	-	17,721,076
Accrued Wages & Benefits Payable	13,633,271	-	-	28,871	-	13,662,142
Interfund Payable	2,487	4,126	-	1,360,149	-	1,366,762
Unearned Revenue - Other	126,154	-	-	-	-	126,154
TOTAL LIABILITIES	22,049,127	111,802	-	10,715,205	-	32,876,135
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue	769,507	101,248	-	-	-	870,755
Unavailable Revenue - Property Taxes	42,077,928	-	23,016,437	5,053,718	-	70,148,084
TOTAL DEFERRED INFLOWS OF RESOURCES	42,847,435	101,248	23,016,437	5,053,718	-	71,018,838
FUND BALANCES						
Nonspendable	3,336,215	-	-	-	-	3,336,215
Restricted						
Restricted for Cover of Restricted Revenues						716,647
Restricted for Construction	716,647	-	-	-	-	119,003,450
Restricted for Debt Service	-	-	-	119,003,450	-	15,553,165
Restricted to Fund Purposes	36,523	-	15,516,643	-	-	4,192,355
Restricted for Technology	-	1,041,337	-	-	2,251,018	11,521,293
Committed						
Committed to Other Purposes	1,000,000	-	-	-	-	1,000,000
Assigned						
Assigned to Encumbrances	627,218	-	-	-	-	627,218
Assigned to Budget Carryover	4,177,037	-	-	-	-	4,177,037
Assigned to Future Operations	11,356,471	-	-	-	-	11,356,471
Assigned to Curriculum & Instruction	5,322,060	-	-	-	-	5,322,060
Assigned to Fund Purposes	-	-	-	666,219	-	666,219
Unassigned						
Unassigned for Minimum Fund Balance Policy	14,184,280	-	-	-	-	14,184,280
TOTAL FUND BALANCES	40,756,452	1,941,337	15,516,643	131,190,962	2,251,018	191,656,411
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 105,653,014	\$ 2,154,387	\$ 38,533,080	\$ 146,959,885	\$ 2,251,018	\$ 295,551,384

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

TACOMA SCHOOL DISTRICT No. 10
RECONCILIATION
BALANCE SHEET/STATEMENT OF NET POSITION
August 31, 2015

	Total Governmental Funds	Long-Term Assets, Liabilities *	Internal Service Fund *	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS					
Cash on Hand and in Bank	\$ 1,559,281	\$ -	\$ 7,556,493	\$ -	\$ 9,115,774
Investments	213,446,000	-	-	-	213,446,000
Property Tax Receivable	70,148,084	-	-	-	70,148,084
Receivables, Net	196,043	-	-	-	196,043
Interfund Receivable	1,366,762	-	-	(1,366,762)	-
Due From Other Governments	5,481,206	-	-	-	5,481,206
Inventories	2,699,973	-	-	-	2,699,973
Prepaid Items	654,034	-	77,827	-	731,861
Capital Assets, Net (land, bldg, eqmt)	-	748,657,608	-	-	748,657,608
TOTAL ASSETS	295,551,382	748,657,608	7,634,320	(1,366,762)	1,050,476,549
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan Experience, Assumption Changes & Plan Contributions	-	9,319,651	-	-	9,319,651
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	9,319,651	-	-	9,319,651
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	295,551,382	757,977,259	7,634,320	(1,366,762)	1,059,796,200
LIABILITIES					
Accounts Payable	17,721,076	2,595,194	190,220	-	20,506,490
Wages, Benefits & Other Payables	13,662,142	-	-	-	13,662,142
Interfund Payable	1,366,762	-	-	(1,366,762)	-
Unearned Revenue	126,154	-	-	-	126,154
Long-Term Liabilities - Pension	-	168,271,443	-	-	168,271,443
Long-Term Liabilities - Not Pension	-	446,821,229	-	-	446,821,229
TOTAL LIABILITIES	32,876,134	617,687,866	190,220	(1,366,762)	649,387,458
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	870,755	-	-	-	870,755
Unavailable Revenue - Property Taxes	70,148,084	(70,148,084)	-	-	-
Pension Plan Investment Earnings & Changes in Proportions	-	23,954,685	-	-	23,954,685
TOTAL DEFERRED INFLOWS OF RESOURCES	71,018,838	(46,193,399)	-	-	24,825,440
NET POSITION					
Total Fund Balances	191,656,411	186,482,792	7,444,100	-	385,583,302
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 295,551,384	757,977,259	\$ 7,634,320	\$ (1,366,762)	\$ 1,059,796,200

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, 2015

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Local	\$ 92,325,013	\$ -	\$ 42,668,905	\$ 13,657,646	\$ 2,792	\$ 148,654,356
State	221,087,202	-	-	2,072,302	626,757	223,786,261
Federal	38,091,289	-	-	-	-	38,091,289
Miscellaneous	3,423,513	1,875,430	-	62,104	-	5,361,047
TOTAL REVENUES	354,927,017	1,875,430	42,668,905	15,792,052	629,548	415,892,953
EXPENDITURES						
Current Operating:						
Regular Instruction	178,604,394	-	-	-	-	178,604,394
Federal Stimulus	2,818	-	-	-	-	2,818
Special Instruction	46,461,341	-	-	-	-	46,461,341
Career & Technical Instruction	11,399,640	-	-	-	-	11,399,640
Compensatory Instruction	32,905,572	-	-	-	-	32,905,572
Other Instructional Programs	6,288,925	-	-	-	-	6,288,925
Community Services	553,050	-	-	-	-	553,050
Support Services	70,460,303	-	-	-	-	70,460,303
Student Activities	-	1,869,533	-	-	-	1,869,533
Debt Service:						
Principal	-	-	117,220,000	-	-	117,220,000
Interest and Other Charges	-	-	13,671,410	-	-	13,671,410
Capital Outlay:						
Other	412,640	-	-	40,293,016	1,571,020	42,276,676
TOTAL EXPENDITURES	347,088,682	1,869,533	130,891,410	40,293,016	1,571,020	521,713,662
Excess (Deficiency) of Revenues						
Over Expenditures	7,838,335	5,897	(88,222,505)	(24,500,964)	(941,472)	(105,820,709)
OTHER FINANCING SOURCES (USES)						
Bonds, Sales	-	-	-	80,000,000	-	80,000,000
Bonds, Premium on Sales	-	-	-	671,616	-	671,616
Bonds, Deposit to Refunding Account	-	-	94,365,000	-	-	94,365,000
Proceeds from Sale of Real Property	-	-	-	-	-	-
Proceeds from Sale of Surplus Equipment	30,245	-	-	-	3,954	34,199
Transfers	360,331	-	-	(360,331)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	390,576	-	94,365,000	80,311,285	3,954	175,070,815
NET CHANGE IN FUND BALANCE	8,228,912	5,897	6,142,495	55,810,321	(937,518)	69,250,106
Fund Balance - Beginning	32,527,540	1,935,440	9,374,148	75,380,640	3,188,536	122,406,304
Fund Balance - Ending	\$ 40,756,452	\$ 1,941,337	\$ 15,516,643	\$ 131,190,962	\$ 2,251,018	\$ 191,656,410

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
For the Fiscal Year Ended August 31, 2015

	Total Governmental Funds	Long-Term Revenue, Expenses *	Capital Related items *	Internal Service Fund *	Long-Term Debt Transactions *	Statement of Activities Totals
REVENUES AND OTHER SOURCES						
Property Taxes	\$ 141,198,835	\$ 3,046,239	\$ -	\$ -	\$ -	\$ 144,245,074
Local Non-Taxes	7,455,521	-	-	-	-	7,455,521
State	223,786,261	-	-	-	-	223,786,261
Federal	38,091,289	-	-	-	-	38,091,289
Miscellaneous	5,361,047	-	-	-	-	5,361,047
Other Sources:						
Bonds, Sales	80,000,000	-	-	-	(80,000,000)	-
Bonds, Premium on Sale	671,616	-	-	-	(671,616)	-
Bonds, Deposit to Refunding Account	94,365,000	-	-	-	(94,365,000)	-
Proceeds from Sale of Surplus Eqmt	34,199	-	-	-	-	34,199
TOTAL	590,963,768	3,046,239	-	-	(175,036,616)	418,973,391
EXPENDITURES/EXPENSES						
Current:						
Regular Instruction	178,604,394	1,610,882	18,367,723	(481,264)	-	198,101,735
Federal Stimulus	2,818	26	9,655	(8)	-	12,491
Special Instruction	46,461,341	419,047	4,872	(125,194)	-	46,760,066
Career & Technical Instruction	11,399,640	102,817	40,939	(30,717)	-	11,512,679
Compensatory Instruction	32,905,572	296,784	18,680	(88,667)	-	33,132,369
Other Instructional Programs	6,288,925	56,722	18,855	(16,946)	-	6,347,556
Community Services	553,050	-	-	(1,490)	-	551,560
Support Services	70,460,303	640,489	2,167,099	(189,861)	(36,523)	73,041,507
Student Activities	1,869,533	-	1,544	-	-	1,871,077
Debt Service:						
Principal	117,220,000	-	-	-	(117,220,000)	-
Interest and Other Charges	13,671,410	-	-	-	(242,326)	13,429,084
Capital Outlay **	42,276,676	-	(30,146,417)	-	-	12,130,260
Other Uses:						
Bonds, Deposit to Refunding Account	-	-	-	-	-	-
TOTAL EXPENDITURES/EXPENSES	521,713,662	3,126,767	(9,517,050)	(934,147)	(117,498,849)	396,890,384
NET CHANGE FOR THE YEAR	\$ 69,250,106	\$ (80,528)	\$ 9,517,050	\$ 934,147	\$ (57,537,767)	\$ 22,083,008

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 Standards Board (GASB), Statement No. 10 (Risk Financing).

TACOMA SCHOOL DISTRICT No. 10
PROPRIETARY FUND (The Sound Partnership)
STATEMENT OF NET POSITION
August 31, 2015

	Governmental Activities	
	Internal Service Fund	
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	7,556,493
Prepaid Insurance		77,827
TOTAL ASSETS		7,634,320
LIABILITIES		
Current Liabilities		
Accounts Payable		190,220
TOTAL LIABILITIES		190,220
NET POSITION		
Unrestricted		7,444,100
TOTAL NET POSITION	\$	7,444,100

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

TACOMA SCHOOL DISTRICT No. 10
PROPRIETARY FUND (The Sound Partnership)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

	Governmental Activities	Internal Service Fund
OPERATING REVENUES		
Premium Contributions	\$ 41,319,690	
Other Income		419
TOTAL OPERATING REVENUES		41,320,109
OPERATING EXPENSES		
Insurance Premiums	37,276,508	
Benefit Claims	2,395,128	
Administrative Expenses	696,097	
Working on Wellness	18,229	
TOTAL OPERATING EXPENSES		40,385,962
OPERATING INCOME (LOSS)		934,147
CHANGE IN NET POSITION		934,147
NET POSITION - BEGINNING		6,509,953
NET POSITION - ENDING	\$	7,444,100

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, 2015

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Premium Contributions	\$ 41,319,690
Miscellaneous Receipts	419
Prepaid Insurance	33,366
Benefits Claims	(2,403,212)
Insurance Premium Payments	(37,379,466)
Administrative	(696,097)
Miscellaneous Payments	(18,229)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	856,471
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	856,471
BALANCES - BEGINNING OF THE YEAR	6,700,022
BALANCES - END OF THE YEAR	\$ 7,556,493
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ 934,147
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Prepaid Expenses	33,366
Increase (Decrease) in Liabilities	(111,042)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 856,471

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

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Tacoma School District No. 10

Fiduciary Funds Financial Statements

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

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

TACOMA SCHOOL DISTRICT No. 10
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
August 31, 2015

	Private-Purpose Trusts
ASSETS	
Cash and Cash Equivalents	\$ 4,044
Investments at Fair Value	440,000
Accounts Receivable	35,018
TOTAL ASSETS	479,061
LIABILITIES	
Accounts Payable	(5,874)
TOTAL LIABILITIES	(5,874)
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue	2,705
TOTAL DEFERRED INFLOWS OF RESOURCES	2,705
NET POSITION	
Held in Trust for Scholarships and Student Aid	482,231
TOTAL NET POSITION	\$ 482,231

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

TACOMA SCHOOL DISTRICT No. 10
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

	Private-Purpose Trusts
ADDITIONS	
Donations	\$ 264,654
TOTAL ADDITIONS	264,654
DEDUCTIONS	
Scholarships	59,206
Tuition and Fees	2,168
Supplies & Materials	60,292
Field Trips	33,808
Purchased Services	1,566
Salaries & Benefits	5,752
TOTAL DEDUCTIONS	162,792
CHANGE IN NET POSITION	101,862
Net Position, Beginning of the year	380,368
Net Position, End of the year	\$ 482,231

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	Commitments Under Leases
Note 9	Risk Management
Note 10	Reconciliation between Government-Wide Financial Statements and Governmental Fund Financial Statements
Note 11	Fund Equity
Note 12	Contingent Liabilities
Note 13	Litigation
Note 14	Subsequent Events

TACOMA SCHOOL DISTRICT No. 10
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 1, 2014 through August 31, 2015

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

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

The Sound Partnership
601 South 8th Street
Tacoma, Washington 98405

B. BASIS OF PRESENTATION

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

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The government-wide financial statements consist of the following:

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

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

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

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

The fiduciary fund is not presented in the government-wide financial statements. It is presented separately in Schedules 8 and 9.

2. FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Fund (Associated Student Body Fund)

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

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

Debt Service Fund

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

Capital Projects Funds

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

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

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

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

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

Private Purpose Trust Fund

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

MAJOR AND NON-MAJOR FUNDS

The district considers all governmental funds "major funds".

C. BUDGETS AND BUDGETARY ACCOUNTING

GENERAL BUDGET POLICIES

The Tacoma School District budgets its funds in accordance with the Revised Code of Washington Chapter 28A.505 and Chapter 392-123 of the Washington Administrative Code (WAC). The board adopts the budget after public hearings. An appropriation is a prerequisite to expenditure. Appropriations lapse at the end of the fiscal period. Annual appropriated budgets are adopted at the fund level. Each governmental fund's total expenditures cannot, by law, exceed its formal fund appropriation. Management is authorized to modify specific accounts within the overall fund appropriation. However, only the board has the authority to increase or decrease a given fund's annual budget. The board may adopt a revised or supplemental budget appropriation after public hearings anytime during the fiscal year. There were no revisions at the fund level during fiscal year 2014-15.

In June, 2015 the Debt Service Fund interest payments exceeded the budgeted amount by \$3,656,921, and this overspent the entire 2014-15 Debt Service Fund's budget by \$3,157,085. The district refunded bonds in November, 2014 which caused a change in the scheduled interest payments from what was originally budgeted. While there was plenty of cash in the Debt Service Fund to make these increased payments, the budget wasn't amended to reflect the change.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders) outstanding at year end are reported as assigned fund balances in the general fund and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. No encumbrances are assigned in the other governmental funds as any encumbrances are included in other categories of fund balance, e.g. assigned to fund purposes, restricted to fund purposes, etc.

BUDGETARY BASIS OF ACCOUNTING

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

ENCUMBRANCES

Encumbrance accounting is employed in governmental funds. Purchase orders and other commitments for the expenditure of moneys are recorded in order to reserve a portion of the applicable appropriation. Encumbrances lapse at the end of the fiscal year and may be re-encumbered the following year. General Fund encumbrances in the amount of \$627,218 were re-encumbered on September 1, 2015.

Significant encumbrances in the general fund include summer maintenance and repairs that weren't quite complete at August 31st, furniture and equipment backorders, incomplete contracts for services, and supply orders placed late in the year.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

MEASUREMENT FOCUS

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

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

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

The private-purpose trust fund is reported on the accrual basis of accounting.

BASIS OF ACCOUNTING

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

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

E. ELIMINATIONS AND RECLASSIFICATIONS

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

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

2. Property Taxes

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

3. Accounts Receivable

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

4. Interfund Receivables/Payables

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 governments. Grant revenues are recorded in the year in which the related expenditures are incurred.

G. INVENTORIES AND PREPAID ITEMS

The warehouse inventory is valued at cost using the weighted average method perpetual inventory system. The "consumption method" of inventory is used, which charges the inventory accounts when inventory is received and charges the appropriate department as expenditures when consumed. The Nonspendable – Inventory & Prepaid Items fund balance categorization reflects the district's recorded inventories and prepaid items on the balance sheet. These are assets of the district that are not in spendable form.

United States Dept. of Agriculture (USDA) commodities consist of food donated by the USDA for use in the district's nutrition services program. The commodities are valued at the prices paid by the USDA for the commodities, and are included in the general fund inventory. At August 31, 2015, the value of the USDA commodities included in this district's inventory was \$1,048,244.

Prepaid items consist of software licenses and other prepayments made late in 2014-15 for the new school year. Inventory amounts also include expendable supplies and equipment, generally purchased over the summer, and held for consumption until school begins in the fall. The costs are recorded as expenditures at the time individual inventory items are consumed.

H. BOND DISCOUNT, BOND PREMIUMS & ISSUANCE COSTS

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

I. CAPITAL ASSETS

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

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Buildings, building and site improvements, vehicles, and equipment owned by the district are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building & Site Improvements	20 years
Portable Buildings	25 years
Equipment & Vehicles	4-13 years

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The district has adopted the provisions of GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. The objective of these statements is to enhance the usefulness of financial reporting as described below.

In addition to assets and liabilities, the statement of financial position will report separate sections for deferred outflows and inflows of resources. As separate financial statement elements, *deferred inflows and outflows of resources*, represent flows of resources into and out of the district that apply to future period(s) and so will not be recognized as an inflow of resources (revenue) or outflow of resources (expenditures) until that time.

Unavailable revenues from prepayments on tuition, fees, and grants, and from property taxes are reported as a deferred inflow on the government fund statements; only the unavailable revenues from non-property tax sources are included on the government-wide statements. This amount is deferred and recognized as an inflow of resources in the period the amounts become available.

The new GASB 68 reporting requirements shows both deferred inflows and outflows of resources related to pensions on the government-wide statements. Please refer to Note 6 for more details.

K. COMPENSATED ABSENCES

1. Sick Leave

Under the provisions of RCW 28A.400.210, sick leave accumulated by district employees is paid at death or retirement at the rate of one day for each four days of accrued leave, limited to 180 accrued days. This chapter also provides for an annual buyout of an amount up to the maximum annual accumulation of twelve days for active employees. For buyout purposes, employees may accumulate such leave to a maximum of 195 days, including the annual accumulation, as of December 31st of each year. To qualify for the annual sick leave buy-back, the employee must have accumulated in excess of 60 days of sick leave as of January 1.

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

Sick leave is reported under long-term liabilities in the *Statement of Net Position*. For reporting purposes, 25 percent of the sick leave liability (up to 180 days) for those eligible for retirement is considered accrual. The amount of accrued sick leave as of August 31, 2015 was \$15,228,191 and reported as long-term liabilities in government-wide financial statements.

2. Vacation Leave

For the employees that receive vacation, vacation leave is accrued according to the particular bargaining agreement. Vacation pay, including benefits, that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the government fund that will pay it. It is computed at 100 percent of the accrued amount. The amount accrued for vacation leave as of August 31, 2015 was \$7,284,436 and reported as long-term liabilities in government-wide financial statements.

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

L. NET POSITION (Government-wide Financial Statements)

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

M. GOVERNMENTAL FUND BALANCES

Minimum Fund Balances. The district's Debt and Fiscal Board Policy 6015, and Fiscal Management Board Regulation 6015.1R provide the overall framework for fiscal management. To maintain reserves for cash flow, emergencies, and overall sound fiscal management, the district maintains fund balance reserves that are equal to 5 percent of the annual General Fund revenues, excluding other financing sources. The debt and fiscal reserves in the General Fund include: Assigned to Encumbrances, Non-spendable – Inventory & Prepaids, and Unassigned Fund Balance accounts. When resources meeting more than one of the classifications (excluding nonspendable) are comingled in an account, assuming an expenditure meets the constraints of the classification, the assumed order of spending is restricted first, committed second, assigned, and unassigned last.

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

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

Restricted Fund Balance. Amounts that are reported as Restricted are those resources of the district that have had a legal restriction placed on their use either from statute, WAC, or other legal requirements that are beyond the control of the board of directors. Restricted fund balance includes anticipated recovery of revenues that have been received but are restricted as to their usage. Outstanding encumbrances for the Associated Student Body Fund are included in the Restricted to Fund Purposes reserve; in the Capital Projects Fund, those outstanding encumbrances are included in the Restricted for Construction or the Restricted for Technology reserves.

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

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

In other governmental funds, Assigned Fund Balance represents a positive ending spendable fund balance once all restrictions and commitments are considered. These resources are only available for expenditure in that fund and may not be used in any other fund without formal action by the district's board of directors and as allowed by statute. In the General Fund, assigned fund balance designations include Assigned to Encumbrances which is the remaining amount on purchase orders from prior years, Assigned to Budget Carryover for carryover commitments, Assigned to Future Operations, and Assigned to Curriculum & Instruction for textbook adoptions.

The superintendent or the chief financial officer have the authority to create Assignments of Fund Balance, per Board Regulation 6015.1R.

