

Annual Financial Report

For the fiscal year ended August 31, 2020



Birney Elementary School

Annual Financial Report

For the fiscal year ended August 31, 2020



Birney Elementary School

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

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

**TACOMA SCHOOL DISTRICT No. 10
Annual Financial Report
For the Fiscal Year Ended August 31, 2020**

TABLE OF CONTENTS

<u>Schedule #</u>		<u>Page</u>
<u>INTRODUCTORY SECTION</u>		
	Directory of Officials	1
	Board of Directors	2
	Organizational Chart	3
	Letter of Transmittal	4
	Certificate of Achievement for Excellence in Financial Reporting, GFOA	12
	Certificate of Excellence in Financial Reporting, ASBO	13
<u>FINANCIAL SECTION</u>		
	Independent Auditor’s Opinion	14
	Management’s Discussion & Analysis	17
<u>Basic Financial Statements</u>		
<u>Government-Wide Financial Statements</u>		
1	Statement of Net Position	27
2	Statement of Activities	28
<u>Governmental Fund Financial Statements</u>		
3	Fund Balance Sheets	29
3A	Reconciliation: Balance Sheet/Statement of Net Position	30
4	Statement of Revenues, Expenditures, and Changes in Fund Balances	31
4A	Reconciliation: Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities	32
<u>Internal Service Fund Financial Statements</u> <u>(The Sound Partnership)</u>		
5	Statement of Net Position	33
6	Statement of Revenues, Expenses, and Changes in Net Position	34
7	Statement of Cash Flows	35
<u>Fiduciary Fund Financial Statements</u>		
8	Statement of Fiduciary Net Position	36
9	Statement of Changes in Fiduciary Net Position	37
<u>Notes to the Financial Statements</u>		
	Notes to the Financial Statements	38

TACOMA SCHOOL DISTRICT No. 10
Annual Financial Report
For the Fiscal Year Ended August 31, 2020

TABLE OF CONTENTS

<u>Schedule #</u>	<u>Page</u>
<u>Required Supplementary Information</u>	
A-1	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budgetary Comparison Schedule, General Fund 74
A-2	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budgetary Comparison Schedule, Special Revenue Fund (ASB)..... 75
A-3	Schedule of Changes in Total Reported OPEB (Other Post Employment Benefits) Liability and Related Ratios 76
A-4	Schedule of the District’s Proportional Share of the Net Pension Liability 77
A-5	Schedule of Pension Plan District Contributions 78
A-6	Schedule of District Contributions – Non-Governmental Pension Plans 79
 <u>Supplementary Information</u>	
<u>General Fund</u>	
B-1	Comparative Balance Sheets 80
B-2	Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual 81
B-3	Schedule of Revenues, Budget and Actual..... 82
B-4	Schedule of Expenditures by Program, Budget and Actual 85
B-5	Schedule of Expenditures by Activity, Budget and Actual 86
B-6	Schedule of Expenditures by Object, Budget and Actual 88
 <u>Special Revenue Fund (Associated Student Body)</u>	
C-1	Comparative Balance Sheets 89
C-2	Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual 90
 <u>Debt Service Fund</u>	
D-1	Comparative Balance Sheets 91
D-2	Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual 92
 <u>Capital Projects Fund</u>	
E-1	Comparative Balance Sheets 93
E-2	Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual 94
 <u>Transportation Vehicle Fund</u>	
F-1	Comparative Balance Sheets 95
F-2	Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual 96
 <u>Fiduciary Funds</u>	
G-1	Comparative Balance Sheet..... 97
G-2	Statement of Changes in Fiduciary Net Position..... 98
 <u>Long-Term Debt</u>	
H-1	Schedule of Changes in Long-Term Debt 99
H-2	Outstanding General Obligation Indebtedness 100
 <u>Capital Assets</u>	
I-1	Schedule of Capital Assets by Location..... 101

TACOMA SCHOOL DISTRICT No. 10
Annual Financial Report
For the Fiscal Year Ended August 31, 2020

TABLE OF CONTENTS

<u>Table #</u>	<u>STATISTICAL SECTION</u>	<u>Page</u>
Financial Trends		
I	Net Position by Component.....	103
II	Changes in Net Position	104
III	Fund Balances, Governmental Funds.....	105
IV	Changes in Fund Balances, Governmental Funds.....	106
V	General Governmental Revenues by Source.....	107
VI	General Governmental Expenditures by Function	108
Revenue Capacity		
VII	Property Tax Levies and Collections	109
VIII	Assessed Value of Taxable Property and Property Tax Rates on All Overlapping Taxing Authorities.....	110
IX	Principal Property Taxpayers	111
X	Assessed & Estimated Actual Property Value and Construction	112
Debt Capacity		
XI	Ratio of Annual Debt Service Expenditures for General Bonded Debt To Total General Fund Expenditures.....	113
XII	Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt per Capita.....	114
XIII	Statement of Direct and Overlapping Debt	115
XIV	Constitutional Limit of Indebtedness	116
XV	Legal Debt Margin Information	117
Demographic and Economic Information		
XVI	Demographic and Economic Statistics	118
XVII	Principal Employers	119
XVIII	Miscellaneous Statistics	120
XIX	Contributing Staff.....	121
Operating Information		
XX	Full-Time Equivalent District Employees by Program	122
XXI	Certificated Instructional Staff Statistics.....	123
XXII	Operating Statistics.....	124
XXIII	Buildings & Properties	125

Introductory Section

Directory of Officials

Board of Directors

School District Organizational Chart

Letter of Transmittal

Certificates of Excellence in Financial Reporting



Birney Elementary School

**TACOMA SCHOOL DISTRICT No. 10
2019-2020 DIRECTORY OF OFFICIALS**

ELECTED

<u>Directors</u>		<u>Term</u>	<u>Expiration</u>
President	Scott Heinze	6 Years	November 2023
Vice-President	Andrea Cobb	6 Years	November 2021
	Enrique Leon	6 Years	November 2025
	Lisa Keating	6 Years	November 2025
	Elizabeth Bonbright	Appointed	November 2021

APPOINTED

Superintendent	Carla J. Santorno
Legal Counsel	Renee Trueblood
Chief Financial Officer	Rosalind Medina
Chief Operating Officer, Maintenance & Operations	Christopher Williams
Director, Financial Services	Rob Bryant

MAILING ADDRESS

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

2019-2020 Board of Directors



Scott Heinz, President
 Elected in 2011
 Term expires in November 2023



Andrea Cobb, Vice President
 Elected in 2015
 Term expires in November 2021



Enrique Leon
 Elected in 2018
 Term expires in November 2025



Lisa Keating
 Elected in 2019
 Term expires in November 2025



Elizabeth Bonbright
 Appointed in 2019
 Term expires in November 2021

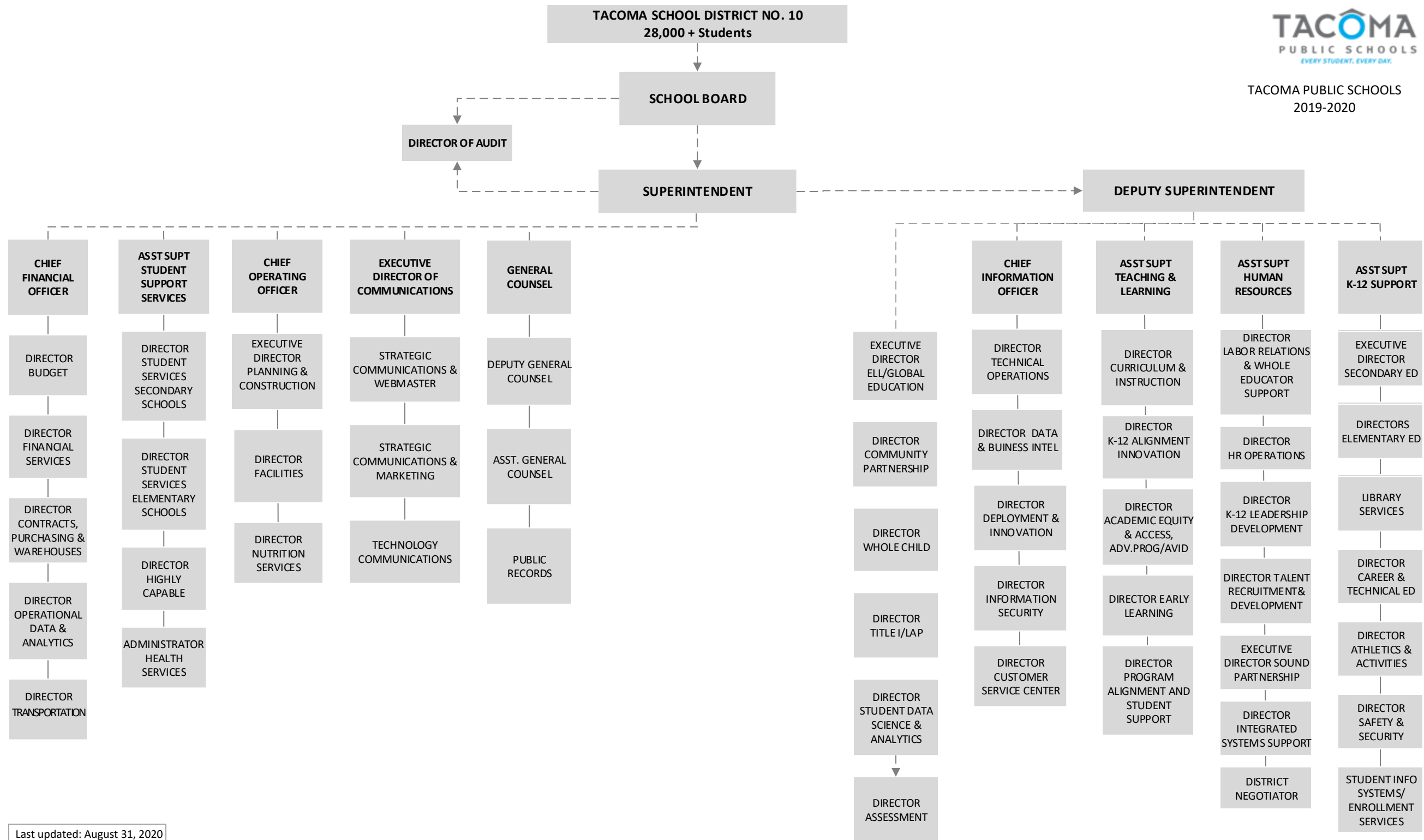


On January 2, 2012, Carla J. Santorno began the leadership role as superintendent-elect (interim) and on September 13, 2012, she became the Superintendent for the Tacoma School District.

Carla J. Santorno 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, 2021

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 Annual Financial Report (AFR) of the Tacoma School District for the fiscal year ended August 31, 2020. We believe this report presents comprehensive information about the scope and character of the District's fiscal activities and accomplishments during 2019-20. 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 Annual Financial Report includes all the funds of the school District. The District is an independent reporting entity clearly within the criteria in the codification of Governmental Accounting and Financial Standards, Section 2100.

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 and 40% of the city's population is under the age of 30. 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 one of 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, Children's Museum of Tacoma, 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 home to the seventh largest container port in the U.S. handling about \$46B in international trade. The port is a major center for bulk, breakbulk and automobiles cargoes. Tech and tech startups have seen a massive growth in jobs over the last few years with the University of Washington Tacoma training some of the best tech and computer science experts in the country. Tacoma-Pierce County is also home to several major healthcare companies showing an increase in employment in this sector by 28 percent.

Federal and local governments are the principal employers in Pierce County and include Joint Base Lewis-McChord and the State of Washington. Major employers from the private sector, such as MultiCare and CHI Franciscan Health, Safeway & Albertsons, Fred Meyer, Amazon, Boeing and Milgard Manufacturing add to the local economy. The population for Tacoma-Pierce County continues to grow slowly and has seen a steady increase in growth the past few years.

Though the region has experienced an impact from the coronavirus, the Pierce County Economic Index is expected to log its eleventh consecutive year of growth in 2020 due largely to the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020.

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, English Language Learner programs, and numerous innovative educational programs. The District also provides transportation and nutrition services.

The District had 36 elementary schools, 11 middle schools, 5 comprehensive high schools, 3 magnet high schools and 11 alternative learning sites operating during the 2019-20 school year. The District has over 5,000 employees and is the fifth largest public 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 group disparities.

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 early academic success.

Safety

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

The District's 2015-2020 Strategic Plan is the result of our belief that all students achieve their full potential by participation in an educational 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 2020, Tacoma's graduation rate reached 89.9 percent – the highest since the state began officially tracking the statistic in 2003.

Cohort Graduation Rates

Class	Tacoma	State Average
2020	89.9%	82.9%
2019	89.8%	80.9%
2018	89.3%	80.9%
2017	86.1%	79.3%
2016	85.0%	79.1%

Source: Office of Superintendent of Public Instruction Report Card.

State Achievement Measurement

Washington state utilizes two assessment tools to assess student progress. It uses the Smarter Balanced Assessment for English language arts (ELA) and mathematics and the Washington Comprehensive Assessment of Science (WCAS) for Science. Due to early school facility closure and the suspension of end of year testing, 2019-20 assessment data is not available. The following is data through the 2018-19 school year.

Percent of Tacoma School District Students Meeting Standards for 2018-19

Grade Level	English Language Arts	Math	Science
3rd Grade	50.9%	51.7%	
4th Grade	55.0%	47.7%	
5th Grade	59.9%	42.6%	47.7%
6th Grade	47.3%	31.4%	
7th Grade	50.9%	36.6%	
8th Grade	45.6%	29.7%	41.2%
10th Grade	55.5%	27.3%	
11th Grade			38.0%

Tacoma School District's Test Scores as Compared to State-Wide Average Results for 2018-19

Grade Level	English Language Arts	Math	Science
3rd Grade	-4.5%	-6.3%	
4th Grade	-1.9%	-6.3%	
5th Grade	-0.5%	-5.7%	-5.5%
6th Grade	-9.6%	-15.4%	
7th Grade	-9.7%	-12.1%	
8th Grade	-12.4%	-16.1%	-10.4%
10th Grade	-14.2%	-12.9%	
11th Grade			3.5%

Student Demographics

The percentage of students eligible for participation in the federal free and reduced lunch program is 62.2 percent, much higher than the 43.3 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, 2020 through June 30, 2021, 130 percent of the poverty level is \$34,060 in income annually for a family of four; 185 percent is \$48,470.

Percentage of Students Eligible for Participation in the Federal Free and Reduced Lunch Program

	2016	2017	2018	2019	2020
Tacoma	63.8%	62.8%	61.5%	60.1%	62.2%
State-Wide Average	47.8%	47.3%	47.2%	46.1%	43.3%

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

Enrollment

The District, by student enrollment, is the fourth 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 2019-20 was 28,376 students as compared to 28,233 from the prior year. Enrollment increased from 2018-19 by 143 FTE students.

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

Elementary Schools (grades K-5)	(153)
Middle Schools (grades 6-8)	165
High Schools (grades 9-12)	42
Running Start/Open Doors	<u>89</u>
Total	143

Projected enrollments for fiscal year 2020-21 and 2021-22 are shown below.

FULL TIME EQUIVALENT (FTE) ENROLLMENT

Actual and Projected (P) Annual Average Enrollment						
Grade	2017	2018	2019	2020	2021 (p)	2022 (p)
Total K-5	14,239	13,986	13,603	13,449	12,930	12,872
Total 6-8	6,012	6,296	6,582	6,747	6,664	6,411
Total 9-12	7,405	7,355	7,377	7,419	8,286	8,508
Other	695	699	671	761	612	629
TOTAL K-12	28,351	28,336	28,233	28,376	28,492	28,420

Source: Demographer, W. Les Kendrick, Ph.D, and OSPI 10-11 P-223 Report

Construction 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.

For the Future

An 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 opened 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 began enrolling students in 2017-18.

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.

To align with the District’s core strategic values, especially equity and quality instruction for everyone, a six year Technology Levy Renewal was proposed and passed in February 2018, effective February 2019. This levy was created to expand equitable access to technology in every neighborhood school and ensure that all Tacoma students receive the same opportunities and higher-quality education. The levy was also established to help parents and teachers and allow for an improved online portal to monitor student’s academic progress and attendance.

In early 2020 the voters passed a \$535 million Construction Bond that supports the replacement or renovation of 8 aging schools. New roofs and boilers, safety upgrades, energy management systems and ADA improvements to improve accessibility are all part of this construction bond. From the school replacements to the upgrades and improvements, almost every school is being touched by the bond to create the best possible teaching and learning environments for all students in every neighborhood.

In February 2020, Governor Inslee declared a state of emergency in response to the spread of a deadly new virus. On April 6, 2020, the Governor closed all public and private K–12 school buildings throughout the remainder of the 2019–20 school year and into the 2020-21 school year. During this time the District continues to operate, educating students using continuous learning delivery models. The District has developed two education delivery models to instruct students through the 2020–21 school year. The hybrid model allows students to learn remotely until the District is able to safely provide in-person instruction and approximately 23,000 students are operating on this model. The full remote model is an entirely remote model for the full school year and there are approximately 4,000 students utilizing this model.

The plan to return to full in-person instruction is dependent on the ability to do so safely within the recommendations of local and state health agencies.

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 2019-2020, 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, as amended in 1996. The U.S. Office of Management and Budget Uniform Guidance 2.CFR.200 requirements are effective with audit years beginning after December 26, 2014. 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 (OMB Uniform Guidance): 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 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 26th consecutive year, a Certificate of Achievement for Excellence in Financial Reporting. Copies of the financial reporting awards are included in the AFR.


The District will be applying to GFOA and ASBO for the 2019-20 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 2019-20 AFR a success.



Carla J. 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, 2019

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Tacoma School District No. 10

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2019.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

Financial Section

Independent Auditor's Opinion

Management's Discussion and Analysis

Government-Wide Financial Statements

Governmental Fund Financial Statements

Internal Service Fund Financial Statements

Fiduciary Fund Financial Statements

Notes to the Financial Statements

Required Supplementary Information

Supplementary Information



Birney Elementary School



**Office of the Washington State Auditor
Pat McCarthy**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

February 26, 2021

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, as of and for the year ended August 31, 2020, 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 57 percent, 80 percent and 98 percent, respectively, of the assets, net position 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.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information of Tacoma School District No. 10, as of August 31, 2020, 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 discussed in Note 14 to the financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the District. Management's plans in response to this matter are also described in Note 14. 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 and required supplementary information listed in the table of contents 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 as a whole. The accompanying information listed in the table of contents as supplemental data is presented for the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The Introductory and Statistical Sections are presented for purposes of additional analysis and are 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, 2021, 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. That report will be issued under separate cover in the District's Single Audit Report. 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,



Pat McCarthy

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, 2020. 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, 2020, was \$375.9M, a increase of \$28.7M from 2018-19.
- During the year, the District had revenues of \$569.2M and expenses of \$540.5M incurred for all governmental activities, resulting in a corresponding increase in the District's net position by \$28.7M.
- The District's governmental funds reported a combined ending fund balance of \$119.1M; a decrease of \$75.6M from the prior year. The general fund's total fund balance was \$36.9M; a decrease of \$3.0M from the previous year. Approximately \$11M is available for spending at the District's discretion (assigned and unassigned fund balance - not including Unassigned for Minimum Fund Balance Policy).
- The District also refunded its 2014 and 2015 bonds in July 2020, realizing a net present value savings of over 15 percent. The refunding bonds were issued at \$366M.
- The District utilized \$2.71M in Elementary and Secondary School Emergency Relief (ESSER) Funds to purchase laptops for online learning; to pay nutrition services staff unable to perform duties on-site; and to purchase personal protective equipment and supplies to sanitize school buildings.

USING THE 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 fund 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 or worse as a result of the year's financial activities? The *statement of net position* and the *statement of activities* report information about the District as a whole and about its activities in a way that helps answer this question. The financial statements of the District present an increase in financial position from the prior year as reflected in the *statement of net position*. Increases in deferred outflows for pensions, OPEB and refunding bonds and decreases in deferred inflow for pensions and OPEB contributed to the \$28.7M increase in the District's net position.

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 an internal service 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.

Internal Service 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 and deferred outflows exceeded liabilities and deferred inflows by \$375.9M at the end of the fiscal year, August 31, 2020.

The ratio of liabilities and deferred inflows of resources to assets and deferred outflows of resources is 73 percent. The value of the district's capital assets (i.e. land, buildings, and equipment) net of depreciation was \$1,051.3M. The net investment in capital assets is the historical cost of capital assets, net of accumulated depreciation, plus capital-related deferred outflows of resources, less capital related borrowing (bonded debt incurred to acquire the capital assets) and deferred inflows of resources related to capital assets. This value represents the largest portion of net position at \$545.8M. The substantial investment in capital assets represents the District's history of building and modernizing its schools in accordance with its long-term mission of providing academic excellence in safe and healthy facilities. These assets are not available for future spending and the debt associated with these assets will be paid from levied property taxes (authorized by the voters in 2013).

Total liabilities of \$988.7M have increased as compared to the prior year by approximately \$50M. The increase in liabilities is due to the refunding of the 2014 and 2015 bonds outstanding as well as an increase in pension liabilities.

Restricted net position total of \$92.7M are resources subject to external restrictions on how they may be used. They consist of funds that have constraints imposed by law through enabling legislation (Capital, Transportation Vehicle, and ASB Funds), externally imposed debt covenants (Debt Service Fund), externally imposed regulations of contributors, and external contractual impositions of grantors and regulations of other governments upon state and federal grant funds (Carryover Restricted Revenues for Education and Operations).

The unrestricted portion of net position is any portion not already classified as either net investment in capital assets or restricted. The unrestricted portion represents resources that may be considered available to finance normal district government activities without external constraints imposed by law though constitutional provisions or enabling legislation, laws and regulations of other governments; or constraints established by debt covenants. It is possible for a negative unrestricted net position to exist where liabilities, deferred inflows of resources, net investment in capital assets, and other restricted portions exceed assets and deferred inflows of resources.

Tacoma School District's Net Position			
As of August 31			
	Governmental Activities		
	2020	2019	Changes
ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
Current and Other Assets	\$ 237,929,157	\$ 291,205,120	\$ (53,275,963)
Premiums Expected to be Received	-	15,612,303	(15,612,303)
Capital Assets	1,051,270,648	1,005,187,845	46,082,803
Total Assets	1,289,199,805	1,312,005,268	(22,805,463)
Refunded Bonds - Charge on Refunding	18,624,286	-	18,624,286
Deferred Outflows - Pension Plan	50,864,660	31,634,994	19,229,666
Deferred Outflows – OPEB	34,463,675	4,281,179	30,182,496
Total Deferred Outflows	103,952,621	35,916,173	68,036,447

LIABILITIES & DEFERRED INFLOWS OF RESOURCES

Long-Term Liabilities	903,447,553	838,391,100	65,056,453
Accrued Claims and Expenses	142,376	15,987,723	(15,845,347)
Other Liabilities	85,137,105	84,393,050	744,055
Total Liabilities	988,727,035	938,771,873	49,955,161

Refunded Bonds - Gain on Refunding	-	2,387,392	(2,387,392)
Deferred Inflows - Pension Plan	9,917,630	37,346,768	(27,429,138)
Deferred Inflows - OPEB	18,631,892	22,270,490	(3,638,598)
Total Deferred Inflows	28,549,522	62,004,650	(33,455,128)

NET POSITION

Net Investment in Capital Assets	545,811,549	544,221,882	1,589,667
Restricted	92,691,976	81,895,142	10,796,835
Unrestricted	(262,627,656)	(278,972,107)	16,344,451
TOTAL NET POSITION	\$375,875,869	\$347,144,917	\$28,730,952

Governmental Activities

The 2019-20 revenues of \$569.2M exceeded expenses by \$28.7M resulting in an increase in net position. Total revenues increased by \$38.9M, while overall expenses increased by \$28.1M. Revenues consistently outpacing expenses contribute to a stronger financial position.

The most significant revenue increases were evident in the program revenues, operating grants and contributions (increase of \$10.3M) and general revenues, unallocated revenue (increase of \$30.2M). Increases in operating grants and contributions are due to COVID targeted assistance grants, COVID assistance funds for community service nutrition distribution while schools were closed. Unallocated revenue increase is from basic state apportionment funds as a result of increased annual average enrollment and increased state legislative investments toward fully funding basic education (per the McCleary decision).

The overall increase in program expenses is most evident in regular instruction (increase of \$19.3M), community services (\$8.4M increase), and support services (\$3.3M increase). Increases in regular instruction and support services are due primarily to salary and benefit increases. Community services increases are due to COVID nutrition services and day care services for essential workers after the close of schools.

Governmental Activities Changes in Net Position			
PRIMARY GOVERNMENT			
As of August 31			
	2020	2019	Changes
REVENUES			
Program Revenues:			
Charges for Services	\$ 8,416,279	\$ 11,289,173	\$ (2,872,894)
Operating Grants and Contributions	148,521,409	138,240,571	10,280,838
Capital Grants and Contributions	705,168	613,048	92,119
General Revenues:			
Property Taxes	141,584,202	137,735,719	3,848,483
Interest and Investment Earnings	2,048,895	4,758,306	(2,709,410)
Unallocated Revenues	267,929,860	237,691,528	30,238,332
TOTAL REVENUES	569,205,813	530,328,345	38,877,468

PROGRAM EXPENSES:

Regular Instruction	288,140,972	268,804,673	19,336,300
Special Instruction	66,286,484	65,178,828	1,107,656
Career & Technical Instruction	17,563,495	16,378,540	1,184,954
Compensatory Instruction	42,475,373	43,216,735	(741,362)
Other Instructional Programs	3,065,470	7,194,129	(4,128,659)
Community Services	9,407,923	965,760	8,442,164
Support Services	93,922,997	90,667,611	3,255,387
Extracurricular Activities	1,102,346	1,794,834	(692,489)
Debt Payment	18,509,800	18,165,754	344,047
TOTAL EXPENSES	540,474,860	512,366,864	28,107,996
INCREASE (DECREASE) IN NET POSITION	28,730,952	17,961,481	10,769,472
NET POSITION - 9/1	347,144,917	329,297,469	17,847,448
Prior Period Correction	-	(114,033)	114,033
NET POSITION - 8/31	\$ 375,875,869	\$ 347,144,917	\$ 28,730,953

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	
	2019-20	2018-19	2019-20	2018-19
Regular Instruction	\$ 288,140,972	\$ 268,804,673	\$ (283,526,719)	\$ (266,498,272)
Special Instruction	66,286,484	65,178,828	(12,294,525)	(14,340,931)
Career & Tech Instruction	17,563,495	16,378,540	857,067	608,808
Compensatory Instruction	42,475,373	43,216,735	2,176,457	906,581
Other Instructional Programs	3,065,470	7,194,129	42,638	(2,492,755)
Community Services	9,407,923	965,760	(3,315,969)	(39,120)
Support Services	93,922,997	90,667,611	(68,303,233)	(62,198,195)
Extracurricular Activities	1,102,346	1,794,834	42,079	(4,435)
Debt payments	18,509,800	18,165,754	(18,509,800)	(18,165,754)
TOTALS	\$ 540,474,860	\$ 512,366,864	\$ (382,832,005)	\$ (362,224,072)

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, unassigned 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 \$119.2M, a decrease of \$75.6M from the prior year. This change is the result of the following factors:

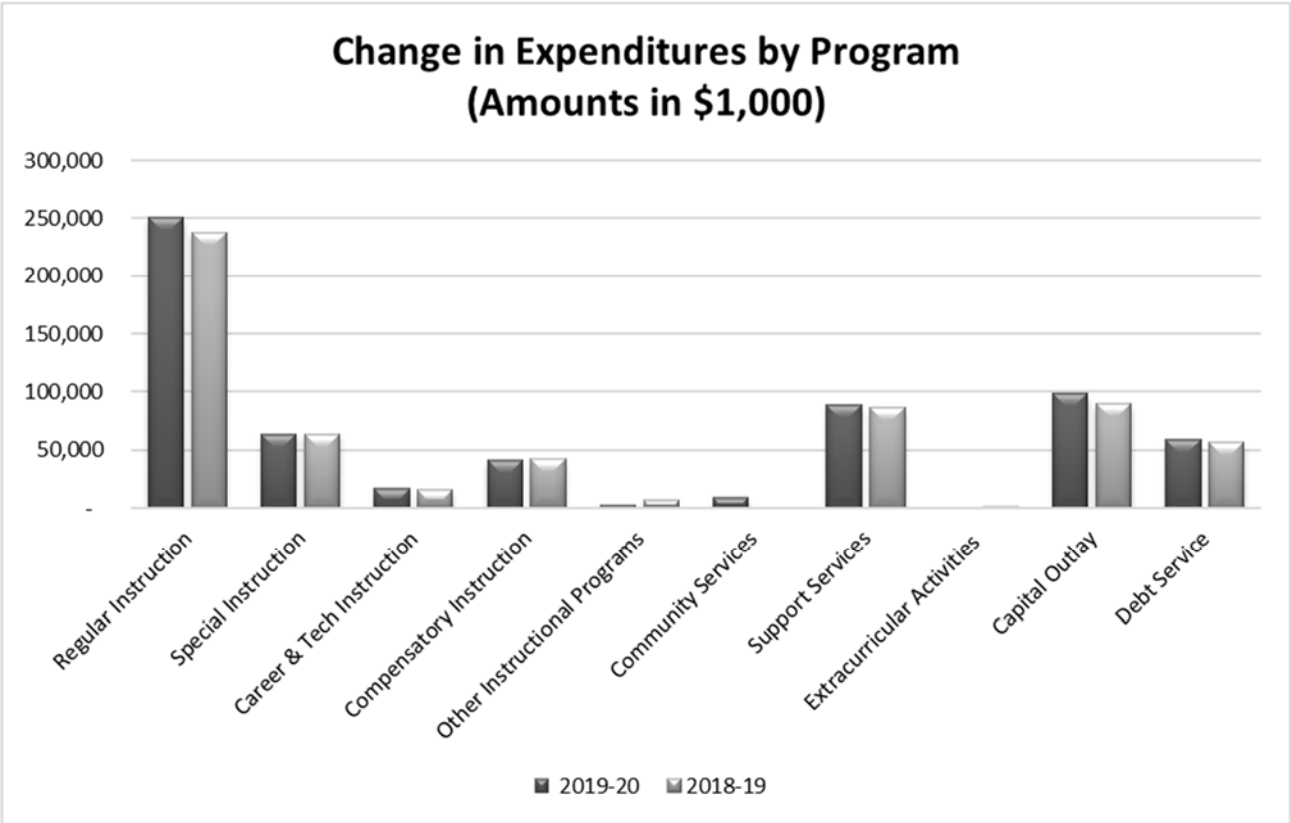
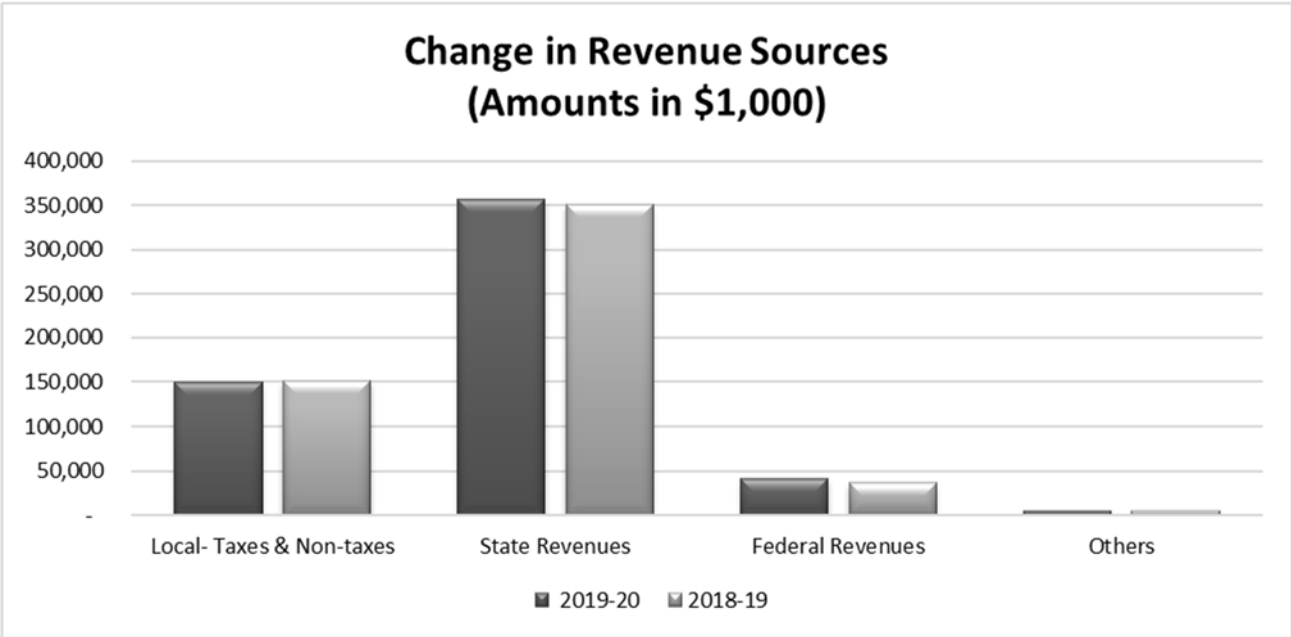
- The fund balance in the General Fund decreased by \$3.1M. The District planned for its fund balance to reduce by \$9.2M to encompass changes due to levy reductions, special education formula changes, implementing a shift to state-run benefits, carryover of specific-use funds, building improvements, curriculum needs and an inter-fund transfer to the Transportation Vehicle Fund. Labor (salaries and benefits) costs increased \$14.5M over the previous year and were under budget by \$2.6M. Spending

on supplies, materials, travel and capital outlay increased \$4.6M from the prior year but came in under budget by \$5.5M. Even though personnel and other costs increased by \$19M, planned increases in revenues and overall decreased spending across the District caused the General Fund balance to decrease \$6.1M less than planned. Twenty-two percent of the fund balance is in the nonspendable, committed, or restricted categories; \$17.7M (or 48 percent of the fund balance) is categorized as Unassigned for Minimum Fund Balance Policy.

- The fund balance in the Special Revenue Fund (ASB) increased by \$44K. All secondary schools and most elementary schools had some activity in their ASB funds in 2019-20 though there was a drop in activity and an increase in refunds after schools closed due to COVID.
- The fund balance in the Debt Service Fund increased by \$1.7M 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 slightly 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 decreased by \$74M. The District issued the last bonds in its \$500M authority in October 2015 and is spending down the cash as it completes its capital construction projects. Virtually all the fund balance is in restricted categories.
- The fund balance in the Transportation Vehicle Fund decreased by \$133K. Funding for buses is provided from the state through its bus depreciation schedule and interest earnings. Eleven busses were purchased in 2019-20.

The following table presents a summary of the governmental fund’s revenues and expenditures for 2019-20 and the amounts and percentages of increases and decreases in relation to the prior year.

Changes in Revenues and Expenditures Governmental Funds				
	2019-20	Percent of Total	Increase (Decrease) Over 2018-19	Percent Increase (Decrease)
Revenue Source				
Local- Taxes & Non-taxes	\$ 150,240,878	27.11%	\$ (1,338,030)	-0.88%
State Revenues	357,329,888	64.48%	6,330,315	1.80%
Federal Revenues	41,693,662	7.52%	5,300,729	14.57%
Others	4,922,380	0.89%	(623,890)	-11.25%
Total	\$ 554,186,807	100.00%	9,669,124	1.78%
Expenditures				
Regular Instruction	\$ 250,947,841	39.74%	13,060,550	5.49%
Special Instruction	63,633,055	10.08%	49,951	0.08%
Career & Tech Instruction	16,769,563	2.66%	811,937	5.09%
Compensatory Instruction	41,006,503	6.49%	(1,323,835)	-3.13%
Other Instructional Programs	2,921,475	0.46%	(4,119,117)	-58.51%
Community Services	9,191,096	1.46%	8,235,083	861.40%
Support Services	88,748,907	14.05%	2,210,406	2.55%
Extracurricular Activities	1,100,716	0.17%	(692,570)	-38.62%
Capital Outlay	98,485,599	15.60%	8,956,219	10.00%
Debt Service	58,687,259	9.29%	2,176,346	3.85%
Total	\$ 631,492,013	100.00%	\$ 29,364,971	4.88%



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 2019-20. The general fund’s beginning fund balance in 2019-20 was \$39.9M as reported in the Required Supplemental Information, Schedule A-1.

Revenues were \$3M under budget, and expenditures were \$8.1M under budget. Washington State statutes establish expenditure budgets as absolute expenditure limits, encouraging contingency budgeting.

Property tax revenues came in close to budget, and local non-tax collections were \$2.7M below the prior year – this reflects the legislative changes in local voter-approved levy capacity. The District received \$269.5M in general state apportionment revenues in 2019-20, an increase of \$6.9M over 2018-19 which reflects increases in school and district generated entitlement. Federal revenues from grant sources were \$5.3M more than the prior year. New federal grant revenues included COVID revenues for targeted assistance and community services for nutrition services.

Expenditures in the general fund were less than budgeted. While spending in most program categories were above the prior year, expenditures were \$8.1M below budget. Certificated and classified salaries were greater than the prior year due to increased wages. Supply and material expenditures were \$7M under budget. Purchased services and capital outlay were \$2.3M over and \$615K under budget, respectively. Travel was down significantly compared to the prior year and came in under budget by \$200K due to COVID closures.

Other financing sources were \$231K and \$868K above budget. The District had a planned transfer of \$2M from the capital projects fund to the general fund for District-wide technology software licenses as directed under state statute. A total of \$2.9M in eligible software licenses were transferred between the funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2019-20, the District had \$1.51M 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 \$46.1M over last year.

Capital Assets As of August 31, 2020			
Asset Type	Historical Cost	Accumulated Depreciation	Net
Land	\$ 42,354,470	\$ -	\$ 42,354,470
Building and Improvements	1,322,090,121	(404,094,894)	917,995,227
Equipment	46,857,158	(40,341,005)	6,516,153
Construction-in-Progress	84,404,798	-	84,404,798
Total	\$ 1,495,706,547	\$ (444,435,899)	\$ 1,051,270,648

Two elementary schools listed for replacement or modernization with the 2013 capital bond issue were completed and moved from construction into building and improvements. In addition, work increased for modernization of one middle school, which increased the building and improvements category over the prior year. Additional information can be found in the Notes to the Financial Statements, Note 4.

Construction in Progress - Changes from Prior Year:	
Elementary Schools	\$ (10,889,424)
Middle Schools	16,517,330
	<u>\$ 5,627,906</u>

The District's 2019-20 fiscal year budget for capital projects fund expenditures was set at \$125.7M.

Mary Lyon Elementary School celebrated their first day of school in their new building on September 5, 2019. Construction continued on the new Birney Elementary, Boze Elementary, and Hunt Middle Schools. Birney

Elementary and Boze Elementary Schools are scheduled to open in September 2020, with Hunt Middle School scheduled to open September 2021. In addition, Downing Elementary and Skyline Elementary Schools were in the early stages of design during 2019-20.

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 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 using state bus depreciation payments.

In 2019-20, the District received \$521K in bus depreciation payments from the state. The District purchased eleven buses in 2019-20 on its bus replacement plan to keep its fleet of yellow buses current at a total cost of \$706K.

Debt

At year end, the District owed \$516M in outstanding bonds, versus \$480M last year – an increase of \$36.2M. The District has an ending balance of \$219K in additional long-term financing costs related to new scoreboards purchased for Lincoln and Stadium Bowl.

This debt is secured by a pledge of the full faith and credit of the District. In the fall of 2014 the District received a rating from Moody’s of Aa2, and a Standard and Poor’s rating of AA. The credit ratings for the District haven’t changed since this review. Additionally, the District uses the State School Bond Guarantee Program, which enhances our ratings to Aa1/AA+ at a nominal fee to the district. More detailed information on the District’s debt can be found in Note 7 of the notes to the financial statements.

Outstanding Debt				
Governmental Activities	2019-20	2018-19	Increase/(Decrease)	
2012 Refunding of the 03, 05, 05A UTGO's	\$ 46,045,000	\$ 51,590,000	\$ (5,545,000)	-10.75%
2014 UTGO (refunded)	6,240,000	136,600,000	(130,360,000)	-95.43%
2015 UTGO (refunded)	88,755,000	261,045,000	(172,290,000)	-66.00%
2015 Refunding of the 2005A UTGO	8,915,000	30,485,000	(21,570,000)	-70.76%
2020 Refunding of '14, '15 UTGOs	366,010,000	-	366,010,000	100.00%
Long-Term Financing - Scoreboards	218,832	323,798	(104,966)	-32.42%
Total	\$ 516,183,832	\$ 480,043,798	\$ 36,140,034	7.53%

NEXT YEAR’S BUDGET AND RATES

The District’s 2019-20 expenditure budgets for governmental funds were set at \$700M. The 2020 property tax rate increased from \$4.41 (2019) to \$5.01 (2020) per thousand dollars of assessed value for the amounts collected in the general fund, capital projects fund, and debt service fund. The District’s rate decreased temporarily due to legislative calculation changes in 2019. Rates in 2020 increased as expected as the temporary reduction lifted. Total assessed value increased by 11.13 percent between 2019 and 2020, with projected assessed valuation of \$31B over the calendar year. Property values continue to increase in 2020, and it is expected the assessed values for the area will have fully recovered from the recession in 2008-09.

ECONOMIC FACTORS

The District serves the City of Tacoma and small outlying areas in Pierce County. Due to restrictions on non-essential businesses 2020 saw a 75 percent spike in unemployment from pre-pandemic times of 5.0 percent. At the same time, due in large part to the federal CARES Act, the Pierce County Economic Index

(PCEI) is forecast to end 2020 up by 3.6 percent for the year, and forecasts for 2021 show annualized gains of 1.9 percent.

Pierce County's unemployment rate increased from 5.0 percent pre-pandemic to 18.7 percent in April 2020. Nonfarm employment fell a striking 50,300 in April 2020 but by November 2020 the losses had pared to 10,200 with most of the losses in the leisure and hospitality sector.

The largest job gains in 2020 came in the professional and business services sector (1,130) followed by a very narrow gain in the financial activities sector (20). All other sectors had job losses from (negative 1,070) to (negative 5,300) with leisure and hospitality recording the most losses. The forecast for 2021 is for 4.0 percent growth in employment in the county with jobs being added back post-pandemic. Over the next year, employment in Pierce County is projected to add back 4,100 jobs and 4,000 new jobs.

In 2020, personal income was estimated to have grown by 5.9 percent, and increased by 4.6 percent in personal income per capita to \$56,825. For 2021, total income is forecast to be lower at a 2.5 percent increase, with per capital income expected to increase by 1.25 percent.

New housing listings declined 27 percent compared with 2019 and closed sales fell 21.4 percent. The county's affordability index increased slightly in 2020 continuing Pierce County's trend for making housing affordable since 2012. However, the index is expected to decrease during 2021 due to rising home values, falling 30-year mortgages and economic relief packages that are only temporary. Rents have increased by 3.8 percent in 2020 for multi-family properties in line with inflation.

With all industries affected by the pandemic commercial real estate in the warehouse and distribution sectors rose only a scant .6 percent. Leased space dropped by 3 percent, which pushed vacancy rates slightly lower. Vacancy rates at the end of the third quarter 2020 stood at 10 percent, which was higher than at the same point a year earlier. Office space vacancy rates were 6.3 percent down from 10.6 percent at the end of 2019.

The Port of Tacoma and the Port of Seattle formed the Northwest Seaport Alliance (NWSA) in August 2016 to be more competitive with other west coast ports. Since the NWSA has been formed, the combined share of west coast container traffic has started to stabilize. The combined international and domestic volumes were down in 2020 13.5 percent. NWSA's market share for the U.S. West Coast international container volume was projected to end 2020 at a 12.8 percent decrease and an 8.4 percent increase by the end of 2021.

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 or contact:

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



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, except for the fiduciary funds of the primary government 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, 2020

	PRIMARY GOVERNMENT	
	Note No.	Governmental Activities
ASSETS		
Cash and Cash Equivalents	1.F.1	5,213,677
Cash Held by Trustees	2	1,108,432
Investments	2	144,081,213
Property Tax Receivable	1.F.2	74,659,083
Receivables, Net	1.F.3	368,405
Due From Other Governments	1.F.5	7,660,437
Inventories	1.G	4,086,011
Prepaid Items	1.G	751,900
Capital Assets, net of accumulated depreciation, where applicable:	4	
Land		42,354,470
Buildings & Improvements		917,995,227
Equipment		6,516,153
Construction-in-Progress		84,404,798
		<u>1,289,199,805</u>
TOTAL ASSETS		
DEFERRED OUTFLOW OF RESOURCES		
Refunded Bonds - Charge on Refunding	7.E	18,624,286
Deferred Outflows Related to Pensions	6.A	50,864,660
Deferred Outflows Related to OPEB	9.F	34,463,675
		<u>103,952,621</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES		
LIABILITIES		
Accounts Payable		25,703,044
Accrued Wages & Benefits Payable		18,720,058
Unearned Revenue		1,468,148
Accrued Claims and Expenses	9.D	142,376
Long-Term Liabilities	7.A	
Due within one year		39,245,854
Due in more than one year		903,447,553
		<u>988,727,035</u>
TOTAL LIABILITIES		
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	6.A	9,917,630
Deferred Inflows Related to OPEB	9.F	18,631,892
		<u>28,549,522</u>
TOTAL DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Net Investment in Capital Assets		545,811,549
Restricted for:		
Associated Student Body		1,980,522
Capital Projects		43,327,906
Debt Service		41,670,562
The Sound Partnership Employee Benefit Trust		3,641,152
State Grants		2,071,834
Unrestricted		(262,627,656)
		<u>375,875,869</u>
TOTAL NET POSITION		

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, 2020

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental Activities:					
Regular Instruction	\$ 288,140,972	\$ 2,043,301	\$ 2,551,429	\$ 19,523	(283,526,719)
Special Instruction	66,286,484	1,880,241	52,111,718	-	(12,294,525)
Career & Technical Instruction	17,563,495	114,590	18,205,934	100,037	857,067
Compensatory Instruction	42,475,373	-	44,428,672	223,158	2,176,457
Other Instructional Programs	3,065,470	396,857	2,710,771	480	42,638
Community Services	9,407,923	669,079	5,422,875	-	(3,315,969)
Support Services	93,922,997	2,167,787	23,090,008	361,970	(68,303,233)
Extracurricular Activities (ASB)	1,102,346	1,144,425	-	-	42,079
Interest Payment on Long-Term Debt	18,509,800	-	-	-	(18,509,800)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 540,474,860	\$ 8,416,279	\$ 148,521,409	\$ 705,168	(382,832,005)
GENERAL REVENUES:					
Taxes:					
Property taxes, levies for maintenance and operations					58,870,381
Property taxes, levies for debt service					58,754,687
Property taxes, levies for capital projects					23,959,134
Unallocated State Apportionment & Others					267,929,860
Interest and Investment earnings					2,048,895
TOTAL GENERAL REVENUES					411,562,957
Changes in Net Position					28,730,952
NET POSITION - September 1					347,144,917
NET POSITION - August 31					375,875,869

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, 2020

	General Fund	Special Revenue (ASB) Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Total Governmental Funds
ASSETS						
Cash on Hand and in Bank	\$ 701,635	\$ 12,787	\$ 499,180	\$ 194,765	\$ 1,058	\$ 1,409,424
Construction Retainage Escrow	-	-	-	1,108,432	-	1,108,432
Investments	49,283,171	2,072,174	12,278,469	77,787,172	2,660,227	144,081,213
Property Tax Receivable	34,436,711	-	28,674,081	11,548,290	-	74,659,083
Accounts Receivable, Net	356,702	11,702	-	-	-	368,405
Interest Receivable	-	-	-	-	-	-
Interfund Receivable	4,561,577	20,405	-	1,704,940	-	6,286,923
Due From Other Government Units	7,622,226	300	-	37,911	-	7,660,437
Inventories at Cost	4,086,011	-	-	-	-	4,086,011
Prepaid Items	751,900	-	-	-	-	751,900
TOTAL ASSETS	\$ 101,799,933	\$ 2,117,369	\$ 41,451,730	\$ 92,381,511	\$ 2,661,285	\$ 240,411,827
LIABILITIES						
Accounts Payable	\$ 9,848,675	\$ 115,632	\$ -	\$ 11,602,970	\$ -	\$ 21,567,277
Retainage Payable	-	-	-	1,108,432	-	1,108,432
Accrued Wages & Benefits Payable	18,615,641	371	-	104,046	-	18,720,058
Interfund Payable	1,725,346	11,684	-	4,549,893	-	6,286,923
Unearned Revenue - Other	1,458,989	9,159	-	-	-	1,468,148
TOTAL LIABILITIES	31,648,651	136,846	-	17,365,341	-	49,150,838
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	33,257,755	-	27,694,183	11,155,595	-	72,107,534
TOTAL DEFERRED INFLOWS OF RESOURCES	33,257,755	-	27,694,183	11,155,595	-	72,107,534
FUND BALANCES						
Nonspendable - Inventory & Prepaid Items	4,837,911	-	-	-	-	4,837,911
Restricted for Carryover of Restricted Revenues	2,071,834	-	-	-	-	2,071,834
Restricted for Construction	-	-	-	45,901,006	-	45,901,006
Restricted for Debt Service	218,832	-	13,757,546	-	-	13,976,378
Restricted to Fund Purposes	-	1,980,522	-	-	2,661,285	4,641,807
Restricted for Technology	-	-	-	14,697,733	-	14,697,733
Committed to Contingencies	1,000,000	-	-	-	-	1,000,000
Assigned to Other Items (Encumbrances)	1,104,130	-	-	-	-	1,104,130
Assigned to Budget Carryover	2,392,398	-	-	-	-	2,392,398
Assigned to Future Operations	5,198,019	-	-	-	-	5,198,019
Assigned to Curriculum & Instruction	2,179,295	-	-	-	-	2,179,295
Assigned to Fund Purposes	-	-	-	3,261,836	-	3,261,836
Unassigned for Minimum Fund Balance Policy	17,727,880	-	-	-	-	17,727,880
Unassigned for Fund Balance	163,227	-	-	-	-	163,227
TOTAL FUND BALANCES	36,893,527	1,980,522	13,757,546	63,860,575	2,661,285	119,153,455
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 101,799,933	\$ 2,117,369	\$ 41,451,730	\$ 92,381,511	\$ 2,661,285	\$ 240,411,827

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, 2020

	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	\$ 1,409,424	\$ -	\$ 3,804,253	\$ -	\$ 5,213,677
Cash Held by Trustees	1,108,432	-	-	-	1,108,432
Investments	144,081,213	-	-	-	144,081,213
Property Tax Receivable	74,659,083	-	-	-	74,659,083
Receivables, Net	368,405	-	-	-	368,405
Interfund Receivable	6,286,923	-	-	(6,286,923)	-
Due From Other Governments	7,660,437	-	-	-	7,660,437
Inventories	4,086,011	-	-	-	4,086,011
Prepaid Items	751,900	-	-	-	751,900
Capital Assets, Net	-	1,051,270,648	-	-	1,051,270,648
TOTAL ASSETS	240,411,827	1,051,270,648	3,804,253	(6,286,923)	1,289,199,805
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	-	18,624,286	-	-	18,624,286
Pension Plan Experience - Assumption Changes & Plan Contributions	-	50,864,660	-	-	50,864,660
OPEB Changes - Contributions and Assumptions	-	34,463,675	-	-	34,463,675
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	103,952,621	-	-	103,952,621
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 240,411,827	\$ 1,155,223,269	\$ 3,804,253	\$ (6,286,923)	\$ 1,393,152,426
LIABILITIES					
Accounts Payable	\$ 22,675,709	\$ 3,006,611	\$ 20,725	\$ -	\$ 25,703,044
Wages, Benefits & Other Payables	18,720,058	-	-	-	18,720,058
Interfund Payable	6,286,923	-	-	(6,286,923)	-
Unearned Revenue - Other	1,468,148	-	-	-	1,468,148
Accrued Claims and Expenses	-	-	142,376	-	142,376
Long-Term Liabilities - Pension	-	148,831,447	-	-	148,831,447
Long-Term Liabilities - OPEB	-	211,144,129	-	-	211,144,129
Long-Term Liabilities - Not Pension or OPEB	-	582,717,831	-	-	582,717,831
TOTAL LIABILITIES	49,150,838	945,700,018	163,101	(6,286,923)	988,727,035
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	72,107,534	(72,107,534)	-	-	-
Pension Plan Investment Earnings & Changes in Proportions	-	9,917,630	-	-	9,917,630
OPEB Changes - Differences and Assumptions	-	18,631,892	-	-	18,631,892
TOTAL DEFERRED INFLOWS OF RESOURCES	72,107,534	(43,558,012)	-	-	28,549,522
FUND BALANCES/NET POSITION					
Fund Balances/Position	119,153,455	253,081,262	3,641,152	-	375,875,869
TOTAL FUND BALANCES/NET POSITION	119,153,455	253,081,262	3,641,152	-	375,875,869
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/NET POSITION	\$ 240,411,827	\$ 1,155,223,269	\$ 3,804,253	\$ (6,286,923)	\$ 1,393,152,426

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

* See Note 10

TACOMA SCHOOL DISTRICT No. 10
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	General Fund	Special Revenue (ASB) Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Total Governmental Funds
REVENUES						
Local	\$ 64,470,810	\$ 1,144,425	\$ 58,888,013	\$ 25,704,188	\$ 33,441	\$ 150,240,878
State	356,709,102	-	-	100,000	520,786	357,329,888
Federal	41,693,662	-	-	-	-	41,693,662
Other Districts/Agencies	4,898,554	-	-	23,826	-	4,922,380
TOTAL REVENUES	467,772,128	1,144,425	58,888,013	25,828,014	554,227	554,186,807
EXPENDITURES						
Current:						
Regular Instruction	250,947,841	-	-	-	-	250,947,841
Special Instruction	63,633,055	-	-	-	-	63,633,055
Career & Technical Instruction	16,769,563	-	-	-	-	16,769,563
Compensatory Instruction	41,006,503	-	-	-	-	41,006,503
Other Instructional Programs	2,921,475	-	-	-	-	2,921,475
Community Services	9,191,096	-	-	-	-	9,191,096
Support Services	88,748,907	-	-	-	-	88,748,907
Student Activities	-	1,100,716	-	-	-	1,100,716
Debt Service:						
Principal	-	-	34,210,000	-	-	34,210,000
Interest and Other Charges	-	-	23,106,738	-	-	23,106,738
Bond Fees & Cost of Issuance	-	-	1,370,521	-	-	1,370,521
Capital Outlay:						
Other	705,168	-	-	97,074,831	705,600	98,485,599
TOTAL EXPENDITURES	473,923,608	1,100,716	58,687,259	97,074,831	705,600	631,492,013
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,151,479)	43,709	200,754	(71,246,817)	(151,373)	(77,305,206)
OTHER FINANCING SOURCES (USES)						
Issuance of Refunding Bonds	-	-	366,010,000	-	-	366,010,000
Payment to Refunded Bonds Escrow Agent	-	-	(364,547,559)	-	-	(364,547,559)
Proceeds from Sale of Surplus Equipment	231,551	-	-	-	17,904	249,454
Transfers	2,868,149	-	-	(2,868,149)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	3,099,700	-	1,462,441	(2,868,149)	17,904	1,711,895
NET CHANGE IN FUND BALANCE	(3,051,779)	43,709	1,663,195	(74,114,966)	(133,470)	(75,593,311)
FUND BALANCE - September 1	39,945,306	1,936,813	12,094,351	137,975,542	2,794,754	194,746,766
FUND BALANCE - August 31	\$ 36,893,527	\$ 1,980,522	\$ 13,757,546	\$ 63,860,575	\$ 2,661,285	\$ 119,153,455

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, 2020

	Total Governmental Funds	Long-Term Revenue, Expenses *	Capital Related items *	Internal Service Fund *	Long-Term Debt Transactions *	Statement of Activities Total
REVENUES AND OTHER SOURCES						
Revenues:						
Property Taxes	\$ 141,584,202	\$ 14,677,631	\$ -	\$ -	\$ -	\$ 156,261,833
Local Non-Taxes	8,656,676	-	-	-	-	8,656,676
State	357,329,888	-	-	-	-	357,329,888
Federal	41,693,662	-	-	-	-	41,693,662
Other Districts/Agencies	4,922,380	-	-	-	-	4,922,380
Other Sources:						
Issuance of Refunding Bonds	366,010,000	-	-	-	(365,918,080)	91,920
Proceeds from Sale of Surplus Equipment	249,454	-	-	-	-	249,454
TOTAL REVENUES AND OTHER SOURCES	920,446,261	14,677,631	-	-	(365,918,080)	569,205,813
EXPENDITURES AND OTHER USES						
Current:						
Regular Instruction	250,947,841	(2,470,121)	26,861,078	25,186	-	275,363,982
Special Instruction	63,633,055	(298,415)	6,126	6,386	-	63,347,152
Career & Technical Instruction	16,769,563	(66,291)	79,724	1,683	-	16,784,679
Compensatory Instruction	41,006,503	(450,146)	31,422	4,115	-	40,591,894
Other Instructional Programs	2,921,475	(56,521)	64,291	293	-	2,929,538
Community Services	9,191,096	(201,269)	-	922	-	8,990,749
Support Services	88,748,907	(1,156,654)	2,261,991	8,907	(104,966)	89,758,185
Student Activities	1,100,716	-	1,630	-	-	1,102,346
Debt Service:						
Principal	34,210,000	-	-	-	(34,210,000)	-
Interest and Other Charges	23,106,738	-	-	-	(5,967,459)	17,139,279
Bond Fees & Cost of Issuance	1,370,521	-	-	-	-	1,370,521
Capital Outlay	98,485,599	-	(75,389,065)	-	-	23,096,534
Other Uses:						
Payment to Refunded Bonds Escrow Agent	364,547,559	-	-	-	(364,547,559)	-
TOTAL EXPENDITURES AND OTHER USES	996,039,573	(4,699,418)	(46,082,803)	47,493	(404,829,984)	540,474,860
NET CHANGE FOR THE YEAR	\$ (75,593,311)	\$ 19,377,049	\$ 46,082,803	\$ (47,493)	\$ 38,911,904	\$ 28,730,952

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

* See Note 10

Tacoma School District No. 10

Internal Service Fund (The Sound Partnership)

The Sound Partnership is the District's internal service fund and reported in the proprietary fund in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 10 (Risk Financing).

