

2022-2023 Third Quarter Financial Report

September 1, 2022 - May 31, 2023

(Unaudited)

Tacoma School District No. 10

P.O. Box 1357 • Tacoma, Washington 98401-1357 • 253-571-1000

2022-2023

THIRD QUARTER FINANCIAL REPORT
for
TACOMA PUBLIC SCHOOLS

Financial Operations through: May 31, 2023

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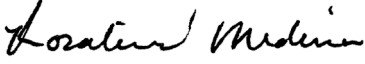
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Joshua Garcia, Ed. D.
Superintendent

Rosalind Medina
Chief Financial Officer

Report Prepared by Finance Department
Allison Deskins, Senior Financial Analyst

Date: June 27, 2023
To: Board of Directors
From: Rosalind Medina, Chief Financial Officer 
Re: Third Quarter Unaudited Financial Report 2022-23

INTRODUCTION

This financial report is broken down into the following sections:

- I. Financial Analysis
- II. Enrollment and Staffing Information
- III. General Fund
- IV. Associated Student Body Fund
- V. Capital Projects Fund
- VI. Transportation Vehicle Fund
- VII. Debt Service Fund
- VIII. Appendixes

The intent of Section I, Financial Analysis, is to provide a summary of the financial operation of the general fund for the first nine months of the fiscal year. Current data is compared to the previous year. This section also provides information on the projected year-end financial position of the district and summary information for some major programs.

Financial statements for the general fund and all other funds are found in each fund's section as listed above.

GENERAL FUND SUMMARY

Table 1 compares financial operating results from September 1, 2022 through May 31, 2023 with information through the time frame for Fiscal Year 2021-22. Specific variances are explained in the body of this report.

Table 1

General Fund Comparison for the fiscal period ended			Variance Higher/(lower)	
	May 31, 2022	May 31, 2023		
Beginning Fund Balance	\$ 56,066,371	\$ 44,334,490	\$ (11,731,881)	
Revenue	357,579,773	390,521,468	32,941,695	
Other Financing Sources	154,631	118,105	(36,526)	
Total Resources Available	413,800,775	434,974,063	21,173,288	
Expenditures	377,335,610	418,658,295	41,322,685	
Other Financing Uses	-	-	-	
Total Use of Resources	377,335,610	418,658,295	41,322,685	
Ending Fund Balance	\$ 36,465,165	\$ 16,315,768	\$ (20,149,398)	

REVENUE and OTHER FINANCING SOURCES

COMPARISON OF CURRENT YEAR VS. PREVIOUS YEAR ACTUAL

General fund revenue and other financing sources for the third quarter were \$390,639,573. This was \$32,905,170 (+9.2%) more than last year at this time. This variance was due to a combination of changes in the nine sources of revenue and is described in the following paragraphs. Revenue from all nine sources and the increases or decreases from last year are summarized in **Table 2**.

Table 2

Revenue and Other Financing Sources Comparison by Year					
Revenue Source	Through May 2022	Percent of Total	Through May 2023	Percent of Total	Variance higher/(lower)
Local Taxes	\$ 72,586,769	20.29%	\$ 74,091,533	18.97%	\$ 1,504,764
Local Non-Tax	3,055,369	0.85%	3,465,514	0.89%	410,145
State, General Purpose	183,864,906	51.40%	195,032,968	49.93%	11,168,062
State, Special Purpose	53,998,735	15.09%	59,608,753	15.26%	5,610,018
Federal, General Purpose	330,470	0.09%	322,302	0.08%	(8,168)
Federal, Special Purpose	40,939,332	11.44%	54,213,920	13.88%	13,274,588
Revenue - Other Districts	1,520,248	0.42%	2,311,837	0.59%	791,589
Revenue - Other Agencies	1,283,944	0.36%	1,474,641	0.38%	190,697
Revenue - Other Financing	154,631	0.04%	118,105	0.03%	(36,526)
Total Revenue	\$ 357,734,404	100.00%	\$ 390,639,573	100.00%	\$ 32,905,170

Local Tax revenues consist of tax receipts from the educational programs and operations levies. In February 2022, Tacoma voters approved a levy that would allow the district to collect \$77,500,000 in the 2022-23 school year. Local tax revenues increased \$1,504,764 (+2.1%) compared to this time last year. The variance reflects an increase in the levy base used to calculate the 2022 levy versus the 2021 levy; thereby, increasing the actual revenue from year to year.

Local non-tax revenue consists of student lunch receipts, sales from vocational programs, tuition for summer school, interest earned from the investment of available cash, and several other small sources.

Revenue in this category increased \$410,145 (+13.4%) compared to this time last year. This variance was the result of the following:

- \$875,810 increase in investment earnings
- \$438,077 decrease in revenue collected from tuition based programs
- \$230,303 decrease in timber sales
- \$212,653 increase in unassigned local support
- The remaining difference is due to smaller variances in several other programs

State, General Purpose revenue comes from apportionment and is the revenue received through a state funding formula that is based on the average number of students enrolled which drives the number of staff allocated to the district. The funding formula is designed to ensure that each school district receives a minimum amount of funding per student, known as the basic education allocation. This allocation is set by the state legislature and is adjusted annually to account for changes in enrollment and inflation. Starting in the 2018-19 school year, the formula also includes a supplemental regionalization factor which is based on local housing cost factors.