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

In 2014-15, a change was made to present the General Fund's Committed to Minimum Fund Balance Policy reserve as an unassigned fund balance. This change was a recommendation based on GAAP interpretation, and a new unassigned fund balance account – Unassigned for Minimum Fund Balance Policy was created to present those reserves.

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

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

N. Summary of Significant Accounting Policies Changes for 2014-15

Pensions – for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. DEPOSITS AND INVESTMENTS

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

A. DEPOSITS

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

Distribution	Cash on Hand and in Bank	Investments
Governmental Funds	\$ 1,559,281	\$ 213,446,000
Sound Partnership	7,556,493	-
Total Government-Wide	9,115,774	213,446,000
Fiduciary Funds	4,044	440,000
Total Deposits & Investments	\$ 9,119,818	\$ 213,886,000

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

As of August 31, 2015, the total carrying amount of the district's investments was \$213,886,000 and this amount approximates fair value as defined by GASB Statement No. 31. Following is the composition of the investments held by the Pierce County Treasurer on behalf of the district:

Investment Type	Total Fair Value	Investment Maturities (in months)	
		Less than 1	More than 12
Local Government Investment Pool	\$ 146,886,000	\$ 146,886,000	\$ -
Federal Home Loan Bank	30,000,000	-	30,000,000
Federal Home Loan Mortgage Corp	37,000,000	-	37,000,000
Total	\$ 213,886,000	\$ 146,886,000	\$ 67,000,000

Interest Rate Risk – The Pierce County Treasurer's investment policy does not specifically address management of interest rate risk. The exposure to fair value losses arising from increasing interest rates is managed by 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, the district has the majority of its investments maturing on a short term basis (maturing in less than one year), except in the capital projects fund where longer term investments were made based on construction cash flow needs. When interest rates improve, the district will revisit making longer term investments in its non-capital funds.

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

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

Through the county investment policy, credit risk is managed by restricting county investments (which include the district's funds) to obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities; bankers acceptances; primary certificates of deposit issued by qualified public depositories designated by the Washington Public Deposit Protection Commission; the Washington State Local Government Investment Pool (LGIP); municipal bonds issued by the state or its local governments; and repurchase agreements collateralized by any previously authorized investments. Bankers' acceptances must be ranked in either of the two highest rating categories by Moody's Investor Service or Standard & Poor's. With the exception of U.S. Treasuries, Government agencies, instrumentalities, and the LGIP, no more than 20 percent of investments shall be from any single issuer. The credit quality distribution for securities with credit exposure are presented as a percentage of total investments is as follows:

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

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

B. CASH WITH FISCAL AGENT/TRUSTEES

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

Note 3. INTERFUND TRANSACTIONS

As of August 31, 2015, short-term interfund receivables and payables in governmental funds that resulted from various interfund transactions in governmental fund financial statements were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,364,185	\$ 2,487
Capital Projects Fund	-	1,360,149
Special Revenue Fund	2,577	4,126
Total	\$ 1,366,762	\$ 1,366,762

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

Planned transfers between funds are included in the budgeting process. A transfer from the Capital Projects Fund to the General Fund for district-wide technology transactions (\$360,331) was made in August.

Note 4. CHANGES IN CAPITAL ASSETS

Purchases of equipment with a unit cost over \$5,000 are capitalized and depreciated in *government-wide financial statements*. The district's property valuation of buildings and contents for insurance purposes was \$794,047,588 on August 31, 2015.

In 2014-15, it was discovered that transportation buses were being depreciated on a 4-year equipment basis, rather than the longer 13 year basis the state uses as its depreciation schedule for these vehicles. That depreciation schedule has been updated for this class of vehicle, and the 13 year schedule was applied to all buses in the asset system before these capital asset calculations were completed. The depreciation schedule change was minor and the amount was immaterial. The system adjusted the depreciation on the buses in 2014-15 and on forward.

	Primary Government			
	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 42,745,423	\$ -	\$ -	\$ 42,745,423
Construction-in-Progress	35,939,196	23,173,017	(29,424,239)	29,687,974
Total Capital Assets, not being depreciated	78,684,619	23,173,017	(29,424,239)	72,433,397
Capital Assets, being depreciated:				
Building and Improvements	945,965,003	34,259,871	(849,184)	979,375,690
Equipment	39,923,964	2,517,506	(840,795)	41,600,675
Total Capital Assets, being depreciated:	985,888,967	36,777,378	(1,689,979)	1,020,976,365
Less Accumulated Depreciation for:				
Building and Improvements	(289,448,421)	(19,100,643)	489,356	(308,059,708)
Equipment	(35,984,607)	(1,528,724)	820,884	(36,692,446)
Total Accumulated Depreciation	(325,433,028)	(20,629,367)	1,310,240	(344,752,154)
Total Capital Assets Being Depreciated, Net	660,455,939	16,148,011	(379,739)	676,224,211
Governmental Activities Capital Assets, Net	\$739,140,558	\$ 39,321,028	\$ (29,803,978)	\$ 748,657,608

Depreciation expense was charged to governmental activities as follows:

	Current Year Total
Regular Instruction	\$ 18,367,723
Special Instruction	4,872
Career & Technical Instruction	40,939
Compensatory Instruction	18,680
Other Instruction Programs	18,855
Support Services	2,167,099
ARRA	9,655
Extracurricular Activities (ASB)	1,544
	\$ 20,629,367

Note 5. CONSTRUCTION IN PROGRESS

School	Project	Project Authorization	Accumulated Expenditures to 8/31/2015
Elementary Schools			
McCarver	Modernization	39,000,000	6,366,451
Wainwright	New School	35,000,000	3,053,958
Arlington	New School	28,000,000	496,079
Browns Point	New School	31,000,000	9,055
Lyon	New School	29,000,000	416
Total Elementary Schools		162,000,000	9,925,959
Middle Schools			
Stewart	Modernization	58,000,000	7,184,503
Hunt	New School	48,000,708	2,270,094
Total Middle Schools		106,000,708	9,454,597
High Schools			
Science & Math Institute (SAMI)	New School	10,000,000	1,601,248
Wilson Phase 2	Modernization	52,500,000	8,706,170
Total High Schools		62,500,000	10,307,417
GRAND TOTAL		\$ 330,500,708	\$ 29,687,973

Note 6. PENSIONS

GENERAL INFORMATION

The DRS, a department within the primary government of the state of Washington, prepares a stand-alone comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each pension plan. The pension plan's basic financial statement is accounted for using the accrual basis of accounting. The measurement date of the pension plans is June 30. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of pension plans administered by DRS and additions to/deductions from the plans' net position have been determined on the same basis as they are reported by the plans.

Detailed information about the pension plans' fiduciary net position is available in the separately issued DRS CAFR. Copies of the report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Or, the online version is available here: www.drs.wa.gov/administrations/annual-report

For the year ended August 31, 2015, the district implemented Governmental Accounting Standards Board Pronouncement 68 (GASB 68). GASB 68 requires, among other provisions, that the district recognize its proportionate share of the DRS plans underfunded status. Within these financial statements, the district recognizes a charge against the August 31, 2014 Unrestricted Fund Balance of \$187,579,682. This amount was decreased to \$168,271,443 at August 31, 2015.

MEMBERSHIP PARTICIPATION

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

Membership participation by retirement plan as of June 30, 2015, was as follows:

Retirement Plan	Active Members	Inactive Vested Members	Retired Members
PERS 1	4,782	1,178	51,070
SERS 2	22,950	5,357	5,796
SERS 3	30,832	6,963	4,825
TRS 1	1,824	323	35,639
TRS 2	13,632	2,357	3,894
TRS 3	51,837	7,655	6,094

Data is as of last actuarial valuation date of June 30, 2014.

Source: Washington State Office of the State Actuary

MEMBERSHIP & PLAN BENEFITS

Certificated public employees are members of TRS. Classified 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. TRS 1 and PERS 1 are closed to new entrants.

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. TRS eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity.

TRS is comprised of three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefit of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined

benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may be legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

TRS Plan 1 provides retirement, disability and death benefits. TRS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the average final compensation (AFC), for each year of service credit, up to a maximum of 60 percent, divided by twelve. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two. Members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Other benefits include temporary and permanent disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

TRS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) per year of service for Plan 2 members and one percent AFC for Plan 3 members. The AFC is the monthly average of the 60 consecutive highest-paid service credit months. There is no cap on years of service credit. Members are eligible for normal retirement at the age of 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. TRS Plan 2/3 members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. TRS Plan 2/3 members who have 30 or more years of service credit, were hired prior to May 1, 2013, and are at least 55 years old, can retire under one of two provisions: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

TRS Plan 2/3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service. TRS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit.

Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

PERS Plan 1 provides retirement, disability and death benefits. PERS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's year of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service.

Members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

SERS is a cost-sharing multiple-employer retirement system comprised of two separate plans for membership purposes. SERS Plan 2 is a defined benefit plan and SERS Plan 3 is a defined benefit plan with a defined contribution component. SERS members include classified employees of school districts and educational service districts.

SERS is reported as two separate plans for accounting purposes: Plan 2/3 and Plan 3. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

Although members can only be members of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

SERS provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and one percent of AFC for Plan 3. The AFC is the monthly average of the member's 60 highest-paid consecutive service months before retirement, termination or death. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. SERS members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. SERS members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions, if hired prior to May 2, 2013: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

SERS members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service. SERS retirement benefits are also actuarially reduced to reflect the choice of survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

PLAN CONTRIBUTIONS

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2 and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The methods used to determine the contribution requirements are established under chapters 41.40, 41.32, and 41.35 RCW for PERS, TRS and SERS respectively. Employers do not contribute to the defined contribution portions of TRS Plan 3 or SERS Plan 3. Under current law the employer must contribute 100 percent of the employer-required contribution. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at six percent and does not vary from year to year.

The employer and employee (member) contribution rates for the PERS plan are effective as of July 1. SERS and TRS contribution rates are effective as of September 1. The pension plan contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

	7/1/15 Rate	7/1/14 Rate	
PERS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	11.18%	9.21%	
TRS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	13.13%	10.39%	
TRS 2			
Member Contribution Rate	5.95%	4.96%	
Employer Contribution Rate	13.13%	10.39%	
TRS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	13.13%	10.39%	**
SERS 2			
Member Contribution Rate	5.63%	4.64%	
Employer Contribution Rate	11.58%	9.82%	
SERS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	11.58%	9.82%	**

THE COLLECTIVE NET PENSION LIABILITY

The collective net pension liability for the pension plans school districts participated in are reported in the following table.

The Net Pension Liability as of June 30, 2015 (dollars in thousands):

	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Total Pension Liability	\$ 12,789,242	\$ 4,473,428	\$ 9,237,730	\$ 11,220,833
Plan fiduciary net position	\$ (7,558,312)	\$ (4,067,277)	\$ (6,069,588)	\$ (10,377,031)
Participating employers' net pension liability	\$ 5,230,930	\$ 406,151	\$ 3,168,142	\$ 843,802
Plan fiduciary net position as a percentage of the total pension liability	59.10%	90.92%	65.70%	92.48%

THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (NPL)

At June 30, 2015, the district reported a total liability of \$168,271,443 for its proportionate shares of the individual plans' collective net pension liability. The district's proportionate share of the collective net pension liability is based on annual contributions for each of the employers participating in the DRS administered plans. At June 30, 2015, the district's proportionate share of each plan's net pension liability is reported below:

June 30, 2015	PERS 1	SERS 2/3	TRS 1	TRS 2/3
District's Annual Contributions	\$ 131,435	\$ 5,192,860	\$ 549,512	\$ 15,337,818
Proportionate Share of the Net Pension Liability	\$ 25,000,282	\$ 12,201,867	\$ 104,008,565	\$ 27,060,729

At June 30, 2015, the school district's percentage of the proportionate share of the collective net pension liability was as follows and the change in the allocation percentage from the prior period is illustrated below.

Allocation %	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Current year proportionate share of the Net Pension Liability	\$ 25,000,282	\$ 12,201,867	\$ 104,008,565	\$ 27,060,729
Prior year proportionate share of the Net Pension Liability	\$ 22,847,190	\$ 6,468,881	\$ 98,308,281	\$ 10,434,903
Net difference %	9.42%	88.62%	5.80%	159.33%

ACTUARIAL ASSUMPTIONS

Capital Market Assumptions (CMAs) are expected rates of return by asset class are provided by the Washington State Investment Board. The Office of the State Actuary relied on the CMAs in the selection of the long-term expected rate of return for reporting purposes.

The total pension liabilities for TRS 1, TRS 2/3, PERS 1, and SERS 2/3 were determined by actuarial valuation as of June 30, 2014, with the results rolled forward to June 30, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
Investment rate of return	7.50%

MORTALITY RATES

Mortality rates used in the plans were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime. The actuarial assumptions used in the June 30, 2014, valuation were based on the results of the 2007-2012 Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2014 actuarial valuation report.

LONG-TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on pension plan investments was determined using a building-block method in which a best-estimate of expected future rates of return (expected returns, net pension plan investment expense, but including inflation) are developed for each major asset class by the Washington State Investment Board (WSIB). Those expected returns make up one component of WSIB's CMAs. The CMAs contain three pieces of information for each class of assets the WSIB currently invest in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

WSIB uses the CMAs and their target allocation to simulate future investment returns over various time horizons.

The long-term expected rate of return of 7.50 percent approximately equals the median of the simulated investment returns over a fifty-year time horizon, increased slightly to remove WSIB's implicit and small short-term downward adjustment due to assumed mean reversion. WSIB's implicit short-term adjustment, while small and appropriate over a ten to fifteen-year period, becomes amplified over a fifty-year measurement period.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015, are summarized in the following table:

TRS 1, TRS 2/3, PERS 1, and SERS 2/3		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

The inflation component used to create the above table is 2.20 percent, and represents WSIB's most recent long-term estimate of broad economic inflation.

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.50 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70 percent long-term discount rate to determine funding liabilities for calculating future contributions rate requirements. Consistent with the long-term expected rate of return, a 7.50 percent future investment rate on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to determine the total pension liability.

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The Pension Plans reported collective Deferred Outflows of Resources and collective Deferred Inflows of Resources related to the individual plans. At August 31, 2015, the district reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

PERS 1	Outflow	Inflow
Difference between expected and actual experiences in the measurement of the total pension liability	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,367,788)
Changes in Assumptions or other inputs	-	-
Changes in the school district's proportion and differences between the district contributions and proportionate share of contributions	-	-
District contributions to the pension plan subsequent to the measurement date of the collective net pension liability	23,543	-

SERS 2/3	Outflow	Inflow
Difference between expected and actual experiences in the measurement of the total pension liability	1,488,225	-
Net difference between projected and actual earnings on pension plan investments	-	(3,891,820)
Changes in Assumptions or other inputs	13,519	-
Changes in the school district's proportion and differences between the district contributions and proportionate share of contributions	-	(291,379)
District contributions to the pension plan subsequent to the measurement date of the collective net pension liability	782,466	-

TRS 1	Outflow	Inflow
Difference between expected and actual experiences in the measurement of the total pension liability	-	-
Net difference between projected and actual earnings on pension plan investments	-	(7,698,324)
Changes in Assumptions or other inputs	-	-
Changes in the school district's proportion and differences between the district contributions and proportionate share of contributions	-	-
District contributions to the pension plan subsequent to the measurement date of the collective net pension liability	53,292	-

TRS 2/3	Outflow	Inflow
Difference between expected and actual experiences in the measurement of the total pension liability	4,283,558	-
Net difference between projected and actual earnings on pension plan investments	-	(10,498,755)
Changes in Assumptions or other inputs	23,507	-
Changes in the school district's proportion and differences between the district contributions and proportionate share of contributions	-	(206,618)
District contributions to the pension plan subsequent to the measurement date of the collective net pension liability	2,651,541	-

\$3,510,842 reported as Deferred Outflows of Resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Pension Amortization By Plan

	PERS 1	SERS 2/3	TRS 1	TRS 2/3	PERS 2/3
2016	(530,108)	(1,118,908)	(2,985,812)	(3,199,102)	-
2017	(530,108)	(1,118,908)	(2,985,812)	(3,199,102)	-
2018	(530,108)	(1,118,908)	(2,985,779)	(3,199,134)	-
2019	222,535	675,269	1,259,078	2,743,437	-
2020	-	-	-	455,591	-
Thereafter	-	-	-	-	-

PENSION EXPENSE

The district recognizes a pension expense for its proportionate share of the collective pension expense. This is determined by using the district's proportional share of the collective net pension liability. For the year ending August 31, 2015, the district recognized a total expense as follows:

Plan	Pension Expense
PERS 1	\$ 25,000,282
SERS 2/3	12,201,867
TRS 1	104,008,565
TRS 2/3	27,060,729
Total	<u>\$ 168,271,443</u>

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The table below presents the Tacoma School District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate. Amounts are calculated by plan using the district's allocation percentage.

Sensitivity of the net pension liability to changes in the discount rate:			
Participating Plans for TRS, PERS, and SERS			
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
PERS1	\$ 6,368,671,000	\$ 5,230,930,000	\$ 4,252,577,000
%NPL	0.477932%	0.477932%	0.477932%
District's PERS1	\$ 30,437,908.9	\$ 25,000,281.9	\$ 20,324,421.1
SERS2/3	\$ 1,282,039,000	\$ 406,151,000	\$ (273,474,000)
%NPL	3.004269%	3.004269%	3.004269%
District's SERS2/3	\$ 38,515,895	\$ 12,201,867	\$ (8,215,894)
TRS1	\$ 3,982,571,000	\$ 3,168,142,000	\$ 2,467,801,000
%NPL	3.282951%	3.282951%	3.282951%
District's TRS1	\$ 130,745,874	\$ 104,008,565	\$ 81,016,710
TRS2/3	\$ 3,570,229,000	\$ 843,802,000	\$ (1,183,066,000)
%NPL	3.207000%	3.207000%	3.207000%
District's TRS2/3	\$ 114,497,238	\$ 27,060,729	\$ (37,940,925)

Note 7. LONG-TERM DEBT

A. CHANGES IN LONG-TERM LIABILITIES

Bonds payable on August 31, 2015 include the following: 2005 Refunded Bond Issue, 2012 Refunded Bond Issue, and the 2014 Unlimited Tax General Obligation Bond (UTGO). Interest on the Bonds is payable on June 1 and December 1.

In February 2013, the district passed a \$500M bond authority measure for construction projects. An 18-month, \$100M Bond Anticipation Note (BAN) was issued in June, 2013 to fund the first phase of construction. The BAN was due in December, 2014. The 2014 UTGO bond was issued for \$152.6M, and included funds to pay off the BAN as well as provide new money for the next phase of construction. Interest rates on the bonds are fixed at 1.0 to 5.0 percent. The 23 year bonds will be fully paid off in December, 2038.

Construction projects include replacement and new construction of Hunt and Stewart Middle Schools, Arlington, Mary Lyon, Grant, Wainwright, Downing, Browns Point, Birney, and Boze Elementary schools; modernization of Washington and McCarver Elementary schools; modernization or replacement of Wilson High School; construction of new facilities at the Science and Math Institute; and district-wide health and safety upgrades.

In prior years, the district defeased other general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on these old bonds. Accordingly, the trust account assets and the liability for the bonds defeased in prior years are not included in the district's financial statements.

In 2011-12, the district entered into an agreement with Daktronics Sports Marketing to design, manufacture, install, and market electronic scoreboards at Mt. Tahoma Stadium and Foss, Lincoln, Mt. Tahoma, Stadium and Wilson high school gymnasiums. The initial cost of the equipment was \$362,608, and a down payment of \$180,000 was made leaving a balance of \$182,608 to be financed. A financing plan with equal payments of \$43,792.30 will be made over the next five years with 10 percent interest charged. In 2014-15, the advertising revenue generated from the scoreboards provided enough funding to cover the interest and principal payments on the equipment.

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

Net Pension Liabilities is a new section on the Schedule of Long Term Liabilities. The district's share of the State of Washington's pension liability for the plans it participates in is included in the schedule. As the information was only provided to the district this year, the entire amount is listed as an addition to the schedule. More details are provided in Note 6 – Pensions.

During the year ended August 31, 2015, the following changes occurred in liabilities reported in the government-wide financial statements.