TACOMA SCHOOL DISTRICT No. 10
INTERNAL SERVICE FUND (THE SOUND PARTNERSHIP)
STATEMENT OF NET POSITION (LIQUIDATION BASIS)
AUGUST 31, 2020

	The Sound Partnership
ASSETS	
Cash and Cash Equivalents	\$ 3,759,224
Restricted Cash	45,029
TOTAL ASSETS	\$ 3,804,253
LIABILITIES	
Accounts Payable	\$ 20,725
Accrued Claims and Expenses	142,376
TOTAL LIABILITIES	163,101
NET POSITION	
Restricted	3,641,152
TOTAL NET POSITION	\$ 3,641,152

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

TACOMA SCHOOL DISTRICT No. 10
INTERNAL SERVICE FUND (THE SOUND PARTNERSHIP)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (LIQUIDATION BASIS)
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	The Sound Partnership
OPERATING REVENUES	
Premium Contributions	\$ 15,661,169
TOTAL OPERATING REVENUES	15,661,169
OPERATING EXPENSES	
Insurance Premiums	14,863,915
Benefit Claims	627,719
Administrative Expenses	450,072
TOTAL OPERATING EXPENSES	15,941,706
OPERATING INCOME (LOSS) - GOING CONCERN BASIS	(280,537)
EFFECTS OF APPLYING LIQUIDATION BASIS OF ACCOUNTING	
Cumulative Accrued Claims and Expenses	233,044
TOTAL EFFECTS OF APPLYING LIQUIDATION BASIS OF ACCOUNTING	233,044
CHANGE IN NET POSITION	(47,493)
NET POSITION - September 1	3,688,645
NET POSITION - August 31	\$ 3,641,152

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

TACOMA SCHOOL DISTRICT No. 10
INTERNAL SERVICE FUND (THE SOUND PARTNERSHIP)
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	The Sound Partnership
CASH FLOWS FROM OPERATING ACTIVITIES	
Premium Contributions	\$ 15,661,169
Benefits Claims	(627,719)
Insurance Premium Payments	(15,092,531)
Administrative	(450,072)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(509,153)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(509,153)
CASH AND CASH EQUIVALENTS - Beginning	4,313,406
CASH AND CASH EQUIVALENTS - Ending	\$ 3,804,253
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (280,537)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Increase (Decrease) in Liabilities	(228,616)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (509,153)

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

Tacoma School District No. 10

Fiduciary Funds Financial Statements

The fiduciary funds financial statements include the Private-Purpose Trust Fund. 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, 2020

	Private-Purpose Trusts
ASSETS	
Cash and Cash Equivalents	\$ 45,511
Investments at Fair Value	1,051,570
Accounts Receivable	868
TOTAL ASSETS	1,097,949
LIABILITIES	
Accounts Payable	146,160
Unearned Revenue - Other	15,046
TOTAL LIABILITIES	161,206
NET POSITION	
Held in Trust for Scholarships and Student Aid	936,743
TOTAL NET POSITION	\$ 936,743

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, 2020

	Private-Purpose Trusts
ADDITIONS	
Donations	\$ 267,886
TOTAL ADDITIONS	267,886
DEDUCTIONS	
Scholarships	81,894
Tuition and Fees	15,410
Supplies & Materials	80,085
Field Trips	21,753
Purchased Services	14,710
Salaries & Benefits	6,804
TOTAL DEDUCTIONS	220,655
CHANGE IN NET POSITION	47,232
NET POSITION - September 1	889,512
NET POSITION - August 31	\$ 936,743

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 and Nongovernmental Pension Plans
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 (Governmental Funds)
Note 12	Contingent Liabilities
Note 13	Litigation
Note 14	Subsequent Events

TACOMA SCHOOL DISTRICT No. 10
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 1, 2019 through August 31, 2020

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 Sound Partnership discussed below is the District’s internal service fund and blended into those of the District by appropriate activity type to compose the *primary government* presentation.

Internal Service Fund. The Sound Partnership is a health and welfare trust fund 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 Sound Partnership financial statements are available from:

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

B. PRESENTATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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 internal service fund (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 accounts of the district are organized on the basis of funds in the 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 inflows, liabilities, fund equity, revenues, and expenditures.

Resources are 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 fund financial statements consist of the Fund Balance Sheet, Reconciliation of Balance Sheet/Statement of Net Position, Statement of Revenues, Expenditures and Changes in Fund Balance, and Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities; Internal Service Fund – Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows; Fiduciary Fund - Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position.

The various funds are grouped into three classifications: Governmental, Internal and Fiduciary.

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 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.

INTERNAL SERVICE FUNDS

The Sound Partnership is reported as an 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 in trust for individuals, private organizations, other districts, or other 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 2019-2020.

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 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 \$1,104,129 were re-encumbered on September 1, 2020.

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

The government-wide statements and fiduciary fund 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 and the accrual basis of accounting. 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 receivable are measurable but are considered to be available only if they are collected within 30 days after year end. 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 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 received within 30 days of the end of the current fiscal period are recognized as revenues of the current fiscal period.

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 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. On the governmental fund financial statements, property taxes receivable are measurable but are considered to be available only if they are collected within 30 days after year end.

Tax Abatements. The Governmental Accounting Standards Board (GASB) Statement No. 77 requires state and local governments to disclose tax abatements where a decrease in specific taxes for a particular payer may contribute to economic development or otherwise benefits the governments or its citizens.

The property tax system in the state of Washington is budget-based, which means the taxing authority determines a budget or dollar amount and adjusts the rates for the taxpayers based on the assessed valuation of their property. As a result, tax abatement programs related to property taxes shift the tax burden to individual taxpayers rather than to the municipality.

The following are totals of abated taxes pertaining to the Tacoma School District in fiscal year 2019-2020:

City of Tacoma	Housing projects with 5 or more units	\$2,001,622
----------------	---------------------------------------	-------------

The tax abatements did not result in a reduction or loss of revenue to the District because, pursuant to state law, these taxes were reallocated to other property tax payers.

3. Accounts Receivable

This account represents amounts due for services rendered by the District, net of allowance for doubtful accounts.

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 from 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, 2020, the value of the USDA commodities included in this District’s inventory was \$3,098,257.

Prepaid items consist of software licenses and other prepayments made late in 2019-2020 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 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 reported at acquisition value.

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 property taxes are reported as a deferred inflow on the government fund statements. This amount is deferred and recognized as an inflow of resources in the period the amounts become available.

Pensions – for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems.

The District refunded bonds in November 2015 and the difference between the reacquisition price and the net carrying amount of the old debt resulted in a gain. A deferred inflow of resources had been recorded to recognize the gain. Fiscal year 2019-20 is the final amortization year, leaving a zero balance.

The new GASB 75 reporting requirements show both deferred inflows and outflows of resources related to Other Post-Employment Benefits (OPEB) on the government-wide statements. Please refer to Note 9F for more details.

K. COMPENSATED ABSENCES

1. Sick Leave

Employees earn sick leave at a rate of 12 days per year up to a maximum of one contract year.

Under the provisions of RCW 28A.400.210, sick leave accumulated by District employees is paid at death or retirement at the rate of one day for each four days of accrued leave, limited to 180 accrued days. This chapter also provides for an annual buyout of an amount up to the maximum annual accumulation of twelve days for active employees. For buyout purposes, employees may accumulate such leave to a maximum of 195 days, including the annual accumulation, as of December 31 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, 2020, was \$20,478,985 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, 2020, was \$14,742,675 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, Assigned to Contingencies, and Unassigned Fund Balance accounts. When resources meeting more than one of the classifications (excluding non-spendable) are comingled in an account, assuming an expenditure meets the constraints of the classification, the assumed order of spending is restricted first, committed second, 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 use. 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

Assigned Fund Balance. In the General Fund, amounts reported as Assigned are those resources 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 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.

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. The District directs the County Treasurer to invest those financial resources of the District that the District has determined are not needed to meet the current financial obligations of the District. In this capacity, the county treasurer receives, deposits, and transacts investments on the District’s behalf.

The District’s deposits are mostly covered by federal depository insurance (FDIC) or 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. These provisions help mitigate custodial credit risk, which is the risk that, in the event of a failure of a depository financial institution, the District would not be able to recover deposits or collateral securities that are in the possession of an outside party.

All of the District’s investments during the year and year-end were insured or registered and held by the District or its agent in the District’s name.

Washington State statutes authorize the District to invest in the following types of securities:

- Certificates, notes, or bonds of the United States, its agencies, or any corporation wholly owned by the government of the United States,
- Obligations of government-sponsored corporations which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System,
- Bankers’ acceptances purchased on the secondary market,
- Repurchase agreements for securities listed in the three items above, provided that the transaction is structured so that the public treasurer obtains control over the underlying securities,
- Investment deposits with qualified public depositories,
- Washington State Local Government Investment Pool, and
- County Treasurer Investment Pools.

The Districts investments as of August 31, 2020, are as follows:

Investment Type	Number of Securities	Carrying Amount	Market Value
State Treasurer’s Investment Pool	6	\$ 145,132,783	\$ 145,132,783
Total Investments	6	\$ 145,132,783	\$ 145,132,783

At year end, the cash on hand plus 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	\$ 1,409,424	\$ 144,081,213
Sound Partnership	3,804,253	-
Total Government-Wide	5,213,677	144,081,213
Fiduciary Funds	45,511	1,051,570
Total Deposits & Investments	\$ 5,259,189	\$ 145,132,783

The Washington State Local Government Investment Pool (LGIP) was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. Participation in the pool is voluntary and the pool does not have a credit rating.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASBS 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The pool maintains a Weighted Average Maturity (WAM) of 60 days or shorter. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

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 requiring that at least twenty percent of the portfolio is comprised of investments maturing within the next 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. Diversification of the portfolio is achieved by limiting the maximum percentage of investments by type of investment in the portfolio as follows:

Investment Type	Maximum % of Portfolio
Washington State LGIP	100%
U.S. Treasury Obligations	100%
Federal Agency Securities	90%
Certificates of Deposit	40%
Repurchase Agreements	40%
Bonds of State of WA or any local government in the State of WA	20%
Bonds of other states or any local governments in the other state	15%
Commercial Paper	10%
Banker’s Acceptance	10%

Fair Market Value. GASB 72 addresses accounting and financial reporting issues related to fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB 72 establishes a hierarchy of inputs to valuation techniques used to measure fair value. This hierarchy has three levels:

Level 1 - Pricing inputs are observable inputs such as quoted prices, available in active markets, for identical assets or liabilities on the date of measurement.

Level 2 – Pricing inputs are either directly or indirectly observable inputs available in active markets as of the measurement date.

Level 3 – Pricing inputs are unobservable inputs used in cases where financial instruments are considered illiquid, with no significant market activity and little or no pricing information on the date of measurement.

All the District’s investments held with the Pierce County treasurer are Level 1.

Cash with Fiscal Agent/Trustee. 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, 2020, 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	\$ 4,561,577	\$ 1,725,346
Special Revenue Fund	20,405	11,684
Debt Service Fund	-	-
Capital Projects Fund	1,704,940	4,549,893
Total	\$ 6,286,923	\$ 6,286,923

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. These balances are eliminated in government-wide financial statements.

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 (\$2,868,149) 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 capital assets are insured in the amount of \$1,509,565,794 for fiscal year 2019-2020. In the opinion of the District’s insurance consultant, the amount is sufficient to adequately fund replacement of the District’s assets.

	Beginning Balance	Primary Government		Ending Balance
		Additions	Deletions	
Governmental Activities Capital Assets, not being depreciated:				
Land	\$ 42,354,470	\$ -	\$ -	\$ 42,354,470
Construction-in-Progress	78,776,892	73,762,847	(68,134,941)	84,404,798
Total Capital Assets, not being depreciated	121,131,362	73,762,847	(68,134,941)	126,759,268

Capital assets, being depreciated:				
Building and Improvements	1,256,785,970	68,962,886	(3,658,735)	1,322,090,121
Equipment	46,026,343	1,240,079	(409,264)	46,857,158
Total Capital assets, being depreciated:	1,302,812,313	70,202,965	(4,067,999)	1,368,947,279
Less Accumulated Depreciation for:				
Building and Improvements	(379,607,074)	(27,710,497)	3,222,678	(404,094,894)
Equipment	(39,148,756)	(1,595,764)	403,515	(40,341,005)
Total Accumulated Depreciation	(418,755,830)	(29,306,262)	3,626,193	(444,435,899)
Total Capital assets, being depreciated, net	884,056,483	40,896,703	(441,806)	924,511,380
Governmental Activities Capital Assets, Net	\$ 1,005,187,845	\$ 114,659,550	\$ (68,576,747)	\$ 1,051,270,648

Depreciation expense was charged to governmental activities as follows:

	<u>Current Year Total</u>
Regular Instruction	\$ 26,861,078
Special Instruction	6,126
Career & Technical Instruction	79,724
Compensatory Instruction	31,422
Other Instruction Programs	64,291
Support Services	2,261,991
Extracurricular Activities (ASB)	1,630
	<u>\$ 29,306,262</u>

Note 5. CONSTRUCTION IN PROGRESS

School	Project	Project Authorization	Accumulated Expenditures to Aug. 31, 2020
Elementary Schools			
Birney	New School	\$ 37,100,000	\$ 34,362,884
Boze	New School	35,500,000	29,222,487
Total Elementary Schools		72,600,000	63,585,371
Middle Schools			
Hunt	New School	80,000,000	20,819,427
Total Middle Schools		80,000,000	20,819,427
GRAND-TOTAL		\$ 152,600,000	\$ 84,404,798

Note 6. PENSIONS AND NONGOVERNMENTAL PENSION PLANS

A. PENSIONS

GENERAL INFORMATION

The Washington State Department of Retirement Systems (DRS), a department within the primary government of the state of Washington, prepares a stand-alone annual financial report (AFR) 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 AFR. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or online at <http://www.drs.wa.gov>.

MEMBERSHIP PARTICIPATION

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

MEMBERSHIP & PLAN BENEFITS

Certificated 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 Plan Information. TRS was established in 1938, and its retirement provisions are contained in RCW Chapters 41.34 and 41.32. 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 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 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 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 of 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 Information. PERS was established in 1947, and its retirement benefit provisions are contained in RCW Chapters 41.34 and 41.40. PERS is a cost-sharing, multi-employer retirement system. 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 years 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 Plan Information. SERS was established by the legislature in 1998, and the plan became effective in 2000. SERS retirement benefit provisions are established in RCW Chapters 41.34 and 41.35. 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 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 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 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.

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. 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 contribution rates for the PERS plan were effective as of July 1, 2019. SERS and TRS contribution rates are effective as of September 1, 2019. All plans will not have a contribution rate change until September 1, 2020. The pension plan contribution rates (expressed as a percentage of covered payroll) for fiscal year 2020 are listed below:

Pension Contribution Rates from September 01, 2019 to August 31, 2020			
	Employer	Employee	
PERS Plan 1	12.86%	6.00%	
TRS Plan 1	15.51%	6.00%	
TRS Plan 2/3	15.51%	7.77%	*/**
SERS Plan 2/3	13.19%	8.25%	*/**

Note: The Employer rates include .0018 DRS administrative expense.

* – TRS and SERS Plan 3 Employee Contribution Variable from 5% to 15% based on rate selected by the employee member.

** – TRS and SERS Plan 2/3 Employer Contributions for defined benefit portion only.

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

At June 30, 2020, the school district reported a total liability of \$148,831,447 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, 2020, the district’s proportionate share of each plan’s net pension liability is reported below:

June 30, 2020	PERS 1	SERS 2/3	TRS 1	TRS 2/3	Total
District’s Annual Contributions	\$3,637,221	\$6,090,677	\$15,450,317	\$17,145,466	\$42,323,680
Proportionate Share of the Net Pension Liability	\$17,718,422	\$14,983,175	\$70,868,076	\$45,261,774	\$148,831,447

Changes to net pension liability from the prior period are displayed in the Schedule of Changes in Long Term Liabilities.

At June 30, 2020, the 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 percentages	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Current year proportionate share of the Net Pension Liability	0.501862%	2.816577%	2.942066%	2.946767%
Prior year proportionate share of the Net Pension Liability	0.529119%	2.995486%	3.058799%	3.063908%
Net difference percentage	-0.027258%	-0.178909%	-0.116733%	-0.117142%

ACTUARIAL ASSUMPTIONS

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, 2019, with the results rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.75% total economic inflation, 3.50% salary inflation
Salary increases	In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
Investment rate of return	7.40%

MORTALITY RATES

Mortality rates used in the plans were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status as the base table. OSA applies age offsets for each system to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. The actuarial assumptions used in the June 30, 2019, valuation were based on the results of the *2013–2018 Demographic Experience Study Report and the 2019 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report.

LONG-TERM EXPECTED RATE OF RETURN

OSA selected a 7.40% long-term expected rate of return on pension plan investments using a building-block method. In selecting the assumptions, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the Washington State Investment Board (WSIB) provided.

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 asset allocation to simulate future investment returns over various time horizons. The expected future rates of return are developed by the WSIB for each major asset class. 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, 2020, 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%	2.20%
Tangible Assets	7.00%	5.10%
Real Estate	18.00%	5.80%
Global Equity	32.00%	6.30%
Private Equity	23.00%	9.30%

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.40 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. Based on the assumptions described in the DRS AFR Certification Letter, 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, a 7.40 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, 2020, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(98,650)
Changes in assumptions or other inputs	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	10,516	-
TOTAL	\$ 10,516	\$ (98,650)
SERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ 8,907,191	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(156,896)
Changes in assumptions or other inputs	163,281	(1,379,360)
Changes in proportion and differences between contributions and proportionate share of contributions	38,370	(650,108)
Contributions subsequent to the measurement date	1,425,565	-
TOTAL	\$ 10,534,407	\$ (2,186,363)
TRS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(455,753)
Changes in assumptions or other inputs	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	14,954	-
TOTAL	\$ 14,954	\$ (455,753)
TRS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ 28,605,113	\$ (163,234)
Net difference between projected and actual earnings on pension plan investments	-	(439,401)
Changes in assumptions or other inputs	5,837,926	(4,960,331)
Changes in proportion and differences between contributions and proportionate share of contributions	-	(1,613,899)
Contributions subsequent to the measurement date	5,861,744	-
TOTAL	\$ 40,304,784	\$ (7,176,865)
ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ 37,512,304	\$ (163,234)
Net difference between projected and actual earnings on pension plan investments	-	(1,150,699)
Changes in assumptions or other inputs	6,001,208	(6,339,690)
Changes in proportion and differences between contributions and proportionate share of contributions	38,370	(2,264,007)
Contributions subsequent to the measurement date	7,312,779	-
TOTAL	\$ 50,864,660	\$ (9,917,630)

\$7,312,779 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, 2021.

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

Year ended August 31	PERS 1	SERS 2/3	TRS 1	TRS 2/3
2021	(447,673)	(102,591)	(2,003,038)	(1,258,700)
2022	(14,080)	1,474,466	(58,605)	3,134,370
2023	136,598	1,818,685	609,940	4,713,169
2024	226,506	2,299,150	995,950	6,005,642
2025	-	987,451	-	3,291,892
Thereafter	-	445,318	-	11,379,802

PENSION EXPENSE

For the year ending August 31, 2020, the District recognized total pension expense as follows:

	Pension Expense
PERS 1	\$ (249,399)
SERS 2/3	4,231,543
TRS 1	5,242,563
TRS 2/3	13,703,686
TOTAL	\$ 22,982,402

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

The following table presents the Tacoma School District's proportionate share of the collective net pension liability (NPL) calculated using the discount rate of 7.40%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40%) or one percentage-point higher (8.40%) than the current rate. Amounts are calculated using the school district's specific allocation percentage, by plan, to determine the proportionate share of the collective net pension liability.

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
PERS 1 NPL	\$4,422,202,000	\$3,530,540,000	\$2,752,919,000
Allocation Percentage	0.501862%	0.501862%	0.501862%
Proportionate Share of Collective NPL	\$22,193,331	\$17,718,422	\$13,815,842
SERS 2/3 NPL	\$1,517,879,000	\$531,964,000	(\$283,583,000)
Allocation Percentage	2.816577%	2.816577%	2.816577%
Proportionate Share of Collective NPL	\$42,752,228	\$14,983,175	\$(7,987,333)
TRS 1 NPL	\$3,051,911,000	\$2,408,786,000	\$1,847,550,000
Allocation Percentage	2.942066%	2.942066%	2.942066%
Proportionate Share of Collective NPL	\$89,789,239	\$70,868,076	\$54,356,142
TRS 2/3 NPL	\$4,526,645,000	\$1,535,981,000	(\$903,643,000)
Allocation Percentage	2.946767%	2.946767%	2.946767%
Proportionate Share of Collective NPL	\$133,389,659	\$45,261,774	\$(26,628,249)

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.

B. NONGOVERNMENTAL PENSION PLANS

In fiscal year 2016-2017 the District implemented GASB Statement No. 78. This statement amends the scope and applicability of GASB 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan.

In fiscal year 2019-2020 the District has the following union sponsored pension plans that provide defined benefit pension to the District's employees.

1. National Roofing Industry Pension Fund (NRIPP). It is administered by Wilson-McShane Corporation, National Roofing Industry Benefit Funds. The entity identification is 36-6157071. One District employee is covered by NRIPP. The NRIPP is a "defined benefit plan" where the roofer earns a monthly income payable at retirement (after 5 years of vested service) for the rest of the roofer's life. The amount of that income is determined primarily by the number of years worked for a signatory employer and the number of hours worked in each of those years. The pension benefit terms and contribution requirements are established by Trustees of NRIPP. Contributions to the plan are made monthly pursuant to the terms of a collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$3.43/hour
Contribution amount FY 19-20 - \$5,382
There is currently no withdrawal liability for the NRIPP.

2. Carpenters Retirement Plan of Western Washington (CRP). It is administered by Carpenters' Trust of Western Washington. The entity identification is 91-6029051. Seven District employees are covered by CRP. The CRP is a "defined benefit plan" which means the carpenter earns a monthly income payable at retirement for the rest of the carpenter's life. The amount of that income is determined primarily by the number of years worked for a signatory employer and the number of hours worked in each of those years. The benefit terms and contribution requirements are established by Board of Trustees of CPR. Contributions to the plan are made monthly pursuant to the terms of a collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$7.59/hour (9/19-5/20) and \$8.60/hour (6/20-8/20)
Contribution amount FY 19-20 - \$99,277
The CRP does have a withdrawal liability. The District's estimated withdrawal liability for 2020 is \$322,413.

3. Western Washington Laborers Employers Pension Plan (WWLEPP). It is administered by Zenith American Solutions, WW Laborers Employers Trust Fund. The entity identification is 91-6022315. Seventeen District employees are covered by WWLEPP. WWLEPP is a "defined benefit plan" providing benefit payments guaranteed at retirement by the Pension Benefit Guaranty Corporation, a federal insurance agency. The benefit is determined by years of services for a signatory employer. The benefit terms and contribution requirements are established by Board of Trustees of WWLEPP. Contributions to the plan are made monthly pursuant to the terms of a collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$4.54/hour (9/19-5/20) and \$4.79/hour (6/20-8/20)
Contribution amount FY 17-18 - \$162,532
The WWLEPP does have a withdrawal liability. There is no withdrawal liability for 2020.

4. Central Pension Fund of the IUOE (CPF). It is administered by the Board of Trustees of CPF of the IUOE. The entity identification is 36-6052390. Three-hundred seven District employees are covered by the plan - sixty bus drivers and dispatchers, thirty-three security employees, and two-hundred fourteen custodians are covered by the CPF. CPF is a "defined benefit plan" providing a benefit determined by accrual rate, years

of service and hours worked in the service years. Benefit payments are guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. Contributions to the plan are made monthly pursuant to the terms of the collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year for dispatchers and bus drivers, full-time security employees, and custodians, and 1,704 hours for part-time security employees

Contribution rates FY 19-20 – District paid \$2.00/hour for dispatchers, \$1.00/hour for bus drivers, \$0.75/hour for 10-month part-time security employees, \$1.50/hour for full-time security employees, and \$1.75/hour for custodians.

Contribution amount FY 19-20 – Total – \$884,194. \$8,880 for dispatchers, \$91,337 for bus drivers, \$35,821 for part-time security employees, \$24,756 for full-time security employees, and \$723,400 for custodians. There is currently no withdrawal liability for the CPF.

5. IBEW Pacific Coast Pension Fund. It is administered by Rhen & Associates/IBEW Local 76. The entity identification is 94-6128032. Seven District employees are covered by the Pacific Coast Pension Fund. The fund is a “defined benefit plan” providing benefit payments guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. The monthly benefit at normal retirement is determined by the accrual rate, years of service and hours worked in the service years. Contributions to the plan are made monthly pursuant to the terms of the collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$5.41/hour for IBEW and 3% of gross wages for NEBF.

Contribution amount FY 19-20 - \$94,349

There is currently no withdrawal liability for the Pacific Coast Pension Fund.

6. Western Washington Glaziers Retirement Plan. It is administered by BENESYS, Inc./The Employee Painters’ Trust. The entity identification is 91-6050587. One District employee is covered by the plan. The fund is a “defined benefit fund” providing monthly benefit payments guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. The monthly benefit at normal retirement age is determined by an accrual rate for credited years of service. Contributions to the plan are made monthly pursuant to the terms of the collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$11.50/hour

Contribution amount FY 19-20 - \$24,024

There is currently no withdrawal liability for the Western Washington Glaziers Retirement Plan.

7. Plumbers & Pipefitters National Pension Fund. It is administered by the Board of Trustees, Plumbers & Pipefitters National Pension Plan. The entity identification is 52-6152779. Eight District employees are covered by the plan. The fund is a “defined benefit plan” providing monthly benefit payments guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. The monthly benefit at normal retirement age is determined by an accrual rate and years of credited service. Contributions to the plan are made monthly pursuant to the terms of the collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$3.90/hour

Contribution amount FY19-20 - \$54,630

The Plumbers & Pipefitters National Pension Fund has been placed in “endangered” status by the Pension Protection Act of 2006. The Plan does have a withdrawal liability however the amount of liability was not available by publication date.

8. WA State Plumbing & Pipefitting Pension Fund. It is administered by Zenith American Solutions. The entity identification is 91-6029141. Eight District employees are covered by the plan. The fund is a “defined benefit plan” with options for the participant based on the value of the benefit at the time of retirement. Benefit accruals are based on contributions made to the plan on behalf of the participant for hours of service earned during a plan year and years of credited service. The plan is guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. Contributions to the plan are made monthly and are

pursuant to the collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$3.05/hour (9/19-2/20) and \$4.00/hour (3/20-8/20)

Contribution amount FY 19-20 - \$47,598

The WA State Plumbing & Pipefitting Pension Fund does have a withdrawal liability. The District's estimated withdrawal liability for 2020 is \$715,378.

9. Western Conference of Teamsters Pension Plan. It is administered by Northwest Administrators, Inc. The entity identification is 91-6145047. Eleven District employees are covered by the plan. The fund is a "defined benefit plan" providing monthly benefit payments at retirement age. The plan is guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. The monthly benefit is determined by an account benefit formula used for service after 1986 and is based on a percentage of all of the participant's non-forfeited years of service. The five-year average benefit formula is used to determine a monthly benefit based on years of service and the rate of contributions payable for the participants last five years of service. Contributions to the plan are made monthly pursuant to the terms of the collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are limited to 2080 maximum hours in a plan year.

Contribution rate FY 19-20 – District paid \$3.30/hour

Contribution amount FY 19-20 - \$70,747

The Western Conference of Teamsters Pension Plan does have withdrawal liability. The District's estimated withdrawal liability for 2019 is \$25,261.

10. International Painters & Allied Trades (IUPAT) Industry Pension Plan. It is administered by IUPAT Pension Fund Administrator. The entity identification is 52-6073909. Four District employees are covered by the plan. The plan is a "defined benefit plan" providing guaranteed monthly benefits. The monthly benefit is a combination of 100% of the participant's first \$11 of the Plan's monthly benefit accrual rate, plus 75% of the next \$33 of the accrual rate, multiplied times each year of credited service. The maximum guarantee is \$35.75 per month multiplied by a participant's years of credited service. Benefit payments are guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. Contributions to the plan are made monthly pursuant to the terms of the collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$2.25/hour (9/19-6/20) and \$1.62/hour (7/20-8/20)

Contribution amount FY 19-20 - \$13,422

The IUPAT does have withdrawal liability. The District's estimated withdrawal liability for 2019-2020 is \$145,986.

11. Sheet Metal Workers National Pension Fund. It is administered by Sheet Metal Workers National Benefits Trust (SMWNPF). The entity identification is 52-6112463. One District employee is covered by the plan. The plan is a "defined benefit plan" providing a monthly benefit payment at the normal retirement age. The monthly benefit is determined based on a variable benefit accrual rate, contribution hours worked, and a variable applicable percentage determined annually based on historical investment returns. The plan is guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. Contributions to the plan are made monthly pursuant to the terms of the collective bargaining agreement.

Contribution rate FY 19-20 – District paid \$3.50/hour

Contributions amount FY 19-20 - \$81

The SMWNPF does have a withdrawal liability. The District's estimated withdrawal liability for 2019-2020 is \$37,417.

12. Northwest Sheet Metal Workers Pension Plan. It is administered by BeneSys, Inc. The entity identification is 91-6061344. One District employee is covered by the plan. The plan is a "defined benefit plan" providing a monthly benefit at a normal retirement age. The guaranteed monthly benefit is determined based on a benefit accrual rate and years of credited service. Benefit payments are guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. Contributions to the plan are made monthly pursuant to

the terms of the collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$2.75/hour

Contributions amount FY 19-20 - \$58

There is currently no withdrawal liability for the Northwest Sheet Metal Workers Pension Plan.