Revenue in this category increased \$11,168,062 (+6.1%) compared to this time last year. This variance was the result of the following:

- Total apportionment revenue increased \$11,168,062 from last year at this time due to a projected increase of 242 Basic Ed (K-12) FTE from last year.

For more information on enrollment by grade or program see **ENROLLMENT and STAFFING**, Section II, of this report for more detail.

State Special Purpose revenue includes funding for the following programs: Special Education, Learning Assistance, Institutions for Juvenile Delinquents, Transitional Bilingual Education, Highly Capable, Child Nutrition Services and Transportation. The state supports each program based upon the district's total student enrollment or on a funding formula for the students receiving services from specific programs. This category also includes funds for one-time allocations or special grant activities.

This revenue category fluctuates from year to year and budget capacity of \$6 million was included to allow for any additional allocations or grant awards. Program managers are given expenditure authority only for the revenue that will actually be received; so variances from the budgeted revenue should not have a negative impact on the district's basic education budget. For specific information on a particular program see **Appendix C, Grant Activity**.

Revenue in this category increased \$5,610,018 (+10.4%) compared to this time last year. This variance is the result of the following:

- \$2,020,417 increase in support for the Special Education program
- \$1,298,110 increase in Nutrition Services revenue
- \$1,178,451 increase in Learning Assistance funding
- \$494,401 increase in funding for special & pilot programs
- The remaining difference is due to smaller variances in several other programs

Federal, general purpose revenue includes federal general-purpose grants for ROTC – Army, Navy, Air Force and Marines as well as revenue from the distribution of federal forest fees.

Revenue in this category decreased \$8,168 (-2.5%) compared to this time last year.

Federal, special purpose revenue is provided by the federal government to support programs for special needs students such as students with disabilities, students with limited English skills, and low income students needing help with reading and math. This category also includes funds to provide free and reduced lunch and breakfast programs for low-income students. Expenditures for programs in this category are limited to revenue received so variances from budgeted revenue should not have a negative impact on the district's budget. For specific information on a program see **Appendix C, Grant Activity**.

Combined revenues in this category increased \$13,274,588 (+32.4%) compared to this time last year. This variance is the result of the following:

- \$17,658,467 increase in support through Elementary and Secondary School Relief (ESSER)
- \$7,944,498 decrease in funding supplied through the Coronavirus State and Local Fiscal Recovery Fund (SLFRF)
- \$1,603,352 increase in funding for the Head Start program
- \$1,143,735 increase in Individuals with Disabilities Education Act (IDEA) American Rescue Plan (ARP) supplemental funds
- The remaining variance is due to smaller variances in several other programs

Revenue – Other Districts are reimbursements for services rendered to students from other school districts. Revenues in this category increased \$791,589 (+52.1%) compared to this time last year. This variance is due to an increase of non-resident FTE from last year.

Revenue – Other Agencies consists of funding from education service districts, other governmental entities and private foundations.

Revenue in this category increased \$190,697 (+14.9%) compared to this time last year. This variance is due to an increase in day care revenue.

Revenue from other financing includes revenue from the sale of equipment and the transfer of revenues from other funds.

Revenue in this category decreased \$36,526 (-23.6%) compared to this time last year.

COMPARISON OF BUDGET VS. PROJECTED

Table 3 compares budgeted and projected revenues and other financing sources for 2022-23. Projected revenue is \$533,195,077 which is \$38,257,696 (-6.7%) under budget.

Table 3

Revenue Source	<u>Revenue and Other Financing Sources</u>				
	Budget	Percent of Total	Projected	Percent of Total	Variance over/(under)
Local Taxes	\$ 76,499,727	13.39%	\$ 76,376,739	14.32%	\$ (122,988)
Local Non-Tax	10,785,178	1.89%	5,427,292	1.02%	(5,357,886)
State, General Purpose	277,223,526	48.51%	273,941,229	51.38%	(3,282,297)
State, Special Purpose	109,958,350	19.24%	89,551,279	16.80%	(20,407,071)
Federal, General Purpose	559,666	0.10%	398,508	0.07%	(161,158)
Federal, Special Purpose	89,564,712	15.67%	77,339,593	14.50%	(12,225,119)
Revenue - Other Districts	1,885,009	0.33%	2,311,837	0.43%	426,828
Revenue - Other Agencies	1,976,604	0.35%	2,664,372	0.50%	687,768
Revenue - Other Financing	3,000,000	0.52%	5,184,228	0.97%	2,184,228
Total Revenue	\$ 571,452,772	100.00%	\$ 533,195,077	100.00%	\$ (38,257,696)

Local Tax revenue is projected to be \$122,988 (-0.2%) below budget. This is due to a lower collection rate than what was originally budgeted.