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due In One Year
GOVERNMENT ACTIVITIES					
Bonds and Contracts Payable:					
2005 Refunding of 2001 UTGO	122,965,000	-	12,450,000	110,515,000	13,470,000
2012 Refunding of '03,05,05A UTGO's	78,475,000	-	5,905,000	72,570,000	5,785,000
2013 Bond Anticipation Note	98,865,000	-	98,865,000	-	-
2014 UTGO	-	152,625,000	-	152,625,000	16,025,000
Long-Term Financing (Daktronics)	73,045	-	36,523	36,522	36,522
Total Bonds and Contracts Payable	300,378,045	152,625,000	117,256,523	335,746,522	35,316,522
Net Pension Liabilities:					
PERS Plan 1	-	25,000,282	-	25,000,282	-
SERS Plans 2/3	-	12,201,867	-	12,201,867	-
TRS Plan 1	-	104,008,565	-	104,008,565	-
TRS Plans 2/3	-	27,060,729	-	27,060,729	-
Total Net Pension Liabilities	-	168,271,443	-	168,271,443	-
Other Liabilities:					
Unamortized Bond Premium	14,150,500	22,411,616	968,993	35,593,124	451,603
Net OPEB Obligation	46,851,919	11,779,160	5,662,122	52,968,957	-
Compensated Absences	20,829,693	3,693,191	2,010,257	22,512,627	2,010,257
Total Other Liabilities	81,832,112	37,883,967	8,641,372	111,074,707	2,461,860
GRAND-TOTAL	\$ 382,210,157	\$358,780,410	\$ 125,897,895	\$ 615,092,672	\$ 37,778,382

B. BOND PREMIUM

The district sold Unlimited Tax General Obligation Bonds at a premium for the bond sales in 2012 and 2014. The Bond Anticipation Note in June, 2013 also sold at a premium. The premiums are being amortized over the life of the bonds. Below is a schedule showing the current year's change in unamortized premium costs:

Descriptions	Unamortized Premium Costs			
	Beginning Balance	Increase	Decrease	Ending Balance
2012 Unlimited Tax GO Bonds	\$ 13,368,578	\$ -	\$ 187,070	\$ 13,181,508
2013 Bond Anticipation Note	781,923	-	781,923	-
2014 Unlimited Tax GO Bonds	-	22,411,616	-	22,411,616
	\$ 14,150,500	\$ 22,411,616	\$ 968,993	\$ 35,593,123

C. DEBT SERVICE REQUIREMENT TO MATURITY

Year Ending August 31,	UTGO Bonds & Bond Anticipation Note		
	Principal	Interest	Total
2016	35,280,000	15,283,037	50,563,037
2017	19,435,000	14,342,012	33,777,012
2018	30,000,000	13,306,137	43,306,137
2019	30,220,000	11,891,112	42,111,112
2020	29,260,000	10,372,562	39,632,562
2021	13,065,000	9,113,412	22,178,412
2022	6,850,000	8,612,612	15,462,612
2023	10,795,000	8,198,787	18,993,787
2024	11,705,000	7,720,787	19,425,787
2025	12,500,000	7,215,162	19,715,162
2026	3,045,000	6,841,538	9,886,538
2027	3,195,000	6,685,538	9,880,538
2028	3,355,000	6,521,788	9,876,788
2029	3,520,000	6,349,913	9,869,913
2030	3,700,000	6,169,413	9,869,413
2031	8,955,000	5,853,038	14,808,038
2032	9,390,000	5,394,413	14,784,413
2033	9,855,000	4,913,288	14,768,288
2034	10,000,000	4,416,913	14,416,913
2035	14,755,000	3,798,038	18,553,038
2036	15,495,000	3,041,788	18,536,788
2037	16,270,000	2,247,663	18,517,663
2038	17,085,000	1,392,431	18,477,431
2039	17,980,000	471,975	18,451,975
TOTAL	\$ 335,710,000	\$ 170,153,357	\$ 505,863,357

D. ARBITRAGE REBATE

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

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

Note 8. COMMITMENTS UNDER LEASES

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 five-year lease agreement to rent space in downtown Tacoma for the expansion of the School of the Arts on September 1, 2012. Another five year property lease is also listed – the lease for additional parking space next to the Buildings & Grounds Department began in 2011, and will end in 2016. The following is a schedule of future minimum rental payments required under operating leases with initial or remaining non-cancellable lease terms of one year or more as of August 31, 2015.

Year Ended August 31	Amount
2015	\$243,942
2016	244,104
2017	216,996
Minimum payments required	\$705,042

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 Additions	Reductions	End. Balance
2014	\$ 669,910	357,421	468,108	\$ 559,223
2015	559,223	222,829	408,860	373,192

B. INDUSTRIAL INSURANCE

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

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

Fiscal Year	Beg. Balance	Industrial Insurance Additions	Reductions	End. Balance
2014	\$ 4,022,445	3,601,693	4,270,717	\$ 3,353,421
2015	3,353,421	3,124,411	4,313,530	2,164,302

C. RISK MANAGEMENT POOL

The district is a member of the Washington Schools Risk Management Pool (Pool). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in 1986 when educational service districts and school districts in the state of Washington joined together by signing the Cooperative Risk Management Pool Account Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Over 90 school and educational service districts have joined the Pool.

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

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

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

The Pool is fully funded by its member participants. The district paid \$1,947,279 for its annual premium contribution to WSRMP for its property and liability insurance coverage in 2014-15. The district had no significant reductions in insurance coverage from coverage in the prior year in any of its major risk categories. There were no insurance settlements that exceeded the district's insurance coverage.

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

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

D. EMPLOYEE BENEFITS

The district made payments totaling \$41,137,166 in 2014-15 to the Sound Partnership which is a health and welfare benefit trust fund. The Sound Partnership was established in 1984 to provide comprehensive medical, dental, vision, life, and long-term disability coverage for the district's qualified employees and dependents. The Board of Trustees consists of five management members appointed by the Tacoma School District and five labor members appointed by the Tacoma Education Association. In addition to all powers and authorities under common laws, statutory authority, and other provisions of the agreement between Tacoma School District and the Trust, the board has the power to manage, acquire and dispose of the assets of the Trust. The board also appoints a "plan administrator" designated as Executive Director who oversees the Trust's day-to-day operations.

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

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

The Sound Partnership maintains its financial records using the accrual basis of accounting. The total self-insured claims reported and approved for payments were \$2,403,212 and insurance premium payments were \$37,379,466 for the year; the total contributions from participants were \$41,319,690.

The total assets and liabilities of the Sound Partnership at August 31, 2015 were respectively \$7,634,320 and \$145,254.

The Sound Partnership		
Statement of Changes in Plan's Benefit Obligations		
	Year Ended	
	8/31/2015	8/31/2014
Amounts Currently Payable for Claims Participants		
Balance at beginning of year	\$ 47,150	\$ 118,878
Claims reported & approved for payment	2,398,844	2,447,631
Claims Paid	(2,401,028)	(2,519,359)
Balance at End of Year	44,966	47,150
Other Obligations for Current Benefit Coverage at Estimated Amounts		
Balance at beginning of year	124,300	109,400
Net Change during the year	(5,900)	14,900
Balance at End of Year	118,400	124,300
Plan's Total Benefit Obligation at End of Year	\$ 163,366	\$ 171,450

E. POST-EMPLOYMENT HEALTH CARE BENEFITS

All eligible district employees may participate in the health care insurance programs offered by the Sound Partnership after their separation from the district due to early retirement or termination. The COBRA program is a continuation of the health care benefits from the district. Eligible employees (former employees) and dependents may be on this plan for only 18 months. COBRA offers group rates, but the monthly cost of the continuation of the health care benefits is the responsibility of the former employee. There were 37 participants in the COBRA program as of August 31, 2015.

F. OTHER POST-EMPLOYMENT BENEFITS

The state, through the Health Care Authority (HCA), administers an agent multiple-employer defined benefit other post-employment benefit (OPEB) 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. PEBB establishes eligibility criteria for both active and retired employees. Benefits purchased by PEBB include medical, dental, life and long-term disability.

The relationship between the PEBB OPEB plan and its member employers and their employees and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are understood by the employers and plan members. This

understanding is based on communications between the HCA, employers and plan members, and the historical pattern of practice with regard to the sharing of benefit costs.

Employers participating in the PEBB plan include the state (which includes general government agencies and higher education institutions), 66 of the state's K-12 schools and educational service districts (ESDs), and 227 political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of the remaining 245 K-12 school districts and ESDs. The district's retirees are eligible to participate in the PEBB plan under this arrangement.

The Tacoma School District provides its retirees employer-provided subsidies associated with post-employment medical and life insurance benefits available through the PEBB. According to State law, the Washington State Treasurer collects a fee from all school district entities which are not current active members of the state Health Care Authority but participate in the state retirement system. As outlined by the State's operating budget, school districts were mandated to pay the state HCA \$66.64 per month per full-time equivalent employee in the 2014-15 fiscal year to support the program. This assessment to the district is subject to change annually. Participation in the PEBB is limited to the district's retirees.

Plan Description

Eligibility

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

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

Medical and Life Benefits

Upon retirement, members are permitted to receive medical benefits. Retirees pay the following monthly rates for pre-65 Medical coverage for 2015:

Descriptions	Employee	Employee & Spouse	Full Family
Group Health Classic	\$ 610.78	\$ 1,215.53	\$ 1,669.09
Group Health CDHP	522.80	1,034.28	1,374.14
Group Health SoundChoice	538.09	1,070.15	1,469.20
Group Health Value	573.99	1,141.95	1,567.92
Kaiser Permanente Classic	637.32	1,268.61	1,742.08
Kaiser Permanente CDHP	530.09	1,048.36	1,393.32
Uniform Medical Plan Classic	576.78	1,147.53	1,575.59
Uniform Medical Plan CDHP	522.47	1,033.62	1,373.24

The implicit rate subsidy is the difference between the total cost of pre-65 medical benefits for retirees and pre-65 contributions paid by retirees. Per member health costs vary depending on age, number of dependents, and expected morbidity.

Retirees who are enrolled in Medicare Parts A and B receive an explicit subsidy in the form of reduced premiums on Medicare supplemental plans. The final amount is approved by the state legislature. In calendar years 2014 and 2015, the explicit subsidy amount was up to \$150 per member per month.

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

	8/31/13	8/31/14	8/31/15
Determination of Annual Required Contribution			
Normal Cost at Year End	\$ 4,406,843	\$ 4,955,144	\$ 4,955,144
Amortization of UAAL	4,256,577	5,067,069	5,067,069
Annual Required Contribution (ARC)	8,663,420	10,022,213	10,022,213
Determination of Net OPEB Obligation			
Annual required Contribution	8,663,420	10,022,213	10,022,213
Interest on PY Net OPEB Obligation	1,352,417	1,532,817	1,756,947
Adjustment to ARC	(1,442,578)	(1,703,130)	(2,037,040)
Annual OPEB Cost	8,573,259	9,851,900	9,742,120
Less Contributions Made*	(3,762,602)	(3,875,090)	(3,625,082)
Increase in Net OPEB Obligation	4,810,657	5,976,810	6,117,038
Net OPEB Obligation - End of Year	\$ 40,875,109	\$ 46,851,919	\$ 52,968,957

* Estimated based on retiree benefit amounts.

The district's annual OPEB costs, the percentage of OPEB costs contributed to the plan, and the net OPEB obligations for 2015 were as follows:

	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
8/31/2013	\$ 8,573,259	43.89%	\$ 40,875,109
8/31/2014	\$ 9,851,900	39.33%	\$ 46,851,919
8/31/2015	\$ 9,742,120	37.21%	\$ 52,968,957

Funded Status and Funding Progress

As of August 31, 2014, the most recent actuarial valuation date, the plan was 0 percent funded. The accrued liability for benefits was \$121.6 million, and the actuarial value of assets was \$0, resulting in a UAAL of \$121.6 million.

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial Valuation Date	August 31, 2014
Actuarial Cost Method	Projected Unit Credit (PUC)
Amortization Method	Closed, level percentage of projected payroll amortization method
Remaining Amortization Period	24 years
Asset Valuation Method	N/A - no assets
Actuarial Assumptions:	
Investment rate of return	3.75%
Projected salary increases	3.75%
Health care inflation rate	5.6% initial rate, 4.9% ultimate rate after 2091
Inflation rate	3.75%

The UAAL (\$121,609,645) as a percentage of the covered payroll (\$187,350,086) at August 31, 2015 is 64.9 percent.

For further information on the results the actuarial valuation of the employer provided subsidies associated with the state's PEBB plan, refer to: http://osa.leg.wa.gov/Actuarial_services/OPEB/OPEB.htm. The plan does not issue a separate report, however, additional information is included in the State of Washington's CAFR, which is available on this site: <http://www.ofm.wa.gov/cafr/2015>.

G. POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS

457 Plan – Deferred Compensation Plan

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

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

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

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

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

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

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

- Cost of capital assets \$1,093,409,762
Accumulated Depreciation (344,752,154)
Net \$ 748,657,608
- Long-term liabilities of **\$615,092,672** (due within one year: \$37,778,382 due more than one year: \$577,314,290) applicable to the district's governmental activities are not due and payable in the current

period and accordingly are not reported as fund liabilities. All liabilities – both current and long-term – are reported in the Statement of Net Position.

3. Deferred Inflows of Resources for Pension Plan Investment Earnings and Changes in Proportions of **\$23,954,685** (\$23,456,688 for net difference in Pension Plan Investment Earnings plus \$497,997 in Pension Plan Changes in Proportions).

\$9,319,651 – Deferred Outflows of Resources for the pension plan experience, assumption changes, and plan contributions. Both are new categories for 2014-15 GASB 68 compliance.

4. Property tax levies (**\$70,184,084**) 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.
5. Interfund Receivables and Payables (**\$1,366,762**) – Internal transfers between governmental funds were eliminated in government-wide statements to avoid the "doubling-up" effect.
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 **\$7,634,320** and **\$190,220**) of the internal service fund are included in governmental activities in the Statement of Net Position.
7. Accrued interest payable on long-term debt is not reflected in fund financial statements. **\$2,595,194** of accrued interest on long-term debt is recorded in the Statement of Net Position.

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

1. **\$3,046,239** – 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 **\$3,126,767** represents the current year increases in compensated absences (\$1,682,934), other post-employment benefits (\$6,117,038), and the initial amount for net pension liability (-\$4,673,206) which are not reported in governmental funds. This amount is reported in the Statement of Activities as expenditures, allocated to various applicable programs.
3. a. When capital assets (land, buildings, equipment) are purchased or constructed to be used in Governmental Activities, the cost of those assets are reported as expenditures in Governmental Funds. The Statement of Net Position includes those capital assets among the assets of the district as a whole.

Capital Outlay	\$30,146,417
Depreciation Expense	(20,629,367)
Difference	\$ 9,517,050

- b. Governmental Funds Financial Statements report capital outlay as expenditures while Government-Wide Financial Statements report depreciation expense (\$20,629,367) allocated to various applicable programs.
4. **\$117,256,523** - Repayment of bond principal amounts (\$117,220,000) and the long-term financing principal payment on the Daktronics scoreboards (\$36,523) were reported as expenditures in governmental funds, and thus have the effect of reducing fund balance. For the district as a whole, however, the principal payments reduce the liabilities in the Statement of Net Position.
5. **\$175,036,616** – new 2014 unlimited tax general obligation bond (UTGO) and bond premium on the sales are recorded as other financing sources.

6. **\$242,326** – The bond premium reductions and the accrued interest payable increase on the long term debt (from July 1 – August 31) are charged to expenditures in Government-Wide Financial Statements. Below is a breakdown of the net amount.

Current year bond premium reduction	\$ 968,995
Accrued interest payable increase	(726,669)
	\$ 242,326

7. Internal service fund (The Sound Partnership) is used to provide medical, dental, and life insurances for the district's employees. The adjustments for the internal service fund "close" the fund by allocating the net gain (\$934,147).

Note 11. FUND EQUITY (GOVERNMENTAL FUNDS)

Fund balance as of August 31, 2015 is comprised of:

	Fund Equity (Governmental Funds)				
	General Fund	Special Revenue Fund (ASB)	Debt Service	Capital Projects Fund	Trans Vehicle Fund
Nonspendable - Inventory & Prepaid Items	3,336,215	-	-	-	-
Restricted for C/Over of Restricted Revenues	716,647	-	-	-	-
Restricted for Construction	-	-	-	119,003,450	-
Restricted for Debt Service	36,523	-	15,516,643	-	-
Restricted to Fund Purposes	-	1,941,337	-	-	2,251,018
Restricted for Technology	-	-	-	11,521,293	-
Restricted Fund Balance	753,170	1,941,337	15,516,643	130,524,743	2,251,018
Committed to Other Purposes	1,000,000	-	-	-	-
Committed Fund Balance	1,000,000	-	-	-	-
Assigned to Encumbrances	627,218	-	-	-	-
Assigned to Budget Carryover	4,177,037	-	-	-	-
Assigned to Future Operations	11,356,471	-	-	-	-
Assigned to Curriculum & Instruction	5,322,060	-	-	-	-
Assigned to Fund Purposes	-	-	-	666,219	-
Assigned Fund Balance	21,482,786	-	-	666,219	-
Unassigned for Minimum Fund Balance	14,184,280	-	-	-	-
Unassigned Fund Balance	14,184,280	-	-	-	-
Total Fund Balance	40,756,451	1,941,337	15,516,643	131,190,962	2,251,018

Note 12. CONTINGENT LIABILITIES

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

Note 13. LITIGATION

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

Based on the recommendations of counsel, the district has provided an adequate amount for possible liabilities that management considers adequate for any uninsured losses which arise from such claims.

Note 14. SUBSEQUENT EVENTS

On October 21, 2015 the district issued \$320M in new bonds to fund construction projects through the next several years, and refunded the remaining balance on its 2005B bond issue to take advantage of favorable interest rates.

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Tacoma School District No. 10

Required Supplemental Information Notes

Schedules A-1 and A-2

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.

Schedule A-3

The amounts reported in the OPEB Schedule of Funding Progress are determined by an actuarial study performed every two years. The district updates the actuarial table in the year between the actuarial studies.

Two new schedules are presented for the district's net pension liability, as required by GASB 68. The district has no independent ability to fund or satisfy this pension liability outside of Washington State's legislatively adopted contribution rates as they currently exist or may be adopted in the future. Assessments now and in the future are made based upon the annual qualified worker compensation and are paid by both the district, as the employer, and its employees.

Schedule A-4

The required supplementary information identified in the Schedule of the District's Proportionate Share of the Net Pension Liability are presented for each plan the district participates in. The amounts reported in the schedule are determined as of the June 30 measurement date of the collective net pension liability.

Schedule A-5

The amounts reported in the Schedules of District Contributions are determined as of the district's fiscal year ending August 31.

REQUIRED SUPPLEMENTARY INFORMATION
TACOMA SCHOOL DISTRICT No. 10
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET POSITIVE(NEGATIVE)
	ORIGINAL *	FINAL *		
REVENUES				
Local	\$ 90,230,977	\$ 90,230,977	\$ 92,325,013	\$ 2,094,036
State	219,649,226	\$ 219,649,226	221,087,202	1,437,976
Federal	39,960,512	\$ 39,960,512	38,091,289	(1,869,223)
Other	2,916,376	\$ 2,916,376	3,423,513	507,137
Total Revenues	352,757,091	352,757,091	354,927,017	2,169,926
EXPENDITURES				
Current				
Regular Instruction	188,595,538	188,595,538	178,604,394	9,991,144
Federal Stimulus	-	-	2,818	(2,818)
Special Education	46,329,032	46,329,032	46,461,341	(132,309)
Career & Technical Education	10,678,860	10,678,860	11,399,640	(720,780)
Compensatory Education	33,534,671	33,534,671	32,905,572	629,099
Other Instructional Programs	13,676,170	13,676,170	6,288,925	7,387,245
Community Services	443,293	443,293	553,050	(109,757)
Support Services	70,013,367	70,013,367	70,460,303	(446,936)
Capital Outlay				
Other	688,082	688,082	412,640	275,442
Total Expenditures	363,959,013	363,959,013	347,088,682	16,870,331
Excess of Revenues (Under) Expenditures	(11,201,922)	(11,201,922)	7,838,335	19,040,257
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	30,245	30,245
Transfers	1,500,000	1,500,000	360,331	(1,139,669)
Total Other Financing Sources	1,500,000	1,500,000	390,576	(1,109,424)
Changes in Fund Balance	(9,701,922)	(9,701,922)	8,228,912	17,930,834
FUND BALANCE-September 1	32,527,540	32,527,540	32,527,540	-
FUND BALANCE -August 31	\$ 22,825,618	\$ 22,825,618	\$ 40,756,452	\$ 17,930,834

* 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, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL *	FINAL *		
REVENUES				
General	\$ 1,344,127	\$ 1,344,127	\$ 767,245	\$ (576,882)
Athletics	330,800	330,800	223,342	(107,458)
Classes	432,980	432,980	247,730	(185,250)
Clubs	2,403,745	2,403,745	629,531	(1,774,214)
Private Monies	153,875	153,875	7,582	(146,293)
Total Revenues	4,665,527	4,665,527	1,875,430	(2,790,097)
EXPENDITURES				
General	1,443,453	1,443,453	835,860	607,593
Athletics	312,777	312,777	159,352	153,425
Classes	327,012	327,012	244,241	82,771
Clubs	2,122,566	2,122,566	624,289	1,498,277
Private Monies	153,875	153,875	5,790	148,085
Total Expenditures	4,359,683	4,359,683	1,869,533	2,490,150
Changes in Fund Balance	305,844	305,844	5,897	(299,947)
FUND BALANCE - September 1	1,935,440	1,935,440	1,935,440	
FUND BALANCE - August 31	\$ 2,241,284	\$ 2,241,284	\$ 1,941,337	\$ (299,947)

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

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

Fiscal Year Ended August 31	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL As a Percentage of Covered Payroll
2008	August 31, 2008	\$ -	\$ 85,466,774	\$ 85,466,774	0%	\$ 163,003,749	52%
2008	August 31, 2008*	\$ -	\$ 147,686,881	\$ 147,686,881	0%	\$ 163,003,749	91%
2009	August 31, 2008*	\$ -	\$ 147,686,881	\$ 147,686,881	0%	\$ 189,434,727	78%
2010	August 31, 2010	\$ -	\$ 166,482,728	\$ 166,482,728	0%	\$ 151,445,697	110%
2011	August 31, 2011	\$ -	\$ 166,482,728	\$ 166,482,728	0%	\$ 182,414,713	91%
2012	August 31, 2012	\$ -	\$ 110,671,006	\$ 110,671,006	0%	\$ 176,900,781	63%
2013	August 31, 2013	\$ -	\$ 110,671,006	\$ 110,671,006	0%	\$ 183,548,684	60%
2014	August 31, 2014	\$ -	\$ 121,609,645	\$ 121,609,645	0%	\$ 201,815,884	60%
2015	August 31, 2015	\$ -	\$ 121,609,645	\$ 121,609,645	0%	\$ 187,350,086	65%

*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.