13. IUOE Local 302/612 Employers Construction Industry Retirement Plan. It is administered by Construction Industry Funds Admin. Services Inc. The entity identification is 91-6028571. Two District employees are covered by the plan. The plan is a “defined benefit plan” providing a monthly benefit once they have obtained age 60 and have five years of credited service or have 7,500 covered hours of employment. Participants are entitled to a monthly benefit for each year of credited past service plus a percentage of the contributions made on the participants’ behalf. Benefit payments are guaranteed by the Pension Benefit Guaranty Corporation, a federal insurance agency. Contributions to the plan are made pursuant to the terms of the collective bargaining agreement. In fiscal year 2019-2020 all pension contributions are based on 2080 hours compensated per year.

Contribution rate FY 19-20 – District paid \$2.00/hour

Contributions amount FY 19-20 - \$3,736

There is currently no withdrawal liability for the IUOE Local 302/612 Employers Construction Industry Retirement Plan.

Plan Name	# of Employees Covered	Balance of Contributions
National Roofing Industry Pension Fund	1	\$ 5,382
Carpenters Retirement Plan of Wester Washington	7	99,277
Western Washington Laborers Employers Pension Plan	17	162,532
Central Pension Fund of the IUOE	307	884,194
IBEW Pacific Coast Pension Fund	7	94,349
Western Washington Glaziers Retirement Plan	1	24,024
Plumbers & Pipefitters National Pension Fund	8	54,630
WA State Plumbing & Pipefitting Pension Fund	8	47,598
Western Conference of Teamsters Pension Plan	11	70,747
International Painters & Allied Trades	4	13,422
Sheet Metal Workers National Pension Fund	1	81
Northwest Sheet Metal Workers Pension Plan	1	58
IUOE Local 302/612 Employers Const. Industry Ret. Plan	2	3,736
Total	375	\$ 1,460,030

The financial reports for each of these plans are available by going to www.efast.dol.gov and from:

The US Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room
 200 Constitution Avenue, NW, Room N-1515
 Washington DC 20210
 (202) 693-8673

Note 7.

LONG-TERM DEBT

A. CHANGES IN LONG-TERM LIABILITIES

Bonds payable on August 31, 2020 include the following: 2012 Refunding Bond, 2014 Unlimited Tax General Obligation Bond (UTGO) Refunded in 2020, 2015 Refunding Bond, 2015 UTGO Refunded in 2020 and the 2020 Refunding Bond. 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 \$152,625,000 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.

In October 2015, the District issued unlimited tax general obligation and refunding bonds with a par value of \$368,275,000 and refunded \$122,007,375 of outstanding 2005A Bonds to take advantage of favorable market conditions. The bonds sold at a premium of \$57,225,495, and the interest rates were fixed at 2.0 to 5.0 percent. The net proceeds of \$320M, after payment of \$1,417,144 in underwriting fees, insurance, and other issuance costs, were deposited into the Capital Projects Fund to complete the projects identified in the February 2013 bond measure. As a result, all remaining 2005A Bonds are considered to be defeased. The District refunded the 2005A Bonds to reduce its total debt service payments over the next six years by \$107,469,415 and to obtain a present value economic gain of \$11,588,032. The 2015 bonds will be fully paid off in December 2039. These were the final bonds issued from the \$500M bond authority measure.

The District refinanced (refunded) the remaining balance of \$104M on the 2005 refunded bond issue and included \$2.6M from its Debt Service Fund to make the December interest payment on the old notes. The par value of the refunded bonds was \$95.225M, and they were sold at a premium of \$9M. Interest rates on the refunded bonds range from 2.0 to 5.0 percent. The net present value savings on the refunding issue was \$11,588,032, or over 11 percent. The refunded bonds will be fully paid in December 2020.

In July 2020, the District issued refunding bonds with a par value of \$366,010,000 and refunded \$130,360,000 of outstanding 2014 UTGO Bonds and \$165,195,000 of outstanding 2015 UTGO Bonds to take advantage of favorable market conditions. The interest rates were fixed at 1.8 to 2.4 percent. The net proceeds of \$364,639,479, after payment of \$1,370,521 in underwriting fees, insurance, and other issuance costs, were deposited in an escrow account for the payment of the defeased portion of the bonds and bond premiums. The District refunded the 2014 and 2015 Bonds to reduce its total debt service payments over the next six years by \$462,839,140 and to obtain a present value economic gain of \$45,335,614, or over 15 percent. The refunded bonds will be fully paid in December 2039.

Construction projects include replacement and new construction of Hunt Middle School, Mary Lyon, Grant, Birney, and Boze Elementary schools; 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 2016-17, the District entered into an agreement with Daktronics Sports Marketing to design, manufacture, and install electronic scoreboards at Lincoln Bowl and Stadium Bowl. The initial cost of the equipment was \$792,847 and after down payments, a balance of \$539,938 was financed. A financing plan with equal payments of \$114,033 was established to be made over the following five years. Interest rates range from 2.8 to 3.0 percent over the life of the loan.

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 was added to the Schedule of Long-Term Liabilities in 2014-15, and this is the fifth year for reporting those liabilities under GASB 68. The District's share of the State of Washington's pension liability for the plans it participates in is included in the schedule. The information is provided to Districts from the state's Department of Retirement Services and the Office of the Superintendent of Public Instruction.

The following is a summary of changes in long-term debt of the District for the fiscal year ended August 31, 2020 and reported in the government-wide financial statements:

GOVERNMENTAL ACTIVITIES	Balance at September 1, 2019	Additions	Reductions	Balance at August 31, 2020	Due within One Year
Bonds and Contracts Payable:					
2012 Refunding of '03,05,05A UTGOs	\$ 51,590,000	\$ -	\$ 5,545,000	\$ 46,045,000	\$ 4,195,000
2014 UTGO (Refunded)	136,600,000	-	130,360,000	6,240,000	-
2015 Refunding of BAN	30,485,000	-	21,570,000	8,915,000	8,915,000
2015 UTGO (Refunded)	261,045,000	-	172,290,000	88,755,000	14,315,000
2020 Refunding of '14, '15 UTGOs	-	366,010,000	-	366,010,000	-
Long-Term Financing - Scoreboards	323,798	-	104,966	218,832	107,905
Total Bonds and Contracts Payable	480,043,798	366,010,000	329,869,966	516,183,832	27,532,905
Net Pension Liabilities:					
PERS Plan 1	20,346,519	-	2,628,096	17,718,422	-
SERS Plans 2/3	7,024,354	7,958,821	-	14,983,175	-
TRS Plan 1	75,729,836	-	4,861,760	70,868,076	-
TRS Plans 2/3	18,461,089	26,800,685	-	45,261,774	-
Total Net Pension Liabilities	121,561,797	34,759,506	7,489,856	148,831,447	-
Other Liabilities:					
Unamortized Bond Premium	84,420,299	-	53,107,960	31,312,339	4,917,561
Total OPEB Liability	166,629,215	48,796,093	4,281,179	211,144,129	4,281,179
Compensated Absences	31,225,745	6,357,815	2,361,899	35,221,661	2,514,209
Total Other Liabilities	282,275,259	55,153,908	59,751,038	277,678,129	11,712,949
Total Governmental Activities	\$ 883,880,854	\$ 455,923,414	\$ 397,110,860	\$ 942,693,408	\$ 39,245,854

Debt service requirements for bonds are funded out of the Debt Service Fund with the revenue sources being property taxes and investment income. Compensated absences, Total OPEB Liabilities and Net Pension Liabilities are funded out of the General Fund. At August 31, 2020, the District had \$13,757,546 available in the Debt Service Fund to service the general obligation bonds.

B. BOND PREMIUM

The District sold Unlimited Tax General Obligation Bonds at a premium for the bond sales in 2012, 2014, and 2015. The premiums are being amortized over the remaining life of the bonds. The 2014 and 2015 UTGO Bonds have been refunded and the unamortized premium decrease reflects the current year refunding. Below is a schedule showing the current year's change in unamortized premium costs:

Description	Unamortized Bond Premium Costs			
	Balance at September 1, 2019	Increase	Decrease	Balance at August 31, 2020
2012 Unlimited Tax GO Bonds	\$ 10,609,177	\$ -	\$ 965,044	\$ 9,644,133
2014 Unlimited Tax GO Bonds	22,270,115	-	21,012,518	1,257,597
2015 Refunded Bond	4,665,785	-	3,060,638	1,605,147
2015 Unlimited Tax GO bonds	46,875,222	-	28,069,761	18,805,462
Total	\$ 84,420,299	\$ -	\$ 53,107,960	\$ 31,312,339

C. DEBT SERVICE REQUIREMENT TO MATURITY

The District has implemented the provisions of GASB Statement No. 88 and presented information in the notes related to debt and direct borrowings shown below.

Year Ending August 31,	UTGO Bonds & Refunded Bonds		Notes from Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2021	\$ 27,425,000	\$ 12,366,622	\$ 107,905	\$ 6,127	\$ 39,905,655
2022	17,000,000	12,333,298	110,927	3,106	29,447,331
2023	20,155,000	11,682,721	-	-	31,837,721
2024	20,910,000	10,989,291	-	-	31,899,291
2025	21,530,000	10,272,466	-	-	31,802,466
2026-2030	120,705,000	38,349,760	-	-	159,054,760
2031-2035	136,415,000	23,402,237	-	-	159,817,237
2036-2040	151,825,000	8,972,697	-	-	160,797,697
TOTAL	\$ 515,965,000	\$ 128,369,091	\$ 218,832	\$ 9,233	\$ 644,562,156

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.

E. DEFERRED CHARGE ON REFUNDING

The District refunded its 2014 and 2015 UTGO Bonds in July 2020. The difference between the refunded principal (\$295,555,000) and the net cost of refunding (\$314,179,286) resulted in deferred charge that is amortized over the shorter of either the term of the refunded bonds or refunding bond. The deferred charge is reported as an outflow of resources and recognized as a component of interest expense over the remaining life of the new debt. Following is the remaining portion of the deferred charge:

Deferred Outflow on Refunded 2014 & 2015 Bonds (July, 2020)				
Year	Balance at September 1,	Additions	Reductions	Ending Balance
2020	\$ -	18,624,285	0	\$ 18,624,285
2021	18,624,285	-	980,226	17,644,060
2022	17,644,060	-	980,226	16,663,834
2023	16,663,834	-	980,226	15,683,609
2024	15,683,609	-	980,226	14,703,383
2025	14,703,383	-	980,226	13,723,158
2026	13,723,158	-	980,226	12,742,932
2027	12,742,932	-	980,226	11,762,707
2028	11,762,707	-	980,226	10,782,481
2029	10,782,481	-	980,226	9,802,255
2030	9,802,255	-	980,226	8,822,030
2031	8,822,030	-	980,226	7,841,804
2032	7,841,804	-	980,226	6,861,579
2033	6,861,579	-	980,226	5,881,353
2034	5,881,353	-	980,226	4,901,128
2035	4,901,128	-	980,226	3,920,902
2036	3,920,902	-	980,226	2,940,677
2037	2,940,677	-	980,226	1,960,451
2038	1,960,451	-	980,226	980,226
2039	980,226	-	980,226	-

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 the following lease agreements: a three-year lease agreement to rent instructional and office space in downtown Tacoma for the Tacoma School of the Arts effective October 1, 2018; a five-year lease agreement to rent 52 copiers to be used throughout the District effective September 1, 2019.

The following is a schedule by years of future minimum rental payments required under operating leases with initial or remaining non-cancellable lease terms of one year or more as of August 31, 2020:

Year Ending August 31, Ending	Amount
2021	\$ 240,914
2022	190,914
2023	190,914
2024	190,914
Total	<u>\$ 813,655</u>

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	Unemployment			
	Beg. Balance	Additions	Reductions	End. Balance
2019	\$ 735,407	170,762	210,266	\$ 695,903
2020	\$ 695,903	360,101	321,168	\$ 734,836

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	Industrial Insurance			
	Beg. Balance	Additions	Reductions	End. Balance
2019	\$ 911,280	3,924,863	4,039,620	\$ 796,523
2020	\$ 796,523	3,841,093	3,747,869	\$ 889,746

C. RISK MANAGEMENT POOL

The District is a member of the Washington Schools Risk Management Pool (WSRMP). 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. WSRMP was formed in 1986 when educational service districts and school districts in the state of Washington joined by signing the Cooperative Risk Management Pool Account Agreement (Account Agreement) to pool their self-insured losses and jointly purchase insurance and administrative services. Over 90 school and educational service districts have joined WSRMP.

WSRMP allows members to jointly purchase insurance coverage, establish a plan of self-insurance, and provide related services, such as risk management. WSRMP provides the following coverages for its members: property, liability, vehicle, school board liability, crime, employment practices, errors and omissions, equipment breakdown, cyber security, terrorism, and stop gap liability.

Members make an annual contribution to fund WSRMP. WSRMP purchases reinsurance and excess insurance from unrelated carriers subject to a per-occurrence self-insured retention of \$1 million risk shared by WSRMP. Reinsurance or Excess carriers cover losses over \$1 million to the maximum limits of each policy. Members are responsible for varied deductibles for auto and property claims. Since WSRMP is a cooperative program, there is a joint liability among the participating members.

Members contract to remain in WSRMP for a minimum of three years and must give notice three years before terminating participation. The Account Agreement is renewed automatically each year after the initial three-year period. Even after termination, a member is still responsible for their share of contributions to WSRMP for any unresolved, unreported, and in-process claims for the period in which they were a signatory to the Account Agreement.

WSRMP is fully funded by its member participants and is governed by a board of directors that consists 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 WSRMP.

The District paid \$4,086,431 for its annual premium contribution to WSRMP for its property and liability insurance coverage in 2019-20. 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 in any of the past three fiscal years.

D. EMPLOYEE BENEFITS

The District made payments totaling \$15,548,273 in 2019-20 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.

In June 2017, the Washington State Legislature established a plan to revise the process for funding and providing benefits to school districts in the state. As part of this plan, all employee benefits will be administered by the Washington State Healthcare Authority effective January 1, 2020. Due to this change Sound Partnership members approved a plan of liquidation effective on August 31, 2020, and the entity determined, therefore, that liquidation

is imminent. As a result, the entity changed its basis of accounting on August 31, 2020, from the going-concern basis to a liquidation basis.

In accordance with generally accepted accounting principles, when applying liquidation basis of accounting, assets are valued at their net realizable values and liabilities are stated at their estimated settlement amounts. Conversion from the going-concern basis to the liquidation basis of accounting required management to make significant estimates and judgments. Accrued liquidation costs represent management’s estimate of expenses through dissolution. These estimated costs are also presented in the ‘accrued expenses expected to be incurred in liquidation’ in the statement of changes in net assets in liquidation (liquidation basis).

The District’s monthly contributions to the Sound Partnership through December 31, 2019 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 total self-insured claims reported and approved for payments were \$627,719 and insurance premium payments were \$14,863,915 for the year; the total contributions from participants were \$15,661,169.

The total assets and liabilities of the Sound Partnership at August 31, 2020 (liquidation basis) were respectively \$3,804,253 and \$163,101.

The Sound Partnership	
Statement of Changes in Net Assets Available in Liquidation (Liquidation Basis)	
Total Assets Available for Benefits	
as of August 31, 2019 (Going-Concern Basis)	\$ 3,688,645
Additions	15,661,169
Deductions	<u>(15,941,706)</u>
Total Assets Available for Benefits	
as of August 31, 2020 (Going-Concern Basis)	\$ 3,408,108
Total effects of applying the liquidation basis of accounting	<u>233,044</u>
Net Assets in Liquidation as of August 31, 2020	<u>\$ 3,641,152</u>

E. POST-EMPLOYMENT HEALTH CARE BENEFITS

All eligible District employees may participate in health care insurance programs offered by SEBB after their separation from the District due to early retirement or termination. The COBRA program is a continuation of 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. The number of participants as reported by SEBB was not available by publication date.

F. OTHER POST-EMPLOYMENT BENEFITS

The following table represents the aggregate OPEB amounts subject to the requirements of GASB Statement 75 for the year 2019-2020:

OPEB Amounts	
As of August 31, 2020	
OPEB Liabilities	\$ 211,144,129
Deferred Outflows of resources	34,463,675
Deferred Inflows of resources	(18,631,892)
OPEB expense (benefit)	15,472,403

The state, through the Health Care Authority (HCA), administers a defined benefit other post-employment benefit (OPEB) plan that is not administered through a qualifying trust. The Public Employees Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine the terms and conditions of retired

employee participation and coverage, including establishment of eligibility criteria. Benefits purchased by PEBB include medical, dental, life insurance and long-term disability insurance.

The relationship between the PEBB OPEB plan and its member employers, their employees, and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan in effect at the time of each valuation. 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. The understanding by the employer and plan members is that there is no contractual obligation to continue the substantive plan as an employee benefit on an ongoing basis. However, the actuarial assumption used in the valuations presented in this note assume that this substantive plan will be carried into the future.

The District is deemed to provide to its retirees employer-provided subsidies associated with post-employment medical and life insurance benefits provided through the PEBB. According to state law, the Washington State Treasurer collects a fee from all school district entities which are not current active members of the state Health Care Authority but participate in the state retirement system. As outlined in the state’s operating budget, school districts are mandated to pay the state HCA \$73.36 per month per full-time equivalent employee in the 2019-20 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.

Employers participating in the PEBB plan include the state (which includes general government agencies and higher education institutions), 76 of the state’s K-12 schools and educational service Districts (ESDs), and 249 political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of the remaining 227 K-12 school Districts and ESDs. The District’s retirees are eligible to participate in the PEBB plan under this arrangement. District membership in the PEBB plan consisted of the following:

Summary of Plan Participants As of August 31, 2020	
Retirees or beneficiaries currently receiving benefits	2,112
Active employees	4,469
Total	6,581

PLAN DESCRIPTION

The PEBB retiree OPEB plan is available to employees who elect at the time they retire to continue coverage and pay the administratively established premiums under the provisions of the retirements system to which they belong. Retirees’ access to the PEBB plan depends on the retirement eligibility of their respective retirement system. 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. Not all employers who participate in the retirement plans offer PEBB to their retirees.

Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state’s non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on a claims experience for active employees and other non-Medicare retirees. In calendar year 2018 and 2019, the average weighted implicit subsidy was valued at \$347 and \$367 per adult unit per month, respectively. In calendar year 2020, the average weighted implicit subsidy is projected to be \$373 per adult unit per month.

Retirees who are enrolled in both Parts A and B of Medicare may participate in the state’s Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the HCA administrator recommends an amount for the next calendar year’s explicit subsidy for

inclusion in the Governor’s budget. The final amount is approved by the state Legislature. In calendar year 2019, the explicit subsidy was up to \$168 per member per month and in 2020 to \$183 per member per month. Upon retirement, members are permitted to receive medical benefits. Retirees pay the following monthly rates for pre-65 Medical coverage for 2020:

2020 PEBB Retiree Monthly Premiums Description	Type of Coverage		
	Employee	Employee & Spouse	Full Family
Kaiser Permanente NW Classic	\$715.66	\$1,426.25	\$1,959.20
Kaiser Permanente NW CDHP	608.85	1,206.99	1,611.85
Kaiser Permanente WA Classic	752.15	1,499.24	2,059.55
Kaiser Permanente WA CDHP	610.16	1,210.10	1,616.32
Kaiser Permanente WA Sound Choice	618.49	1,231.92	1,692.00
Kaiser Permanente WA Value	675.71	1,346.36	1,849.35
Uniform Medical Plan Classic	679.72	1,354.37	1,860.37
Uniform Medical Plan CDHP	608.35	1,206.48	1,611.34
UMP Plus-Puget Sound High Value Network	644.97	1,284.88	1,764.82
UMP Plus-UW Medicine Accountable Care Network	644.97	1,284.88	1,764.82

FUNDING POLICY

The funding policy is based upon the pay-as-you-go financing requirements. The plan has no assets accumulating in a qualified trust. For further information on the results of the actuarial valuation for the OPEB plan, refer to: <http://leg.wa.gov/osa/additionalservices/pages/OPEB.aspx>

Each participating employer in the plan is required to disclose additional information regarding the funding policy, the employer’s annual OPEB costs and contributions made, the funded status, and funding progress of the employer’s individual plan, and the actuarial methods and assumptions made.

To calculate the beginning total OPEB liability balance under GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*, an actuarial valuation was performed with a valuation date of July 1, 2018. This is the date as of which the census data is gathered and the actuarial valuation is performed. The measurement date was August 31, 2019, which is the date as of which the total OPEB liability was determined. GASB 75 allows a lag of up to one year between the measurement date and the reporting date. No adjustment is required between the measurement date and the reporting date. The reporting date is August 31, 2020. The forward projection reflects the plan's assumed service cost, assumed interest, and expected benefit payments.

Projections of benefits for financial reporting purposes are based on the terms of 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 and the historical pattern of sharing of benefit costs between the employer and plan members (active employees and retirees) to that point. 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.

ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions	
Inflation rate	2.75% per year
Projected salary increases	3.50% per year
Post-retirement participation	65%
Percentage with spouse coverage	45%

Mortality rates 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% 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 lifetimes.

Most demographic actuarial assumptions, including mortality and when members are expected to terminate and retire, were based on the results of the 2007-2012 Experience Study Report performed by the Washington State Public Retirement System.

In projecting the growth of the explicit subsidy, the cap is assumed to grow at the healthcare trend rate. The Legislature determines the value of the cap and no future increases are guaranteed, however based on historical growth patterns, future increases to the cap are assumed.

Sensitivity of the Healthcare Cost Trend Rate	
1% Decrease	\$ 171,529,350
Current Healthcare Cost Trend Rate	211,144,129
1% Increase	264,390,620

Discount Rate. Since OPEB benefits are funded on a pay-as-you-go basis, the discount rate used to measure the total OPEB liability was set equal to the 20-year tax-exempt municipal bond yield, or 2.97% percent for the August 31, 2019 measurement date. The following represents the District's proportionate share of the total OPEB liability, calculated using the discount rate of 2.97%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.97%) or one percentage point higher (3.97%) than the current rate.

Sensitivity of the Discount Rate	
1% Decrease (1.97%)	\$ 255,000,240
Current Discount Rate (2.97%)	211,144,129
1% Increase (3.97%)	177,086,530

Changes in assumptions resulted from an decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index discount rate resulting in an overall increase in total OPEB liability for the measurement date of August 31, 2019. Additional details on assumptions and methods can be found on the Office of State Actuary's website: <http://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx>.

As of August 31, 2020, the District reported a total OPEB liability of \$211,144,129. This liability was determined based on a measurement date of August 31, 2019.

CHANGES IN TOTAL OPEB LIABILITY

The following table presents the change in the total OPEB liability as of the August 31, 2020, reporting date:

OPEB Liability	
Reported as of August 31, 2019	\$ 166,629,215
Changes for the year	
Service Cost	8,205,259
Interest on total OPEB liability	6,839,291
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumption changes or inputs	33,751,543
Expected benefit payments	(4,281,179)
Reported as of August 31, 2020	\$ 211,144,129

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. The following table shows components of the District’s allocated annual OPEB costs reported for fiscal year 2019-2020. The District will recognize OPEB expense of \$15,472,403.

OPEB Expense	
Service cost	\$ 8,205,259
Interest on total OPEB liability	6,839,291
Effect of plan changes	-
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	(331,361)
Recognition of assumption changes or inputs	759,214
Total OPEB Expense	\$ 15,472,403

On August 31, 2020, the District reported its share of the deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (2,087,576)	\$ -
Changes of assumptions	(16,544,316)	29,685,092
Contributions made subsequent to measurement date	N/A	4,778,583
Total	\$ (18,631,892)	\$ 34,463,675

Per paragraph 159 of GASB 75, deferred outflows of resources should be reported for benefits that come due subsequent to the measurement date, but prior to the reporting date. \$34,463,675 reported as deferred outflows of resources resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense in the fiscal years ended August 31 as shown. Note that additional future deferred inflows and outflows of resources may impact these numbers. Contributions made subsequent to the measurement date are expected benefit payments in the year between the measurement date and the reporting date.

Future OPEB expense	
Fiscal Year ended August 31,	
2020	\$427,853
2021	427,853
2022	427,853
2023	427,853
2024	1,232,467
Thereafter	8,109,321

A complete description of the funded status and actuarial assumptions of the State of Washington’s OPEB plan is included in the Annual Financial Report for the State of Washington. A copy of the report may be obtained by contacting the Statewide Accounting Division of the Office of Financial Management at P.O. Box 43127, Olympia, Washington 98504-3127, or online at <http://www.ofm.wa.gov/cafr>.

Note 10.

RECONCILIATION BETWEEN GOVERNMENT-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.

1. Cost of capital assets \$ 1,495,706,547
Accumulated Depreciation (444,435,899)
Net **\$ 1,051,270,648**
2. Long-term liabilities of **\$942,693,408** (due within one year: \$39,245,854 due more than one year: \$903,447,553) 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.

Deferred outflows of resources related to refunded bonds of **\$18,624,286** are not reported in the fund statements but are reported in the Statement of Net Position.

3. Deferred outflows of resources and deferred inflows of resources related to pension plan experience, assumption changes, and plan contributions:

Deferred Outflows of Resources	\$50,864,660
Deferred Inflows of Resources	\$9,917,630

4. Deferred outflows of resources and deferred inflows of resources related to Other Post Employment Benefits (OPEB) assumption changes and contributions:

Deferred Outflows of Resources	\$34,463,675
Deferred Inflows of Resources	\$18,631,892

5. Property tax levies (**\$72,107,534**) that were after year-end and are not considered "available." Therefore, they are reported as deferred revenue in governmental funds.
6. Interfund Receivables and Payables (**\$6,286,923**) – Internal transfers between governmental funds were eliminated in government-wide statements to avoid the "doubling-up" effect.
7. Internal service fund (The Sound Partnership) is used to provide medical, dental, and life insurance for the District's employees and their dependents. The assets and liabilities (respectively **\$3,804,253** and **\$163,101**) of the internal service fund are included in governmental activities in the Statement of Net Position.
8. Accrued interest payable on long-term debt is not reflected in fund financial statements. **\$3,006,611** 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. Property tax levies that do not provide current financial resources are reported as deferred inflows of resources in the fund financial statements, but as revenue in the government-wide financial statements. A increase of **\$14,677,631** of tax revenue is recorded in the conversion from fund financial statements to the statement of activities.
2. The net amount of **-\$4,699,418** represents the current year changes in compensated absences (\$3,995,916), other post-employment benefits expense (\$10,693,820), and the net pension expense (-\$19,389,154) 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. **-\$46,082,803** – 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	\$ (75,389,065)
Depreciation Expense	<u>29,306,262</u>
Difference	<u>\$ (46,082,803)</u>

b. Governmental Funds Financial Statements report capital outlay as expenditures while Government-Wide Financial Statements report depreciation expense (**\$29,306,262**) allocated to various applicable programs.

4. Principal payments 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. The following principal payments were made:

\$34,210,000 - Repayment of bond principal amounts.

\$104,966 - Payment on financing agreement for two school sports stadium scoreboards.

5. **\$5,967,459** – The bond premium reductions, accrued interest payable increase on the long-term debt (from July 1 – August 31), the final deferred inflow of resources on the refunded bond transaction, and the accrued interest expense on refunded bonds (from June 1 – July 31) are charged to expenditures in Government-Wide Financial Statements. Below is a breakdown of the net amount.

Current year bond premium reduction	\$ 5,125,336
Accrued interest payable decrease	932,300
Final deferred inflow on refunded bond decrease	2,387,392
Accrued interest expense on refunded bonds	<u>(2,477,569)</u>
Total	<u>\$ 5,967,459</u>

6. The sale of refunding bonds resulted in an other financing source (**\$365,918,080**) and the remittance to escrow for partial defeasance of the 2014 and 2015 bonds and related premiums resulted in an other financing use (**\$364,547,559**).
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 loss (**\$47,493**).

Note 11. FUND EQUITY (GOVERNMENTAL FUNDS)

Fund balance as of August 31, 2020 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	\$ 4,837,911	\$ -	\$ -	\$ -	\$ -
Restricted for Carryover of Restricted Revenues	2,071,834	-	-	-	-
Restricted for Construction	-	-	-	45,901,006	-
Restricted for Debt Service	218,832	-	13,757,546	-	-
Restricted to Fund Purposes	-	1,980,522	-	-	2,661,285
Restricted for Technology	-	-	-	14,697,733	-
Committed to Contingencies	1,000,000	-	-	-	-
Assigned to Other Items (Encumbrances)	1,104,130	-	-	-	-
Assigned to Budget Carryover	2,392,398	-	-	-	-

Assigned to Future Operations	5,198,019	-	-	-	-
Assigned to Curriculum & Instruction	2,179,295	-	-	-	-
Assigned to Fund Purposes	-	-	-	3,261,836	-
Unassigned for Minimum Fund Balance Policy	17,727,880	-	-	-	-
Unassigned for Fund Balance	163,227	-	-	-	-
Total Fund Balance	\$ 36,893,527	\$ 1,980,522	\$ 13,757,546	\$ 63,860,575	\$ 2,661,285

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 lawsuits and claims, which are routine in nature and common to school districts. The majority of possible losses from these lawsuits 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 any uninsured losses which might arise from such lawsuits and claims.

Note 14. SUBSEQUENT EVENTS

Construction Bond

In February 2020, voters passed a \$535 million Tacoma Public Schools construction bond that supports the replacement or renovation of 8 aging schools. New roofs and boilers, safety upgrades, energy management systems and ADA improvements to improve accessibility are all part of the construction bond. On October 30, 2020 the district issued \$484 million in new bonds, plus \$51 million in aggregate original issue premium generated by the sale, to fund the voter approved construction projects through the next several years.