Local Non-Tax revenue is projected to be \$5,357,886 (-49.7%) below budget. This variance is the result of the following:

- \$3,287,084 projected decrease in unassigned local support non-tax
- \$946,437 projected decrease from student fees
- \$700,000 projected decrease in indirects from the Capital Projects Fund
- \$391,657 projected decrease from budget from the sale of district supplies and services
- The remaining variance is due to smaller variances in several other programs

State General Purpose revenue is projected to be \$3,282,297 (-1.2%) below budget. This variance is the result of the following:

- \$4,162,382 projected decrease in Basic Education apportionment funding due to enrollment being about 404 FTE less than budgeted
- \$880,085 projected increase in Special Education apportionment due to higher than anticipated enrollment

State Special Purpose revenue is projected to be \$20,407,071 (-18.6%) under budget. This variance is the result of the following:

- \$12,904,957 projected decrease from budget in state funded nutrition service revenue due to the budgets at the federal and state levels being interchanged.
- \$5,917,967 projected decrease from budget due to grant capacity that will be used, but moved to their respective programs through accounting transactions
- \$1,775,649 projected decrease from budget for Transportation funding
- The remaining variance is due to smaller variances in several other programs

Federal General Purpose revenue is projected to be \$161,158 (-28.8%) below budget. This is due to a lower collection rate than what was originally budgeted.

Federal Special Purpose revenue is projected to be \$12,225,119 (-13.7%) below budget. This variance is the result of the following:

- \$24,983,739 projected decrease in community services ESSER (Elementary and Secondary School Emergency Relief) revenue in response to the COVID-19 pandemic. The remaining balance of this award will be used in the 2023-24 school year.
- \$11,952,743 projected increase from budget in federally funded nutrition service revenue due to the budgets at the federal and state levels being interchanged.
- \$1,159,690 projected decrease in supplemental special education revenue
- The remaining variance is due to smaller variances in several other programs

Revenue from other districts is projected to be \$426,828 (+22.6%) above budget. This variance is the result of the following:

- \$421,887 projected increase in Special Education revenues due to a higher than anticipated enrollment of non-resident FTE
- The remaining variance is due to smaller variances in several other programs

Revenue from other agencies is projected to be \$687,768 (+34.8%) above budget. This variance is the result of the following:

- \$412,927 projected increase in tuition collected for day care services
- \$297,179 projected increase in grants funded through private foundations and government entities
- The remaining variance is due to smaller variances in several other programs

Revenue from other financing sources is projected to be \$2,184,228 (+72.8%) above budget. This variance is the result of the following:

- \$2,000,000 projected increase from the year-end transfer of funds from the capital projects fund
- The remaining variance is due to smaller variances in several other programs

EXPENDITURES

COMPARISON OF CURRENT YEAR VS. PREVIOUS YEAR ACTUAL

General fund expenditures through the third quarter were \$418,658,295. This was an increase of \$41,322,685 (+11.0%) from last year at this time. Expenditures by object and variances from the previous year are summarized in **Table 4**.

Table 4

<u>Expenditure and Other Financing Uses Comparison by Year</u>					
Expenditure Objects	Through May 2022	Percent of Total	Through May 2023	Percent of Total	Variance higher/(lower)
Certificated Salaries	\$ 177,496,695	47.04%	\$ 191,710,320	45.79%	\$ 14,213,625
Classified Salaries	61,408,721	16.27%	68,301,948	16.31%	6,893,227
Employee Benefits	86,256,896	22.86%	93,575,232	22.35%	7,318,336
Supplies and Materials	14,445,630	3.83%	22,989,040	5.49%	8,543,410
Contractual Services	36,188,077	9.59%	39,041,906	9.33%	2,853,829
Local Mileage & Travel	179,862	0.05%	337,411	0.08%	157,549
Capital Outlay	1,359,731	0.36%	2,702,438	0.65%	1,342,707
Total Expenditures	\$ 377,335,610	100.00%	\$ 418,658,295	100.00%	\$ 41,322,685

Certificated Salaries consist of compensation including, but not limited to, regular salaries, substitutes, extended contracts, extra work for extra pay and training for employees holding an educational certificate (e.g., teachers, principals, librarians, etc.).

Expenditures in this category increased \$14,213,625 (+8.0%) compared to this time last year. This variance is the result of the following:

- \$12,135,763 increase in regular salaries due to negotiated salary increases, including +7.5% increase for teachers
- \$1,666,811 increase in substitutes salaries
- \$960,000 decrease in certificated optional days

- \$728,382 increase in extra work and supplemental days
- \$541,354 increase in class coverage
- The remaining difference is due to smaller variances in several other programs

Classified Salaries consist of compensation costs for employees who do not hold an educational certificate (e.g., secretarial, technical, custodial, etc.) including but not limited to regular salaries, staff development, training and extra work for extra pay.

Expenditures in this category increased \$14,213,625 (+%) compared to this time last year. This variance is the result of the following:

- \$5,844,118 increase in regular salaries due to negotiated salary increases, including +8.5% for Education Support Professionals and Office Professionals and +7.5% increase for Professional Technicals and Bus Drivers
- \$2,124,891 decrease in extra-work & extra-time pay
- \$1,982,425 increase in classified overtime pay
- \$629,756 increase in staff development
- The remaining difference is due to smaller variances in several other programs

Employee Benefits consist of expenditures for the district's portion of employee benefits (e.g., retirement, social security, health insurance, etc.). This category increases or decreases in proportion to the number of staff, salaries and changes in benefit rates. Expenditures in this category increased \$7,318,336 (+8.5%) compared to this time last year.