REQUIRED SUPPLEMENTARY INFORMATION
TACOMA SCHOOL DISTRICT No. 10
SCHEDULE OF THE DISTRICT'S PROPORTIONAL SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS *

Plan: PERS 1		2015	
District's proportion of the net pension liability (percentage)		0.477932%	
District's proportionate share of the net pension liability (amount)	\$	25,000,282	
District's covered employee payroll	\$	1,460,940	
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll		1711.25%	
Plan fiduciary net position as a percentage of the total pension liability		59.10%	
Plan: SERS 2/3			
District's proportion of the net pension liability (percentage)		3.004269%	
District's proportionate share of the net pension liability (amount)	\$	12,201,867	
District's covered employee payroll	\$	51,718,906	
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll		23.59%	
Plan fiduciary net position as a percentage of the total pension liability		90.92%	
Plan: TRS 1			
District's proportion of the net pension liability (percentage)		3.282951%	
District's proportionate share of the net pension liability (amount)	\$	104,008,565	
District's covered employee payroll	\$	5,368,779	
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll		1937.29%	
Plan fiduciary net position as a percentage of the total pension liability		65.70%	
Plan: TRS 2/3			
District's proportion of the net pension liability (percentage)		3.207000%	
District's proportionate share of the net pension liability (amount)	\$	27,060,729	
District's covered employee payroll	\$	150,091,121	
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll		18.03%	
Plan fiduciary net position as a percentage of the total pension liability		92.48%	

* This schedule is to be built prospectively until it contains 10 years of data.

REQUIRED SUPPLEMENTARY INFORMATION
TACOMA SCHOOL DISTRICT No. 10
SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST 10 FISCAL YEARS *

Plan: PERS 1		2015
Contractually required contribution	\$ 2,196,565	
Contributions in relation to the contractually required contributions	2,196,565	
Contribution deficiency (excess)	-	
District's covered-employee payroll	\$ 1,460,940	
Contribution as a percentage of covered-employee payroll	150.35%	
Plan: SERS 2/3		
Contractually required contribution	\$ 2,920,801	
Contributions in relation to the contractually required contributions	2,920,801	
Contribution deficiency (excess)	-	
District's covered-employee payroll	\$ 51,718,906	
Contribution as a percentage of covered-employee payroll	5.65%	
Plan: TRS 1		
Contractually required contribution	\$ 7,346,486	
Contributions in relation to the contractually required contributions	7,346,486	
Contribution deficiency (excess)	\$ -	
District's covered-employee payroll	\$ 5,368,779	
Contribution as a percentage of covered-employee payroll	136.84%	
Plan: TRS 2/3		
Contractually required contribution	\$ 8,522,516	
Contributions in relation to the contractually required contributions	8,522,516	
Contribution deficiency (excess)	\$ -	
District's covered-employee payroll	\$ 150,091,121	
Contribution as a percentage of covered-employee payroll	5.68%	

* This schedule is to be built prospectively until it contains 10 years of data.

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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, 2015 AND 2014

	2015	2014
ASSETS		
Cash on Hand and in Bank	854,666	740,044
Cash on Deposit with County Treasurer	387,281	(637,537)
Investments	52,764,000	48,787,000
Property Tax Receivable	42,077,928	41,136,591
Accounts Receivable	147,792	398,962
Accrued Interest Receivable	201	256
Interfund Receivable	1,364,185	347,910
Due From Other Governmental Units	4,720,746	3,530,675
Inventories, at Cost	2,682,181	3,078,747
Prepaid Items	654,034	1,280,474
TOTAL ASSETS	105,653,014	98,663,122
LIABILITIES		
Accounts Payable	8,287,215	9,212,068
Accrued Wages and Benefits Payable	13,633,271	14,967,640
Interfund Payable	2,487	4,511
Unearned Revenue - Other	126,154	101,692
TOTAL LIABILITIES	22,049,127	24,285,911
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues	769,507	713,079
Unavailable Revenues - Property Taxes	42,077,928	41,136,591
TOTAL DEFERRED INFLOWS OF RESOURCES	42,847,435	41,849,671
FUND BALANCES		
Nonspendable		
Nonspendable - Inventory & Prepaid Items	3,336,215	4,359,221
Restricted		
Restricted for Carryover of Restricted Revenues	716,647	786,566
Restricted for Debt Service	36,523	73,044
Committed		
Committed to Debt & Fiscal Management	-	12,138,279
Committed to Other Purposes	1,000,000	1,000,000
Assigned		
Assigned to Encumbrances	627,218	140,355
Assigned to Budget Carryover	4,177,037	2,267,660
Assigned to Future Operations	11,356,471	8,732,107
Assigned to Curriculum & Instruction	5,322,060	3,030,308
Unassigned		
Unassigned for Minimum Fund Balance Policy	14,184,280	-
TOTAL FUND BALANCE	40,756,452	32,527,540
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 105,653,014	\$ 98,663,122

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2015			2014
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
REVENUES				
Local	\$ 90,230,977	92,325,013	\$ 2,094,036	89,076,469
State	219,649,226	221,087,202	1,437,976	206,856,311
Federal	39,960,512	38,088,349	(1,872,163)	34,706,199
Federal Stimulus	-	2,940	2,940	146,033
Other	2,916,376	3,423,513	507,137	3,449,380
Total Revenues	352,757,091	354,927,017	2,169,926	334,234,392
EXPENDITURES				
CURRENT				
Regular Instruction	188,595,538	178,604,394	9,991,144	174,589,139
Federal Stimulus	-	2,818	(2,818)	154,555
Special Education	46,329,032	46,461,341	(132,309)	43,958,775
Career & Technical Instruction	10,678,860	11,399,640	(720,780)	10,676,618
Compensatory Instruction	33,534,671	32,905,572	629,099	29,643,976
Other Instructional Programs	13,676,170	6,288,925	7,387,245	5,225,905
Community Services	443,293	553,050	(109,757)	517,033
Support Services	70,013,367	70,460,303	(446,936)	70,465,347
CAPITAL OUTLAY				
Other	688,082	412,640	275,442	1,653,063
Total Expenditures	363,959,013	347,088,682	16,870,331	336,884,412
Excess of Revenues Over (Under) Expenditures	(11,201,922)	7,838,335	19,040,257	(2,650,020)
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	30,245	(30,245)	68,627
Transfers	1,500,000	360,331	1,139,669	1,500,000
Total Other Financing Sources (Uses)	1,500,000	390,576	(1,109,424)	1,568,627
Changes in Fund Balance	(9,701,922)	8,228,912	17,930,834	(1,081,393)
FUND BALANCE-September 1	32,527,540	32,527,540	-	33,608,933
FUND BALANCE -August 31	\$ 22,825,618	\$ 40,756,452	\$ 17,930,834	\$ 32,527,540

* 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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

DESCRIPTION	2015		VARIANCE POSITIVE (NEGATIVE)	2014 ACTUAL
	BUDGET	ACTUAL		
1000 LOCAL TAXES				
1100 Local Property Tax	\$ 83,710,000	85,484,428	\$ 1,774,428	82,356,831
1300 Sale of Tax Title Property	1,941	-	(1,941)	-
1900 Other Local Taxes	407,441	-	(407,441)	-
TOTAL LOCAL TAXES	84,119,382	85,484,428	1,365,046	82,356,831
2000 LOCAL NON-TAX				
2100 Tuition & Fees, Unassigned	469,200	1,040,461	571,261	981,696
2101 Regular Student Fees	50,000	44,629	(5,371)	46,388
2102 ALE Student Fees	-	-	-	849
2121 Special Ed Pre-School Tuition	-	-	-	-
2173 Summer School Tuition	-	160	160	3,460
2180 Convenience Fee	-	28,383	28,383	26,382
2186 Community School - Tuition & Fees	20,000	-	(20,000)	-
2200 Sales of Goods, Supplies & Services	50,000	397,491	347,491	439,268
2203 Sales of Sup. & Mat. Other	395,000	(135)	(395,135)	238
2204 Sale of Recoverable Items	110,000	122,907	12,907	128,732
2210 Other Storeroom Sales	5,000	1,904	(3,096)	6,573
2220 Copy Center Reimbursements	50,000	70,150	20,150	62,801
2231 Secondary CTE Sales of Goods	40,000	31,211	(8,789)	32,544
2291 Food Service Sales	1,470,989	1,544,787	73,798	1,637,090
2294 Food Serv. Sales - Special Events	20,000	8,281	(11,719)	9,147
2296 Food Service Sales - Breakfast	103,277	99,936	(3,341)	106,385
2299 School Bus Revenue	-	2,245	2,245	1,961
2300 Investment Earnings	75,000	44,906	(30,094)	39,321
2500 Gifts & Donations	200,000	189,843	(10,157)	227,778
2600 Fines & Damages	45,000	61,812	16,812	36,483
2700 Facility Rental	597,100	640,544	43,444	685,758
2800 Insurance Recoveries	60,000	48,506	(11,494)	5,964
2900 Local Non-Tax Unassigned	2,111,029	2,227,653	116,624	1,964,272
2910 E-Rate	-	86,718	86,718	135,248
2920 Commissions	240,000	148,194	(91,806)	141,301
TOTAL LOCAL NONTAX	6,111,595	6,840,586	728,991	6,719,638

* 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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

DESCRIPTION	2015		VARIANCE POSITIVE (NEGATIVE)	2014 ACTUAL
	BUDGET	ACTUAL		
3000 STATE FUNDS, GENERAL PURPOSE				
3100 Apportionment	\$ 152,720,880	156,785,117	\$ 4,064,237	149,879,856
3121 Apportionment - Special Ed	5,791,240	6,079,573	288,333	6,019,057
3300 Local Effort Assistance	8,570,206	8,880,263	310,057	7,762,072
TOTAL STATE, GENERAL PURPOSE	167,082,326	171,744,953	4,662,627	163,660,985
4000 STATE FUNDS, SPECIAL PURPOSE				
4100 Special Purpose, Unassigned	7,500,000	-	(7,500,000)	4,154
4121 Special Education	20,730,965	21,933,060	1,202,095	20,855,186
4122 Special Ed - Infants & Toddlers	1,020,521	1,112,241	91,720	989,873
4155 Learning Assistance Program	8,136,799	8,110,558	(26,241)	7,951,226
4156 Institutes, Ctrs & Homes - Delinquents	472,746	553,521	80,775	524,974
4158 Special Pilot Programs	1,340,182	2,684,692	1,344,510	1,826,387
4159 Institutions - Juveniles in Adult Jails	93,413	42,656	(50,757)	93,082
4165 Transitional Bilingual	2,433,259	2,844,309	411,050	2,494,421
4174 Highly Capable	265,506	271,317	5,811	270,270
4198 School Food Service	299,138	274,884	(24,254)	286,698
4199 Transportation - Operations	10,274,371	11,515,011	1,240,640	7,899,055
TOTAL STATE, SPECIAL PURPOSE	52,566,900	49,342,249	(3,224,651)	43,195,326
5000 FEDERAL FUNDS, GEN PURPOSE				
5200 Direct Federal Revenue - Unassigned	310,504	312,650	2,146	314,002
5300 Impact Aid	-	1,242	1,242	10,109
5329 Impact Aid - Special Ed	-	556	556	24,255
5500 Federal Forests	-	23,507	23,507	23,659
TOTAL FEDERAL, GENERAL PURPOSE	310,504	337,953	27,449	372,025
6000 FEDERAL, SPECIAL PURPOSE				
6100 Special Purpose, Unassigned	17,000	19,082	(2,082)	19,000
6112 Federal Stimulus - School Improvement	-	2,940	(2,940)	146,033

TACOMA SCHOOL DISTRICT No. 10
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

DESCRIPTION		2015		VARIANCE POSITIVE (NEGATIVE)	2014 ACTUAL
		BUDGET	ACTUAL		
6124	H.C. Supplemental, IDEA, Part B	\$ 7,466,184	\$ 7,313,753	\$ (152,431)	\$ 7,004,827
6138	Career & Technical Education	249,746	238,734	(11,012)	257,693
6151	Disadvantaged, Federal Title I	13,025,174	12,573,668	(451,506)	8,381,919
6152	School Improvement, Federal Title II	1,854,465	1,010,395	(844,070)	1,890,499
6157	Institutions - Neglected & Delinquents	95,796	120,048	24,252	85,197
6164	Limited English Proficiency	410,407	246,943	(163,464)	304,122
6189	Other Community Services	102,393	124,018	21,625	119,735
6191	Nutrition Services Reimbursement	10,341,680	10,062,395	(279,285)	9,965,876
6200	Direct Special Purpose Grants	-	-	-	10,305
6261	Head Start	5,180,000	4,857,483	(322,517)	5,031,901
6268	Indian Education	144,196	160,355	16,159	135,262
6300	Fed Grants Thru Other Agencies	12,967	66,857	53,890	62,222
6321	Special Ed Medicaid Match	-	254,674	254,674	281,822
6998	USDA Commodities	750,000	701,992	(48,008)	783,793
TOTAL FEDERAL, SPECIAL PURPOSE		39,650,008	37,753,336	(1,906,716)	34,480,207
7000	REVENUES FROM OTHER DISTRICTS				
7121	Special Education	1,800,000	2,251,469	451,469	1,967,203
7145	CTE Skills Center	-	5,000	5,000	5,000
TOTAL REVENUES FROM OTHER DISTRICTS		1,800,000	2,256,469	456,469	1,972,203
8000	REVENUES FROM OTHER AGENCIES				
8100	Agency & Association Grants	46,200	117,326	71,126	299,022
8200	Private Foundation	184,600	184,496	(104)	180,459
8500	Educational Service Districts	885,576	865,221	(20,355)	997,696
TOTAL REVENUES FROM OTHER AGENCIES		1,116,376	1,167,044	50,668	1,477,177
TOTAL REVENUES		352,757,091	354,927,018	2,159,883	334,234,392
9000	OTHER FINANCING SOURCES				
9300	Sale of Surplus Equipment	-	30,245	30,245	68,627
9900	Operating Transfers	1,500,000	360,331	(1,139,669)	1,500,000
TOTAL OTHER FINANCING SOURCES		1,500,000	390,576	(1,109,424)	1,568,627
TOTAL REVENUES AND OTHER FINANCING SOURCES		\$ 354,257,091	\$ 355,317,594	\$ 1,050,459	\$ 335,803,019

TACOMA SCHOOL DISTRICT No. 10
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

PROGRAM NUMBER AND DESCRIPTION	2015		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
01 Basic Education	\$ 186,488,526	\$ 176,456,961	\$ 10,031,565	% 94.62
02 Basic Ed - Alternative Learning	394,160	346,080	48,080	87.80
03 Basic Ed - 1418 Open Doors	1,815,852	1,801,675	14,177	99.22
12 Federal Stimulus - School Improvement	-	2,818	(2,818)	100.00
21 Special Education, Supplemental, State	38,192,439	38,440,095	(247,656)	100.65
22 Special Ed Infants & Toddlers, Supplemental, State	1,020,521	1,016,697	3,824	99.63
24 Special Education, Supplemental, Federal	7,116,072	7,004,931	111,141	98.44
29 Special Education, Supplemental, Federal Other	-	556	(556)	100.00
31 Career & Technical Education, Basic, State	9,351,156	9,811,390	(460,234)	104.92
34 Career & Tech Ed - Middle School, State	1,095,669	1,416,799	(321,130)	129.31
38 Career & Technical Education, Federal	238,035	258,258	(20,223)	108.50
45 CTE Skill Centers, State	-	5,112	(5,112)	100.00
51 Disadvantaged, Federal Title I	12,528,599	12,091,422	437,177	96.51
52 School Improvement, Federal Title II	1,767,504	963,103	804,401	54.49
55 Learning Assistance Program (LAP), State	7,755,241	7,799,318	(44,077)	100.57
56 State Institutions, Centers and Homes, Delinquent	586,043	565,720	20,323	96.53
57 State Institutions, Neglected & Delinquent, Federal	91,304	114,422	(23,118)	125.32
58 Special & Pilot Programs, State	1,340,182	2,612,995	(1,272,813)	194.97
59 Juveniles in Adult Jails, State	89,220	37,032	52,188	41.51
61 Head Start, Federal	4,710,004	4,448,452	261,552	94.45
64 Limited English Proficiency, Federal	402,360	242,101	160,259	60.17
65 Transitional Bilingual, State	3,965,751	3,910,466	55,285	98.61
68 Indian Education, Federal ED	137,434	140,838	(3,404)	102.48
69 Compensatory Education, Other	161,029	11,396	149,633	7.08
73 Summer School	500,000	455,670	44,330	91.13
74 Highly Capable	861,966	803,439	58,527	93.21
79 Instructional Programs, Other	12,414,204	5,045,583	7,368,621	40.64
89 Other Community Services	443,293	554,178	(110,885)	125.01
97 District-wide Support	47,631,845	47,861,990	(230,145)	100.48
98 School Nutrition Services	12,203,350	12,153,586	49,764	99.59
99 Pupil Transportation	10,657,254	10,715,596	(58,342)	100.55
TOTAL EXPENDITURES	\$ 363,959,013	\$ 347,088,682	\$ 16,870,331	% 95.36

* 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, 2015

ACTIVITY NUMBER AND DESCRIPTION		2015		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
		BUDGET	ACTUAL		
ADMINISTRATION					
11	Board of Directors	\$ 1,260,973	\$ 1,286,510	\$ (25,537)	% 102.03
12	Superintendent's Office	713,499	539,410	174,089	75.60
13	Business Services	3,469,119	3,409,796	59,323	98.29
14	Human Resources	4,024,702	4,302,965	(278,263)	106.91
15	Public Relations	823,654	952,197	(128,543)	115.61
TOTAL ADMINISTRATION		10,291,947	10,490,878	(198,931)	101.93
INSTRUCTION					
21	Supervision	9,100,674	9,270,622	(169,948)	101.87
22	Learning Resources	5,448,780	5,075,846	372,934	93.16
23	Principal's Office	23,196,384	23,624,338	(427,954)	101.84
24	Guidance & Counseling	8,053,903	7,704,110	349,793	95.66
25	Pupil Management & Safety	3,816,533	3,598,475	218,058	94.29
26	Health Services	16,797,718	16,743,025	54,693	99.67
27	Teaching	203,913,210	184,080,017	19,833,193	90.27
28	Extra Curricular	3,381,143	4,320,087	(938,944)	127.77
29	Payments to Other Districts	-	155,078	(155,078)	100.00
31	Professional Development	17,445,168	16,702,521	742,647	95.74
32	Instructional Technology	591,430	1,880,392	(1,288,962)	317.94
33	Curriculum	1,387,582	2,874,156	(1,486,574)	207.13
TOTAL INSTRUCTION		293,132,525	276,028,667	17,103,858	94.17
NUTRITION SERVICES					
41	Supervision	840,471	828,593	11,878	98.59
42	Food	5,046,811	5,061,132	(14,321)	100.28
44	Operations	6,516,903	6,495,440	21,463	99.67
49	Nutrition Services Transfers	(200,835)	(231,579)	30,744	115.31
TOTAL NUTRITION SERVICES		12,203,350	12,153,586	49,764	99.59
PUPIL TRANSPORTATION					
51	Supervision	650,760	643,795	6,965	98.93
52	Operations	11,019,194	10,969,102	50,092	99.55
53	Maintenance	299,500	332,116	(32,616)	110.89
59	Transportation Services Transfers	(1,312,200)	(1,229,417)	(82,783)	93.69
TOTAL PUPIL TRANSPORTATION		\$ 10,657,254	\$ 10,715,596	\$ (58,342)	% 100.55

* 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, 2015

ACTIVITY NUMBER AND DESCRIPTION	2015		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
MAINTENANCE & OPERATIONS				
61 Supervision	\$ 895,400	\$ 905,508	\$ (10,108)	% 101.13
62 Grounds Maintenance	1,743,192	1,740,245	2,947	99.83
63 Building Operations	13,451,598	13,460,605	(9,007)	100.07
64 Maintenance	4,438,988	4,589,751	(150,763)	103.40
65 Utilities	7,537,811	7,494,539	43,272	99.43
67 Building Security	1,485,109	1,284,640	200,469	86.50
68 Insurance	98,800	11,289	87,511	11.43
TOTAL MAINTENANCE & OPERATIONS	29,650,898	29,486,577	164,321	99.45
OTHER SUPPORT SERVICES				
72 Information Services	6,887,264	7,112,404	(225,140)	103.27
73 Printing	399,990	164,486	235,504	41.12
74 Warehouse & Distributions	609,775	718,166	(108,391)	117.78
83 Interest	-	7,271	(7,271)	100.00
84 Principal	-	36,522	(36,522)	100.00
TOTAL OTHER SUPPORT SERVICES	7,897,029	8,038,849	(141,820)	101.80
PUBLIC ACTIVITIES				
91 Public Activities	126,010	174,531	(48,521)	138.51
TOTAL GENERAL FUND	\$ 363,959,013	\$ 347,088,682	\$ 16,870,331	% 95.36