COVID-19 Pandemic

In February 2020, Governor Inslee declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, canceling public events, limiting gathering sizes, and requiring people to stay home unless they were leaving for an essential function.

On April 6, 2020, the Governor closed all public and private K–12 school buildings throughout the remainder of the 2019–20 school year. The school district, however, continued to operate, educating students using continuous learning models. Many of the precautionary measures put in place during the 2019–20 school year remain in effect; and are affecting the district for the 2020–21 school year in new ways.

During the 2019-20 fiscal year the District experienced cash flow disruptions in April and May of 2020 due to deferred tax payments from the County to help with community needs and minor adjustments from State apportionment. The deferral program may continue in 2021 so it remains to be seen if the District will again experience cash flow disruptions in the 20-21 fiscal year.

The District continues to approach expenditures as conservatively as possible and have limited non-essential purchases, utilized free materials where available, limited overtime and scrutinized hiring.

The Federal Elementary and Secondary School Emergency Relief (ESSER) Funds, through the CARES Act, allocated \$8.27M to the District for use from March 2020 through September 2022. This has helped to mitigate additional financial impacts related to COVID during the 2019-20 and 2020-21 school years. ESSER funds may be used to maintain the continuity of District services, including the purchase of educational technology and supplies for remote and hybrid learning; existing staff professional development; additional staffing for both the

Tacoma Online option and to meet smaller student cohort requirements for hybrid learning; support of healthy and safe school buildings; to offset lost revenue; other costs necessary to maintain operations and to employ staff; and to provide extra support to meet the needs of teachers and schools as we safely transition to in-person learning.

The District also received \$1.5M in CARES funding from Pierce County through the Federal Department of the Treasury which was required to be expended by December 30, 2020. These funds will be used to address unanticipated increases in unemployment costs; learning management systems for both remote learning and Tacoma Online; school supplies and printed materials distributed to students; and online learning resources to support advanced placement courses.

On December 27, 2020 the federal Coronavirus Response and Relief Supplemental Appropriations Act was signed into law, providing an additional round of ESSER funding (ESSER II). Though Tacoma Public Schools has been allocated roughly \$31 million in ESSER II funds with a spending deadline of September 30, 2023, unlike ESSER I, authority to spend will be provided by the legislature through the state budget and appropriations process. We expect the legislature may use this funding to meet budget shortfalls at the state level to stabilize basic education funding. At this time, we cannot reasonably project to what extent these funds may be available to reimburse the district for allowable expenditures.

The district is using two education delivery models to instruct students in the 2020–21 school year. The hybrid model allows students to learn remotely until the district is able to safely provide in-person instruction and approximately 23,000 students are operating on this model. The other model is a fully remote model where students learn remotely for the full year, whether in-person instruction is allowed or not, and there are approximately 4,000 students utilizing this model. In October 2020, special education students whose individualized education plans required some level of in-person instruction, began attending in-person based on need. Plans to provide regular in-person instruction change based on health department and State guidelines and are based on infection and hospitalization rates noted locally. The plan to return to full in-person instruction is dependent on ability to do so safely within the recommendations of these agencies.

The district has experienced decreasing enrollment beginning in the 2020–2021 school year of approximately 1,100 students resulting in a potential loss of state apportionment of \$10M. To offset the loss of revenue, the district has limited hiring of vacant positions and reduced supplemental pay opportunities (i.e. overtime, supplemental contracts, coaching activities). While our school buildings are not fully utilized, there have been few disruptions to staffing levels. The district did announce a reduction in force for paraeducator staff, staff who work in classrooms to support students, teachers or learning but beyond that, most staff were transitioned to a remote work environment in March 2020. Due to the closure of facilities, the district expects facility rental and other fee collections will be eliminated during the 2020-21 school year.

For the future, the State indicated that pandemic impacts created a deficit due to lost tax revenues and increased costs that could result in additional financial impacts for school districts but have offered little clarity around what reductions could potentially result from those adjustments. The district budget is operating in consideration of State impacts, Federal stimulus, and internal savings methods, and recognize that there may still be a need to draw from the District's 5% emergency reserves. The length of time these measures will be in place, and the full extent of the financial impact on the school district, is unknown at this time but regular monitoring and adjusting will occur as circumstances continue to evolve.

Tacoma School District No. 10

Required Supplementary Information

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 required supplemental information presents the schedule of changes in total reported OPEB Liability and related ratios, as required by GASB 75. The amounts reported in the schedule are determined by an actuarial study performed every two years. The district updates the actuarial table in the year between the actuarial studies.

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.

Schedule A-6

This required supplemental information presents the district's total contributions for each year and for each non-governmental defined benefit plan the district participates in.

REQUIRED SUPPLEMENTARY INFORMATION
TACOMA SCHOOL DISTRICT No. 10
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE FROM FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL *	FINAL *		
REVENUES				
Local	\$ 68,114,780	\$ 68,114,780	\$ 64,470,810	\$ (3,643,970)
State	359,965,919	359,965,919	356,709,102	(3,256,817)
Federal	38,182,466	38,182,466	41,693,662	3,511,196
Other	4,528,421	4,528,421	4,898,554	370,133
TOTAL REVENUES	470,791,586	470,791,586	467,772,128	(3,019,458)
EXPENDITURES				
Current:				
Regular Instruction	253,341,592	253,341,592	250,947,841	2,393,751
Special Education	65,780,448	65,780,448	63,633,055	2,147,393
Career & Technical Education	16,909,644	16,909,644	16,769,563	140,081
Compensatory Education	41,392,926	41,392,926	41,006,503	386,423
Other Instructional Programs	15,205,167	15,205,167	2,921,475	12,283,692
Community Services	927,748	927,748	9,191,096	(8,263,348)
Support Services	87,103,100	87,103,100	88,748,907	(1,645,807)
Capital Outlay:				
Other	1,320,180	1,320,180	705,168	615,012
TOTAL EXPENDITURES	481,980,805	481,980,805	473,923,608	8,057,197
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,189,219)	(11,189,219)	(6,151,479)	5,037,740
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	231,551	231,551
Transfers Out	-	-	-	-
Transfers In	2,000,000	2,000,000	2,868,149	868,149
TOTAL OTHER FINANCING SOURCES (USES)	2,000,000	2,000,000	3,099,700	1,099,700
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(9,189,219)	(9,189,219)	(3,051,779)	6,137,440
FUND BALANCE - September 1	33,258,527	33,258,527	39,945,306	6,686,779
FUND BALANCE - August 31	\$ 24,069,308	\$ 24,069,308	\$ 36,893,527	\$ 12,824,219

* 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, 2020

	BUDGETED AMOUNTS			VARIANCE FROM FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL *	FINAL *	ACTUAL AMOUNT	
REVENUES				
General	\$ 1,219,972	\$ 1,219,972	\$ 448,235	\$ (771,737)
Athletics	358,600	358,600	220,819	(137,781)
Classes	547,914	547,914	120,739	(427,175)
Clubs	2,112,395	2,112,395	350,287	(1,762,108)
Private Monies	117,000	117,000	4,345	(112,655)
TOTAL REVENUES	4,355,881	4,355,881	1,144,425	3,211,456
EXPENDITURES				
General	1,290,835	1,290,835	424,606	866,229
Athletics	350,334	350,334	212,996	137,338
Classes	445,130	445,130	103,637	341,493
Clubs	1,946,843	1,946,843	354,375	1,592,468
Private Monies	114,500	114,500	5,102	109,398
TOTAL EXPENDITURES	4,147,642	4,147,642	1,100,716	3,046,926
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	208,239	208,239	43,709	(164,530)
FUND BALANCE - September 1	1,769,971	1,769,971	1,936,813	
FUND BALANCE - August 31	\$ 1,978,210	\$ 1,978,210	\$ 1,980,522	\$ 2,312

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

REQUIRED SUPPLEMENTARY INFORMATION
TACOMA SCHOOL DISTRICT No. 10
SCHEDULE OF CHANGES IN TOTAL REPORTED OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS *

	FOR REPORTING YEAR ENDED AUGUST 31		
	2018	2019	2020
TOTAL OPEB LIABILITY - September 1	\$ 173,580,758	\$ 164,223,379	\$ 166,629,215
Service cost	9,660,446	8,231,336	8,205,259
Interest on total liability	5,154,411	5,985,794	6,839,291
Changes of benefit terms	-	-	-
Effect of economic/demographic gains or (losses)	-	(2,750,298)	-
Effect of assumption changes or inputs	(20,651,786)	(5,189,054)	33,751,543
Expected benefit payments	(3,520,450)	(3,871,942)	(4,281,179)
Net change in total OPEB liability	(9,357,379)	2,405,836	44,514,914
TOTAL OPEB LIABILITY - August 31	\$ 164,223,379	\$ 166,629,215	\$ 211,144,129
Covered employee payroll	\$ 255,861,623	\$ 267,277,564	297,560,708
Total OPEB liability as a % of employee covered payroll	64.18%	62.34%	70.96%

* This schedule is to be built prospectively until it contains 10 years of data.
No assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75

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

	AS OF JUNE 30TH					
	2015	2016	2017	2018	2019	2020
<u>PERS 1</u>						
District's proportion of the net pension liability (percentage)	0.477932%	0.481418%	0.512630%	0.512281%	0.529119%	0.501862%
District's proportionate share of the net pension liability (amount)	\$ 25,000,282	\$ 25,854,426	\$ 24,324,672	\$ 22,878,660	\$ 20,346,519	\$ 17,718,422
District's covered payroll	\$ 1,460,940	\$ 1,191,024	\$ 63,818,914	\$ 67,759,077	\$ 73,579,452	\$ 73,277,861
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	1711.25%	2170.77%	38.12%	33.76%	27.65%	24.18%
Plan fiduciary net position as a percentage of the total pension liability	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%
<u>SERS 2/3</u>						
District's proportion of the net pension liability (percentage)	3.004269%	3.030082%	3.049930%	3.029601%	2.995486%	2.816577%
District's proportionate share of the net pension liability (amount)	\$ 12,201,867	\$ 19,900,581	\$ 15,050,642	\$ 9,060,384	\$ 7,024,354	\$ 14,983,175
District's covered payroll	\$ 51,718,906	\$ 56,306,976	\$ 62,807,512	\$ 66,936,774	\$ 72,879,090	\$ 72,730,579
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	23.59%	35.34%	24.16%	13.54%	9.64%	20.60%
Plan fiduciary net position as a percentage of the total pension liability	90.92%	86.52%	90.79%	94.77%	96.31%	92.45%
<u>TRS 1</u>						
District's proportion of the net pension liability (percentage)	3.282951%	3.234132%	3.180226%	3.121342%	3.058799%	2.942066%
District's proportionate share of the net pension liability (amount)	\$ 104,008,565	\$ 110,420,948	\$ 96,146,769	\$ 91,161,668	\$ 75,729,836	\$ 70,868,076
District's covered payroll	\$ 5,368,779	\$ 3,662,363	\$ 176,188,324	\$ 184,637,237	\$ 206,247,360	\$ 214,698,155
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	1937.29%	3015.02%	54.63%	49.37%	36.72%	33.01%
Plan fiduciary net position as a percentage of the total pension liability	65.70%	62.07%	65.58%	66.52%	70.37%	70.55%
<u>TRS 2/3</u>						
District's proportion of the net pension liability (percentage)	3.207000%	3.198686%	3.164840%	3.123073%	3.063908%	2.946767%
District's proportionate share of the net pension liability (amount)	\$ 27,060,729	\$ 43,927,460	\$ 29,209,667	\$ 14,057,390	\$ 18,461,089	\$ 45,261,774
District's covered payroll	\$ 150,091,121	\$ 160,575,063	\$ 173,807,441	\$ 183,213,142	\$ 205,305,423	\$ 214,018,302
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	18.03%	27.36%	16.83%	7.67%	8.99%	21.15%
Plan fiduciary net position as a percentage of the total pension liability	92.48%	88.72%	93.14%	96.88%	96.36%	91.72%

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

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

	AS OF AUGUST 31ST					
	2015	2016	2017	2018	2019	2020
<u>PERS 1</u>						
Contractually required contribution	\$ 2,196,565	\$ 2,725,078	\$ 3,062,524	\$ 3,439,664	\$ 3,791,211	\$ 3,637,221
Contributions in relation to the contractually required contributions	2,196,565	2,725,078	3,062,524	3,439,664	3,791,211	3,637,221
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered payroll	\$ 1,460,940	\$ 1,121,556	\$ 64,817,021	\$ 68,022,470	\$ 74,530,414	\$ 72,779,010
Contribution as a percentage of covered payroll	150.35%	242.97%	4.72%	5.06%	5.09%	5.00%
<u>SERS 2/3</u>						
Contractually required contribution	\$ 2,920,801	\$ 3,850,297	\$ 4,249,235	\$ 5,523,532	\$ 6,136,561	\$ 6,090,677
Contributions in relation to the contractually required contributions	2,920,801	3,850,297	4,249,235	5,523,532	6,136,561	6,090,677
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered payroll	\$ 51,718,906	\$ 57,265,517	\$ 63,845,221	\$ 67,205,486	\$ 73,853,416	\$ 72,248,702
Contribution as a percentage of covered payroll	5.65%	6.72%	6.66%	8.22%	8.31%	8.43%
<u>TRS 1</u>						
Contractually required contribution	\$ 7,346,486	\$ 9,846,959	\$ 11,107,688	\$ 12,962,930	\$ 15,180,259	\$ 15,450,317
Contributions in relation to the contractually required contributions	7,346,486	9,846,959	11,107,688	12,962,930	15,180,259	15,450,317
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered payroll	\$ 5,368,779	\$ 3,294,657	\$ 178,267,388	\$ 173,962,768	\$ 210,805,272	\$ 216,271,000
Contribution as a percentage of covered payroll	136.84%	298.88%	6.23%	7.45%	7.20%	7.14%
<u>TRS 2/3</u>						
Contractually required contribution	\$ 8,522,516	\$ 11,602,040	\$ 11,950,960	\$ 14,712,494	\$ 16,709,282	\$ 17,145,466
Contributions in relation to the contractually required contributions	8,522,516	11,602,040	11,950,960	14,712,494	16,709,282	17,145,466
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered payroll	\$ 150,091,121	\$ 162,475,444	\$ 176,049,367	\$ 172,715,474	\$ 209,933,557	\$ 215,631,970
Contribution as a percentage of covered payroll	5.68%	7.14%	6.79%	8.52%	7.96%	7.95%

* 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 - NON-GOVERNMENTAL PENSION PLANS
LAST 10 FISCAL YEARS *

	FOR REPORTING YEAR ENDED AUGUST 31			
	2017	2018	2019	2020
National Roofing Industry Pension Fund				
Total Contribution	\$ 12,381	\$ 11,887	\$ 10,559	\$ 5,382
Carpenters Retirement Plan of Western Washington				
Total Contribution	\$ 94,871	\$ 98,674	\$ 110,700	\$ 99,277
Western Washington Laborers Employers Pension Plan				
Total Contribution	\$ 154,903	\$ 154,309	\$ 168,603	\$ 162,532
Central Pension Fund of the IUOE				
Total Contribution	\$ -	\$ 905,425	\$ 894,138	\$ 884,194
IBEW Pacific Coast Pension Fund				
Total Contribution	\$ -	\$ 87,039	\$ 76,401	\$ 94,349
Western Washington Glaziers Retirement Plan				
Total Contribution	\$ -	\$ 20,323	\$ 21,622	\$ 24,024
Plumbers & Pipefitters National Pension Fund				
Total Contribution	\$ -	\$ 66,481	\$ 66,408	\$ 54,630
WA State Plumbing & Pipefitting Pension Fund				
Total Contribution	\$ -	\$ 51,992	\$ 51,934	\$ 47,598
Western Conference of Teamsters Pension Plan				
Total Contribution	\$ -	\$ 83,131	\$ 78,567	\$ 70,747
International Painters & Allied Trades Industry Pension Plan				
Total Contribution	\$ -	\$ 22,796	\$ 18,768	\$ 13,422
Sheet Metal Workers National Pension Fund				
Total Contribution	\$ -	\$ 7,263	\$ 5,965	\$ 81
Northwest Sheet Metal Workers Pension Plan				
Total Contribution	\$ -	\$ 5,188	\$ 4,385	\$ 58
IUOE Local 302/612 Employers Construction Industry Ret. Plan				
Total Contribution	\$ -	\$ 5,131	\$ 4,137	\$ 3,736

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

Tacoma School District No. 10

Supplementary Information

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

	AS OF AUGUST 31	
	2020	2019
ASSETS		
Cash on Hand and in Bank	\$ 63,367	1,318,189
Cash on Deposit with County Treasurer	638,267	272,630
Investments	49,283,171	48,119,991
Property Tax Receivable	34,436,711	20,787,121
Accounts Receivable	356,702	725,095
Accrued Interest Receivable	-	3,077
Interfund Receivable	4,561,577	4,300,664
Due From Other Governmental Units	7,622,226	3,817,925
Inventories, at Cost	4,086,011	3,284,809
Prepaid Items	751,900	1,048,421
	<hr/>	<hr/>
TOTAL ASSETS	\$ 101,799,933	83,677,922
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Accounts Payable	\$ 9,848,675	7,489,215
Accrued Wages and Benefits Payable	18,615,641	14,811,981
Interfund Payable	1,725,346	184,928
Unearned Revenue - Other	1,458,989	1,243,041
	<hr/>	<hr/>
TOTAL LIABILITIES	31,648,651	23,729,165
	<hr/> <hr/>	<hr/> <hr/>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Property Taxes	33,257,755	20,003,451
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	33,257,755	20,003,451
	<hr/> <hr/>	<hr/> <hr/>
FUND BALANCE		
Nonspendable - Inventory & Prepaid Items	4,837,911	4,333,231
Restricted for Carryover of Restricted Revenues	2,071,834	2,084,993
Restricted for Debt Service	218,832	323,798
Committed to Contingencies	1,000,000	1,000,000
Assigned to Encumbrances	1,104,130	207,939
Assigned to Budget Carryover	2,392,398	2,218,341
Assigned to Future Operations	5,198,019	4,393,592
Assigned to Curriculum & Instruction	2,179,295	3,157,779
Unassigned for Minimum Fund Balance Policy	17,727,880	17,998,409
Unassigned Fund Balance	163,227	4,227,223
	<hr/>	<hr/>
TOTAL FUND BALANCE	36,893,527	39,945,306
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 101,799,933	\$ 83,677,922
	<hr/> <hr/>	<hr/> <hr/>

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, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

	2020		VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
REVENUES	BUDGET	ACTUAL		
Local	\$ 68,114,780	\$ 64,470,810	\$ (3,643,970)	\$ 70,694,921
State	359,965,919	356,709,102	(3,256,817)	348,990,158
Federal	38,182,466	41,693,662	3,511,196	36,392,932
Other Districts/Agencies	4,528,421	4,898,554	370,133	4,971,420
TOTAL REVENUES	470,791,586	467,772,128	(3,019,458)	461,049,431
EXPENDITURES				
Current				
Regular Instruction	253,341,592	250,947,841	2,393,751	237,887,291
Special Education	65,780,448	63,633,055	2,147,393	63,583,104
Career & Technical Instruction	16,909,644	16,769,563	140,081	15,957,626
Compensatory Instruction	41,392,926	41,006,503	386,423	42,330,338
Other Instructional Programs	15,205,167	2,921,475	12,283,692	7,040,592
Community Services	927,748	9,191,096	(8,263,348)	956,012
Support Services	87,103,100	88,748,907	(1,645,807)	86,538,501
Capital Outlay				
Other	1,320,180	705,168	615,012	613,048
TOTAL EXPENDITURES	481,980,805	473,923,608	8,057,197	454,906,513
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,189,219)	(6,151,479)	5,037,740	6,142,918
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	231,551	231,551	135,535
Transfers Out	-	-	-	(2,000,000)
Transfers In	2,000,000	2,868,149	868,149	2,697,546
TOTAL OTHER FINANCING SOURCES (USES)	2,000,000	3,099,700	1,099,700	833,081
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(9,189,219)	(3,051,779)	6,137,440	6,975,999
FUND BALANCE - September 1	33,258,527	39,945,306	6,686,779	32,969,307
FUND BALANCE - August 31	\$ 24,069,308	\$ 36,893,527	\$ 12,824,219	\$ 39,945,306

* 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, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

DESCRIPTION	2020		VARIANCE	2019
	BUDGET	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
1000 LOCAL TAXES				
1100 Local Property Tax	\$ 57,979,526	\$ 58,870,381	\$ 890,855	\$ 62,385,050
TOTAL LOCAL TAXES	57,979,526	58,870,381	890,855	62,385,050
2000 LOCAL NON-TAX				
2100 Tuition & Fees, Unassigned	728,646	323,476	(405,170)	901,055
2101 Regular Student Fees	970,000	9,827	(960,173)	17,978
2102 ALE Student Fees	-	550	550	1,414
2180 Convenience Fee	40,000	29,615	(10,386)	41,510
2188 Tuition & Fees, Daycare	-	304,770	-	-
2200 Sales of Goods, Supplies & Services	382,000	187,338	(194,662)	425,343
2203 Sales of Sup. & Mat. Other	-	250	250	100
2204 Sale of Recoverable Items	80,000	55,295	(24,705)	70,337
2210 Other Storeroom Sales	2,500	857	(1,643)	2,149
2220 Copy Center Reimbursements	40,000	32,174	(7,826)	46,322
2231 Secondary CTE Sales of Goods	40,000	22,901	(17,099)	38,078
2291 Food Service Sales	1,766,489	1,366,272	(400,217)	1,767,265
2294 Food Serv. Sales - Special Events	3,552	6,497	2,945	8,314
2296 Food Service Sales - Breakfast	199,851	166,099	(33,752)	185,481
2299 School Bus Revenue	-	3,040	3,040	6,320
2300 Investment Earnings	1,000,000	278,572	(721,428)	1,026,169
2500 Gifts & Donations	350,000	347,944	(2,056)	242,631
2600 Fines & Damages	130,000	15,278	(114,722)	92,011
2700 Facility Rental	879,700	365,858	(513,842)	815,616
2800 Insurance Recoveries	250,000	317,350	67,350	385,170
2900 Local Non-Tax Unassigned	3,155,516	1,675,543	(1,479,973)	2,128,638
2910 E-Rate	-	40,448	40,448	40,448
2920 Commissions	117,000	50,476	(66,524)	67,524
TOTAL LOCAL NONTAX	10,135,254	5,600,429	(4,839,595)	8,309,871
3000 STATE FUNDS, GENERAL PURPOSE				
3100 Apportionment	259,379,576	260,312,634	933,058	253,926,095
3121 Apportionment - Special Ed	8,701,781	9,214,819	513,038	8,712,663
3300 Local Effort Assistance	1,371,222	879,687	(491,535)	3,425,817
TOTAL STATE, GENERAL PURPOSE	269,452,579	270,407,139	954,560	266,064,575
4000 STATE FUNDS, SPECIAL PURPOSE				
4100 Special Purpose, Unassigned	6,500,000	-	(6,500,000)	-
4121 Special Education	41,784,107	42,523,965	739,858	38,882,678
4122 Special Ed - Infants & Toddlers	2,364,164	2,307,899	(56,265)	2,525,813
4155 Learning Assistance Program	16,506,944	15,701,953	(804,991)	15,518,854
4156 Institutes, Ctrs & Homes - Delinquents	420,916	304,953	(115,963)	341,774
4158 Special Pilot Programs	2,382,433	3,557,863	1,175,430	3,972,933
4165 Transitional Bilingual	5,021,823	5,286,620	264,797	4,849,832
4174 Highly Capable	854,159	860,692	6,533	820,375
4198 School Food Service	190,439	228,271	37,832	332,137

TACOMA SCHOOL DISTRICT No. 10
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

DESCRIPTION	2020		VARIANCE	2019
	BUDGET	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
4199 Transportation - Operations	14,488,355	15,529,747	1,041,392	15,681,188
TOTAL STATE, SPECIAL PURPOSE	90,513,340	86,301,963	(4,211,377)	82,925,583
5000 FEDERAL FUNDS, GEN PURPOSE				
5200 Direct Federal Revenue - Unassigned	464,081	343,315	(120,766)	311,965
5500 Federal Forests	-	17,919	17,919	19,581
TOTAL FEDERAL, GENERAL PURPOSE	464,081	361,233	(102,848)	331,546
6000 FEDERAL, SPECIAL PURPOSE				
6100 Special Purpose, Unassigned	12,000	25,367	13,367	5,167
6124 H/C, Supplemental, IDEA, Part B	7,640,670	7,131,684	(508,986)	6,984,588
6138 Career & Technical Education	257,560	254,097	(3,463)	303,198
6151 Disadvantaged, Federal Title I	11,102,797	10,874,602	(228,195)	11,194,748
6152 School Improvement, Federal Title II	1,771,944	1,733,603	(38,341)	1,911,011
6157 Institutions - Neglected & Delinquents	132,178	170,520	38,342	144,724
6164 Limited English Proficiency	408,656	328,483	(80,173)	425,668
6176 Targeted Assistance	-	2,706,190	2,706,190	-
6188 Child Care, Federal	-	87,391	87,391	14,226
6189 Other Community Services	117,000	3,934,608	3,817,608	111,024
6191 Nutrition Services Reimbursement	9,035,320	5,780,627	(3,254,693)	8,667,780
6261 Head Start	6,151,783	6,516,531	364,748	5,580,018
6268 Indian Education	184,144	185,678	1,534	184,220
6300 Federal Grants Pass Through Other Entities	-	437,012	437,012	-
6321 Special Ed Medicaid Match	-	148,170	148,170	158,837
6998 USDA Commodities	904,333	1,017,863	113,530	376,178
TOTAL FEDERAL, SPECIAL PURPOSE	37,718,385	41,332,428	3,614,043	36,061,387
7000 REVENUES FROM OTHER DISTRICTS				
7121 Special Education	1,885,009	1,891,067	6,058	2,299,602
7145 CTE Skills Center	-	-	-	8,961
TOTAL REVENUES FROM OTHER DISTRICTS	1,885,009	1,891,067	6,058	2,308,563
8000 REVENUES FROM OTHER AGENCIES				
8100 Agency & Association Grants	-	490,544	490,544	280,044
8188 Day Care	-	1,490,825	1,490,825	-
8200 Private Foundation	1,165,434	1,025,412	(140,022)	1,199,482
8500 Educational Service Districts	1,477,978	706	(1,477,272)	1,183,331
TOTAL REVENUES FROM OTHER AGENCIES	2,643,412	3,007,488	364,076	2,662,857
TOTAL REVENUES	470,791,586	467,772,128	(3,324,228)	461,049,431
9000 OTHER FINANCING SOURCES				
9300 Sale of Surplus Equipment	-	231,551	231,551	135,535
9900 Operating Transfers	2,000,000	2,868,149	868,149	2,697,546

TACOMA SCHOOL DISTRICT No. 10
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

DESCRIPTION	2020 BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
TOTAL OTHER FINANCING SOURCES	<u>2,000,000</u>	<u>3,099,700</u>	<u>1,099,700</u>	<u>2,833,081</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 472,791,586</u>	<u>\$ 470,871,828</u>	<u>\$ (2,224,528)</u>	<u>\$ 463,882,512</u>

* 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 PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

PROGRAM NUMBER AND DESCRIPTION	2020		VARIANCE	PERCENT
	BUDGET	ACTUAL	POSITIVE (NEGATIVE)	EXPENDED
01 Basic Education	\$ 248,010,448	\$ 247,739,993	\$ 270,455	99.89%
02 Basic Ed - Alternative Learning	350,840	608,392	(257,552)	173.41%
03 Basic Ed - 1418 Open Doors	2,913,774	2,618,979	294,795	89.88%
21 Special Education, Supplemental, State	56,240,062	54,590,787	1,649,275	97.07%
22 Special Ed Infants & Toddlers, Supplemental, State	2,251,585	2,192,230	59,355	97.36%
24 Special Education, Supplemental, Federal	7,288,801	6,850,038	438,763	93.98%
31 Career & Technical Education, Basic, State	13,931,036	13,780,664	150,372	98.92%
34 Career & Tech Ed - Middle School, State	2,734,290	2,846,938	(112,648)	104.12%
38 Career & Technical Education, Federal	244,318	241,998	2,320	99.05%
51 Disadvantaged, Federal Title I	10,531,965	10,269,991	261,974	97.51%
52 School Improvement, Federal Title II	1,680,842	1,723,231	(42,389)	102.52%
55 Learning Assistance Program (LAP), State	15,658,265	14,113,755	1,544,510	90.14%
56 State Institutions, Centers and Homes, Delinquent	402,021	353,126	48,895	87.84%
57 State Institutions, Neglected & Delinquent, Federal	125,382	161,754	(36,372)	129.01%
58 Special & Pilot Programs, State	2,374,525	3,493,769	(1,119,244)	147.14%
61 Head Start, Federal	5,567,224	5,917,938	(350,714)	106.30%
64 Limited English Proficiency, Federal	387,646	311,827	75,819	80.44%
65 Transitional Bilingual, State	6,494,568	4,556,253	1,938,315	70.15%
68 Indian Education, Federal ED	308,502	316,399	(7,897)	102.56%
69 Compensatory Education, Other	28,516	11,617	16,899	40.74%
73 Summer School	64,906	24,442	40,464	37.66%
74 Highly Capable	736,154	741,784	(5,630)	100.76%
79 Instructional Programs, Other	14,554,107	2,155,729	12,398,378	14.81%
88 Child Care	-	4,617,413	(4,617,413)	#DIV/0!
89 Other Community Services	927,748	4,573,683	(3,645,935)	492.99%
97 District-wide Support	62,221,019	62,516,460	(295,441)	100.47%
98 School Nutrition Services	11,853,850	10,281,961	1,571,889	86.74%
99 Pupil Transportation	14,098,411	16,312,456	(2,214,045)	115.70%
TOTAL EXPENDITURES	\$ 481,980,805	\$ 473,923,608	\$ 8,057,197	98.33%