Supplies and Materials consist of expenditures for supplies, instructional materials, and equipment costing less than \$5,000.

Expenditures in this category increased \$8,543,410 (+59.1%) compared to this time last year. This variance is the result of the following:

- \$7,511,081 increase in technology related supplies, including the purchase of new student laptops
- \$1,051,675 increase in food related costs
- \$450,401 increase in books & periodicals, including the purchase of iReady math curriculum
- \$428,933 decrease in general district-wide supplies
- The remaining difference is due to smaller variances in several other programs

Contractual Services expenditures consist of payments for services rendered to the district under expressed or implied contracts, with the exception of travel. This includes items such as the contract for student transportation, utilities, copier leases, consultants, auditors, insurance, etc.

Expenditures in this category increased \$2,853,829 (+7.9%) compared to this time last year. This variance was the result of the following:

- \$1,480,005 increase in various district-wide contracted services
- \$1,204,895 decrease in contracted transportation services due to a timing difference in payments made this year vs last year
- \$842,231 increase in communication services, including online subscription curriculum for math, social studies and literacy
- \$646,354 increase in insurance payments
- \$594,488 increase in repairs and maintenance
- The remaining variance is due to smaller variances in several other programs

Local Mileage & Travel consists of expenditures for local mileage and extended travel for both district staff and students.

Expenditures in this category increased \$157,549 (+87.6%) compared to this time last year. This variance is due to an increase in district-wide staff and student travel.

Capital Outlay expenditures consist of payments for items costing more than \$5,000 each and are not consumable by nature.

Expenditures in this category increased \$1,342,707 (+98.8%) compared to this time last year. This variance was the result of the following:

- \$1,382,005 increase in building construction expenses
- The remaining variance is due to smaller variances in several other programs

Comparison of Budget vs. Projected

Table 5 compares budgeted and projected annual expenditures in each object category for 2022-23. The total expenditures are projected to be \$555,671,606 which is \$42,872,378 (-7.2%) below budget.

Table 5

Expenditure Objects	Projected Expenditures		Percent of Total	Percent of Total	Variance (over)/under
	Budget	Projected			
Certificated Salaries	\$ 257,896,247	\$ 256,201,813	43.09%	46.11%	\$ 1,694,434
Classified Salaries	91,565,148	91,069,264	15.30%	16.39%	495,884
Employee Benefits	123,491,209	124,766,976	20.63%	22.45%	(1,275,767)
Supplies and Materials	51,187,075	27,635,455	8.55%	4.97%	23,551,620
Contractual Services	71,501,112	51,235,799	11.95%	9.22%	20,265,313
Local Mileage & Travel	837,111	336,751	0.14%	0.06%	500,360
Capital Outlay	2,066,082	4,425,548	0.35%	0.80%	(2,359,466)
Total Expenditures	\$ 598,543,984	\$ 555,671,606	100.00%	100.00%	\$ 42,872,378

Certificated and Classified Salaries are projected to be \$1,694,434 (-0.7%) and \$495,884 (-0.5%) below budget, respectively. Much of the underspend comes from the reduced need for compensated absences and extra-work.

Employee Benefits are projected to be \$1,275,767 (+1.0%) above budget. This variance is the result of the following:

- Benefits increase or decrease in proportion to salaries, the number of employees, and changes in benefit rates. The projected overspend in benefits are attributed to additional employee benefits provided through the employee assistance program that will cost more than what was originally budgeted.

Supplies and Materials are projected to be \$23,551,620 (-46.0%) under budget. This variance is the result of the following:

- \$33,094,173 projected savings in general district-wide supplies & materials. This amount includes ESSER capacity that will be used in the 2023-24 school year.
- \$7,233,087 projected overspend in technology related supplies
- \$2,435,103 projected overspend in district-wide food costs
- The remaining variance is due to smaller variances in several other programs

Contractual Services are projected to be \$20,265,313 (-28.3%) below budget. This variance is the result of the following:

- \$18,172,748 projected savings in general district-wide purchased services, including intentional reserves in the supplemental allocations account established to offset some of the overspend in other categories as well as ESSER capacity that will be used in the 2023-24 school year.
- \$1,244,533 projected underspend in district-wide insurance charges
- \$1,262,174 projected savings in utility services
- The remaining variance is due to smaller variances in several other programs

Local Mileage and Travel expenditures are projected to be \$500,360 (-59.8%) below budget. This savings is a result of lower spending on local mileage costs and overnight travel.

Capital Outlay expenditures are projected to be \$2,359,466 (+114.2%) above budget. This overspend is a result of an increase in building construction and renovations paid through the general fund.