TACOMA SCHOOL DISTRICT No. 10
GENERAL FUND
SCHEDULE OF EXPENDITURES BY OBJECT
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

OBJECT NUMBER AND DESCRIPTION	2015		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
0 Debit Transfer	\$ 2,606,255	\$ 2,336,909	\$ 269,346	% 89.67
1 Credit Transfer	(2,606,255)	(2,336,909)	(269,346)	89.67
2 Certificated Salaries	166,129,906	161,235,896	4,894,010	97.05
3 Classified Salaries	57,781,361	56,454,172	1,327,189	97.70
4 Employee Benefits	80,962,266	75,748,472	5,213,794	93.56
5 Supplies & Materials	23,208,046	17,443,246	5,764,800	75.16
7 Contractual Services	34,468,465	34,598,230	(129,765)	100.38
8 Travel	720,887	1,196,026	(475,139)	165.91
9 Capital Outlay	688,082	412,640	275,442	59.97
TOTAL GENERAL FUND	\$ 363,959,013	\$ 347,088,682	\$ 16,870,331	% 95.36

* 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, 2015 AND 2014

	2015	2014
ASSETS		
Cash on Hand and in Bank	\$ 45,935	\$ 146,766
Cash on Deposit with County Treasurer	2,328	71,396
Investments	2,079,000	1,875,000
Accounts Receivable	6,672	11,063
Accrued Interest Receivable	8	10
Interfund Receivable	2,577	4,215
Due From Other Governmental Units	75	-
Inventories, At Cost	17,792	49,226
Prepaid Items	-	8,839
TOTAL ASSETS	2,154,387	2,166,514
LIABILITIES		
Accounts Payable	107,676	93,566
Accrued Wages & Benefits Payable	-	972
Interfund Payable	4,126	3,456
TOTAL LIABILITIES	111,802	97,994
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues	101,248	133,080
TOTAL DEFERRED INFLOWS OF RESOURCES	101,248	133,080
FUND BALANCES		
Nonspendable		
Nonspendable - Inventory & Prepaid Items	-	58,065
Restricted		
Restricted to Fund Purposes	1,941,337	1,874,835
Assigned		
Assigned to Encumbrances	-	2,541
TOTAL FUND BALANCE	1,941,337	1,935,440
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	\$ 2,154,387	\$ 2,166,514

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2015			2014
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
REVENUES				
General	\$ 1,344,127	\$ 767,245	\$ 576,882	\$ 889,270
Athletics	330,800	223,342	107,458	212,922
Classes	432,980	247,730	185,250	243,991
Clubs	2,403,745	629,531	1,774,214	630,959
Private Monies	153,875	7,582	146,293	13,869
Total Revenues	4,665,527	1,875,430	2,790,097	1,991,012
EXPENDITURES				
General	1,443,453	835,860	607,593	783,642
Athletics	312,777	159,352	153,425	314,331
Classes	327,012	244,241	82,771	265,854
Clubs	2,122,566	624,289	1,498,277	640,576
Private Monies	153,875	5,790	148,085	13,978
Total Expenditures	4,359,683	1,869,533	2,490,150	2,018,381
Changes in Fund Balance	305,844	5,897	299,947	(27,369)
FUND BALANCE - September 1	1,935,440	1,935,440	-	1,962,810
FUND BALANCE - August 31	\$ 2,241,284	\$ 1,941,337	\$ (299,947)	\$ 1,935,440

* 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, 2015 AND 2014

	2015	2014
ASSETS		
Cash on Deposit with County Treasurer	\$ 200,583	\$ 174,100
Investments	15,316,000	9,200,000
Property Tax Receivable	23,016,437	17,938,774
Accrued Interest Receivable	59	48
TOTAL ASSETS	38,533,080	27,312,922
LIABILITIES		
Accounts Payable	-	-
TOTAL LIABILITIES	-	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Property Taxes	23,016,437	17,938,774
TOTAL DEFERRED INFLOWS OF RESOURCES	23,016,437	17,938,774
FUND BALANCES		
Restricted		
Restricted for Debt Service	15,516,643	9,374,148
TOTAL FUND BALANCE	15,516,643	9,374,148
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	\$ 38,533,080	\$ 27,312,922

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2015			2014
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
REVENUES				
Local Taxes	\$ 37,319,310	\$ 42,648,706	\$ 5,329,396	\$ 33,534,564
Local Non-Tax	7,500	20,199	12,699	7,315
Total Revenues	37,326,810	42,668,905	5,342,095	33,541,879
EXPENDITURES				
Debt Service				
Principal Payment	117,220,000	117,220,000	-	19,595,000
Interest Expense	10,014,325	13,671,246	(3,656,921)	11,813,525
Bond Fees	500,000	163	499,837	904
Total Expenditures	127,734,325	130,891,410	(3,157,085)	31,409,429
Excess of Revenues (Under) Expenditures	(90,407,515)	(88,222,505)	2,185,010	2,132,450
OTHER FINANCING SOURCES (USES)				
Bond Premium	-	-	-	-
Refunded Bonds	93,365,000	94,365,000	(1,000,000)	-
Cost of Issuance	-	-	-	-
Deposit to Refunding Account	-	-	-	-
Total Other Financing Sources	93,365,000	94,365,000	(1,000,000)	-
Changes in Fund Balance	2,957,485	6,142,495	3,185,010	2,132,450
FUND BALANCE - September 1	9,374,148	9,374,148	-	7,241,697
FUND BALANCE -August 31	\$ 12,331,633	\$ 15,516,643	\$ 3,185,010	\$ 9,374,148

* 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, 2015 AND 2014

	2015	2014
ASSETS		
Cash on Hand and in Bank	\$ 10,331	\$ 55,383
Cash on Deposit with County Treasurer	57,148	946,487
Investments	141,037,000	78,295,000
Property Tax Receivable	5,053,718	8,026,480
Accrued Interest Receivable	41,302	31,488
Interfund Receivable	-	296
Due From Other Governmental Units	760,385	3,116,303
TOTAL ASSETS	146,959,885	90,471,436
LIABILITIES		
Accounts Payable	9,326,185	6,723,796
Accrued Salaries & Benefits Payable	28,871	(3,935)
Interfund Payable	1,360,149	344,454
TOTAL LIABILITIES	10,715,205	7,064,316
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Property Taxes	5,053,718	8,026,480
TOTAL DEFERRED INFLOWS OF RESOURCES	5,053,718	8,026,480
FUND BALANCES		
Restricted		
Restricted for Construction	119,003,450	48,002,437
Restricted for Technology	11,521,293	13,150,702
Assigned		
Assigned to Encumbrances	-	14,227,501
Assigned to Fund Purposes	666,219	-
TOTAL FUND BALANCE	131,190,962	75,380,640
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	\$ 146,959,885	\$ 90,471,436

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2015			2014
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
REVENUES				
Local Taxes	\$ 12,684,200	\$ 13,065,701	\$ 381,501	\$ 18,116,612
Local Non-Tax	167,000	591,945	424,945	197,478
State, Special Purpose	4,350,000	2,072,302	(2,277,698)	3,086,637
Other Governmental Agencies	-	62,104	62,104	206,370
Total Revenues	17,201,200	15,792,052	(1,409,148)	21,607,098
EXPENDITURES				
Capital Outlay				
Sites	637,000	2,401,258	(1,764,258)	19,114,178
Buildings	67,472,519	25,941,285	41,531,234	24,782,013
Equipment	16,038,481	11,225,287	4,813,194	12,518,673
Bond Issuance	-	662,293	(662,293)	82,171
Sale of Real Estate	-	43,552	(43,552)	185,882
Lease/Rent of Property	-	19,341	(19,341)	-
Total Expenditures	84,148,000	40,293,016	43,854,984	56,682,917
Excess of Revenues (Under) Expenditures	(66,946,800)	(24,500,964)	(45,264,132)	(35,075,819)
OTHER FINANCING SOURCES (USES)				
Sale of Real Property	500,000	-	(500,000)	62,307
Transfers	(1,500,000)	(360,331)	(1,139,669)	(1,500,000)
Sale of Bonds	80,000,000	80,000,000	-	-
Bonds, Premium on Sale	-	671,616	-	-
Total Other Financing Sources	79,000,000	80,311,285	1,311,285	(1,437,693)
Changes in Fund Balance	12,053,200	55,810,321	(43,952,847)	(36,513,512)
FUND BALANCE - September 1	75,380,640	75,380,640	-	111,894,152
FUND BALANCE - August 31	\$ 87,433,840	\$ 131,190,962	\$ 43,757,122	\$ 75,380,640

* 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, 2015 AND 2014

	2015	2014
ASSETS		
Cash on Deposit with County Treasurer	\$ 1,009	\$ 2,519
Investments	2,250,000	3,186,000
Accrued Interest Receivable	8	17
TOTAL ASSETS	2,251,018	3,188,536
LIABILITIES		
Accounts Payable	-	-
TOTAL LIABILITIES	-	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Taxes Receivable	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-
FUND BALANCES		
Restricted		
Restricted to Fund Purposes	2,251,018	-
Assigned		
Assigned to Fund Purposes	-	3,188,536
TOTAL FUND BALANCE	2,251,018	3,188,536
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	\$ 2,251,018	\$ 3,188,536

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2015			2014
	BUDGET	ACTUAL	VARIANCE POSITIVE(NEGATIVE)	ACTUAL
REVENUES				
Local Non-Tax	\$ 5,000	\$ 2,792	\$ 2,208	\$ 3,119
State, Special Purpose	550,000	626,757	(76,757)	566,260
Total Revenues	555,000	629,548	(74,549)	569,379
EXPENDITURES				
Purchase of Buses	1,600,000	1,571,020	28,980	722,169
Total Expenditures	1,600,000	1,571,020	28,980	722,169
Excess of Revenues (Under) Expenditures	(1,045,000)	(941,472)	(103,529)	(152,790)
OTHER FINANCING SOURCES (USES)				
Sale of Equipment/Buses	10,000	3,954	6,047	-
Total Other Finances Sources	10,000	3,954	6,047	-
Changes in Fund Balance	(1,035,000)	(937,518)	(97,482)	(152,790)
FUND BALANCE - September 1	3,188,536	3,188,536	-	3,341,326
FUND BALANCE - August 31	\$ 2,153,536	\$ 2,251,018	\$ 97,482	\$ 3,188,536

* 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, 2015
 (WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2015 TOTAL	2014 TOTAL
ASSETS		
Cash on Hand and in Bank	\$ 1,150	\$ 62,661
Cash on Deposit with County Treasurer	2,894	20,173
Investments	440,000	309,000
Accounts Receivable	35,018	16,309
Inventories, At Cost	-	1,097
TOTAL ASSETS	479,061	409,240
LIABILITIES		
Accounts Payable	(5,874)	27,447
TOTAL LIABILITIES	(5,874)	27,447
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	2,705	1,425
TOTAL DEFERRED INFLOWS OF RESOURCES	2,705	1,425
NET POSITION		
Held in Trust for Scholarships and Student Aid	482,231	380,368
TOTAL NET POSITION	\$ 482,231	\$ 380,368

TACOMA SCHOOL DISTRICT No. 10
PRIVATE-PURPOSE TRUSTS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2015 TOTAL	2014 TOTAL
ADDITIONS		
Donations	\$ 264,654	\$ 205,271
TOTAL ADDITIONS	264,654	205,271
DEDUCTIONS		
Scholarships	59,206	53,622
Tuition and Fees	2,168	3,185
Supplies & Materials	60,292	59,468
Field Trips & Travel	33,808	23,043
Purchased Services	1,566	10,190
Salaries & Benefits	5,752	8,093
TOTAL DEDUCTIONS	162,792	157,601
CHANGE IN NET POSITION	101,862	47,670
Net Position, Beginning of the year	380,368	332,699
Net Position, End of the year	\$ 482,231	\$ 380,368

TACOMA SCHOOL DISTRICT No. 10
SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

	BALANCE			BALANCE
	9/1/2014	INCREASES	DECREASES	8/31/2015
Unlimited Tax General Obligation Bonds	\$ 201,440,000	\$ 152,625,000	\$ 18,355,000	\$ 335,710,000
Bond Anticipation Notes	98,865,000	-	98,865,000	-
Long-Term Financing (Daktronics Scoreboard)	73,045	-	36,523	36,522
Compensated Absences	20,829,693	3,693,191	2,010,257	22,512,627
Unamortized Bond Premium	14,150,500	22,411,616	968,993	35,593,124
Net OPEB Obligation	46,851,919	11,779,160	5,662,122	52,968,957
Net Pension Liability - PERS Plan 1	-	25,000,282	-	25,000,282
Net Pension Liability - SERS Plans 2/3	-	12,201,867	-	12,201,867
Net Pension Liability - TRS Plan 1	-	104,008,565	-	104,008,565
Net Pension Liability - TRS Plans 2/3	-	27,060,729	-	27,060,729
TOTAL	\$ 382,210,156	\$ 358,780,410	\$ 125,897,895	\$ 615,092,672

TACOMA SCHOOL DISTRICT No. 10
OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS
AUGUST 31, 2015

DUE DATE	AMOUNT: \$150,360,000 2001 REFUNDING BOND DATED: 6/1/05		AMOUNT: \$78,965,000 2012 REFUNDING BOND DATED: 11/06/2012		AMOUNT: \$98,865,000 2013 BAN DATED: 6/6/2013		AMOUNT: \$152,625,000 2014 UTGO DATED: 11/6/2014		TOTAL DEBT SERVICE	TOTAL BY YEAR
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST		
Dec. 1, 2014	5,985,000	3,074,125	5,900,000	1,542,800	98,865,000	988,650	-	-	116,340,575	130,891,246
Jan. 1, 2015	6,485,000	2,925,000	-	1,483,750	-	-	-	3,656,921	14,650,671	130,891,246
Dec. 1, 2015	6,475,000	2,762,875	3,075,000	1,483,750	-	-	16,025,000	3,518,956	33,360,581	50,563,038
Jan. 1, 2016	6,995,000	2,601,000	2,710,000	1,437,625	-	-	-	3,458,831	17,202,456	50,563,038
Dec. 1, 2016	6,980,000	2,426,125	4,400,000	1,417,300	-	-	-	3,458,831	18,682,256	50,563,038
Jan. 1, 2017	8,000,000	2,251,625	55,000	1,329,300	-	-	-	3,458,831	15,094,756	33,777,013
Dec. 1, 2017	7,985,000	2,051,625	8,605,000	1,328,475	-	-	-	3,458,831	23,428,031	43,306,138
Jan. 1, 2018	13,355,000	1,852,000	55,000	1,156,375	-	-	-	3,458,831	19,877,296	43,306,138
Dec. 1, 2018	13,340,000	1,518,125	2,020,000	1,155,550	-	-	-	3,458,831	21,492,566	43,306,138
Jan. 1, 2019	14,000,000	1,184,625	60,000	1,115,150	-	-	-	3,458,831	20,618,666	42,111,113
Dec. 1, 2019	14,790,000	814,625	1,655,000	1,114,250	-	-	-	3,458,831	21,832,766	42,111,113
Jan. 1, 2020	8,925,000	444,875	3,890,000	1,081,150	-	-	-	3,458,831	17,799,856	39,632,463
Dec. 1, 2020	8,870,000	221,750	1,635,000	1,003,350	-	-	-	3,458,831	15,188,931	22,178,413
Jan. 1, 2021	-	-	2,560,000	970,650	-	-	-	3,458,831	6,989,481	22,178,413
Dec. 1, 2021	-	-	6,850,000	919,450	-	-	-	3,458,831	11,228,281	15,462,613
Jan. 1, 2022	-	-	-	775,500	-	-	-	3,458,831	4,234,331	15,462,613
Dec. 1, 2022	-	-	10,795,000	775,500	-	-	-	3,458,831	15,029,331	18,991,788
Jan. 1, 2023	-	-	-	505,625	-	-	-	3,458,831	3,964,456	18,991,788
Dec. 1, 2023	-	-	-	505,625	-	-	-	3,458,831	3,756,331	18,991,788
Jan. 1, 2024	-	-	11,705,000	297,500	-	-	-	3,458,831	16,296,331	19,425,788
Dec. 1, 2024	-	-	12,500,000	297,500	-	-	-	3,458,831	16,296,331	19,425,788
Jan. 1, 2025	-	-	-	-	-	-	3,045,000	3,458,831	3,458,831	19,715,163
Dec. 1, 2025	-	-	-	-	-	-	-	3,458,831	6,503,831	19,715,163
Jan. 1, 2026	-	-	-	-	-	-	3,382,706	3,382,706	3,382,706	9,886,538
Dec. 1, 2026	-	-	-	-	-	-	3,195,000	3,382,706	6,577,786	9,886,538
Jan. 1, 2027	-	-	-	-	-	-	-	3,302,831	3,302,831	9,886,538
Dec. 1, 2027	-	-	-	-	-	-	3,355,000	3,302,831	6,657,831	9,886,538
Jan. 1, 2028	-	-	-	-	-	-	-	3,218,956	3,218,956	9,886,538
Dec. 1, 2028	-	-	-	-	-	-	3,520,000	3,218,956	6,738,956	9,886,538
Jan. 1, 2029	-	-	-	-	-	-	-	3,130,956	3,130,956	9,886,538
Dec. 1, 2029	-	-	-	-	-	-	3,700,000	3,130,956	6,830,956	9,886,538
Jan. 1, 2030	-	-	-	-	-	-	-	3,038,456	3,038,456	9,886,538
Dec. 1, 2030	-	-	-	-	-	-	8,955,000	3,038,456	11,993,456	14,808,038
Jan. 1, 2031	-	-	-	-	-	-	-	2,814,581	2,814,581	14,808,038
Dec. 1, 2031	-	-	-	-	-	-	9,390,000	2,814,581	12,204,581	14,808,038
Jan. 1, 2032	-	-	-	-	-	-	-	2,579,831	2,579,831	14,784,413
Dec. 1, 2032	-	-	-	-	-	-	9,855,000	2,579,831	12,434,831	14,784,413
Jan. 1, 2033	-	-	-	-	-	-	-	2,333,456	2,333,456	14,784,413
Dec. 1, 2033	-	-	-	-	-	-	10,000,000	2,333,456	12,333,456	14,784,413
Jan. 1, 2034	-	-	-	-	-	-	-	2,083,456	2,083,456	14,784,413
Dec. 1, 2034	-	-	-	-	-	-	14,755,000	2,083,456	16,838,456	14,784,413
Jan. 1, 2035	-	-	-	-	-	-	-	1,714,581	1,714,581	18,553,038
Dec. 1, 2035	-	-	-	-	-	-	15,495,000	1,714,581	17,209,581	18,553,038
Jan. 1, 2036	-	-	-	-	-	-	-	1,327,206	1,327,206	18,536,788
Dec. 1, 2036	-	-	-	-	-	-	16,270,000	1,327,206	17,597,206	18,536,788
Jan. 1, 2037	-	-	-	-	-	-	-	920,456	920,456	18,517,663
Dec. 1, 2037	-	-	-	-	-	-	17,085,000	920,456	18,005,456	18,517,663
Jan. 1, 2038	-	-	-	-	-	-	-	471,975	471,975	18,477,431
Dec. 1, 2038	-	-	-	-	-	-	17,980,000	471,975	18,451,975	18,477,431
Jan. 1, 2039	-	-	-	-	-	-	-	-	-	18,451,975
Dec. 1, 2039	-	-	-	-	-	-	152,625,000	-	5,442,540,703	5,436,950,871
Jan. 1, 2040	-	-	-	-	-	-	-	-	-	5,436,950,871