TACOMA SCHOOL DISTRICT No. 10
GENERAL FUND
SCHEDULE OF EXPENDITURES BY ACTIVITY
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

ACTIVITY NUMBER AND DESCRIPTION	2020 BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
ADMINISTRATION				
11 Board of Directors	\$ 1,960,295	\$ 1,969,874	\$ (9,579)	100.49%
12 Superintendent's Office	784,493	666,403	118,090	84.95%
13 Business Services	4,130,610	4,756,812	(626,202)	115.16%
14 Human Resources	5,499,999	5,540,366	(40,367)	100.73%
15 Public Relations	855,792	814,639	41,153	95.19%
TOTAL ADMINISTRATION	13,231,189	13,748,094	(516,905)	103.91%
INSTRUCTION				
21 Supervision	11,578,585	12,229,149	(650,564)	105.62%
22 Learning Resources	5,779,639	5,885,400	(105,761)	101.83%
23 Principal's Office	31,793,944	31,602,901	191,043	99.40%
24 Guidance & Counseling	15,957,435	15,737,122	220,313	98.62%
25 Pupil Management & Safety	4,994,587	4,369,554	625,033	87.49%
26 Health Services	26,380,100	25,736,196	643,904	97.56%
27 Teaching	270,035,737	258,976,454	11,059,283	95.90%
28 Extra Curricular	5,065,426	5,175,890	(110,464)	102.18%
29 Payments to Other Districts	150,500	2,292	148,208	1.52%
31 Professional Development	15,411,178	13,032,987	2,378,191	84.57%
32 Instructional Technology	548,787	2,184,967	(1,636,180)	398.14%
33 Curriculum	7,113,607	3,947,657	3,165,950	55.49%
34 Professional Development-State	-	2,451,015	(2,451,015)	#DIV/0!
TOTAL INSTRUCTION	394,809,525	381,331,583	13,477,942	96.59%
NUTRITION SERVICES				
41 Supervision	883,237	945,984	(62,747)	107.10%
42 Food	3,151,323	4,845,154	(1,693,831)	153.75%
44 Operations	8,010,123	8,462,418	(452,295)	105.65%
49 Nutrition Services Transfers	(190,833)	(3,971,595)	3,780,762	2081.19%
TOTAL NUTRITION SERVICES	11,853,850	10,281,961	1,571,889	86.74%
PUPIL TRANSPORTATION				
51 Supervision	1,103,399	992,103	111,296	89.91%
52 Operations	12,408,793	15,216,075	(2,807,282)	122.62%
53 Maintenance	315,000	306	314,694	0.10%
59 Transportation Services Transfers	(1,006,863)	(678,223)	(328,640)	67.36%
TOTAL PUPIL TRANSPORTATION	12,820,329	15,530,261	(2,709,932)	121.14%
MAINTENANCE & OPERATIONS				
61 Supervision	1,469,663	1,414,896	54,767	96.27%
62 Grounds Maintenance	2,071,063	1,856,265	214,798	89.63%
63 Building Operations	16,985,332	15,948,841	1,036,491	93.90%
64 Maintenance	9,630,801	5,384,446	4,246,355	55.91%

TACOMA SCHOOL DISTRICT No. 10
GENERAL FUND
SCHEDULE OF EXPENDITURES BY ACTIVITY
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

ACTIVITY NUMBER AND DESCRIPTION	2020 BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
65 Utilities	8,151,560	9,283,558	(1,131,998)	113.89%
67 Building Security	1,288,203	1,189,560	98,643	92.34%
68 Insurance	101,128	4,111,663	(4,010,535)	4065.80%
TOTAL MAINTENANCE & OPERATIONS	39,697,750	39,189,229	508,521	98.72%
OTHER SUPPORT SERVICES				
72 Information Services	7,830,981	8,032,930	(201,949)	102.58%
73 Printing	423,005	627,646	(204,641)	148.38%
74 Warehouse & Distributions	705,196	863,372	(158,176)	122.43%
TOTAL OTHER SUPPORT SERVICES	8,959,182	9,523,948	(564,766)	106.30%
PUBLIC ACTIVITIES				
91 Public Activities	608,980	4,318,531	(3,709,551)	709.14%
TOTAL PUBLIC ACTIVITIES	608,980	4,318,531	(3,709,551)	709.14%
TOTAL GENERAL FUND	\$ 481,980,805	\$ 473,923,608	\$ 8,057,197	98.33%

* 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 OBJECT
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

OBJECT NUMBER AND DESCRIPTION	2020		VARIANCE	PERCENT
	BUDGET	ACTUAL	POSITIVE (NEGATIVE)	EXPENDED
0 Debit Transfer	\$ 2,562,153	\$ 5,304,805	\$ (2,742,652)	207.04%
1 Credit Transfer	(2,562,153)	(5,304,805)	2,742,652	207.04%
2 Certificated Salaries	220,518,905	217,763,795	2,755,110	98.75%
3 Classified Salaries	75,181,853	73,458,360	1,723,493	97.71%
4 Employee Benefits	113,389,675	115,046,356	(1,656,681)	101.46%
5 Supplies & Materials	23,641,042	16,634,655	7,006,387	70.36%
7 Contractual Services	47,268,151	49,851,157	(2,583,006)	105.46%
8 Travel	660,999	464,116	196,883	70.21%
9 Capital Outlay	1,320,180	705,168	615,012	53.41%
TOTAL GENERAL FUND	\$ 481,980,805	\$ 473,923,608	\$ 8,057,197	98.33%

* 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

	AS OF AUGUST 31	
	2020	2019
ASSETS		
Cash on Hand and in Bank	\$ 8,443	\$ 77,952
Cash on Deposit with County Treasurer	4,344	2,436
Investments	2,072,174	2,188,366
Accounts Receivable	11,702	15,189
Accrued Interest Receivable	-	137
Interfund Receivable	20,405	53,158
Due From Other Governmental Units	300	1,574
TOTAL ASSETS	\$ 2,117,369	\$ 2,338,810
LIABILITIES		
Accounts Payable	\$ 115,632	\$ 246,104
Accrued Wages & Benefits Payable	371	706
Interfund Payable	11,684	6,681
Unearned Revenue - Other	9,159	148,506
TOTAL LIABILITIES	136,846	401,997
FUND BALANCE		
Restricted to Fund Purposes	1,980,522	1,936,813
TOTAL FUND BALANCE	1,980,522	1,936,813
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	\$ 2,117,369	\$ 2,338,810

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, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

	2020		VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
REVENUES	BUDGET	ACTUAL		
General	\$ 1,219,972	\$ 448,235	\$ (771,737)	\$ 749,559
Athletics	358,600	220,819	(137,781)	253,226
Classes	547,914	120,739	(427,175)	236,420
Clubs	2,112,395	350,287	(1,762,108)	539,464
Private Monies	117,000	4,345	(112,655)	11,731
TOTAL REVENUES	4,355,881	1,144,425	(3,211,456)	1,790,400
EXPENDITURES				
General	1,290,835	424,606	866,229	763,313
Athletics	350,334	212,996	137,338	282,890
Classes	445,130	103,637	341,493	214,666
Clubs	1,946,843	354,375	1,592,468	522,706
Private Monies	114,500	5,102	109,398	9,711
TOTAL EXPENDITURES	4,147,642	1,100,716	3,046,926	1,793,287
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	208,239	43,709	(164,530)	(2,887)
FUND BALANCE - September 1	1,769,971	1,936,813	166,842	1,939,700
FUND BALANCE - August 31	\$ 1,978,210	\$ 1,980,522	\$ 2,312	\$ 1,936,813

* 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

	AS OF AUGUST 31	
	2020	2019
ASSETS		
Cash on Deposit with County Treasurer	\$ 499,180	\$ 310,168
Investments	12,278,469	10,744,470
Property Tax Receivable	28,674,081	27,596,112
Interfund Receivable	-	900
Accrued Interest Receivable	-	673
TOTAL ASSETS	\$ 41,451,730	\$ 38,652,324
LIABILITIES		
Accounts Payable	\$ -	\$ -
Due To Other Funds	-	-
TOTAL LIABILITIES	-	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Property Taxes	27,694,183	26,557,973
TOTAL DEFERRED INFLOWS OF RESOURCES	27,694,183	26,557,973
FUND BALANCE		
Restricted for Debt Service	13,757,546	12,094,351
TOTAL FUND BALANCE	13,757,546	12,094,351
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	\$ 41,451,730	\$ 38,652,324

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, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

	2020		VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
	BUDGET	ACTUAL		
REVENUES				
Local Taxes	\$ 58,825,000	\$ 58,754,687	\$ (70,313)	\$ 57,549,762
Local Non-Tax	239,000	133,326	(105,674)	267,552
TOTAL REVENUES	59,064,000	58,888,013	(175,987)	57,817,314
EXPENDITURES				
Principal Payment	34,210,000	34,210,000	-	31,900,000
Interest Expense	24,136,218	23,106,738	1,029,480	24,610,913
Bond Fees & Cost of Issuance	-	1,370,521	(1,370,521)	-
TOTAL EXPENDITURES	58,346,218	58,687,259	(341,041)	56,510,913
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	717,782	200,754	(517,028)	1,306,401
OTHER FINANCING SOURCES (USES)				
Issuance of Refunding Bonds	-	366,010,000	366,010,000	-
Payment to Refunded Bonds Escrow Agent	-	(364,547,559)	(364,547,559)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	1,462,441	1,462,441	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	717,782	1,663,195	945,413	1,306,401
FUND BALANCE - September 1	12,094,351	12,094,351	0	10,787,950
FUND BALANCE - August 31	\$ 12,812,133	\$ 13,757,546	\$ 945,413	\$ 12,094,351

* 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

	AS OF AUGUST 31	
	2020	2019
ASSETS		
Cash on Hand and in Bank	\$ 16,565	\$ 166,094
Cash on Deposit with County Treasurer	178,200	128,874
Investments	77,787,172	149,802,909
Construction Retainage Escrow	1,108,432	2,302,473
Property Tax Receivable	11,548,290	11,292,526
Accrued Interest Receivable	-	9,378
Interfund Receivable	1,704,940	128,605
Accounts Receivable	37,911	80,371
TOTAL ASSETS	\$ 92,381,511	\$ 163,911,230
LIABILITIES		
Accounts Payable	11,602,970	7,697,477
Accrued Salaries & Benefits Payable	104,046	775,541
Retainage Payable	1,108,432	2,302,473
Interfund Payable	4,549,893	4,291,718
TOTAL LIABILITIES	17,365,341	15,067,210
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Property Taxes	11,155,595	10,868,479
TOTAL DEFERRED INFLOWS OF RESOURCES	11,155,595	10,868,479
FUND BALANCE		
Restricted for Arbitrage Rebate	-	-
Restricted for Technology	14,697,733	9,539,243
Assigned to Fund Purposes	3,261,836	3,197,554
TOTAL FUND BALANCE	63,860,575	137,975,542
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	\$ 92,381,511	\$ 163,911,230

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, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

	2020		VARIANCE	
	BUDGET	ACTUAL	POSITIVE (NEGATIVE)	2019 ACTUAL
REVENUES				
Local Taxes	\$ 24,000,000	\$ 23,959,134	\$ (40,866)	\$ 17,800,907
Local Non-Tax	1,735,000	1,745,055	10,055	3,466,659
State, Special Purpose	-	100,000	100,000	1,485,018
Other Districts/Agencies	-	23,826	23,826	574,851
TOTAL REVENUES	25,735,000	25,828,014	93,014	23,327,435
EXPENDITURES				
Sites	1,145,000	893,828	251,172	3,017,561
Buildings	97,346,000	76,718,997	20,627,003	65,771,241
Equipment	27,205,000	19,456,445	7,748,555	18,851,037
Sale of Real Estate	-	880	(880)	5,544
Lease/Rent of Property	-	4,682	(4,682)	6,839
TOTAL EXPENDITURES	125,696,000	97,074,831	28,621,169	87,652,222
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(99,961,000)	(71,246,817)	28,714,183	(64,324,787)
OTHER FINANCING SOURCES (USES)				
Sale of Real Property	500,000	-	(500,000)	-
Transfers	(2,000,000)	(2,868,149)	(868,149)	(2,697,546)
Sale of Bonds	-	-	-	-
Bonds, Premium on Sale	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,500,000)	(2,868,149)	(1,368,149)	(2,697,546)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(101,461,000)	(74,114,966)	27,346,034	(67,022,333)
FUND BALANCE - September 1	145,660,000	137,975,542	(7,684,458)	204,997,874
FUND BALANCE - August 31	\$ 44,199,000	\$ 63,860,575	\$ 19,661,575	\$ 137,975,542

* 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

	AS OF AUGUST 31	
	2020	2019
ASSETS		
Cash on Deposit with County Treasurer	\$ 1,058	\$ 968
Investments	2,660,227	2,793,611
Accrued Interest Receivable	-	175
	\$ 2,661,285	\$ 2,794,754
LIABILITIES		
Accounts Payable	\$ -	\$ -
	-	-
FUND BALANCE		
Restricted to Fund Purposes	2,661,285	2,794,754
	2,661,285	2,794,754
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	\$ 2,661,285	\$ 2,794,754

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, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

	2020		VARIANCE	
	BUDGET	ACTUAL	POSITIVE (NEGATIVE)	2019 ACTUAL
REVENUES				
Local Non-Tax	\$ 10,000	\$ 33,441	\$ (23,441)	\$ 8,707
State, Special Purpose	562,000	520,786	41,214	524,397
TOTAL REVENUES	572,000	554,227	(17,773)	533,104
EXPENDITURES				
Purchase of Buses	780,000	705,600	74,400	1,264,109
TOTAL EXPENDITURES	780,000	705,600	74,400	1,264,109
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(208,000)	(151,373)	56,627	(731,005)
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	2,000,000
Sale of Equipment/Buses	-	17,904	(17,904)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	17,904	(17,904)	2,000,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(208,000)	(133,470)	74,530	1,268,995
FUND BALANCE - September 1	2,138,000	2,794,754	656,754	1,525,759
FUND BALANCE - August 31	\$ 1,930,000	\$ 2,661,285	\$ 731,285	\$ 2,794,754

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

TACOMA SCHOOL DISTRICT No. 10
FIDUCIARY FUNDS (PRIVATE PURPOSE TRUSTS)
COMPARATIVE BALANCE SHEETS

	AS OF AUGUST 31	
	2020	2019
ASSETS		
Cash on Hand and in Bank	\$ 44,730	\$ 14,329
Cash on Deposit with County Treasurer	781	314
Investments	1,051,570	1,033,101
Accounts Receivable	868	14,401
TOTAL ASSETS	1,097,949	1,062,146
LIABILITIES		
Accounts Payable	146,160	172,449
Unearned Revenue - Other	15,046	185
TOTAL LIABILITIES	161,206	172,634
NET POSITION		
Held in Trust for Scholarships and Student Aid	936,743	889,512
TOTAL NET POSITION	\$ 936,743	\$ 889,512

TACOMA SCHOOL DISTRICT No. 10
FIDUCIARY FUNDS (PRIVATE PURPOSE TRUSTS)
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

	2020	2019
ADDITIONS		
Donations	\$ 267,886	\$ 464,908
TOTAL ADDITIONS	267,886	464,908
DEDUCTIONS		
Scholarships	81,894	59,720
Tuition and Fees	15,410	5,023
Supplies & Materials	80,085	99,751
Field Trips & Travel	21,753	60,494
Purchased Services	14,710	23,526
Salaries & Benefits	6,804	5,160
TOTAL DEDUCTIONS	220,655	253,673
CHANGE IN NET POSITION	47,232	211,235
NET POSITION - September 1	889,512	678,277
NET POSITION - August 31	\$ 936,743	\$ 889,512

TACOMA SCHOOL DISTRICT No. 10
SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	BALANCE 8/31/2019	INCREASES	DECREASES	BALANCE 8/31/2020
Unlimited Tax General Obligation Bonds	\$ 479,720,000	\$ 366,010,000	\$ 329,765,000	\$ 515,965,000
Long-Term Financing (Daktronics Scoreboard)	323,798	-	104,966	218,832
Compensated Absences	31,225,745	6,357,815	2,361,899	35,221,661
Unamortized Bond Premium	84,420,299	-	53,107,960	31,312,339
OPEB Obligation	166,629,215	48,796,093	4,281,179	211,144,129
Net Pension Liability - PERS Plan 1	20,346,519	-	2,628,096	17,718,422
Net Pension Liability - SERS Plans 2/3	7,024,354	7,958,821	-	14,983,175
Net Pension Liability - TRS Plan 1	75,729,836	-	4,861,760	70,868,076
Net Pension Liability - TRS Plans 2/3	18,461,089	26,800,685	-	45,261,774
TOTAL	\$ 883,880,854	\$ 455,923,414	\$ 397,110,860	\$ 942,693,408

TACOMA SCHOOL DISTRICT No. 10
OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS
AUGUST 31, 2020

	AMOUNT: \$78,905,000		AMOUNT: \$152,625,000		AMOUNT: \$273,050,000		AMOUNT: \$95,225,000		AMOUNT: \$366,010,000		TOTAL	TOTAL
	2012 Refunded Bond		2014 UTGO (Refunded 2020)		2015 UTGO (Refunded 2020)		2015 Refunded Bond		2020 Refunding Bond		DEBT	BY
DUE DATE	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	SERVICE	YEAR
DATED: 11/06/2012			DATED: 11/6/2014		DATED: 10/21/2015		DATED: 10/21/2015		DATED: 7/31/2020			
Dec. 1, 2019	1,655,000	1,114,250	-	3,458,831	7,095,000	6,526,125	12,650,000	717,525	-	-	33,216,731	
Jun. 1, 2020	3,890,000	1,081,150	-	3,458,831	-	6,348,750	8,920,000	401,275	-	-	24,100,006	57,316,738
Dec. 1, 2020	1,635,000	1,003,350	-	156,000	14,315,000	2,218,875	8,915,000	222,875	-	2,412,121	30,878,221	
Jun. 1, 2021	2,560,000	970,650	-	156,000	-	1,861,000	-	-	-	3,365,751	8,913,401	39,791,622
Dec. 1, 2021	6,850,000	919,450	-	156,000	4,635,000	1,861,000	-	-	5,515,000	3,365,751	23,302,201	
Jun. 1, 2022	-	775,500	-	156,000	-	1,745,125	-	-	-	3,354,472	6,031,097	29,333,298
Dec. 1, 2022	10,795,000	775,500	-	156,000	3,820,000	1,745,125	-	-	5,540,000	3,354,472	26,186,097	
Jun. 1, 2023	-	505,625	-	156,000	-	1,649,625	-	-	-	3,340,373	5,651,623	31,837,721
Dec. 1, 2023	11,705,000	505,625	-	156,000	3,640,000	1,649,625	-	-	5,565,000	3,340,373	26,561,623	
Jun. 1, 2024	-	297,500	-	156,000	-	1,558,625	-	-	-	3,325,542	5,337,667	31,899,291
Dec. 1, 2024	12,500,000	297,500	-	156,000	3,440,000	1,558,625	-	-	5,590,000	3,325,542	26,867,667	
Jun. 1, 2025	-	-	-	156,000	-	1,472,625	-	-	-	3,306,173	4,934,798	31,802,466
Dec. 1, 2025	-	-	3,045,000	156,000	13,665,000	1,472,625	-	-	5,635,000	3,306,173	27,279,798	
Jun. 1, 2026	-	-	-	79,875	-	1,131,000	-	-	-	3,282,422	4,493,297	31,773,095
Dec. 1, 2026	-	-	3,195,000	79,875	14,350,000	1,131,000	-	-	5,685,000	3,282,422	27,723,297	
Jun. 1, 2027	-	-	-	-	-	772,250	-	-	-	3,252,831	4,025,081	31,748,378
Dec. 1, 2027	-	-	-	-	15,065,000	772,250	-	-	9,090,000	3,252,831	28,180,081	
Jun. 1, 2028	-	-	-	-	-	395,625	-	-	-	3,196,428	3,592,053	31,772,134
Dec. 1, 2028	-	-	-	-	15,825,000	395,625	-	-	9,205,000	3,196,428	28,622,053	
Jun. 1, 2029	-	-	-	-	-	-	-	-	-	3,131,855	3,131,855	31,753,907
Dec. 1, 2029	-	-	-	-	-	-	-	-	25,945,000	3,131,855	29,076,855	
Jun. 1, 2030	-	-	-	-	-	-	-	-	-	2,930,392	2,930,392	32,007,246
Dec. 1, 2030	-	-	-	-	-	-	-	-	26,355,000	2,930,392	29,285,392	
Jun. 1, 2031	-	-	-	-	-	-	-	-	-	2,712,568	2,712,568	31,997,959
Dec. 1, 2031	-	-	-	-	-	-	-	-	26,780,000	2,712,568	29,492,568	
Jun. 1, 2032	-	-	-	-	-	-	-	-	-	2,480,519	2,480,519	31,973,087
Dec. 1, 2032	-	-	-	-	-	-	-	-	27,245,000	2,480,519	29,725,519	
Jun. 1, 2033	-	-	-	-	-	-	-	-	-	2,230,819	2,230,819	31,956,337
Dec. 1, 2033	-	-	-	-	-	-	-	-	27,755,000	2,230,819	29,985,819	
Jun. 1, 2034	-	-	-	-	-	-	-	-	-	1,966,730	1,966,730	31,952,548
Dec. 1, 2034	-	-	-	-	-	-	-	-	28,280,000	1,966,730	30,246,730	
Jun. 1, 2035	-	-	-	-	-	-	-	-	-	1,690,575	1,690,575	31,937,305
Dec. 1, 2035	-	-	-	-	-	-	-	-	28,835,000	1,690,575	30,525,575	
Jun. 1, 2036	-	-	-	-	-	-	-	-	-	1,401,793	1,401,793	31,927,368
Dec. 1, 2036	-	-	-	-	-	-	-	-	29,410,000	1,401,793	30,811,793	
Jun. 1, 2037	-	-	-	-	-	-	-	-	-	1,102,840	1,102,840	31,914,633
Dec. 1, 2037	-	-	-	-	-	-	-	-	30,010,000	1,102,840	31,112,840	
Jun. 1, 2038	-	-	-	-	-	-	-	-	-	749,172	749,172	31,862,013
Dec. 1, 2038	-	-	-	-	-	-	-	-	30,710,000	749,172	31,459,172	
Jun. 1, 2039	-	-	-	-	-	-	-	-	-	387,255	387,255	31,846,428
Dec. 1, 2039	-	-	-	-	-	-	-	-	32,860,000	387,255	33,247,255	
Jun. 1, 2040	-	-	-	-	-	-	-	-	-	-	-	33,247,255
	\$ 51,590,000	\$ 8,246,100	\$ 6,240,000	\$ 8,793,413	\$ 95,850,000	\$ 36,265,500	\$ 30,485,000	\$ 1,341,675	\$ 366,010,000	\$ 96,829,141	\$ 701,650,828	\$ 701,650,828

TACOMA SCHOOL DISTRICT No. 10
SCHEDULE OF CAPITAL ASSETS BY LOCATION
AUGUST 31, 2020

PROPERTY	LOCATION	LAND	BUILDINGS, IMPROVEMENTS & CONSTRUCTION		EQUIPMENT	TOTALS
				IN PROGRESS		
SENIOR HIGH SCHOOLS						
Foss	2112 S. Tyler St.	\$ 1,053,377	\$ 50,460,944	\$ 813,443	\$ 52,327,764	
Lincoln	701 S. 37th St.	1,006,499	94,176,497	1,853,808	97,036,804	
Lincoln Bowl	S. 37th & G St.	1,979,476	1,942,272	-	3,921,748	
Mount Tahoma (New)	4634 S. 74th St.	7,071,355	73,888,482	1,190,537	82,150,374	
Oakland	3319 S. Adams St.	99,270	1,541,978	117,654	1,758,902	
Re-Engagement Center	1818 Tacoma Ave.	91,963	52,962	5,420	150,345	
IDEA	6701 S. Park Ave.	153,329	1,588,013	131,641	1,872,982	
ELC Science & Math			18,943,039		18,943,039	
Science & Math Inst.	5501 N. Pearl St.		6,401,110	312,745	6,713,855	
School of the Arts	1950 Pacific Ave.	401,122	8,049,173	208,714	8,659,009	
Stadium	111 North E St.	4,272,371	114,846,808	1,470,924	120,590,103	
Stadium Bowl	N. 1st & E St.	4,825,151	1,642,061	-	6,467,212	
Wilson	1202 N. Orchard St.	378,979	95,355,097	1,140,134	96,874,210	
MIDDLE SCHOOLS						
Baker	8320 S. I St.	2,408,821	50,445,158	328,385	53,182,364	
Gault	1115 E. Division Lane	67,314	2,966,740	19,205	3,053,259	
Giaudrone	4902 S. Alaska St.	58,279	23,452,872	380,651	23,891,802	
Gray	6229 S. Tyler	708,404	39,749,529	317,863	40,775,796	
Hunt	6501 S. 10th St.	60,230	3,745,464	242,565	4,048,259	
Jason Lee	602 N. Sprague Ave.	1,918,440	26,333,632	408,507	28,660,579	
Mason	3901 N. 28th St.	103,379	23,818,508	530,633	24,452,520	
Meeker	4402 Nassau Ave NE	1,416,692	15,700,124	369,151	17,485,967	
Stewart	5010 Pacific Ave.	176,943	65,599,077	437,158	66,213,178	
Truman	5801 N. 35th St.	18,860	24,417,718	345,173	24,781,751	
First Creek	1801 E. 56th St.	167,722	42,062,261	212,631	42,442,614	
ELEMENTARY SCHOOLS						
Arlington	3002 S. 72nd St.	73,264	25,857,886	133,065	26,064,216	
Birney	1202 S. 76th St.	97,147	3,234,093	144,343	3,475,584	
Blix	1302 E. 38th St.	932,339	12,115,221	287,505	13,335,065	
Boze	1140 E. 65th St.	76,181	4,860,292	143,008	5,079,481	
Browns Point	1526 - 51st. St. NE	71,147	35,407,034	194,008	35,672,189	
Bryant	717 S. Grant Ave.	149,325	1,600,845	46,290	1,796,460	
Crescent Heights	4410 Nassau Ave NE	533,450	13,788,812	230,522	14,552,784	
DeLong	4901 S. 14th St.	34,905	6,552,372	138,306	6,725,583	
Downing	2502 N. Orchard St.	107,558	2,012,109	232,171	2,351,838	
Edison	5830 S. Pine St.	724,068	15,653,953	290,436	16,668,457	
Fawcett	126 E. 60th St.	71,679	5,367,116	165,050	5,603,845	
Fern Hill	8442 S. Park Ave.	79,816	18,833,973	376,754	19,290,544	
Franklin	1402 S. Lawrence	1,733,534	11,871,973	192,415	13,797,922	
Geiger	621 S. Jackson Ave.	455,146	24,891,508	78,276	25,424,930	
Grant	1018 N. Prospect St.	133,229	35,189,655	149,014	35,471,898	
Jefferson	4302 N. 13th St.	59,160	11,893,936	235,493	12,188,589	
Larchmont	8601 E. B St.	234,613	8,402,711	236,544	8,873,868	
Lister	2106 E. 44th St.	704,349	12,343,981	164,906	13,213,236	
Lowell	810 N. 13th St.	119,300	2,403,868	202,441	2,725,609	
Lyon	101 E. 46th St.	49,032	33,552,328	130,059	33,731,419	
Manitou Park	4430 S. 66th St.	778,177	10,571,962	180,665	11,530,803	
Mann	1002 S. 52nd. St.	1,052,818	9,299,694	153,864	10,506,375	
McCarver	2111 S. J St.	296,583	37,823,714	366,288	38,486,585	
McCarver Primary	2141 S. J St.		163,159		163,159	
Northeast Tacoma	5412 29th St. NE	158,628	8,120,258	263,985	8,542,871	
Point Defiance	4330 N. Visscher St.	266,166	7,267,353	251,717	7,785,236	
Reed	1802 S. 36th St.	143,309	5,860,447	148,298	6,152,054	