FUND BALANCE

The district implemented Government Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definition* starting with the 2010-11 fiscal year. The following are the fund balance designations for the governmental funds financial statements:

- **Nonspendable** accounts represent those portions of the fund balance that cannot be spent either because they are not in a spendable form, (e.g., inventories and prepaid items) or are legally required to be maintained intact, (e.g., trust principal).
- **Restricted** accounts represent those amounts that are restricted to specific purposes. These restrictions may be either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** accounts represent those amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the board of directors. These committed fund balances cannot be used for any other purposes unless the board takes action to change or remove the original limitations. Reserves for debt and fiscal management, encumbrances, and contingencies are reported here.
- **Assigned** fund balance accounts comprise amounts the district intends to use for a specific purpose. Authority for making these assignments rests with senior administration of the district.
- **Unassigned** fund balance includes all resources not reported in the other four classifications. These resources are the only ones that are truly available for any purpose.

Fund balance is the excess of assets of a governmental unit over its liabilities (i.e., beginning fund balance plus revenues, less expenditures and transfers, equals ending fund balance). In accordance with Government Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definition* are as follows: Nonspendable, Restricted, Committed, Assigned or Unassigned. Funds that are designated for a specific purpose are placed in fund balance accounts per the Board's Debt and Fiscal Management Policy 6015 and generally accepted accounting principles (GAAP). The Debt and Fiscal Management Regulation targets the fund balance at 5% of general fund revenues less other financing sources at year-end, and for the month of May, the district is at 2.87%. These fund balance accounts are structured to facilitate the prudent fiscal operation of the district. These accounts should remain at the designated levels unless there is substantial change in the district's operational requirements. The accounts are frequently reviewed in relation to board policies and GAAP requirements.

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Table 6 shows a comparison of the fund balance accounts as of May 31, 2022 and May 31, 2023. The fund balance fluctuates with both the receipt of revenues and the flow of expenditures.

Table 6

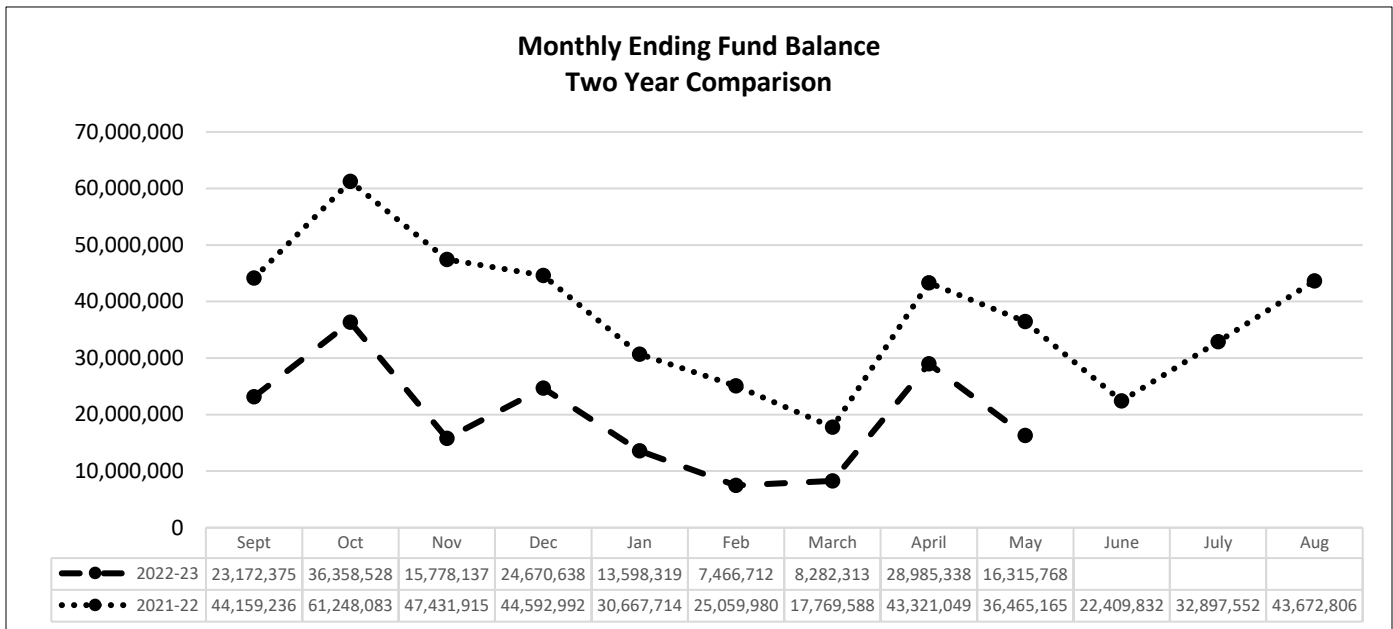
Fund Balance Comparison by Year					
Fund Balance Descriptions for the fiscal period ended	May 2022	Percent of Revenue	May 2023	Percent of Revenue	Variance higher/(lower)
Nonspendable - Inventory & Prepaid Items	\$ 5,058,037	1.01%	\$ 5,861,370	1.03%	\$ 803,333
Committed to Debt and Fiscal Management	-	0.00%	-	0.00%	-
Committed to Encumbrances	310,128	0.06%	3,769,770	0.66%	3,459,643
Committed to Contingencies	1,000,000	0.20%	1,000,000	0.18%	-
Total Debt & Fiscal Management Fund Balance	\$ 6,368,165	1.27%	\$ 10,631,140	1.87%	\$ 4,262,975
Restricted for Carryover	\$ 1,896,105	0.38%	\$ 1,328,374	0.23%	\$ (567,732)
Restricted for Debt Service	110,927	0.02%	439,803	0.08%	328,877
Assigned to Carryover	2,704,343	0.54%	2,543,975	0.45%	(160,368)
Assigned to Curriculum & Instruction	3,800,000	0.76%	-	0.00%	(3,800,000)
Assigned to Future Operations	3,265,369	0.65%	7,225,737	1.27%	3,960,368
Restricted or Assigned Fund Balance	\$ 11,776,744	2.35%	\$ 11,537,889	2.03%	\$ (238,856)
Total Nonspendable, Restricted, Committed and Assigned Fund Balance	\$ 18,144,908	3.62%	\$ 22,169,029	3.90%	\$ 4,024,120
Unassigned Fund Balance	\$ (2,857,069)	0.57%	\$ (23,644,760)	4.16%	(20,787,690)
Unassigned for Minimum FB Policy	\$ 21,177,326	4.22%	\$ 17,791,499	3.13%	(3,385,827)
Total Unassigned Fund Balance	\$ 18,320,256	3.65%	\$ (5,853,261)	1.03%	\$ (20,787,690)
Total Fund Balance	\$ 36,465,165	7.27%	\$ 16,315,768	2.87%	\$ (20,149,397)
Revenue less other financing	\$ 501,600,429	*	\$ 568,452,772	**	