TACOMA SCHOOL DISTRICT No. 10
SCHEDULE OF CAPITAL ASSETS BY LOCATION
August 31, 2015

PROPERTY	LOCATION	LAND	BUILDINGS & IMPROVEMENTS	EQUIPMENT	TOTALS
SENIOR HIGH SCHOOLS					
Foss	2112 S Tyler St.	\$ 1,053,377	\$ 47,619,575	\$ 808,505	\$ 49,481,457
Lincoln	701 S 37th St.	1,006,499	93,631,888	1,568,373	96,206,760
Lincoln Bowl	S 37th & G St.	1,979,476	1,497,891	-	3,477,367
Mount Tacoma (New)	4634 S 74th St.	7,071,355	73,317,799	1,199,759	81,588,913
Oakland	3319 S Adams St.	99,270	1,541,978	118,033	1,759,281
Re-Engagement Center	1818 Tacoma Ave.	91,963	48,100	11,915	151,978
Science & Math Inst.	5501 N Pearl St.		2,098,835	37,147	2,135,982
School of the Arts	1950 Pacific Ave.	401,122	12,033,505	150,549	12,585,176
Stadium	111 North E St.	4,272,371	114,547,325	1,455,571	120,275,267
Stadium Bowl	N 1st & E St.	4,825,151	1,075,052	-	5,900,203
Wilson	1202 N Orchard St.	378,979	36,857,292	899,690	38,135,961
MIDDLE SCHOOLS					
Baker	8320 S I St.	2,408,821	50,425,195	329,740	53,163,756
Gault	1115 E Division Lane	67,314	2,966,740	19,205	3,053,259
Giaudrone	4902 S Alaska St.	58,279	23,445,255	315,401	23,818,935
Gray	6229 S Tyler	708,404	39,745,035	318,492	40,771,931
Hunt	6501 S 10th St.	60,230	3,739,620	242,565	4,042,415
Jason Lee	602 N Sprague Ave.	1,918,440	26,330,838	376,982	28,626,260
Mason	3901 N 28th St.	103,379	23,798,879	514,924	24,417,182
Meeker	4402 Nassau Ave NE	1,416,692	13,229,970	308,234	14,954,896
Stewart	5010 Pacific Ave.	176,943	4,121,338	264,453	4,562,735
Truman	5801 N 35th St.	18,860	24,406,622	310,601	24,736,084
First Creek	1801 E 56th St.	167,722	42,019,608	232,996	42,420,326
ELEMENTARY SCHOOLS					
Arlington	3002 S 72nd St.	68,537	1,404,206	90,163	1,562,905
Birney	1202 S 76th St.	97,147	3,234,093	141,597	3,472,838
Blix	1302 E 38th St.	932,339	12,028,262	293,453	13,254,054
Boze	1140 E 65th St.	76,181	4,860,292	151,789	5,088,262
Browns Point	1526 - 51st. St. NE	71,147	3,817,727	189,107	4,077,982
Bryant	717 S Grant Ave.	149,325	1,558,206	63,772	1,771,303
Crescent Heights	4410 Nassau Ave NE	533,450	13,748,877	259,333	14,541,660
DeLong	4901 S 14th St.	34,905	5,418,127	144,558	5,597,589
Downing	2502 N Orchard St.	107,558	1,944,443	231,803	2,283,805
Edison	5830 S Pine St.	724,068	15,617,804	297,012	16,638,884
Fawcett	126 E 60th St.	71,679	5,032,362	177,019	5,281,060
Fern Hill	8442 S Park Ave.	79,816	18,833,973	389,626	19,303,415
Franklin	1402 S Lawrence	1,733,534	11,865,571	203,715	13,802,820
Geiger	621 S Jackson Ave.	455,146	24,876,314	96,389	25,427,849
Grant	1018 N Prospect St.	133,229	2,088,310	160,983	2,382,522
Jefferson	4302 N 13th St.	59,160	11,893,936	268,747	12,221,843
Larchmont	8601 East B St.	234,613	7,700,215	251,094	8,185,922
Lister	2106 E 44th St.	704,349	12,265,376	170,644	13,140,369
Lowell	810 N 13th St.	119,300	2,402,489	208,726	2,730,516
Lyon	101 E 46th St.	49,032	2,234,514	103,728	2,387,274
Manitou Park	4430 S 66th St.	778,177	10,494,667	193,240	11,466,083
Mann	1002 S 52nd. St.	1,052,818	9,297,586	166,438	10,516,843
McCarver	2111 South J St.	296,583	3,337,101	143,397	3,777,081
Northeast Tacoma	5412 29th St. NE	158,628	8,005,212	268,016	8,431,856
Point Defiance	4330 N Visscher St.	266,166	6,471,491	226,550	6,964,207

TACOMA SCHOOL DISTRICT NO. 10
SCHEDULE OF CAPITAL ASSETS BY LOCATION
August 31, 2015

PROPERTY	LOCATION	LAND	BUILDINGS & IMPROVEMENTS	EQUIPMENT	TOTALS
Reed	1802 S 36th St.	\$ 143,309	\$ 5,845,358	\$ 142,203	\$ 6,130,870
Roosevelt	3550 E Roosevelt Ave.	257,632	7,433,290	69,313	7,760,235
Sheridan	6317 McKinley Ave.	1,061,019	8,011,498	217,115	9,289,632
Sherman	4415 N 38th St.	20,000	10,582,611	330,262	10,932,873
Skyline	2301 N Mildred St.	96,603	1,733,877	291,866	2,122,346
Stafford	1615 S 92nd St.	9,714	15,818,980	224,373	16,053,067
Stanley	1712 S 17th St.	137,380	7,954,901	43,512	8,135,793
Washington-Hoyt	2615 N Adams	89,594	30,534,226	181,943	30,805,763
Whitman	1120 S 39th St.	71,095	8,031,054	124,119	8,226,268
Whittier	777 Elm Tree Lane	101,469	3,353,555	271,511	3,726,535
OTHER BLDGS. & SITES					
Madison - Head Start Use	3102 S 43rd St.	143,962	1,341,104	189,068	1,674,133
McKinley	3702 McKinley	89,259	1,826,554	41,376	1,957,188
Wainwright	130 Alameda Ave.	143,892	1,735,296	86,458	1,965,646
Willard	3201 South D St.	2,299	1,314,762	149,385	1,466,446
Park Avenue Center	6701 Park Ave.	153,329	1,208,713	-	1,362,042
Remann Hall	5501 6th Ave.	-	27,502	12,781	40,283
Pearl Street Center	815 S Pearl St.	-	-	-	-
District Wide		-	-	54,267	54,267
Central Administration Bldg. (CAB)	601 S 8th St.	84,380	8,728,816	11,916,472	20,729,669
CAB Annex	708 South G St.	-	134,392	68,137	202,529
Professional Development Ctr	6501 N 23rd St.	107,352	4,326,537	342,035	4,775,924
Camp Joshua Taylor	19607 Bay Rd KP	30,000	27,872	-	57,872
Blueberry Farm	E 80th & D St.	365,680	31,473	-	397,153
Lincoln Tree Farm	28001 Mountain Highway	1,986	5,431,488	109,443	5,542,917
Transportation	4002 S Cedar	280,880	356,484	7,260,753	7,898,117
Purchasing/Food Services	3321 S Union Ave.	-	255,211	746,992	1,002,203
Maintenance & Operations	3223 S Union Ave.	86,188	8,680,035	4,353,256	13,119,479
SOTA-Parking Garage	909-915 Market St.	365,255	1,039,575	-	1,404,830
SOTA-9th & Broadway	302 S 9th St.	1,631,612	4,681,034	-	6,312,646
Construction-in-Progress		-	29,687,974	-	29,687,974
TOTALS		\$ 42,745,423	\$ 1,009,063,664	41,600,676	\$ 1,093,409,762

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Statistical Section

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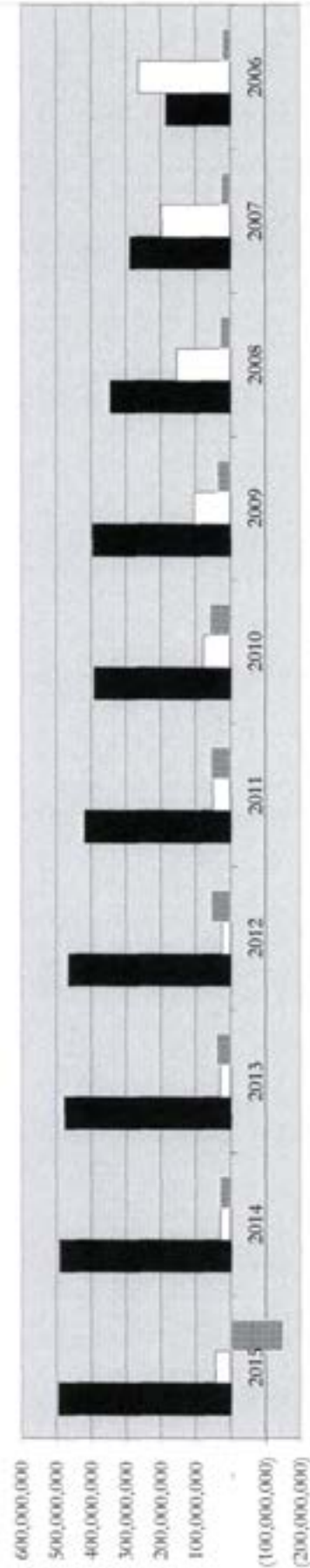
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Table 1

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
Net Investment in Capital Assets	\$ 492,723,196	\$ 489,838,116	\$ 474,767,679	\$ 463,667,781	\$ 417,592,334	\$ 390,590,421	\$ 394,062,543	\$ 343,600,058	\$ 287,407,153	\$ 183,498,584
Restricted	43,728,518	28,833,688	30,228,711	24,314,115	50,519,297	76,739,255	102,945,364	153,423,551	197,907,793	262,567,611
Unrestricted	(150,868,412)	32,408,178	40,772,196	56,105,876	56,326,373	59,868,566	37,499,416	29,171,927	26,194,733	23,090,635
Total Governmental Activities Net Position	\$ 385,683,302	\$ 551,079,900	\$ 545,768,586	\$ 544,177,772	\$ 524,437,954	\$ 527,198,242	\$ 534,607,323	\$ 526,195,536	\$ 511,509,679	\$ 469,156,830



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

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

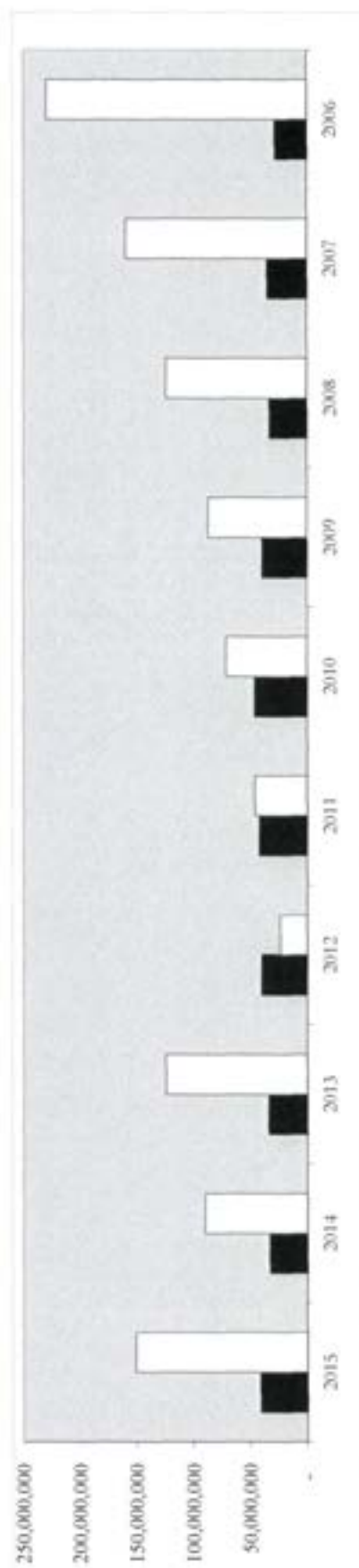
Expenses by function, program revenues by category, net (expense) revenue, general revenues and other changes in net position and total changes in net position are presented.

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES										
Governmental Activities:										
Regular Instruction	\$ 204,605,892	\$202,869,927	\$200,132,388	\$ 187,093,849	\$ 187,974,729	\$ 179,431,742	\$ 174,351,344	\$ 164,420,601	\$ 156,326,162	\$ 149,234,160
Federal Stimulus	12,901	176,527	2,712,607	3,595,817	15,819,024	16,381,307	12,689,346	-	-	-
Special Instruction	48,293,312	46,538,041	45,199,346	42,916,763	43,070,486	37,471,143	42,166,389	41,691,092	30,520,173	29,178,309
Career & Technical Instruction	11,890,668	11,320,711	11,199,076	10,897,908	11,085,804	10,266,650	11,173,411	9,398,193	9,623,177	9,018,916
Compensatory Instruction	34,220,184	31,392,881	26,882,336	30,504,519	28,974,680	32,111,417	38,702,893	40,352,551	36,450,450	35,035,205
Other Instructional Programs	6,555,962	5,545,242	4,285,329	4,366,029	4,567,290	3,926,777	3,938,143	4,797,569	5,230,923	5,317,223
Community Services	569,669	536,295	417,267	433,295	492,726	493,678	474,692	317,333	152,941	82,594
Support Services	75,439,636	76,924,636	73,960,390	69,686,722	69,100,770	67,074,218	70,777,237	64,105,022	64,172,537	60,295,526
Extracurricular Activities (ASB)	1,871,077	2,018,381	2,033,416	2,001,607	2,178,978	1,988,996	2,102,491	2,419,682	2,126,537	22,219,507
Interest on Long-Term Debt	13,429,084	9,975,834	7,380,457	12,983,037	11,717,000	12,048,330	12,951,711	13,741,676	14,803,241	13,616,689
Total Governmental Activities Expenses	396,890,383	387,248,476	369,062,612	364,479,546	374,981,567	361,194,058	369,327,557	341,243,519	319,405,961	324,898,148
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 1,769,244	\$ 1,429,832	\$ 1,330,547	\$ 1,339,342	\$ 964,227	\$ 1,609,631	\$ 977,061	\$ 877,796	\$ 1,118,195	1,091,413
Federal Stimulus	2,254,024	1,968,321	1,906,917	1,872,069	1,624,089	1,633,329	1,485,568	1,614,967	782,310	1,034,840
Special Instruction	137,817	145,804	140,185	126,890	533,577	42,150	213,596	39,581	57,341	76,667
Career & Technical Instruction	8,042	9,750	8,525	9,400	14,550	9,599	3,700	-	-	-
Compensatory Instruction	961,123	906,697	763,198	776,168	724,126	413,810	416,539	1,271,683	1,202,942	914,182
Other Instructional Programs	640,639	685,744	587,554	658,743	716,019	678,450	645,545	579,165	537,285	304,148
Community Services	2,421,661	4,147,217	3,913,427	3,475,889	2,744,998	2,875,681	3,417,989	3,207,302	2,937,576	3,107,453
Support Services	1,869,533	1,991,012	2,102,657	1,979,769	2,015,440	2,025,124	1,966,684	2,471,489	2,101,622	2,386,939
Extracurricular Activities (ASB)	197,464,102	115,572,241	109,133,062	108,030,433	119,870,018	1,118,095,063	123,551,671	99,180,022	88,838,632	86,565,918
Operating Grants and Contributions	412,640	1,653,062	671,852	1,208,706	197,045	135,941	79,914	274,667	177,984	426,067
Total Governmental Activities Program Revenues	207,938,825	128,509,680	120,557,924	119,477,009	129,404,089	1,127,618,978	132,758,267	109,516,672	97,753,887	95,907,627
NET (EXPENSE)/REVENUE	(188,951,558)	(258,738,796)	(248,504,688)	(245,002,537)	(245,577,478)	766,424,920	(236,569,290)	(231,726,847)	(221,652,074)	(228,990,521)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes for Maintenance & Operations	\$ 85,484,428	\$ 82,356,831	\$ 82,675,927	\$ 82,145,826	\$ 77,928,963	\$ 72,876,736	\$ 69,052,008	\$ 66,388,111	\$ 64,642,843	61,731,341
Property Taxes for Debt Service	42,648,706	33,534,564	30,069,252	29,829,399	28,469,965	31,805,847	37,226,743	40,016,240	44,238,901	43,786,896
Property Taxes for Capital Projects	13,065,701	18,116,612	19,187,006	16,608,950	8,155,985	36	315	2,542	24,340	116,325
Unallocated State Apportionment & Others	69,361,658	129,796,551	118,011,453	136,048,820	128,024,123	121,135,325	136,088,259	133,258,959	141,820,613	146,571,226
Interest and Investment Earnings	474,075	245,630	153,864	199,360	238,154	448,055	2,513,752	6,749,852	13,278,226	10,971,849
Total Governmental Activities	211,034,566	264,050,188	250,095,582	264,742,355	242,817,190	226,265,999	244,881,077	246,415,704	264,084,923	263,177,637
Change in Net Position	\$ 22,083,008	\$ 5,311,394	\$ 1,590,813	\$ 19,739,818	\$ (2,760,280)	\$ 992,690,919	\$ 8,311,787	\$ 14,688,857	\$ 42,352,849	\$ 34,187,116

TACOMA SCHOOL DISTRICT No. 10
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

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

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 3,336,215	\$ 4,359,221	\$ 2,453,324	\$ 3,650,093	\$ 2,243,741	\$ 3,135,309	\$ 1,876,760	\$ 3,682,051	\$ 8,525,054	\$ 4,961,132
Restricted	753,170	859,610	604,556	150,569	2,129,678	2,039,119	3,290,695	4,564,735	4,640,910	3,009,912
Committed	1,000,000	13,138,279	12,058,267	10,833,433	10,739,785	9,848,216	10,009,490	7,945,738	2,446,206	5,408,886
Assigned	21,482,786	14,170,430	18,492,786	24,847,371	26,498,441	30,835,584	24,199,231	15,714,538	18,280,253	14,227,738
Unassigned	14,184,280	-	-	-	-	-	-	946,916	827,364	444,099
Total General Fund	40,756,452	32,527,540	33,608,933	39,481,466	41,611,645	45,858,228	39,376,176	32,853,978	34,719,787	28,051,767
All Other Governmental Funds										
Nonspendable	-	58,065	82,037	113,323	43,107	44,607	88,895	65,229	75,481	127,416
Restricted	150,233,741	72,402,122	99,263,870	16,664,290	14,676,157	32,658,001	79,183,555	75,911,561	113,306,913	147,130,424
Committed	-	-	-	3,724,333	11,975,218	24,474,174	702,549	36,698,098	36,379,806	61,260,440
Assigned	666,219	17,418,578	25,094,078	3,266,213	19,050,432	14,091,937	7,025,790	11,531,603	10,003,108	21,170,860
Total All Other Governmental Funds	\$ 150,899,960	\$ 89,878,764	\$ 124,439,985	\$ 23,768,159	\$ 45,744,914	\$ 71,268,719	\$ 87,000,789	\$ 124,206,491	\$ 159,765,308	\$ 229,689,140



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

Last Ten Fiscal Years

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES										
Local Taxes	\$ 141,198,835	\$ 134,008,007	\$ 131,930,185	\$ 128,584,175	\$ 114,554,913	\$ 104,682,619	\$ 106,279,067	\$ 106,406,893	\$ 108,906,084	\$ 105,634,562
Local Non-Tax	7,455,521	6,927,550	6,376,572	6,491,558	6,875,408	6,605,606	9,072,709	13,708,167	19,864,775	17,321,631
State Funds, General Purpose	171,744,953	163,660,985	149,589,538	148,300,822	141,890,600	146,132,687	140,272,777	138,128,440	134,098,632	131,161,547
State Funds, Special Purpose	52,041,308	46,848,223	38,006,506	49,115,102	39,156,219	38,810,327	66,040,426	55,603,591	57,287,331	59,696,928
Federal Funds, General Purpose	337,953	372,025	439,342	408,403	359,651	370,471	450,453	491,957	434,204	460,790
Federal Funds, Special Purpose	37,753,336	34,480,207	38,097,163	44,733,568	52,731,623	54,910,681	48,625,800	36,173,884	36,653,736	37,044,126
Revenues from Other Districts	2,256,469	1,972,203	1,909,593	1,942,036	1,701,195	1,626,362	1,477,629	1,608,984	774,167	1,034,840
Revenues from Other Agencies	1,229,148	1,683,548	1,525,833	398,610	654,495	243,813	297,477	505,351	588,246	340,936
Miscellaneous	1,875,430	1,991,012	2,102,657	1,979,769	2,015,440	2,025,124	1,966,684	2,471,489	2,101,622	2,386,939
TOTAL REVENUES	415,892,953	391,943,759	369,977,389	381,954,043	359,939,544	355,407,690	374,483,022	355,098,756	360,708,797	355,082,299
EXPENDITURES										
Regular Instruction	178,604,394	174,589,139	170,771,737	164,008,333	160,298,122	150,804,463	142,968,422	148,591,332	139,992,844	132,888,574
Federal Stimulus	2,818	154,555	2,550,190	3,511,395	15,164,242	15,708,343	12,096,304	-	-	-
Special Instruction	46,461,341	43,938,775	42,490,710	42,051,072	41,038,872	35,917,278	39,323,625	38,700,254	29,649,440	28,550,134
Career & Technical Instruction	11,399,640	10,676,618	10,403,546	10,639,000	10,518,005	9,835,694	9,969,499	8,894,872	8,985,654	9,230,191
Compensatory Education	32,905,572	29,643,976	25,264,270	29,884,379	27,552,787	30,930,647	37,496,859	38,702,671	35,333,345	34,112,362
Other Instructional Programs	6,288,925	5,225,905	4,020,355	4,270,526	4,371,799	3,780,501	3,792,643	4,587,635	4,949,859	5,068,887
Community Services	553,050	517,033	398,150	428,850	485,678	486,859	447,585	308,484	148,622	80,803
Support Services	70,460,303	70,465,347	67,005,275	65,581,508	62,454,950	63,273,284	62,318,533	57,069,604	59,942,714	57,071,240
Student Activities	1,869,533	2,018,381	2,020,978	2,000,623	2,177,379	1,986,443	2,096,938	2,390,735	2,087,909	2,172,968
Capital Outlay	42,276,676	59,058,149	20,636,911	46,460,161	40,830,753	26,408,149	54,950,133	55,291,736	85,797,229	100,850,896
Debt Service:										
Interest	13,671,410	19,595,000	11,289,818	12,805,208	11,378,578	13,128,578	15,141,792	22,260,393	17,608,995	16,778,426
Principal	117,220,000	11,814,429	19,265,000	25,199,340	13,666,695	14,018,506	24,598,578	16,167,551	39,627,867	27,291,445
TOTAL EXPENDITURES	521,713,662	427,717,307	376,216,940	406,840,395	389,937,860	366,278,745	405,200,911	392,965,267	424,124,478	414,095,926
Excess of Revenues Over (Under) Expenditures	(105,820,709)	(35,773,548)	(6,239,551)	(24,886,352)	(29,998,316)	(10,871,055)	(30,717,889)	(37,866,510)	(63,415,681)	(59,013,627)
OTHER FINANCING SOURCES (USES)										
Sale of Equipment & Property	34,199	130,934	113,725	779,418	45,320	1,632,226	23,196	1,441,885	159,870	9,407
Long-Term Financing	-	-	-	-	182,608	-	-	-	-	-
Sales of Bonds	80,000,000	-	98,865,000	-	-	-	-	-	-	55,000,000
Bond Premium (Discount)	671,616	-	2,341,123	-	-	-	-	-	-	1,853,628
Capital Leases	-	-	-	-	-	-	-	-	-	-
Bonds, Deposit to Refunding Account	94,365,000	-	(92,176,953)	-	-	-	-	-	-	-
Refunded Bonds	-	-	92,281,142	-	-	-	-	-	-	-
Cost of Issuance	-	-	(385,193)	-	-	-	-	-	-	-
Refund from Bond Escrow Account	-	-	-	-	-	-	-	-	-	76,595
Total Other Financing Sources (Uses)	175,070,815	130,934	101,038,844	779,418	227,928	1,632,226	23,196	1,441,885	159,870	56,939,630
NET CHANGE IN FUND BALANCES	\$ 69,250,106	\$ (35,642,614)	\$ 94,799,293	\$ (24,106,934)	\$ (29,770,388)	\$ (9,238,829)	\$ (30,694,693)	\$ (36,424,625)	\$ (63,255,811)	\$ (2,073,997)
Debt Service as a Percentage of Noncapital Expenditures	27.30%	8.51%	8.59%	10.55%	7.17%	7.99%	11.35%	11.38%	16.92%	14.07%