TACOMA SCHOOL DISTRICT No. 10
SCHEDULE OF CAPITAL ASSETS BY LOCATION
AUGUST 31, 2020

PROPERTY	LOCATION	LAND	BUILDINGS, IMPROVEMENTS & CONSTRUCTION IN PROGRESS	EQUIPMENT	TOTALS
Roosevelt	3550 E. Roosevelt Ave.	257,632	7,549,872	62,818	7,870,322
Sheridan	6317 McKinley Ave.	1,061,019	8,303,791	222,028	9,586,838
Sherman	4415 N. 38th St.	20,000	10,582,611	325,764	10,928,375
Skyline	2301 N. Mildred St.	96,603	1,750,202	302,426	2,149,230
Stafford	1615 S. 92nd St.	9,714	15,818,980	211,355	16,040,049
Stanley	1712 S. 17th St.	137,380	8,144,902	37,801	8,320,083
Wainwright	130 Alameda Ave.	143,892	32,955,283	70,157	33,169,332
Washington-Hoyt	2615 N. Adams	89,594	30,525,164	168,638	30,783,396
Hoyt	2708 N. Union Ave.		256,857	-	256,857
Whitman	1120 S. 39th St.	71,095	8,031,054	100,661	8,202,810
Whittier	777 Elm Tree Lane	101,469	3,516,912	259,417	3,877,798
OTHER BLDGS. & SITES					
Madison - Head Start Use	3102 S. 43rd St.	143,962	1,443,280	200,563	1,787,805
McKinley	3702 McKinley	89,259	1,830,143	52,451	1,971,853
Willard	3201 South D St.	2,299	1,481,500	167,933	1,651,732
Remann Hall	5501 6th Ave.		27,502	-	27,502
District Wide				54,267	54,267
Central Administration Bldg. (CAB)	601 S. 8th St.	84,380	9,339,038	13,427,763	22,851,181
CAB Annex	708 S. G St.		135,706	61,315	197,021
Professional Development Ctr	6501 N. 23rd St.	107,352	4,670,398	371,532	5,149,282
Lincoln Tree Farm	28001 Mountain Highway	1,986	5,439,149	109,443	5,550,578
Transportation	4002 S. Cedar	280,880	364,485	8,974,261	9,619,626
Purchasing/Food Services	3321 S. Union Ave.		258,047	778,487	1,036,534
Maintenance & Operations	3223 S. Union Ave.	86,188	9,276,219	4,925,715	14,288,122
SOTA-Parking Garage	909-915 Market St.	365,255	1,052,817	-	1,418,072
SOTA-9th & Broadway	302 S. 9th St.	1,631,612	7,216,438	-	8,848,050
VACANT SITES					
Construction-in-Progress			84,404,798		84,404,798
TOTALS		\$ 42,354,470	\$ 1,406,494,919	\$ 46,857,158	\$ 1,495,706,547



Statistical Section

Financial Trends

- I. Net Position by Component
- II. Changes in Net Position
- III. Fund Balances, Governmental Funds
- IV. Changes in Fund Balances, Governmental Funds
- V. General Governmental Revenues by Source
- VI. General Governmental Expenditures by Function

Revenue Capacity

- VII. Property Tax Levies and Collections
- VIII. Assessed Value of Taxable Property and Property Tax Rates
All Overlapping Taxing Authorities
- IX. Principal Property Taxpayers
- X. Assessed and Estimated Actual Property Value and Construction

Debt Capacity

- XI. Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total
General Fund Expenditures
- XII. Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
- XIII. Statement of Direct and Overlapping Debt
- XIV. Constitutional Limit of Indebtedness
- XV. Legal Debt Margin Information

Demographic and Economic Information

- XVI. Demographic and Economic Statistics
- XVII. Principal Employers
- XVIII. Miscellaneous Statistics
- XIX. Contributing Staff

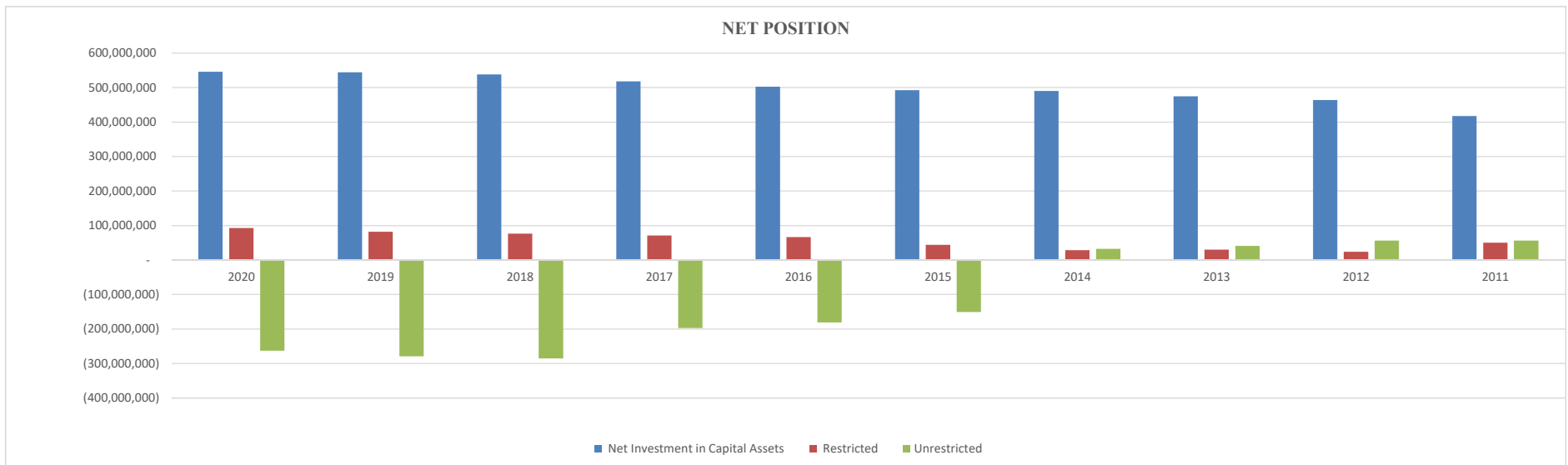
Operating Information

- XX. Full Time Equivalent District Employees by Program
- XXI. Certificated Instructional Staff Statistics
- XXII. Operating Statistics
- XXIII. Buildings & Properties

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net Investment in Capital Assets	\$ 545,811,549	\$ 544,221,882	\$ 537,878,529	\$ 517,988,999	\$ 502,842,932	\$ 492,723,196	\$ 489,838,116	\$ 474,767,679	\$ 463,667,781	\$ 417,592,334
Restricted	92,691,976	81,895,142	76,771,652	71,058,175	66,477,394	43,728,518	28,833,688	30,228,711	24,314,115	50,519,297
Unrestricted	(262,627,656)	(278,972,107)	(285,352,710)	(196,899,880)	(180,788,003)	(150,868,412)	32,408,178	40,772,196	56,195,876	56,326,323
Total Governmental Activities Net Position	\$ 375,875,869	\$ 347,144,917	\$ 329,297,469	\$ 392,147,293	\$ 388,532,322	\$ 385,583,300	\$ 551,079,982	\$ 545,768,586	\$ 544,177,772	\$ 524,437,954



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

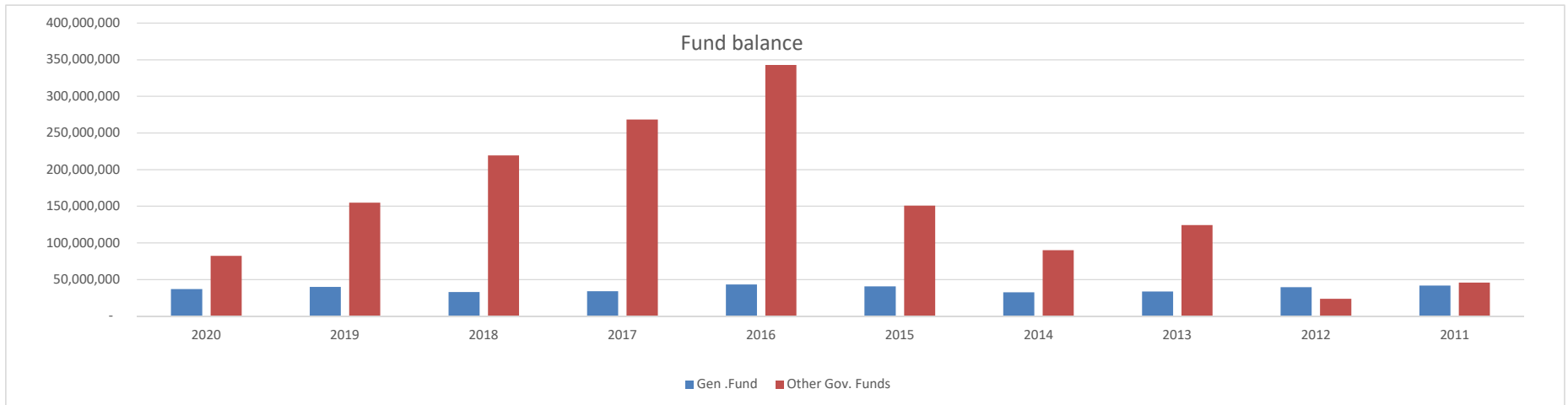
Expenses by function, program revenues by category, net (expense) revenue, general revenues and other changes in net position and total changes in net position are presented.

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EXPENSES										
Governmental Activities:										
Regular Instruction	\$ 288,140,972	\$ 268,804,673	\$ 238,135,937	\$ 240,329,794	\$ 226,826,955	\$ 204,605,892	\$ 202,869,927	\$ 200,132,388	\$ 187,093,849	\$ 187,974,729
Federal Stimulus	-	-	-	-	-	12,901	176,527	2,712,607	3,595,817	15,819,024
Special Instruction	66,286,484	65,178,828	55,478,874	52,989,814	51,855,865	48,295,312	46,538,041	45,199,346	42,916,763	43,070,486
Career & Technical Instruction	17,563,495	16,378,540	14,770,067	12,607,272	11,684,425	11,890,668	11,320,711	11,199,076	10,897,908	11,085,804
Compensatory Instruction	42,475,373	43,216,735	41,583,845	37,473,529	37,361,483	34,220,184	31,392,881	26,882,336	30,504,519	28,974,680
Other Instructional Programs	3,065,470	7,194,129	6,894,909	7,640,290	7,099,430	6,555,962	5,545,242	4,285,329	4,366,029	4,567,290
Community Services	9,407,923	965,760	1,102,011	689,265	622,495	569,669	536,295	417,267	433,295	492,726
Support Services	93,922,997	90,667,611	85,672,999	88,974,878	81,363,433	75,439,636	76,924,636	73,960,390	69,686,722	69,100,770
Extracurricular Activities (ASB)	1,102,346	1,794,834	1,906,191	1,919,602	1,915,322	1,871,077	2,018,381	2,033,416	2,001,607	2,178,978
Interest on Long-Term Debt	18,509,800	18,165,754	20,259,650	23,257,320	35,772,576	13,429,084	9,925,834	2,240,457	12,983,037	11,717,080
Total Governmental Activities Expenses	540,474,860	512,366,864	465,804,482	465,881,764	454,501,982	396,890,385	387,248,475	369,062,612	364,479,546	374,981,567
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 2,043,301	\$ 2,023,661	\$ 2,236,616	\$ 2,465,346	\$ 2,355,397	\$ 1,769,244	\$ 1,429,832	\$ 1,330,547	\$ 1,339,342	\$ 964,227
Special Instruction	1,880,241	2,285,980	1,600,376	1,802,440	1,920,338	2,254,024	1,968,321	1,906,917	1,872,069	1,624,089
Career & Technical Instruction	114,590	39,130	78,091	204,413	74,446	137,817	145,804	140,185	126,490	533,577
Compensatory Instruction	0	8,500	8,315	8,900	6,850	8,042	9,750	8,525	9,400	14,550
Other Instructional Programs	396,857	937,180	949,809	1,044,796	1,148,790	961,123	906,697	763,198	776,168	724,126
Community Services	669,079	815,616	752,183	605,129	646,077	640,639	685,744	587,554	658,743	716,019
Support Services	2,167,787	3,388,705	5,129,348	5,054,569	2,995,686	2,421,661	4,147,217	3,913,427	3,475,889	2,744,998
Extracurricular Activities (ASB)	1,144,425	1,790,400	1,904,643	1,919,112	1,915,322	1,869,533	1,991,012	2,102,657	1,979,769	2,015,440
Operating Grants and Contributions	148,521,409	138,240,571	139,982,337	105,740,433	129,766,262	197,464,102	115,572,241	109,133,062	108,030,433	119,870,018
Capital Grants and Contributions	705,168	613,048	1,172,062	2,029,165	2,923,620	412,640	1,653,062	671,852	1,208,706	197,045
Total Governmental Activities Program Revenues	157,642,856	150,142,792	153,813,780	120,874,303	143,752,788	207,938,825	128,509,680	120,557,924	119,477,009	129,404,089
NET (EXPENSE)/REVENUE	(382,832,005)	(362,224,073)	(311,990,703)	(345,007,462)	(310,749,194)	(188,951,561)	(258,738,795)	(248,504,688)	(245,002,537)	(245,577,478)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes for Maintenance &	\$ 58,870,381	\$ 62,385,050	\$ 86,090,079	\$ 87,796,591	\$ 86,057,007	\$ 85,484,428	\$ 82,356,831	\$ 82,673,927	\$ 82,145,826	\$ 77,928,963
Property Taxes for Debt Service	58,754,687	57,549,762	55,743,753	54,386,637	49,619,143	42,648,706	33,534,564	30,069,252	29,829,399	28,469,965
Property Taxes for Capital Projects	23,959,134	17,800,907	10,022,917	10,260,612	10,130,137	13,065,701	18,116,612	19,187,006	16,608,950	8,155,985
Unallocated State Apportionment & Others	267,929,860	237,691,528	188,817,605	192,870,905	164,705,525	69,361,658	129,796,551	118,011,453	136,048,820	128,024,123
Interest and Investment Earnings	2,048,895	4,758,306	4,527,624	3,307,689	3,186,404	474,073	245,630	153,864	109,360	238,154
Total Governmental Activities	411,562,957	380,185,553	345,201,978	348,622,434	313,698,216	211,034,566	264,050,188	250,095,502	264,742,355	242,817,190
Change in Net Position	\$ 28,730,952	\$ 17,961,481	\$ 33,211,275	\$ 3,614,973	\$ 2,949,024	\$ 22,083,004	\$ 5,311,393	\$ 1,590,814	\$ 19,739,818	\$ (2,760,288)

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 4,837,911	\$ 4,333,231	\$ 3,747,472	\$ 4,294,404	\$ 4,283,413	\$ 3,336,215	\$ 4,359,221	\$ 2,453,324	\$ 3,650,093	\$ 2,243,741
Restricted	2,290,666	2,408,792	1,486,057	1,081,705	633,566	753,170	859,610	604,556	150,569	2,129,678
Committed	1,000,000	1,000,000	1,000,000	-	-	1,000,000	13,138,279	12,058,267	10,833,433	10,739,785
Assigned	10,873,842	9,977,651	10,948,483	13,324,343	23,698,761	21,482,786	14,170,430	18,492,786	24,847,371	26,498,441
Unassigned	17,891,107	22,225,633	15,787,294	15,335,910	14,635,856	14,184,280	-	-	-	-
Total General Fund	\$ 36,893,527	\$ 39,945,307	\$ 32,969,306	\$ 34,036,363	\$ 43,251,597	\$ 40,756,451	\$ 32,527,540	\$ 33,608,933	\$ 39,481,466	\$ 41,611,645
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 1,232.00	\$ 24,244.00	-	-	58,065	82,037	113,323	43,107
Restricted	78,998,092	151,603,906	217,146,132	267,193,118	342,091,606	150,233,741	72,402,122	99,263,870	16,664,290	14,676,157
Committed	-	-	-	-	-	-	-	-	3,724,333	11,975,218
Assigned	3,261,836	3,197,554	2,103,919	1,315,501	796,483	666,219	17,418,578	25,094,078	3,266,213	19,050,432
Total All Other Governmental Funds	\$ 82,259,928	\$ 154,801,460	\$ 219,251,283	\$ 268,532,863	\$ 342,888,089	\$ 150,899,959	\$ 89,878,765	\$ 124,439,985	\$ 23,768,159	\$ 45,744,914



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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Local Taxes	\$ 141,584,202	\$ 137,735,719	\$ 151,856,749	\$ 152,443,840	\$ 145,806,287	\$ 141,198,835	\$ 134,008,007	\$ 131,930,185	\$ 128,584,175	\$ 114,554,913
Local Non-Tax	7,512,251	12,052,789	12,218,781	11,625,915	10,340,515	7,455,521	6,927,550	6,376,572	6,491,558	6,875,408
State Funds, General Purpose	270,407,139	266,064,575	213,096,475	196,295,999	190,992,947	171,744,953	163,660,985	149,589,538	148,300,822	141,890,600
State Funds, Special Purpose	86,922,748	84,934,998	74,303,567	65,857,235	63,669,583	52,041,308	46,848,223	38,006,506	49,115,102	39,156,219
Federal Funds, General Purpose	361,233	331,546	330,926	291,916	339,873	337,953	372,025	439,342	408,403	359,651
Federal Funds, Special Purpose	41,332,428	36,061,387	38,083,828	38,490,182	39,358,166	37,753,336	34,480,207	38,097,163	44,733,568	52,731,623
Revenues from Other Districts	1,891,067	2,308,563	1,598,706	1,801,766	1,924,650	2,256,469	1,972,203	1,909,593	1,942,036	1,701,195
Revenues from Other Agencies	3,031,314	3,237,708	2,489,947	1,750,212	1,313,939	1,229,148	1,683,548	1,525,833	398,610	654,495
Miscellaneous	1,144,425	1,790,400	1,875,974	1,905,714	1,955,752	1,875,430	1,991,012	2,102,657	1,979,769	2,015,440
TOTAL REVENUES	554,186,807	544,517,684	495,854,954	470,462,779	455,701,712	415,892,953	391,943,760	369,977,389	381,954,043	359,939,544
EXPENDITURES										
Regular Instruction	250,947,841	237,887,291	216,251,520	209,816,178	197,149,180	178,604,394	174,589,139	170,771,737	164,008,333	160,298,122
Federal Stimulus	-	-	-	-	-	2,818	154,555	2,550,190	3,511,395	15,164,242
Special Instruction	63,633,055	63,583,104	54,509,335	50,297,078	49,211,531	46,461,341	43,958,775	42,490,710	42,051,072	41,038,872
Career & Technical Instruction	16,769,563	15,957,626	14,410,548	11,888,442	11,026,622	11,399,640	10,676,618	10,503,546	10,639,000	10,518,005
Compensatory Education	41,006,503	42,330,338	41,172,424	35,536,763	35,431,604	32,905,572	29,643,976	25,264,270	29,884,379	27,552,787
Other Instructional Programs	2,921,475	7,040,592	6,858,599	7,252,123	6,737,662	6,288,925	5,225,905	4,020,355	4,270,526	4,371,799
Community Services	9,191,096	956,012	1,062,654	661,350	602,358	553,050	517,033	398,150	428,850	485,678
Support Services	88,748,907	86,538,501	82,368,123	81,705,524	75,033,530	70,460,303	70,465,347	67,005,275	65,581,508	62,454,950
Student Activities	1,100,716	1,793,287	1,904,643	1,919,112	1,915,322	1,869,533	2,018,381	2,020,978	2,000,623	2,177,379
Capital Outlay	98,485,599	89,529,379	71,615,495	108,101,256	144,977,548	42,276,676	59,058,149	20,636,911	46,460,161	40,830,753
Debt Service:										
Interest	23,106,738	24,610,913	25,896,713	26,755,510	22,648,526	13,671,410	19,595,000	11,289,818	12,805,208	11,378,578
Principal	34,210,000	31,900,000	32,020,000	20,480,000	35,825,000	117,220,000	11,814,429	19,265,000	25,199,340	13,666,695
Bond Fees & Cost of Issuance	1,370,521	-	-	-	-	-	385,193	-	-	-
TOTAL EXPENDITURES	631,492,013	602,127,043	548,070,054	554,413,336	580,558,883	521,713,662	428,102,500	376,216,940	406,840,395	389,937,860
Excess of Revenues Over/(Under) Expenditures	(77,305,206)	(57,609,359)	(52,215,100)	(83,950,557)	(124,857,171)	(105,820,709)	(36,158,740)	(6,239,551)	(24,886,352)	(29,998,316)
OTHER FINANCING SOURCES (USES)										
Sale of Equipment & Property	249,454	135,535	89,776	90,802	34,199	130,934	113,725	779,418	45,320	1,632,226
Long-Term Financing	-	-	290,322	-	-	-	-	-	182,608	-
Sales of Bonds	-	-	-	368,275,000	80,000,000	-	98,865,000	-	-	-
Bond Premium/(Discount)	-	-	-	57,225,495	671,616	-	2,341,123	-	-	-
Bonds, Deposit to Refunding Account	(364,547,559)	-	-	(106,250,850)	94,365,000	-	(92,176,953)	-	-	-
Sale of Refunding Bonds	366,010,000	-	-	-	-	-	92,281,142	-	-	-
Total Other Financing Sources (Uses)	1,711,895	135,535	380,098	319,340,447	175,070,815	130,934	101,424,037	779,418	227,928	1,632,226
NET CHANGE IN FUND BALANCES	\$ (75,593,311)	\$ (57,473,824)	\$ (51,835,002)	\$ 235,389,890	\$ 50,213,644	\$ (105,689,775)	\$ 65,265,297	\$ (5,460,133)	\$ (24,658,424)	\$ (28,366,090)
Debt Service as a Percentage of Noncapital Expenditures	10.3%	10.5%	11.8%	10.2%	13.0%	26.6%	8.2%	8.5%	10.4%	7.1%

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	PAYMENTS FROM OTHER DISTRICTS	PAYMENTS FROM OTHER AGENCIES AND ASSOC.	TOTAL REVENUES GENERAL FUND
2011	77,928,963	178,017,671	53,091,274	6,753,411	1,701,195	387,601	317,880,115
2012	82,145,826	182,805,683	45,141,971	6,448,676	1,942,036	433,756	318,917,948
2013	82,673,927	185,471,770	38,536,505	6,294,003	1,909,593	1,440,858	316,326,656
2014	82,356,831	206,856,311	34,852,232	6,719,638	1,972,203	1,477,177	334,234,392
2015	85,484,428	221,087,202	38,091,289	6,840,586	2,256,469	1,167,044	354,927,018
2016	86,057,007	244,031,565	39,698,039	7,134,304	1,924,650	1,313,939	380,159,504
2017	87,796,591	250,024,989	38,782,098	8,007,176	1,801,766	1,745,974	388,158,594
2018	86,090,079	278,453,842	38,414,754	7,916,659	1,598,706	2,489,947	414,963,988
2019	62,385,050	348,990,158	36,392,932	8,309,871	2,308,563	2,662,857	461,049,431
2020	58,870,381	356,709,102	41,693,662	5,600,429	1,891,067	3,007,488	467,772,128

FISCAL YEAR	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	*CAPITAL PROJECTS FUNDS	TOTAL ALL FUNDS
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	391,943,760
2015	1,875,430	42,668,905	16,421,600	415,892,953
2016	1,955,752	49,643,648	23,942,808	455,701,712
2017	1,905,714	54,443,193	25,955,278	470,462,779
2018	1,875,974	55,902,872	23,112,120	495,854,954
2019	1,790,400	57,817,314	23,860,539	544,517,684
2020	1,144,425	58,888,013	26,382,241	554,186,807

* 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	INFORMATION SERVICES	PRINTING	WAREHOUSE DISTRIBUTION	OTHER SERVICES (1)	TOTAL GENERAL FUND
2011	7,969,484	259,669,149	11,749,525	9,695,602	27,512,527	5,537,598	253,769	627,326	98,401	323,113,381
2012	8,990,937	254,898,444	12,034,030	9,798,484	27,405,809	7,466,543	189,370	643,427	156,726	321,583,770
2013	9,179,047	256,119,026	12,098,331	10,460,960	27,861,182	6,914,634	270,138	613,839	158,927	323,676,084
2014	10,861,257	265,648,205	12,333,637	10,956,980	28,991,657	7,040,205	261,808	595,598	195,067	336,884,414
2015	10,490,878	276,028,667	12,153,586	10,715,596	29,486,577	7,112,404	164,486	718,166	218,324	347,088,684
2016	12,370,012	300,233,954	12,157,324	10,855,539	32,837,197	8,386,747	203,278	839,622	232,432	378,116,105
2017	14,513,677	315,544,975	12,721,572	11,546,153	34,985,091	8,551,173	302,411	831,375	190,200	399,186,625
2018	13,072,721	334,055,929	13,088,273	12,336,405	34,272,926	9,027,160	518,244	840,871	592,737	417,805,264
2019	12,828,905	367,476,686	13,186,557	14,429,612	37,379,073	7,774,532	524,080	780,496	526,571	454,906,515
2020	13,748,094	381,331,583	10,281,961	15,530,261	39,189,229	8,032,930	627,646	863,372	4,318,531	473,923,608

FISCAL YEAR	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL ALL FUNDS
FISCAL YEAR	STUDENT ACTIVITIES	DEBT SERVICE	FACILITIES CONSTRUCTION	BUS PURCHASES	TOTAL ALL FUNDS
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	376,216,939
2014	2,018,381	31,409,429	56,682,917	722,169	427,717,310
2015	1,869,533	130,891,410	40,293,016	1,571,020	521,713,663
2016	1,915,322	58,473,526	140,803,004	1,250,924	580,558,881
2017	1,919,112	47,235,510	106,072,091	-	554,413,338
2018	1,904,643	57,916,713	69,193,972	1,249,461	548,070,053
2019	1,793,287	56,510,913	87,652,222	1,264,109	602,127,045
2020	1,100,716	58,687,259	97,074,831	705,600	631,492,013

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

TACOMA SCHOOL DISTRICT No. 10
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	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS AS PERCENT OF CURRENT LEVY
2010	102,282,949	(1,038,740)	97,957,039	95.77	3,144,997	101,102,036	98.85
2011	128,588,377	(2,287,874)	123,138,650	95.76	2,803,867	125,942,517	97.94
2012	131,363,270	(608,313)	127,033,450	96.70	3,429,623	130,463,072	99.31
2013	133,664,909	(2,045,795)	129,713,798	97.04	2,802,229	132,516,027	99.14
2014	135,514,613	(633,149)	132,028,538	97.43	3,238,775	135,267,313	99.82
2015	144,988,737	(462,211)	142,031,691	97.96	3,340,228	141,569,480	97.64
2016	148,664,229	(1,684,022)	143,431,207	96.48	2,375,080	141,747,185	95.35
2017	152,134,913	(909,745)	148,772,989	97.79	2,485,614	151,258,602	99.42
2018	153,693,003	(475,864)	150,909,756	98.19	2,417,056	150,433,892	97.88
2019	124,088,180	(543,654)	121,833,335	98.18	2,194,562	124,027,897	99.95

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				STATE SCHOOL	CITY	METRO PARK	PORT OF TACOMA	COUNTY	TOTAL
		SPECIAL LEVY	SCHOOL BOND	CAPITAL PROJECTS	COURT ORDER REFUND						
2010	22,966,978,151	3.1474	1.6545	-	-	2.0674	2.9902	0.7666	0.1840	1.1599	11.9701
2011	20,129,053,134	4.0771	1.5107	0.7924	-	2.2737	3.2445	1.0872	0.1819	1.2415	14.4090
2012	18,649,828,373	4.4873	1.5914	0.9621	-	2.4079	3.6158	1.1074	0.1814	1.3721	15.7254
2013	16,863,514,338	4.8848	1.8153	1.2263	-	2.6294	4.0381	1.1513	0.1833	1.5263	17.4548
2014	17,436,065,582	4.7531	2.0883	0.9201	-	2.5271	4.0022	1.1374	0.1833	1.5046	17.1161
2015	18,827,396,929	4.6087	2.5449	0.5383	-	2.3863	3.8126	1.7959	0.1837	1.4279	17.2983
2016	20,038,528,844	4.3155	2.5950	0.5032	-	2.2339	3.8964	1.6802	0.1827	1.3785	16.7854
2017	21,882,718,200	3.9637	2.5248	0.4611	-	2.0670	3.6834	0.7073	0.1840	1.2848	14.8761
2018	24,513,501,701	3.5378	2.3252	0.4118	-	2.9068	3.3949	1.5471	0.1837	1.1832	15.4905
2019	28,112,802,280	1.5000	2.0575	0.8560	-	2.6165	3.0580	1.3599	0.1834	1.0850	12.7163

**TACOMA SCHOOL DISTRICT No. 10
PRINCIPAL PROPERTY TAX PAYERS
COMPARISON OF ASSESSED VALUATIONS
Current Year and Nine Years Ago**

TAXPAYER	TYPE OF BUSINESS	2020			2011		
		RANK	PROPERTY ASSESSED VALUE	PERCENTAGE OF TOTAL DISTRICT TAXABLE ASSESSED VALUE*	RANK	PROPERTY ASSESSED VALUE	PERCENTAGE OF TOTAL DISTRICT TAXABLE ASSESSED VALUE
Puget Sound Energy/Gas	Utilities	1	286,793,526	0.92	5	69,384,199	0.32
Tacoma Mall Partnership	Retail	2	270,194,511	0.86	1	189,027,018	0.86
Rocktekn CP LLC	Manufacturer	3	222,301,800	0.71			-
Targa Sound Terminal LLC	Energy Supplier	4	100,805,700	0.32			-
IPT Tacoma Logistics Center LLC	Real Estate	5	99,098,800	0.32			
NewCold Seattle LLC	Cold Storage	6	87,294,448	0.28			
Yareton Investment & Management (Tacoma) LLC	Real Estate	7	86,753,400	0.28			
Fairways TIC I LLC & Fairways TIC II LLC & Fairways TIC III LLC & Fairways	Real Estate	8	86,112,600	0.28			
DCT Blair Logistics Center LLC	Real Estate	9	82,072,000	0.26			
GRE Northpoint LLC	Real Estate	10	79,290,200	0.25			
Simpson Tacoma Kraft	Paper Products			-	2	81,440,861	0.37
CSC of Tacoma LLC	Correctional Services			-	3	76,024,200	0.35
AT&T Mobility LLC	Telecommunications			-	4	70,645,796	0.32
Qwest Corporation	Telecommunications			-	6	67,063,922	0.31
Simpson Lumber Company LLC	Timber			-	7	58,388,900	0.27
NGP Centennial Tacoma LLC	Real Estate			-	8	43,529,300	0.20
Legacy Partners Northshore L P	Real Estate			-	9	42,441,800	0.19
Cascade Pole Co	Lumber Products			-	10	39,503,400	0.18
			\$ 1,400,716,985	4.48		\$ 737,449,396	3.36

* Percentage of total assessed value of \$31,242,833,203

TACOMA SCHOOL DISTRICT No. 10
ASSESSED & ESTIMATED ACTUAL PROPERTY VALUE AND CONSTRUCTION
Last Ten Calendar Years

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

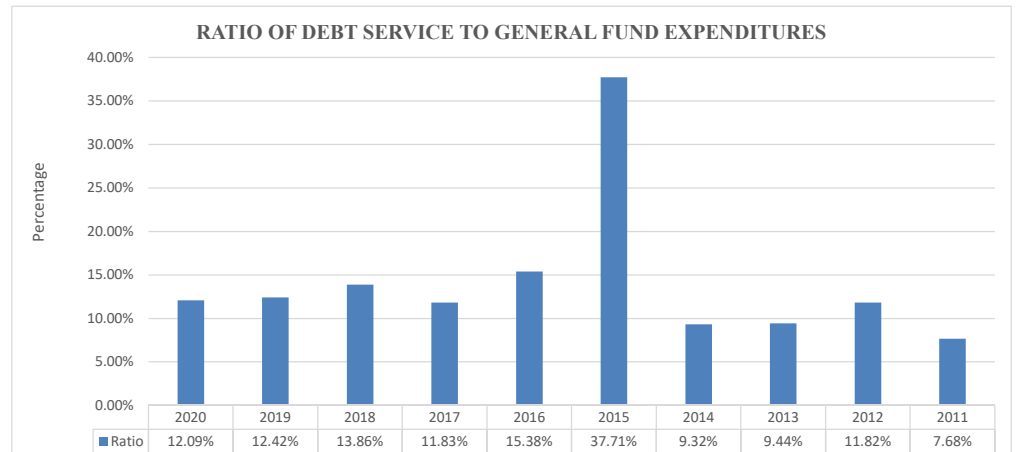
CALENDAR YEAR	ASSESSED VALUATION OF REAL PROPERTY	ESTIMATED ACTUAL TAXABLE PROPERTY	PROPERTY TAX RATE	BUILDING PERMITS			
				RESIDENTIAL UNITS	VALUE	COMMERCIAL UNITS	VALUE
2010	21,961,694,749	21,961,000,000	11.8225	908	44,535,987	630	252,177,640
2011	20,129,053,134	20,129,000,000	11.8225	1,065	62,437,154	628	189,274,033
2012	18,649,828,373	18,650,000,000	14.4090	906	49,186,682	673	257,626,062
2013	16,863,514,338	16,864,000,000	15.7254	3,420	78,204,392	1,945	254,158,007
2014	17,336,065,582	17,436,066,000	17.4548	1,418	90,668,713	1,231	295,192,283
2015	18,827,396,629	18,827,397,000	17.1161	1,525	83,409,875	1,447	261,495,508
2016	20,038,528,844	20,038,529,000	17.2983	1,156	58,160,990	1,298	452,635,118
2017	21,882,718,200	21,883,000,000	16.7854	3,385	92,297,983	1,599	683,557,174
2018	24,513,501,701	24,514,000,000	15.4905	3,179	75,798,138	1,676	618,418,710
2019	28,112,802,280	28,113,000,000	12.7163	2,878	62,772,178	1,586	485,658,589

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.