*2021-22 total actual revenue less other financing sources as of August 31, 2022

**2022-23 budgeted revenue less other financing sources

Table 7 shows a two-year history of the monthly ending fund balance. The ending fund balance will appropriately fluctuate based upon when certain revenues are received and expenses accrued. The fund balance typically increases in October and April when the district receives property tax revenue.

Table 7



Cash Management

In addition to the fund balance, another key performance indicator used to monitor the financial health of the district is cash on hand. The district uses cash to meet payroll and pay bills as they arise. Because revenue is not received on a regular schedule over the course of the year, the cash on hand balance will fluctuate as those expenditures occur. For the month of May, total cash on hand was \$41,771,021 and daily expenditures amounted to \$1,437,433 per day which when used in the formula [cash on hand / daily expenditures] equates to 29.06 days of cash on hand.

Table 8 displays a comparison of cash on hand records through the period ending May 31 for fiscal years 2021-22 and 2022-23, respectively.

Table 8

<u>Cash Balance Comparison by Year</u>				
	May 2022	May 2023	Variance higher/(lower)	
230 - Cash with Key Bank	\$ 189,480	\$ 1,163,388	\$	973,908
240 - Cash with Treasurer	7,247,979	2,355,830		(4,892,149)
241 - Warrants Outstanding	(262,926)	(353,388)		(90,462)
45x - Investments	50,235,492	38,605,191		(11,630,301)
Total Cash on Hand	\$ 57,410,025	\$ 41,771,021	\$	(15,639,004)
Avg Daily Balance	\$ 1,851,936	\$ 1,347,452	\$	(504,484)
Days Cash on Hand	42.11	29.06		(13.05)

Debt and Fiscal Management Reserves The Debt and Fiscal Management Policy 6015 was updated effective August 31, 2014 to specify fund balance reserves to be at least 5% of general fund revenues less other financing sources at year-end, and the district is currently in compliance with this policy. The following are descriptions of the fund balance accounts that are designated by the board for Debt and Fiscal Management:

- The **Nonspendable - Inventory & Prepaid Items** account represents the portion of the fund balance that cannot be spent because it is not in a spendable form, (i.e., inventories and prepaid items). This account was set at \$5,861,370 to represent the inventory balance on August 31.
- The **Committed to Debt and Fiscal Management** account was established at \$0 and the funds were placed into *Unassigned for Minimum Fund Balance Policy* to comply with board policy of maintaining a minimum fund balance.
- The **Committed to Encumbrances** account of \$3,769,770 was established at an amount equal to the estimated outstanding purchase orders on August 31.
- The **Committed to Contingencies** account of not less than one million dollars is the targeted amount that is established to facilitate district operations and to provide for a contingency fund in case of a substantial change in revenue and/or expenditures.