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

FISCAL YEAR	LOCAL TAXES	STATE FUNDS	FEDERAL FUNDS	LOCAL NON-TAX REVENUE
2005	59,201,540	164,849,344	38,237,201	7,019,819
2006	61,731,341	167,990,989	37,504,916	7,898,631
2007	64,642,843	174,288,249	37,087,940	9,118,168
2008	66,388,111	184,567,109	36,665,841	8,800,421
2009	69,052,008	186,586,989	49,076,253	7,062,054
2010	72,876,736	180,860,443	55,281,152	6,080,372
2011	77,928,963	178,017,671	53,091,274	6,753,411
2012	82,145,826	182,805,683	45,141,971	6,448,676
2013	82,673,927	185,471,770	38,536,505	6,294,003
2014	82,356,831	206,856,311	34,852,232	6,719,638
2015	85,484,428	221,087,202	38,091,289	6,840,586

FISCAL YEAR	PAYMENTS FROM OTHER DISTRICTS	PAYMENTS FROM OTHER AGENCIES AND ASSOC.	TOTAL REVENUES GENERAL FUND
2005	614,971	617,718	270,540,593
2006	1,034,840	340,936	276,501,653
2007	774,167	588,246	286,499,613
2008	1,608,984	505,351	298,535,817
2009	1,477,629	297,477	313,552,410
2010	1,626,362	243,813	316,968,878
2011	1,701,195	387,601	317,880,115
2012	1,942,036	433,756	318,917,948
2013	1,909,593	1,440,858	316,326,656
2014	1,972,203	1,477,177	334,234,392
2015	2,256,469	1,167,044	354,927,018

FISCAL YEAR	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	*CAPITAL PROJECTS FUNDS	TOTAL ALL FUNDS
2005	2,439,263	41,510,405	18,347,429	332,837,690
2006	2,386,939	44,317,352	31,876,355	355,082,299
2007	2,101,622	44,727,324	27,380,238	360,708,797
2008	2,471,489	40,268,336	13,823,114	355,098,756
2009	1,966,684	37,303,931	21,659,997	374,483,022
2010	2,025,124	31,827,636	4,586,052	355,407,690
2011	2,015,440	28,484,967	11,559,022	359,939,544
2012	1,979,769	29,839,774	31,216,552	381,954,043
2013	2,102,657	30,078,332	21,469,744	369,977,389
2014	1,991,012	33,541,879	22,176,477	391,943,759
2015	1,875,430	42,668,905	16,421,600	415,892,953

* 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.

GENERAL FUND					
FISCAL YEAR	ADMIN	INSTRUCTION	NUTRITION SERVICES	PUPIL TRANSPORT	MAINT. & OPERATIONS
2005	7,866,570	213,510,881	10,410,009	8,873,990	24,020,756
2006	8,462,545	212,201,005	9,847,517	8,232,114	24,523,664
2007	7,937,321	221,059,843	9,980,145	8,549,236	26,650,933
2008	8,054,951	239,329,044	10,828,147	9,698,502	26,787,426
2009	8,440,020	245,992,520	11,560,475	8,155,673	27,792,244
2010	8,892,110	247,663,918	11,609,925	9,285,131	27,411,725
2011	7,969,484	259,669,149	11,749,525	9,695,602	27,512,527
2012	8,990,937	254,898,444	12,034,030	9,798,484	27,405,809
2013	9,179,047	256,119,026	12,098,331	10,460,960	27,861,182
2014	10,861,257	265,648,205	12,333,637	10,956,980	28,991,657
2015	10,490,878	276,028,667	12,153,586	10,715,596	29,486,577

FISCAL YEAR	INFORMATION SERVICES	PRINTING	WAREHOUSE DISTRIBUTION	OTHER SERVICES (1)	TOTAL GENERAL FUND
2005	4,049,247	211,957	463,684	121,032	269,528,126
2006	4,100,831	187,622	557,798	80,803	268,193,899
2007	5,196,173	(12,829)	345,919	148,622	279,855,363
2008	5,588,841	185,959	703,613	131,526	301,308,009
2009	6,079,366	(22,410)	655,790	327,432	308,981,110
2010	5,515,363	191,446	608,614	132,213	311,310,445
2011	5,537,598	253,769	627,326	98,401	323,113,381
2012	7,466,543	189,370	643,427	156,726	321,583,770
2013	6,914,634	270,138	613,839	158,927	323,676,084
2014	7,040,205	261,808	595,598	195,067	336,884,412
2015	7,112,404	164,486	718,166	218,324	347,088,682

	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	
FISCAL YEAR	STUDENT ACTIVITIES	DEBT SERVICE	FACILITIES CONSTRUCTION	BUS PURCHASES	TOTAL ALL FUNDS
2005	2,369,376	46,955,489	81,418,317	-	400,271,308
2006	2,172,968	43,711,995	99,556,094	460,970	414,095,926
2007	2,087,909	56,998,986	84,840,217	342,003	424,124,478
2008	2,390,735	39,269,360	50,602,706	394,457	393,965,267
2009	2,096,938	39,740,370	54,215,243	167,250	405,200,911
2010	1,986,443	27,147,084	25,356,335	478,438	366,278,745
2011	2,177,379	24,804,216	39,842,884	-	389,937,860
2012	2,000,623	38,004,548	45,251,454	-	406,840,395
2013	2,020,978	30,554,818	19,509,323	455,736	376,216,940
2014	2,018,381	31,409,429	56,682,917	722,169	427,717,307
2015	1,869,533	130,891,410	40,293,016	1,571,020	521,713,662

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

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

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

CALENDAR YEAR	ORIGINAL TAX LEVY	NET ADJUSTMENTS TO TAX LEVIES	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTION
2006	109,798,162	(425,551)	106,281,886	96.80	3,003,495
2007	109,938,536	(360,264)	106,078,588	96.49	2,733,996
2008	105,699,741	(618,296)	101,945,879	96.45	2,723,280
2009	110,170,949	(965,380)	105,923,086	96.14	2,746,515
2010	102,282,949	(1,038,740)	97,957,039	95.77	3,144,997
2011	128,588,377	(2,287,874)	123,138,650	95.76	2,803,867
2012	131,363,270	(608,313)	127,033,450	96.70	3,429,623
2013	133,664,909	(2,045,795)	129,713,798	97.04	2,802,229
2014	135,514,613	(633,149)	132,028,538	97.43	3,238,775
2015	144,988,737	(462,211)	142,031,691	97.96	3,340,228

CALENDAR YEAR	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS AS PERCENT OF CURRENT LEVY
2006	109,285,381	99.53
2007	108,812,584	98.98
2008	104,669,159	99.02
2009	108,669,601	98.64
2010	101,102,036	98.85
2011	125,942,517	97.94
2012	130,463,072	99.31
2013	132,516,027	99.14
2014	135,267,313	99.82
2015	145,371,919	100.26

@ 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
2006	16,736,729,965	3.8231	2.7323	-	-
2007	19,992,922,799	3.3053	2.1754	-	0.0275
2008	22,171,379,203	3.0695	1.6959	-	0.0014
2009	22,966,978,151	3.1474	1.6545	-	-
2010	21,961,694,749	3.4272	1.2179	-	0.0092
2011	20,129,053,134	4.0771	1.5107	0.7924	-
2012	18,649,828,373	4.4873	1.5914	0.9621	-
2013	16,863,514,338	4.8848	1.8153	1.2263	-
2014	17,436,065,582	4.7531	2.0883	0.9201	-
2015	18,827,396,929	4.6087	2.5449	0.5383	-

CALENDAR YEAR	STATE SCHOOL	CITY	METRO PARK	PORT OF TACOMA	COUNTY	TOTAL
2006	2.6388	3.3830	0.8768	0.1857	1.3354	14.9751
2007	2.2912	3.0797	0.7603	0.1856	1.1355	12.9605
2008	2.0688	2.8396	0.7310	0.1851	1.0838	11.6750
2009	2.0234	2.8107	0.7203	0.1829	1.0815	11.6205
2010	2.0674	2.9902	0.7666	0.1840	1.1599	11.8225
2011	2.2737	3.2445	1.0872	0.1819	1.2415	14.4090
2012	2.4079	3.6158	1.1074	0.1814	1.3721	15.7254
2013	2.6294	4.0381	1.1513	0.1833	1.5263	17.4548
2014	2.5271	4.0022	1.1374	0.1833	1.5046	17.1161
2015	2.3863	3.8126	1.7959	0.1837	1.4279	17.2983

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

TAXPAYER	TYPE OF BUSINESS	2015			2006		
		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	\$ 283,781,215	1	% 1.51	\$ 122,917,216	7	% 0.73
Rocktenn CP LLC	Manufacturer	187,888,346	2	1.00			
Puget Sound Energy/Gas	Utilities	108,819,655	3	0.58	439,350,176	1	2.63
Targa Sound Terminal LLC	Energy Supplier	89,590,800	4	0.48			-
CSC of Tacoma LLC	Correctional Services	71,397,900	5	0.38			-
AT&T Mobility LLC	Telecommunications	63,513,050	6	0.34			-
Qwest Corporation	Telecommunications	54,633,570	7	0.29	252,024,024	3	1.51
University Street Properties LLC	Property Management	51,370,943	8	0.27			-
US Oil & Refining Co	Timber	49,982,100	9	0.27			-
Fairfield Fairways WA LLC	Property Management	47,667,900	10	0.25			-
Cafaro Northwest Partnership	Retail			-	90,234,300	10	0.54
The Boeing Co.	Manufacturer			-	386,517,746	2	2.31
Fredrickson Power	Utility			-	142,430,000	4	0.85
Intel Corporation	Manufacturer			-	124,236,284	6	0.74
Costco Wholesale Corp	Retail			-	95,021,387	9	0.57
Northwest Building LLC	Industrial Park			-	108,172,539	8	0.65
Fred Meyer Stores	Retail			-	124,680,210	5	0.74
		\$ 1,008,645,479		% 5.36	\$ 1,885,583,882		% 11.27

* Percentage of total assessed value of \$18,827,396,929

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

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

CALENDAR YEAR	ASSESSED VALUATION		ESTIMATED ACTUAL TAXABLE PROPERTY	PROPERTY TAX RATE	RESIDENTIAL		BUILDING PERMITS	
	OF REAL PROPERTY				UNITS	VALUE	UNITS	VALUE
2006	16,736,729,965		16,737,000,000	14.9751	2,746	482,193,093		
2007	19,992,921,762		19,993,000,000	12.9605	1,369	128,620,917	1,259	390,955,334
2008	22,171,379,203		22,171,000,000	11.6750	1,033	87,120,812	1,113	256,764,093
2009	22,966,978,151		22,967,000,000	11.6205	896	45,309,886	900	169,220,515
2010	21,961,694,749		21,961,000,000	11.8225	908	44,535,987	630	252,177,640
2011	20,129,053,134		20,129,000,000	14.4090	1,065	62,437,154	628	189,274,033
2012	18,649,828,373		18,650,000,000	15.7254	906	49,186,682	673	257,626,062
2013	16,863,514,338		16,864,000,000	17.4548	3,420	78,204,392	1,945	254,158,007
2014	17,336,065,582		17,436,066,000	17.1161	1,418	90,668,713	1,231	295,192,283
2015	18,827,396,629		18,827,397,000	17.2983	1,525	83,409,875	1,447	261,495,508

Source data: Pierce County Assessor's Office and City of Tacoma. Building permits and values for years 2002 - 2006 available as totals only.

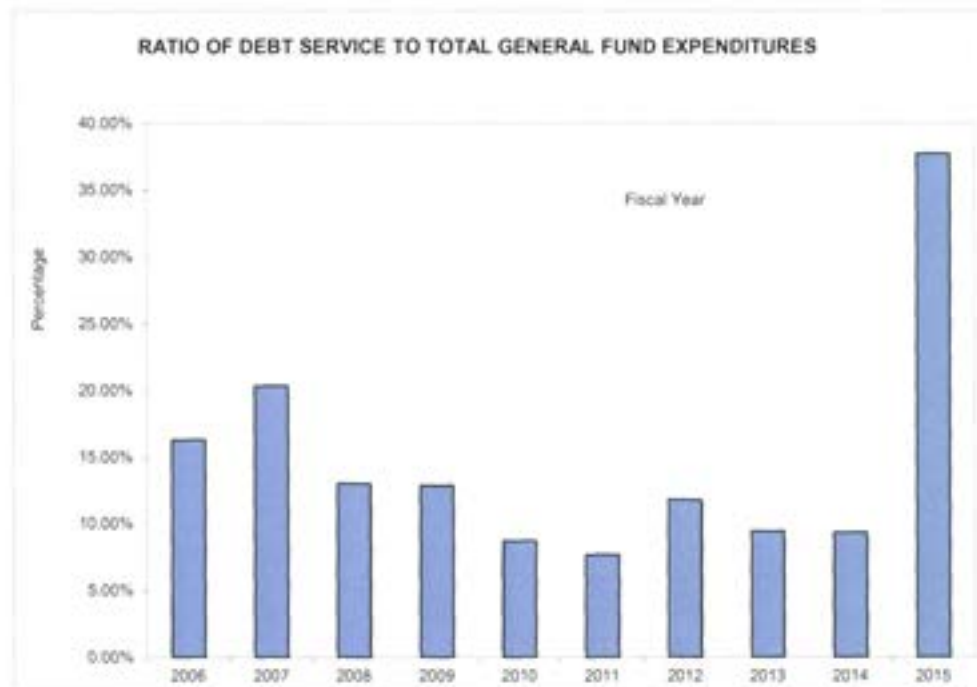
TACOMA SCHOOL DISTRICT No. 10
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)

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	TOTAL GENERAL FUND EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL FUND EXPENDITURES
	PRINCIPAL(1)	INTEREST(2)			
2006	26,938,578	16,771,322	43,709,900	268,193,899	16.30
2007	39,393,578	17,603,713	56,997,291	279,855,363	20.37
2008	23,103,578	16,163,916	39,267,494	301,308,008	13.03
2009	24,598,578	15,140,100	39,738,678	308,981,110	12.86
2010	13,128,578	14,016,812	27,145,390	311,310,445	8.72
2011	11,378,578	13,421,706	24,800,284	323,113,381	7.68
2012	25,199,340	12,804,301	38,003,641	321,583,770	11.82
2013	19,265,000	11,288,147	30,553,147	323,676,084	9.44
2014	19,595,000	11,813,525	31,408,525	336,884,412	9.32
2015	117,220,000	13,671,246	130,891,246	347,088,682	37.71

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

(2) Excludes bond issuance and other costs.



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

FISCAL YEAR	POPULATION	ASSESSED VALUE	GROSS BONDED DEBT	CAPITAL LEASES/ LONG TERM FINANCING	LESS DEBT SERVICE FUNDS AVAILABLE	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	RATIO OF NET BONDED DEBT TO PERSONAL INCOME	NET BONDED DEBT PER CAPITA
2006	199,600	\$ 16,736,729,965	\$ 381,978,334	\$ 391,104	\$ 15,853,366	\$ 366,124,968	2.1876%	5.0217%	\$ 1,834.29
2007	201,700	\$ 19,992,921,762	\$ 342,193,652	\$ 156,815	\$ 3,670,281	\$ 338,680,186	1.6940%	4.3522%	\$ 1,679.13
2008	202,700	\$ 22,171,379,203	\$ 319,090,074	\$ -	\$ 4,757,835	\$ 314,332,239	1.4177%	3.8326%	\$ 1,550.73
2009	203,400	\$ 22,966,978,151	\$ 294,491,496	\$ -	\$ 2,409,974	\$ 292,081,522	1.2717%	3.6625%	\$ 1,436.00
2010	204,200	\$ 21,961,694,749	\$ 281,362,918	\$ -	\$ 7,179,104	\$ 274,183,814	1.2485%	3.3770%	\$ 1,342.72
2011	198,900	\$ 18,649,828,373	\$ 269,984,340	\$ 182,608	\$ 10,948,433	\$ 259,218,515	1.3899%	3.1793%	\$ 1,303.26
2012	199,600	\$ 18,649,828,373	\$ 244,785,000	\$ 146,087	\$ 7,037,999	\$ 237,893,088	1.2756%	2.6981%	\$ 1,191.85
2013	200,400	\$ 16,863,514,338	\$ 319,900,000	\$ 109,566	\$ 7,241,697	\$ 312,767,869	1.8547%	3.4003%	\$ 1,560.72
2014	200,900	\$ 17,436,065,582	\$ 314,455,500	\$ 73,045	\$ 9,374,148	\$ 305,154,397	1.7501%	3.6290%	\$ 1,518.94
2015	202,300	\$ 18,827,396,629	\$ 335,710,000	\$ 36,522	\$ 15,516,643	\$ 320,229,879	1.7009%	3.9194%	\$ 1,582.95

Net Bonded Debt

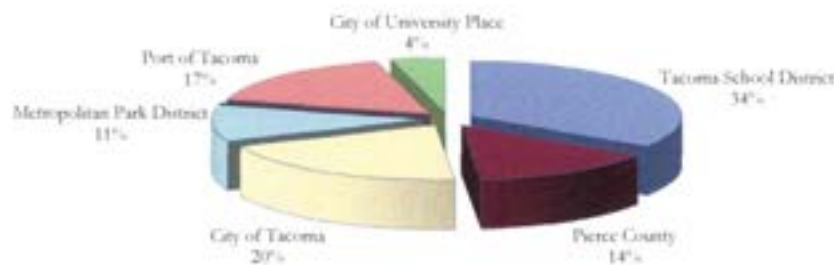


Source data: Office of Financial Management, Pierce County Assessor's Office, and Tacoma School District CAFR Schedule D-1 and Long-Term Debt Tables

TACOMA SCHOOL DISTRICT No. 10
STATEMENT OF DIRECT AND OVERLAPPING DEBT
August 31, 2015
(Unaudited)

	AREA DEBT OUTSTANDING	PERCENT APPLICABLE DISTRICT*	DEBT WITHIN DISTRICT BOUNDARY
DIRECT BONDED DEBT:			
Tacoma School District	\$ 371,339,646	% 100.00	\$ 371,339,646
OVERLAPPING BONDED DEBT:			
Pierce County	154,086,008	26.96	41,541,588
City of Tacoma	218,031,000	100.00	218,031,000
Metropolitan Park District	115,235,000	100.00	115,235,000
Port of Tacoma	179,757,000	26.96	48,462,487
City of University Place	44,645,000	2.13	950,939
	<hr/>		<hr/>
TOTAL OVERLAPPING BONDED DEBT	711,754,008		424,221,013
	<hr/>		<hr/>
TOTAL DIRECT AND OVERLAPPING BONDED DEBT	\$ 1,083,093,654		\$ 795,560,659