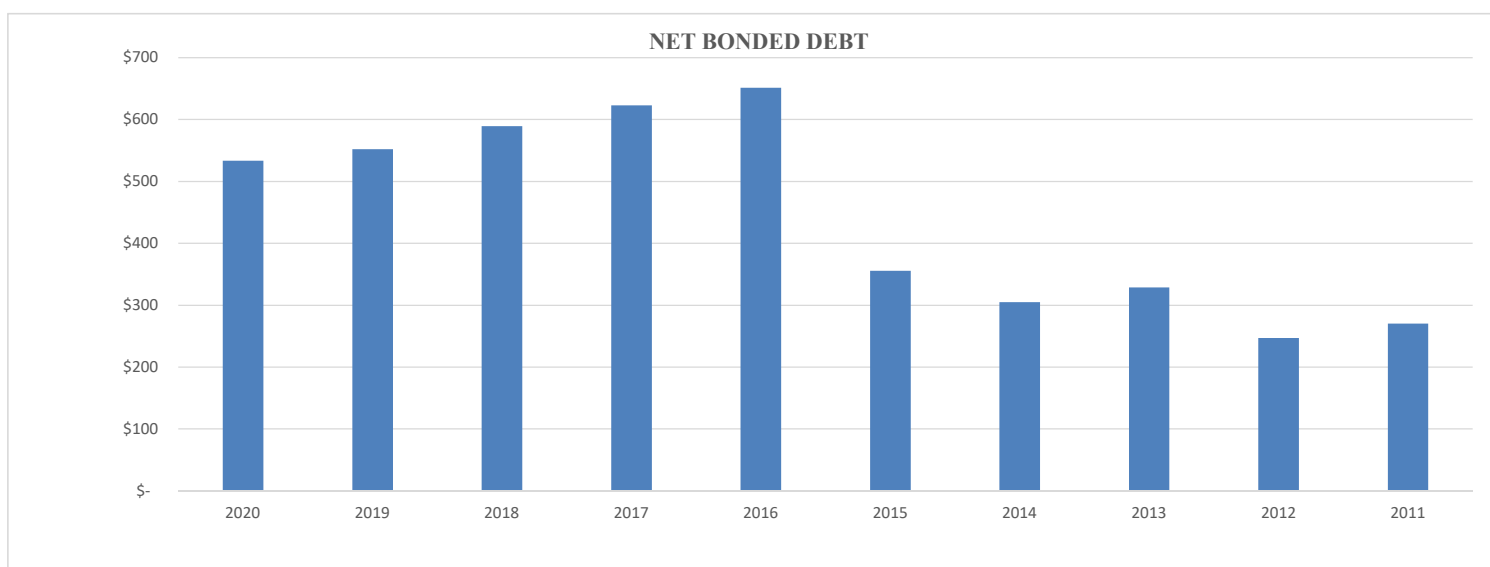
FISCAL YEAR	DEBT SERVICE FUND		TOTAL	TOTAL GENERAL FUND EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL FUND EXPENDITURES
	PRINCIPAL(1)	INTEREST(2)			
2011	11,378,578	13,421,706	24,800,284	323,113,381	7.68
2012	25,199,340	12,804,301	38,003,641	321,583,770	11.82
2013	19,265,000	11,288,147	30,553,147	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
2016	35,825,000	22,322,961	58,147,961	378,116,107	15.38
2017	20,480,000	26,754,413	47,234,413	399,186,625	11.83
2018	32,020,000	25,895,813	57,915,813	417,805,265	13.86
2019	31,900,000	24,610,913	56,510,913	454,906,513	12.42
2020	34,210,000	23,106,738	57,316,738	473,923,608	12.09

(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 TOTAL DEBT TO PERSONAL INCOME	NET BONDED DEBT PER CAPITA
2011	198,900	\$ 20,129,053,134	\$ 281,146,587	\$ 182,608	\$ 10,948,433	\$ 270,198,154	1.3423%	3.4505%	\$ 1,358.46
2012	199,600	\$ 18,649,828,373	\$ 253,987,177	\$ 146,087	\$ 7,037,999	\$ 246,949,178	1.3241%	2.8823%	\$ 1,237.22
2013	200,400	\$ 16,863,514,338	\$ 335,788,136	\$ 109,566	\$ 7,241,697	\$ 328,546,439	1.9483%	3.6517%	\$ 1,639.45
2014	200,900	\$ 17,336,065,582	\$ 314,455,500	\$ 73,045	\$ 9,374,148	\$ 305,081,352	1.7598%	3.7405%	\$ 1,518.57
2015	202,300	\$ 18,827,396,629	\$ 371,303,123	\$ 36,522	\$ 15,516,643	\$ 355,786,480	1.8897%	4.5450%	\$ 1,758.71
2016	206,100	\$ 20,038,528,844	\$ 656,408,676	\$ -	\$ 4,843,752	\$ 651,564,924	3.2516%	7.1410%	\$ 3,161.40
2017	208,100	\$ 21,882,718,200	\$ 634,912,578	\$ 425,906	\$ 12,051,435	\$ 622,861,143	2.8464%	6.5367%	\$ 2,993.09
2018	209,100	\$ 24,513,501,701	\$ 599,856,882	\$ 311,873	\$ 10,787,950	\$ 589,068,932	2.4030%	5.8322%	\$ 2,817.16
2019	211,400	\$ 28,112,802,280	\$ 564,140,299	\$ 323,798	\$ 12,094,351	\$ 552,045,948	1.9637%	5.1236%	\$ 2,611.38
2020	213,300	\$ 31,242,833,203	\$ 547,277,339	\$ 218,832	\$ 13,757,546	\$ 533,519,792	1.7077%	4.7913%	\$ 2,501.26



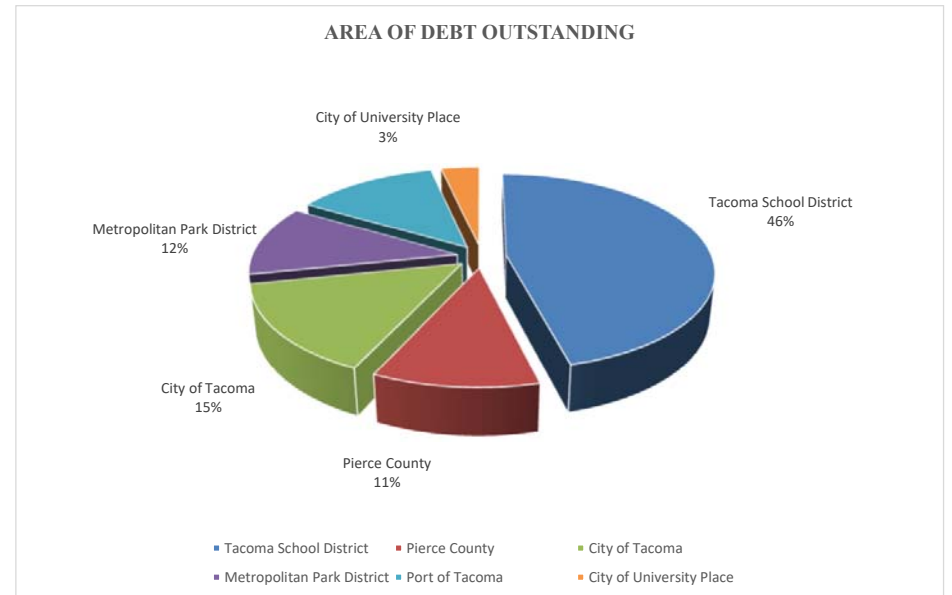
TACOMA SCHOOL DISTRICT No. 10
STATEMENT OF DIRECT AND OVERLAPPING DEBT
August 31, 2020
(Unaudited)

	AREA DEBT OUTSTANDING	PERCENT APPLICABLE DISTRICT*	DEBT WITHIN DISTRICT BOUNDARY
<u>DIRECT BONDED DEBT:</u>			
Tacoma School District	\$ 564,464,097	100.00%	\$ 564,464,097
<u>OVERLAPPING BONDED DEBT: **</u>			
Pierce County	133,125,000	27.37%	36,432,055
City of Tacoma	181,480,000	100.00%	181,480,000
Metropolitan Park District	143,045,000	100.00%	143,045,000
Port of Tacoma	159,671,000	27.37%	43,696,847
City of University Place	43,277,765	100.00%	43,277,765
TOTAL OVERLAPPING BONDED DEBT	660,598,765		447,931,667
TOTAL DIRECT AND OVERLAPPING BONDED DEBT	\$ 1,225,062,862		\$ 1,012,395,764

* 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.

** Entity report a fiscal year end

Source data: Tacoma School District AFR 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, 2020

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)		\$	117,160,625
Less:	Limited Tax G.O. Bonds		<u>-</u>

DEBT CAPACITY AVAILABLE FOR NON-VOTED DEBT	<u>117,160,625</u>
--	--------------------

BY 3/5 OF THE PEOPLE AUTHORIZATION VOTE

FOR GENERAL PURPOSES(1)

2 1/8% of Assessed Valuation (2)			663,910,206
Add:	Bond Fund Cash		12,777,649
	Bond Fund Taxes Receivable		28,674,081
Less:	Bonds Outstanding		<u>(515,965,000)</u>

BOND CAPACITY AVAILABLE FOR GENERAL PURPOSES	<u>189,396,935</u>
--	--------------------

FOR ADDITIONAL CAPITAL OUTLAY(1)

Add:	2 1/2% of Assessed Valuation		<u>781,070,830</u>
------	------------------------------	--	--------------------

BOND CAPACITY FOR ADDITIONAL CAPITAL OUTLAY	<u>781,070,830</u>
---	--------------------

UNUSED PORTION OF INDEBTEDNESS LIMIT

	<u><u>\$ 1,087,628,390</u></u>
--	--------------------------------

(1) Per 39.36.015 and 39.36.020 Revised Code Of Washington

(2) 2019 Assessment for 2020 Tax Base \$31,242,833,203 (for Bond Levy)

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit:										
Non-Voted Debt	\$ 117,160,625	\$ 105,423,009	\$ 91,925,631	\$ 82,060,193	\$ 75,144,483	\$ 70,602,737	\$ 70,628,777	\$ 69,936,856	\$ 75,483,949	\$ 82,356,355
Voted Debt/General Purposes	663,910,206	597,397,048	520,911,911	465,007,762	425,818,738	400,082,178	400,229,736	396,308,853	427,742,379	466,686,013
Voted Debt/Additional Capital Outlay	781,070,830	702,820,057	612,837,543	47,067,955	500,963,221	470,684,916	470,858,513	466,245,709	503,226,328	549,042,369
Total Debt Limit	1,562,141,660	1,405,640,114	1,225,675,085	594,135,910	1,001,926,442	941,369,831	941,717,026	932,491,418	1,006,452,656	1,098,084,737
Total Net Debt Applicable to Limit	474,513,270	441,069,249	474,275,049	506,045,681	534,262,994	374,243,020	272,993,126	297,477,633	222,734,499	235,062,291
Legal Debt Margin	\$ 1,087,628,390	\$ 964,570,865	\$ 751,400,036	\$ 588,090,229	\$ 467,663,448	\$ 644,192,852	\$ 668,724,900	\$ 635,013,786	\$ 783,718,158	\$ 863,022,446
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.38%	31.38%	38.70%	85.17%	53.32%	39.76%	28.99%	31.90%	22.13%	21.41%
Assessed Valuation (Revenue Base)	31,242,833,203	28,112,802,280	24,513,501,701	21,882,718,200	20,038,528,844	18,827,396,929	17,436,065,582	16,863,514,338	18,649,828,373	20,129,053,134



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)
2011	204,200	33,117,849	40,992	9.10%	27,828	60.00%
2012	198,900	35,232,946	44,174	8.50%	27,806	63.90%
2013	199,600	36,054,002	45,900	7.50%	27,562	63.20%
2014	200,400	36,282,818	41,855	7.20%	27,531	63.30%
2015	200,900	37,640,095	40,387	6.10%	28,011	63.50%
2016	202,300	40,228,355	44,600	6.00%	28,323	60.60%
2017	208,100	43,148,793	46,706	4.70%	28,307	58.00%
2018	209,100	46,449,056	49,214	5.30%	28,335	56.10%
2019	211,400	48,481,266	52,114	4.80%	28,678	61.47%
2020	213,300	N/A	53,572	7.50%	28,446	60.14%

(a) Office of Financial Management

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

(c) WA Regional Economic Analysis Project

(d) WA State Office of Superintendent of Public Instruction

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

N/A - Not Available

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

EMPLOYER	2020			2011		
	RANK	EMPLOYEES	PERCENTAGE OF TOTAL	RANK	EMPLOYEES	PERCENTAGE OF TOTAL
Federal Government	1	55,336	46.42	1	56,777	52.85
Local Government	2	39,151	32.84	2	29,734	27.67
MultiCare Health Systems	3	8,264	6.93	3	6,756	6.29
Franciscan Health Systems	4	5,682	4.77	4	5,507	5.13
Safeway & Albertsons	5	2,153	1.81	9	1,123	1.05
Emerald queen Casino	6	2,146	1.80	5	2,230	2.08
Fred Meyer Stores	7	1,802	1.51	8	1,301	1.21
Amazon Distribution Centers	8	1,800	1.51			
Boeing Company	9	1,550	1.30	6	1,450	1.35
Costco	10	1,318	1.11	10	1,115	1.04
Wal-Mart				7	1,447	1.35
		119,202	100.00		107,440	100.00

TACOMA SCHOOL DISTRICT No. 10
MISCELLANEOUS STATISTICS
CITY OF TACOMA
Calendar Year 2019
(Unaudited)

Year Incorporated (Tacoma School District)	1878
Population (City of Tacoma)	213,300
Total Personal Income (Pierce County)	48,481,266
Land Area	62.34 Square Miles
Average Rainfall	39.2 Inches
Average Temperature Summer	62.0 F.
Average Temperature Winter	45 F.
Number of Police Stations	6
Number of Fire Stations	15
Number of Hospitals	6
Number of City Operated Public Libraries	9 Branches
Number of Museums	14

TACOMA SCHOOL DISTRICT

Schools	Elementary	36
	Middle	11
	High	8
	Alternative Learning Sites	12
Students	Elementary (Grades K-5)	13,447
	Middle School (Grades 6-8)	6,764
	High School (Grades 9-12)	7,550
	Alternative Learning Sites	685
Average FTE (District Total)		28,446

OTHER SCHOOLS

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

RECREATION - CITY OWNED

Parks	59
Tidelands	6
Swimming Pools	5
Golf Courses, including Disk Golf (Public)	5
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 Annual Financial Report:

ACCOUNTING SERVICES

Karlyn Shannon

Alice Shaw

Elizabeth Panameno

Ginny Adams

Mimi Nguyen

FINANCE

Rob Bryant

Allison Deskins

Robin Mason

Anne Cumings

ART WORK

McGranahan Architects with photos provided by TPS Staff

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

Program Description	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Regular Instruction										
Certificated	1,506.893	1,527.844	1,494.141	1,512.640	1,472.944	1,442.091	1,439.104	1,414.586	1,400.864	1,446.442
Classified	231.701	256.636	262.968	254.347	235.526	227.078	226.575	224.991	217.115	147.552
Federal Stimulus										
Certificated	-	-	-	-	-	-	-	22.969	32.355	62.683
Classified	-	-	-	-	-	-	-	0.724	2.676	90.732
Special Instruction										
Certificated	307.723	315.752	329.520	329.229	310.027	307.455	307.277	300.301	303.773	301.980
Classified	185.118	190.461	172.389	184.401	181.674	177.653	169.289	165.316	175.023	181.176
Career & Technical Instruction										
Certificated	107.882	107.596	107.392	96.214	94.569	89.192	94.557	100.814	97.850	94.004
Classified	11.137	13.452	7.010	7.160	7.967	7.023	7.876	7.261	8.876	7.876
Compensatory Instruction										
Certificated	196.833	206.266	209.176	199.985	197.229	190.169	157.102	149.498	171.298	158.048
Classified	78.570	79.782	76.535	77.978	82.242	82.057	88.582	83.580	94.381	99.365
Other Instructional Programs										
Certificated	23.664	22.596	15.756	21.096	18.800	22.332	16.726	14.400	16.270	15.506
Classified	28.963	29.896	18.276	17.586	12.277	15.087	14.016	13.459	16.067	14.848
Other Community Services										
Classified					-	-	-	-	-	0.688
Support Services										
Certificated	2.500	2.500	4.000	3.000	3.000	2.000	3.000	2.000	2.000	2.000
Classified	369.963	392.591	428.679	406.074	387.902	375.505	368.312	354.468	354.244	353.312
Food Services										
Classified	96.929	98.069	96.929	96.497	95.483	102.484	102.049	105.758	103.536	106.439
Transportation										
Classified	56.336	45.911	46.764	45.419	43.198	41.883	42.490	38.865	41.079	40.991
Planning & Construction (CPF)										
Certificated	8.500	8.500	8.000	10.000	8.000	6.000	8.000	3.000	2.000	2.100
Classified	50.371	55.019	35.390	27.952	32.163	31.003	31.079	16.308	16.650	18.263
TOTAL	3,263.083	3,352.871	3,312.925	3,289.578	3,183.001	3,119.012	3,076.034	3,018.298	3,056.057	3,144.005

TACOMA SCHOOL DISTRICT No. 10
CERTIFICATED INSTRUCTIONAL STAFF STATISTICS
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 (2)
2020	2,022	N/A	85,469	7,829	14.10	58.4%
2019	2,044	N/A	82,215	6,824	14.10	57.4%
2018	2,023	35,906	55,412	20,447	14.10	58.0%
2017	2,034	35,260	54,092	19,575	13.80	63.4%
2016	1,977	34,571	53,405	17,711	14.20	61.9%
2015	1,938	33,679	52,152	15,696	14.50	62.8%
2014	1,909	33,761	52,829	15,933	14.90	62.7%
2013	1,883	33,255	52,228	15,673	14.40	60.0%
2012	1,903	33,328	52,282	15,229	12.90	60.0%
2011	1,944	34,003	53,060	15,887	13.10	57.6%

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

(2) From OSPI Washington State Report Card

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

YEAR	EXPENSES (1)	AVERAGE FTE ENROLLMENT (2)	COST PER PUPIL	PERCENTAGE CHANGE	CLASSROOM TEACHERS (3)	PUPIL/TEACHER RATIO
2011	374,981,567	27,806	13,486	26.71	1,672	16.63
2012	364,479,546	27,562	13,224	(1.94)	1,810	15.23
2013	369,062,612	27,531	13,405	1.37	1,619	17.00
2014	387,248,476	28,011	13,825	3.13	1,802	15.54
2015	396,890,383	28,323	14,013	1.36	1,842	15.38
2016	454,501,984	28,344	16,035	14.43	1,689	16.78
2017	465,881,764	28,307	16,458	2.64	1,722	16.44
2018	465,804,482	28,335	16,439	(0.12)	1,733	16.35
2019	512,366,864	28,678	17,866	8.68	1,686	17.01
2020	540,474,860	28,446	19,000	6.35	1,748	16.27

(1) Tacoma School District AFR 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, 2020

PROPERTY	LOCATION	YEAR BUILT	YEAR OF ADDITION/ MODERNIZATION	SQUARE FOOTAGE	ACREAGE
HIGH SCHOOLS					
Foss	2112 S. Tyler St.	1972	2005	256,013	34.29
Lincoln	701 S. 37th St.	1913	1956, 1967, 1973, 1979, 1997, 2007	280,334	25.15
Mount Tahoma	4634 S. 74th St.	2004		277,912	86.00
Stadium	111 North E St.	1912	1974, 2006	295,792	9.81
Wilson	1202 N. Orchard St.	1958	1968, 2006, 2016, 2017	252,037	41.20
Oakland	3319 S. Adams St.	1912	1958	34,276	2.95
IDEA-Park Avenue Center	6701 Park Ave.	1912	Bldg 1949 Covered Play 1963	44,613	6.32
SAMI-Environmental Learning Center	5715 Animal Loop Road	2017		30,411	
School of the Arts-9th & Broadway	302 South 9th Street	1964	1988, 2018	43,832	0.35
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
MIDDLE SCHOOLS					
Baker	8320 S. I St.	2011		119,594	13.57
First Creek	1801 E. 56th St.	2009		119,861	37.41
Giaudrone	4902 S. Alaska St.	2003		119,402	15.54
Gray (New)	6229 S. Tyler	2008		116,872	15.09
Hunt	6501 S. 10th St.	1957	1964, 1968, 1974	112,321	24.83
Jason Lee	602 N. Sprague Ave.	1923	1964, 2001	127,053	8.37
Mason	3901 N. 28th St.	1925	1951, 1963, 1979, 2003	114,869	7.92
Meeker	4402 Nassau Ave NE	1991	2002	103,588	40.00
Stewart	5010 Pacific Ave.	1924	1963, 1973, 2016	132,071	7.29
Truman	5801 N. 35th St.	1999		124,750	13.00
ELEMENTARY SCHOOLS					
Arlington	3002 S. 72nd St.	2017		55,944	6.30
Birney	7827 South Sheridan	2020	1961	68,414	8.70
Blix	1302 E. 38th St.	2002		62,028	8.80
Boze	1140 E. 65th St.	2020		55,918	14.57
Browns Point	1526 - 51st. St. NE	2018		60,331	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.	2019	2019	52,098	3.51
Hoyt Early Learning Center	2708 N. Union Ave.	1959		7,495	0.76
Jefferson	4302 N. 13th St.	2003		60,440	3.55

TACOMA SCHOOL DISTRICT No. 10
BUILDINGS & PROPERTIES
August 31, 2020

PROPERTY	LOCATION	YEAR BUILT	YEAR OF ADDITION/ MODERNIZATION	SQUARE FOOTAGE	ACREAGE
ELEMENTARY SCHOOLS, continued					
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.	2018		58,146	3.02
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	2016	79,215	5.79
McCarver Primary	2141 South J St.	1961		17,376	
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
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
Wainwright Intermediate School	130 Alameda Ave.	2016		65,991	7.13
Washington	3701 N. 26th St.	2014		60,298	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 BUILDINGS AND SITES					
Building & Grounds	3223 S. Union Ave.	1940	1965	72,428	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
Old BrownsPoint Bldg		1952		23,965	
Madison - Head Start Use	3102 S. 43rd St.	1924	1958, 1968	29,966	9.00
Transportation (Acres in Madison)	4002 South Cedar	1992		4,084	In Madison
Willie Stewart Academy	1818 Tacoma Ave.	1919	1966	5,985	0.45
Willard	3201 South D St.	1951		25,743	1.86
9th & Broadway Parking Garage	909 Market Street	1919	1960	45,271	0.28
Tone Center	3611 South G Street	1964	1986	2,602	0.22
Professional Development Ctr	6501 N. 23rd St.	1950	1963, 1968, 1979, 2003	78,849	19.80
VACANT SITES					
Gault	1115 E. Division Lane	1925	1952, 1973, 1979	109,582	7.20
Gray (old)	3109 S. 60th St.	1924	1943, 1952, 1963, 1973, 1974	18,590	7.49
McKinley	3702 McKinley	1908	1910, 1954, 1958, 1967	53,876	2.44
TOTALS				5,587,863	1,022.81



www.tacomaschools.org

Board of Directors

Scott Heinze, President

Andrea Cobb, Vice President

Lisa Keating

Enrique Leon

Elizabeth Bonbright

Carla J. Santorno, Superintendent

<p>CAMBODIAN</p> <p>ផ្ញើភ្ជាប់មកជាមួយនេះគឺជាឯកសារដ៏សំខាន់មកពីសាលារៀនរបស់កូនអ្នក ។ សូមមេត្តារកគេជួយបកប្រែឯកសារនេះឲ្យអ្នក ។ សូមអរគុណ ។</p>	<p>LAOTIAN</p> <p>ຂັດຕິດມາພ້ອມນີ້ແມ່ນເອກະສານສຳຄັນ ຈາກໂຮງຮຽນຂອງລູກທ່ານ. ກະລຸນາຮັບເອົາເອກະສານຊຶ່ງພວກເຮົາໄດ້ແປໃຫ້ທ່ານແລ້ວນີ້ໄວ້ດ້ວຍ. ຂອບໃຈ.</p>	<p>SPANISH</p> <p>Adjunto encontrará un documento importante de la escuela de su hijo/a. Si corresponde, sírvase pedir que se lo traduzcan. Muchas gracias.</p>
<p>KOREAN</p> <p>귀댁 자녀의 학교에서 보내 드리는 본 서류는 중요합니다. 자녀에게 서류에 있는 내용을 설명해 달라고 하십시오. 감사합니다.</p>	<p>RUSSIAN</p> <p>В приложении Вы найдете важный документ из школы, где учится Ваш ребенок. Пожалуйста, попросите, чтобы Вам его перевели. Спасибо!</p>	<p>VIETNAMESE</p> <p>Kèm theo đây là giấy tờ quan trọng của nhà trường con em quý vị. Xin hãy nhờ người giải thích những giấy tờ này cho quý vị. Cám ơn.</p>
<p>Attached is an important document from your child's school. Please have this document translated for you. Thank you.</p>		

TTacoma Public Schools 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 trained dog guide or service animal and provides equal access to the Boy Scouts and other designated youth groups.

The following employees have been designated to handle questions and complaints of alleged discrimination:
Civil Rights Coordinator: Lisa Nolan, lnolan@tacoma.k12.wa.us, 253-571-1252;
Title IX Coordinator: Eric Hogan, ehogan1@tacoma.k12.wa.us, 253-571-1191;
504 Coordinator: Elementary, Tracye Ferguson, afergus@tacoma.k12.wa.us, 253-571-1096;
504 Coordinator: Secondary, Jon Bell, jbelle2@tacoma.k12.wa.us, 253-571-1225.
Mailing address: P.O. Box 1357, Tacoma, WA 98401-1357.