Restricted or Assigned Fund Balance The following fund balanced accounts are restricted or assigned due to the nature of the funding source and/or specific uses:

- The **Restricted for Carryover** account is established for restricting amounts determined to be unspent carryover funds with restricted use. This would include the following state funding streams: Learning Assistance Program, Career and Technical Education – Middle School, Highly Capable, State Institutions, Fire District, and other such unspent funds as may be subject to carryover.
- The **Restricted for Debt Service** account is established to accumulate and restrict fund balance for future payment of contractual obligations incurred and carried on the schedule of long-term debt.
- The **Assigned to Carryover** account is established to represent management's and/or the board of director's intended use of a portion of the fund balance for the carryover of unrestricted funds at the end of the fiscal year. The district adopted the policy of allowing certain programs and budget responsibility centers (BRC) the ability to carryover funds from one year to the next in order to provide better flexibility in the budget planning process for all managers and cost centers.
- The **Assigned to Curriculum and Instruction** account is established to represent management's and/or the board of director's intended use of a portion of the fund balance for the implementation of a cyclical curriculum adoption plan. This reserve will fluctuate yearly depending upon budget allocations and actual fiscal year expenditures for planned adoptions.
- The **Assigned to Future Operations** account is established to represent management's and/or the board of director's intended use of a portion of the fund balance. This account is used as a means for accumulating resources that have been designated as a one-time source of funding to help balance future years operating budgets.

Unassigned Fund Balance The following fund balance account includes all resources not reported in the other four fund balance designations. These resources are the only ones that are available for any purpose:

- The **Unassigned Fund Balance** account is the net result of operations. This account fluctuates with both the receipt of revenues and the flow of expenditures. When local taxes are collected, this balance is high. The yearly cycle of revenues and expenditures are considered when developing both the projections for the current year and the budget for the upcoming year.

- The **Unassigned for Minimum FB Policy** is targeted at five (5) percent of the annual General Fund revenues, excluding other financing sources and inventory, encumbrances and contingencies. This amount is budgeted to compensate for economic uncertainties.

Table 9 displays the budgeted and projected year-end fund balance. Changes in reserves from budget are based on operating and board policy requirements

Table 9

Fund Balance Descriptions	Fund Balance				
	2022-23 Budget	Percent of Revenue	2022-23 Projected	Percent of Revenue	Variance higher/(lower)
Nonspendable - Inventory & Prepaid Items	\$ 3,453,645	0.61%	\$ 5,861,370	1.11%	\$ 2,407,725
Committed to Debt and Fiscal Management	-	0.00%	-	0.00%	-
Committed to Encumbrances	310,128	0.05%	3,769,770	0.71%	3,459,642
Committed to Contingencies	1,000,000	0.18%	1,000,000	0.19%	-
Total Debt & Fiscal Management Fund Balance	\$ 4,763,773	0.84%	\$ 10,631,140	2.01%	\$ 5,867,367.07
Restricted for Carryover	\$ -	0.00%	\$ 1,328,374	0.25%	\$ 1,328,374
Restricted for Debt Service	-	0.00%	439,803	0.08%	439,803
Assigned to Carryover	-	0.00%	2,543,975	0.48%	2,543,975
Assigned to Curriculum & Instruction	-	0.00%	-	0.00%	-
Assigned to Future Operations	-	0.00%	7,225,737	1.37%	7,225,737
Restricted or Assigned Fund Balance	\$ 0	0.00%	\$ 11,537,889	2.19%	\$ 11,537,889
Total Nonspendable, Restricted, Committed and Assigned Fund Balance	\$ 4,763,773	0.84%	\$ 22,169,029	4.20%	\$ 17,405,256
Unassigned Fund Balance	\$ -	0.00%	\$ (18,102,566)	3.43%	\$ (18,102,566)
Unassigned for Minimum FB Policy	23,658,866	4.16%	17,791,499	3.37%	\$ (5,867,367)
Total Unassigned Fund Balance	\$ 23,658,866	4.16%	\$ (311,068)	0.06%	\$ (23,969,934)
Total Fund Balance	\$ 28,422,639	5.00%	\$ 21,857,961	4.14%	\$ (6,564,678)
Revenue less other financing	\$ 568,452,772	**	\$ 528,010,849	***	

**2022-23 budgeted revenue less other financing sources

***2022-23 projected revenue less other financing sources as of May 31, 2023

MAJOR PROGRAMS

The district operates several large programs that have a material impact on the financial condition of the district. The following section contains the operating projections for some of these programs.

Curriculum & Instruction

Finances for the Curriculum & Instruction (C&I) Department is modified as necessary to primarily support Goal #1, Academic Excellence, and Goal #3, Early Learning of our TPS Strategic Plan to Measure the Whole Child.

The vision of the C&I Department:

In order to ensure each student is provided with a high quality, Whole Child education K-12, standards-aligned K-12 curricular resources and professional growth are essential.

The mission of the C&I Department:

As leaders, learners, and partners, the Curriculum and Instruction Team will support and empower Tacoma Public Schools' educators. We commit to ongoing collaboration through relevant, engaging and purposeful professional growth experiences with high quality resources to ensure success for all students.

The work of the C&I Department falls into two categories: (1) K-12 Standards Alignment and (2) Professional Growth. The C&I "Our Focus" internal webpage outlines this breakdown.

Finances are split between "On-going/One-time" expenditures and "Levy" expenditures.