AREA OF DEBT OUTSTANDING



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

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

TACOMA SCHOOL DISTRICT No. 10
CONSTITUTIONAL LIMIT OF INDEBTEDNESS
August 31, 2015

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) \$ 70,602,737

Less: Limited Tax G.O. Bonds -

DEBT CAPACITY AVAILABLE FOR NON-VOTED DEBT 70,602,737

BY 3/5 OF THE PEOPLE AUTHORIZATION VOTE

FOR GENERAL PURPOSES(1)

2 1/8% of Assessed Valuation(2) 400,082,178

Add: Bond Fund Cash 15,516,583

Bond Fund Taxes Receivable 23,016,437

Less: Bonds Outstanding (335,710,000)

BOND CAPACITY AVAILABLE FOR GENERAL PURPOSES 102,905,199

FOR ADDITIONAL CAPITAL OUTLAY(1)

Add: 2 1/2% of Assessed Valuation 470,684,916

BOND CAPACITY FOR ADDITIONAL CAPITAL OUTLAY 470,684,916

UNUSED PORTION OF INDEBTEDNESS LIMIT

\$ 644,192,852

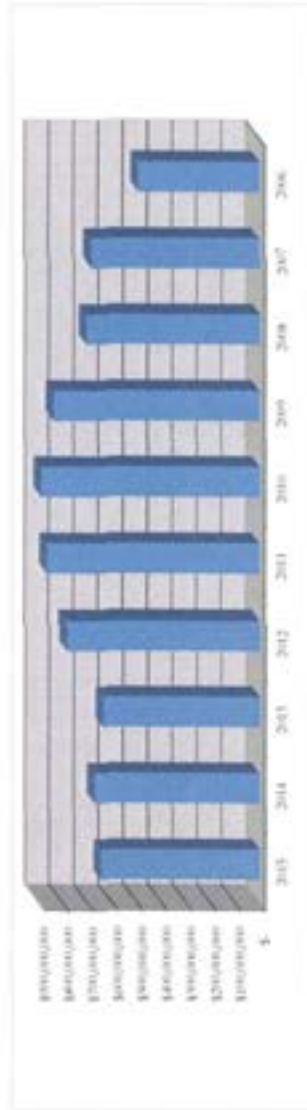
(1) Per 39.36.015 and 39.36.020 Revised Code Of Washington

(2) 2014 Assessment for 2015 Tax Base \$18,827,396,629 (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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit:										
Non-Voted Debt	\$ 70,602,737	\$ 70,628,777	\$ 69,936,856	\$ 75,483,949	\$ 82,356,355	\$ 86,126,168	\$ 83,142,672	\$ 74,973,437	\$ 74,973,437	\$ 62,762,737
Voted Debt-General Purposes	400,082,178	400,229,756	396,308,853	427,742,379	466,686,013	488,048,286	471,141,808	424,849,587	424,849,587	355,655,512
Voted Debt-Additional Capital Outlay	479,484,916	470,838,513	466,245,709	503,226,328	549,042,569	574,174,854	554,284,480	499,823,044	499,823,044	418,418,349
Total Debt Limit	941,369,831	941,717,026	932,491,418	1,006,452,656	1,098,084,937	1,148,348,908	1,108,508,960	999,646,068	999,646,068	836,836,498
Total Net Debt Applicable to Limit	374,243,020	272,992,126	297,477,633	222,734,499	235,062,291	260,156,855	271,742,039	295,345,937	316,833,088	343,081,418
Legal Debt Margin	\$ 644,192,852	\$ 668,724,900	\$ 635,013,786	\$ 783,718,158	\$ 863,022,646	\$ 888,192,053	\$ 835,826,921	\$ 704,300,151	\$ 682,813,000	\$ 493,755,080
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	39.76%	28.99%	31.90%	22.13%	21.41%	22.65%	24.60%	29.55%	31.69%	41.00%
Assessed Valuation (Revenue Base)	18,827,396,929	17,436,065,402	16,863,514,338	18,649,828,373	20,129,053,134	21,961,694,749	22,966,978,181	22,171,379,203	19,992,922,799	16,736,729,965



**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)	PERSONAL INCOME (In Thousands) (b)	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)
2006	201,700	27,915,671	36,527	5.20%	28,649	52.50%
2007	202,700	29,863,847	38,581	5.01%	27,932	54.80%
2008	203,400	31,846,581	40,461	5.93%	27,659	56.60%
2009	204,200	31,228,180	39,208	9.29%	28,088	58.80%
2010	204,200	31,625,073	39,761	9.20%	27,828	57.00%
2011	198,900	33,117,849	40,992	9.10%	27,806	60.00%
2012	199,600	35,232,946	44,174	8.50%	27,562	63.90%
2013	200,400	36,054,002	45,900	7.50%	27,531	63.20%
2014	200,900	36,282,818	41,855	7.20%	28,011	63.30%
2015	202,300	Not Available	40,387	6.10%	28,323	63.50%

(a) Office of Financial Management

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

(c) WA State Employment Security Department

(d) WA State Office of Superintendent of Public Instruction

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

Table XVII

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

EMPLOYER	2014 (2015 Information was not available)			2006		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL	EMPLOYEES	RANK	PERCENTAGE OF TOTAL
Federal Government	67,518	1	%	53,207	1, 2, 5	%
Local Government	28,820	2		5,204	6, 7	
MultiCare Health Systems	6,904	3		3,874	4	
Franciscan Health Systems	5,338	4		3,896	3	
Fred Meyer Stores	2,560	5		1,689	8	
State Farm Insurance	2,206	6		-		
Emerald Queen Casino	2,061	7		1,688	9	
The Boeing Company	1,670	8		-	NA	
Wal-Mart	1,334	9		-	NA	
Safeway Stores, Inc.	1,304	10		1,613	10	
Total	119,715		%	71,171		%
			100.00			97.73

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

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

Year Incorporated (Tacoma School District)	1878
Population (City of Tacoma)	202,300
Total Personal Income (Pierce County)	36,282,818
Land Area	62.34 Square Miles
Average Rainfall	39.0 Inches
Average Temperature Summer	65.6 F.
Average Temperature Winter	41 F.
Number of Police Stations	6
Number of Fire Stations	17
Number of Hospitals	6
Number of City Operated Public Libraries	8 Branches
Number of Museums	14

TACOMA SCHOOL DISTRICT

Schools	Elementary	35
	Middle	9
	High	8
	Alternative Learning Sites	11
Students	Elementary (Grades K-5)	14,527
	Middle School (Grades 6-8)	6,001
	High School (Grades 9-12)	6,752
	Alternative Learning Sites	1,931
Average FTE (District Total)		<hr/> 29,210

OTHER SCHOOLS

Private Schools (Above Kindergarten)	24
Business Colleges (Private)	2
Technical Colleges	1
Community Colleges	1
Universities (Private)	2
Universities (Branch Campus)	1

RECREATION - CITY OWNED

Parks	70
Tidelands	6
Swimming Pools	4
Golf Courses, including Disk Golf (Public)	2
Playfields/Athletic Fields	30
Professional Baseball Park	1
Domed Stadiums	1

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

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

ACCOUNTING SERVICES

Marianne Bigelow

Wanda Moore

Alice Shaw

Christina Weaver

Anne Cumings

Ginny Adams

FINANCE

Josh DeLay

Patricia Luat

Robin Mason

Robert Peters

PRINTING AND ART WORK

Kathy Chase

Mike Griswold

Greg Weber

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

Program Description	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Regular Instruction										
Certificated	1,442,091	1,439,104	1,414,586	1,400,864	1,446,442	1,348,652	1,379,660	1,359,463	1,430,135	1,437,151
Classified	227,078	226,575	224,991	217,115	147,552	225,080	222,436	219,807	204,968	217,619
Federal Stimulus										
Certificated	-	-	22,969	32,355	62,683	129,456	-	-	-	-
Classified	-	-	0,724	2,676	90,732	48,778	-	-	-	-
Special Instruction										
Certificated	307,455	307,277	300,301	303,773	301,980	274,661	308,579	307,456	240,287	248,882
Classified	177,653	169,289	165,316	175,023	181,176	151,997	195,082	189,475	181,179	172,982
Career & Technical Instruction										
Certificated	89,192	94,557	100,814	97,850	94,004	91,283	90,754	89,700	91,891	94,997
Classified	7,023	7,876	7,261	8,876	7,876	8,468	7,822	10,834	13,405	15,211
Compensatory Instruction										
Certificated	190,169	157,102	149,498	171,298	158,048	189,615	284,069	289,341	300,757	269,794
Classified	82,057	88,582	83,580	94,381	99,365	101,416	105,145	102,572	99,995	113,555
Other Instructional Programs										
Certificated	22,332	16,726	14,400	16,270	15,506	15,200	15,000	22,500	28,562	28,448
Classified	15,087	14,016	13,459	16,067	14,848	13,603	14,190	13,915	13,788	14,630
Other Community Services										
Classified	-	-	-	-	0,688	0,688	-	-	-	-
Support Services										
Certificated	2,000	3,000	2,000	2,000	2,000	4,000	4,000	3,000	4,000	5,000
Classified	375,505	368,312	354,468	354,244	353,312	368,486	374,065	374,100	387,426	420,858
Food Services										
Classified	102,484	102,049	105,758	103,536	106,439	111,193	108,278	109,554	110,836	113,447
Transportation										
Classified	41,883	42,490	38,865	41,079	40,991	44,842	43,883	44,978	44,959	48,365
Planning & Construction (CPF)										
Certificated	6,000	8,000	3,000	2,000	2,100	1,600	1,401	1,000	4,000	-
Classified	31,003	31,079	16,308	16,650	18,263	15,413	17,834	17,995	13,219	15,239
TOTAL	3,119,012	3,076,034	3,018,298	3,056,057	3,144,005	3,144,431	3,172,198	3,155,690	3,169,407	3,216,178

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

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

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

Year	Certificated Instructional Staff (1)	Derived Base Salary (1)	Average Base Salary (1)	Average Other Salaries (1)	Average Years of Experience (2)	Percent of Staff with Master's Degree or Higher (3)
2015	1,938,083	33,679	52,152	15,696	14.50	62.80%
2014	1,909,366	33,761	52,829	15,933	14.90	62.70%
2013	1,882,636	33,255	52,228	15,673	12.90	60.00%
2012	1,902,810	33,328	52,282	15,229	12.90	60.00%
2011	1,943,746	34,003	53,060	15,887	13.10	57.60%
2010	1,941,582	34,237	53,175	13,747	13.10	55.70%
2009	1,969,494	34,209	52,370	12,505	13.00	54.90%
2008	1,954,333	32,600	49,617	11,670	13.30	54.40%
2007	1,946,098	31,008	47,237	11,228	13.10	53.10%
2006	1,957,372	30,066	45,769	10,403	13.30	51.60%

(1) From OSPI Report 1801C/ert, District Instructional Staff for Compliance Purposes

(2) From OSPI Washington State Report Card

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

Fiscal Year	Expenses (1)	Average FTE Enrollment (2)	Cost per Pupil	Percentage Change	Classroom Teachers (3)	Pupil/Teacher Ratio
2005	284,255,264	29,439	9,655	17.19	1,864	15.8
2006	304,898,149	28,649	10,643	10.23	1,771	16.2
2007	319,405,961	27,932	11,435	7.45	1,741	16.0
2008	341,246,519	27,659	12,338	7.89	1,734	16.0
2009	369,327,557	28,088	13,149	6.58	1,703	16.5
2010	361,194,058	27,828	12,980	(1.29)	1,677	16.6
2011	374,981,567	27,806	13,486	3.90	1,672	16.6
2012	364,479,546	27,562	13,224	(1.94)	1,810	15.2
2013	369,062,612	27,531	13,405	1.37	1,619	17.0
2014	387,248,476	28,011	13,825	3.13	1,802	15.5
2015	396,890,383	28,323	14,013	1.36	1,842	15.4

(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, 2015

PROPERTY	LOCATION	YEAR BUILT	YEAR OF ADDITION/ MODERNIZATION	SQUARE FOOTAGE	ACREAGE
SENIOR HIGH SCHOOLS					
Foss	2112 S. Tyler St.	1972	2005 1956, 1967, 1973, 1979,	256,013	34.29
Lincoln	701 S. 37th St.	1913	1997, 2007	280,334	25.15
Mount Tacoma	4634 S. 74th St.	2004		277,912	86.00
Oakland	3319 S. Adams St.	1912	1958	34,276	2.95
School of the Arts - Pacific	1950 Pacific Ave.	1904	1965	21,601	0.25
School of the Arts - Ted Brown	1117-1123 Broadway	1922	2002, 2005	18,943	0.13
Science and Math Institute	5501 N Pearl St.	2009		9,047	-
Stadium	111 North E St.	1912	1974, 2006	295,792	9.81
Wilson	1202 N. Orchard St.	1958	1968, 2006	245,023	41.20
MIDDLE SCHOOLS					
Baker	8320 S. I St.	2011		119,594	13.57
First Creek	1801 E. 56th St.	2009		119,861	37.41
Gaudreone	4902 S. Alaska St.	2003		119,402	15.54
Gray (New)	6229 S. Tyler	2008		116,872	15.09
Hunt	6501 S. 10th St.	1957	1964, 1968, 1974	112,321	24.83
Jason Lee	602 N. Sprague Ave.	1923	1964, 2001	127,053	8.37
Mason	3901 N. 28th St.	1925	1951, 1963, 1979, 2003	114,869	7.92
Meeker	4402 Nassau Ave NE	1991	2002	103,588	40.00
Stewart	5010 Pacific Ave.	1924	1963, 1973	147,657	7.29
Truman	5801 N. 35th St.	1999		124,750	13.00
ELEMENTARY SCHOOLS					
Arlington	3002 S. 72nd St.	1924	1938, 1953	39,061	6.30
Birney	1202 S. 76th St.	1961	1964, 1971	57,559	8.70
Blix	1302 E. 38th St.	2002		62,028	8.80
Boze	1140 E. 65th St.	1969	1971, 1989	52,456	14.57
Browns Point	1526 - 51st. St. NE	1952	1956, 1960	74,778	18.72
Bryant	717 S. Grant Ave.	1960		40,662	2.60
Crescent Heights	4410 Nassau Ave NE	1999		60,648	15.00
DeLong	4901 S. 14th St.	1953	1986	56,412	5.00
Downing	2502 N. Orchard St.	1948	1953, 1958, 1973	60,698	10.08
Edison	5830 S. Pine St.	1952	1967, 1983	62,834	3.00
Fawcett	126 E. 60th St.	1950	1957, 1987	55,808	5.59
Fern Hill	8442 S. Park Ave.	1919	1925, 1957, 2006	58,257	3.96
Franklin	1402 S. Lawrence	1889	1910, 1953, 1968, 1997	62,525	6.00
Geiger	7401 S. 8th Street	2012		67,823	7.22
Grant	1018 N. Prospect St.	1900	1920, 1955, 1967	51,386	3.51
Hoyt	2708 N. Union Ave.	1959		7,495	0.76
Jefferson	4302 N. 13th St.	2003		60,440	3.55
Larchmont	8601 E. B St.	1969	2002	73,504	14.06
Lister	2106 E. 44th St.	1998		70,782	6.90
Lowell	810 N. 13th St.	1949	1951	55,600	2.84
Lyon	101 E. 46th St.	1924	1949, 1966	41,017	2.82
Manitou Park	4330 S. 66th St.	1994		67,055	3.93
Mann	1002 S. 52nd St.	1953	1967, 2003	67,759	3.30
McCarver	2111 S. J St.	1925	1961	100,457	5.79
Northeast Tacoma	5412 29th St. NE	1992		54,863	4.34
Point Defiance	4330 N. Visscher St.	1911	1920, 1946, 1957, 1979, 1980, 1987	55,944	12.44

TACOMA SCHOOL DISTRICT NO. 10
BUILDINGS & PROPERTIES
August 31, 2015

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	6.00
Stafford	1615 S. 92nd St.	2005		63,610	10.04
Stanley	1712 S. 17th St.	1927	1955, 1967, 1973, 1987	59,679	3.00
Washington	3701 N. 26th St.	2014		60,318	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		111,426	3.33
CAB Annex	708 S. G St.	1960		8,276	0.15
Food Svcs/Purchasing Warehouse	3321 S. Union Ave.	1940	1965	37,003	4.79
Lincoln Tree Farm	28001 Mountain Highway	1969		2,849	332.16
Madison - Head Start Use	3102 S. 43rd St.	1924	1958, 1968	29,966	9.00
Park Avenue Center	6701 Park Ave.	1912	1949	44,613	6.32
Professional Development Ctr	6501 N. 23rd St.	1950	1963, 1968, 1979, 2003	78,849	19.80
VACANT SITES					
Blueberry Farm	E. 80th & D St.				50.49
Camp Joshua Taylor	Longbranch	1975		1,876	14.92
Gault	1115 E. Division Lane	1925	1952, 1973, 1979 1943, 1952, 1963, 1973,	109,582	7.20
Gray (old)	3109 S. 60th St.	1924	1974	18,590	7.49
112th E 45th Street Property (Lyon)	112 E 45th Street	1917	1951	635	0.14
McKinley	3702 McKinley	1908	1910, 1954, 1958, 1967	53,876	2.44
Reengagement Center	1818 Tacoma Ave.	1919	1966	7,518	0.45
Wainwright	130 Alameda Ave.	1924	1948, 1954, 1957, 1971	48,441	7.13
Willard	3201 South D St.	1951		25,471	1.86
9th & Broadway Parking Garage	909 Market Street	1919	1960		0.28
9th & Broadway Building	302 South 9th Street	1964	1988	43,712	0.35



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Carla J. Santorno, Superintendent

CAMBODIAN

ផ្ញើក្លាប់មកជាមួយនេះគឺជាឯកសារដ៏សំខាន់មកពីសាលារៀនរបស់កូនអ្នក ។ សូមមេត្តារកគេជួយបកប្រែឯកសារនេះឲ្យអ្នក ។ សូមអរគុណ ។

LAOTIAN

ຂັດຕິດມາພ້ອມນີ້ແມ່ນເອກະສານສຳຄັນ ຈາກໂຮງຮຽນຂອງລູກທ່ານ. ກະລຸນາຮັບເອົາເອກະສານຊຶ່ງພວກເຮົາໄດ້ແປໃຫ້ທ່ານແລ້ວນີ້ໄວ້ດ້ວຍ. ຂອບໃຈ.

SPANISH

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

KOREAN

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

RUSSIAN

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

VIETNAMESE

Kèm theo đây là giấy tờ quan trọng của nhà trường con em quý vị. Xin hãy nhờ người giỏi 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 NON-DISCRIMINATION STATEMENT

Tacoma School District No. 10 does not discriminate in any programs or activities on the basis of sex, race, creed, religion, color, national origin, age, veteran or military status, sexual orientation, gender expression or identity, disability, or the use of a dog guide or trained service animal (a service animal is an animal that is individually trained to do work or perform tasks for the benefit of an individual with a disability). The following employees have been designated to handle questions and complaints of alleged discrimination:

TITLE IX

Title IX is a comprehensive federal law that prohibits discrimination on the basis of sex in any federally funded education program or activity.

Title IX Coordinator, Jennifer Kubista
Director, Student Life and Athletics
P.O. Box 1357, Tacoma, WA 98401-1357
(253) 571-1123 • jkubist@tacoma.k12.wa.us

SECTION 504 and ADA

Section 504 is a comprehensive federal law that prohibits discrimination, based on disabilities, in any federally funded education program or activity. It also ensures a free and public education to each qualified student with a disability who is in the school district's jurisdiction, regardless of the nature or severity of the disability.

Section 504 Coordinator (Students), John Page
Director of Comprehensive Guidance Counseling
P.O. Box 1357, Tacoma, WA 98401-1357
(253) 571-1171 • jpage@Tacoma.K12.Wa.US

Section 504 and Title II of the Americans with Disabilities Act (ADA) also prohibit employment discrimination.

ADA/Section 504 Coordinator (Staff), JoEllen Redmond
HR Compliance Coordinator
P.O. Box 1357, Tacoma, WA 98401-1357
(253) 571-1250 • HRInfo@tacoma.k12.wa.us

CIVIL RIGHTS

Federal civil rights laws prohibit discrimination based on sex, race, creed, religion, color, national origin, age, veteran or military status, sexual orientation, gender expression or identity, disability, or the use of a dog guide or trained service animal.

Civil Rights Compliance Coordinator, Lisa Nolan
Assistant Superintendent, Human Resources
P.O. Box 1357, Tacoma, WA 98401-1357
(253) 571-1250 • HRInfo@tacoma.k12.wa.us

EQUAL ACCESS

The District provides equal access to designated youth groups as identified in its Use of School Facilities Policy and Regulation pursuant to the Boy Scouts of America Equal Access Act. The following district official has been designated to handle inquiries regarding the Boy Scouts of America Equal Access Act:

Equal Access Coordinator, Stephen Murakami
Chief Operating Officer
P.O. Box 1357, Tacoma, WA 98401-1357
(253) 571-3347 • smuraka@tacoma.k12.wa.us



Instagram

YouTube