- *Ongoing/Onetime*: Content-specific framework and professional growth, classroom materials to ensure equitable access for students, content-specific and/or grade-level specific leadership teams, vetting of existing resources for alignment to standards, release time for development of resources to support different grade levels and content, adoption and pilot teams, content-specific consumables that are purchased annually including Springboard (ELA), Engage NY (math) student workbooks, elementary math manipulatives and consumables (Math Expressions), Math Vision Project consumables for HS, and newly adopted resources.
- Levy expenditures are for enrichment and supplemental resources, PD, and work that are an extension to the day to day teaching requirements and adopted materials.

- Budget Responsibility Centers (BRC) have been created for each curriculum content area in both the One-Time/Ongoing and Levy categories in order to budget and track adoption and implementation expenditures more effectively.

School Year at a Glance...

This school year the Curriculum and Instruction department will be hard at work continuing phase three of the standards alignment project, which includes prioritization of standards, updating curricular resources, and implementing content-specific frameworks. Here are just some examples of what you can expect from the C&I department this school year:

- Providing support, professional growth opportunities, and resources in alignment with our Learning Plan during Emergency Operations.
- Partnership across our system to lead Virtual Teaching & Learning leveraging Schoology, Microsoft Applications, and other approved applications for high quality student and adult learning. A focus area will be lifting our train-the-trainer model.
- Direct support for content instruction, assessment, and grading aligned with Priority Standards and using district-approved instructional materials.

The C&I Department uses Budget Responsibility Centers (BRCs) to monitor and prioritize expenditures. The C&I Department administrators recognize the risk of not prioritizing funds to provide classroom teachers with resources that align to the Washington State Learning Standards. To mitigate this risk, the C&I Department developed a multi-year plan to adopt curricular resources (in alignment with Regulation 2020) after teams of teachers prioritize standards and vet existing resources.

The funding for C&I is modified as necessary to support the academic goals of the District's Strategic Plan and achievement data. The department receives funds annually to support the review and replacement of curriculum materials. This reserve will fluctuate yearly depending upon budget allocations, and may carry over to support expenditures for planned reviews, standards alignment, and/or adoptions.

It is currently projected that the Curriculum & Instruction Program will end the year with underspend of \$2,208,060.

Table 10 displays the 2022-23 budgeted and projected expenditures for the Curriculum and Instruction department.

Table 10

<u>Curriculum & Instruction</u>				
<u>Resources</u>				
	<u>Budget</u>	<u>Projection</u>	<u>Variance</u>	
			<u>Incr/(Decrease)</u>	
State Funding	\$ 4,033,496	\$ 4,079,022	\$ 45,526	
Basic Ed Enrichment	-	-	-	
	\$ 4,033,496	\$ 4,079,022	\$ 45,526	
Carryover Reserve	-	-	-	
One Time Additional Funding	-	-	-	
Total Resources Available	\$ 4,033,496	\$ 4,079,022	\$ 45,526	
<u>Expenditures</u>				
<u>BRC</u>	<u>Description/Content Area</u>	<u>Budget</u>	<u>Projection</u>	<u>Variance</u>
				<u>Under/(Over)</u>
703	Fine Arts	\$ 15,100	\$ 28,726	\$ (13,626)
711	C&I K-12 Math	1,481,778	390,770	1,091,008
712	C&I K-12 Social Studies	412,765	184,913	227,852
713	C&I K-12 Arts Education	128,635	157,093	(28,458)
714	C&I 6-12 World Languages	48,375	16,959	31,416
715	C&I Integrated Content	163,540	51,153	112,387
716	C&I Textbook Depository	-	-	-
717	C&I Teacher Support	160,480	52,929	107,551
718	C&I Literacy	951,600	648,545	303,055
720	C&I Science/Health/Envrmt	596,337	299,781	296,556
743	C&I Fitness & Health	74,886	40,093	34,793
	Total Expenditures	4,033,496	1,870,962	\$ 2,176,160
	Ending Balance	\$ -	\$ 2,208,060	\$ 2,221,686

Child Nutrition Services

The Tacoma School District Child Nutrition Service Department and the United States Department of Agriculture Child Nutrition Programs provide nutrition that promotes learning.

- The National School Lunch Program provides healthy lunches and the opportunity to practice skills learned in classroom nutrition education.
- The School Breakfast Program ensures that all children have access to a healthy breakfast at school to promote learning readiness and healthy eating behaviors.
- Nutritious snacks are now available through the National School Lunch Program to students enrolled in after-school programs.
- The Summer Food Service Program provides meals to low-income students during school vacation.

Revenues are currently projected to be \$9,601 under budget. Supplies for the program, including food, are projected to be \$2,066,190 over budget. Salaries and benefits are projected to be \$993,493 over budget. Therefore, it is currently projected that the program will end the year with an operating shortfall of \$2,535,216.

The financial summary for the program is shown in **Table 11**.

Table 11

Child Nutrition Services Program Summary (Programs 98.XXX & 89150)			
	<u>Budget</u>	<u>Projected</u>	<u>Variance</u> Favorable/ (Unfavorable)
Revenue			
Food Sales	\$ 46,064	\$ 129,233	\$ 83,169
State Funding	15,591,762	15,537,289	(54,473)
Federal Funding	2,144,457	2,100,562	(43,895)
Other Governmental Entities	-	-	-
Sale of Equipment	-	-	-
Total Revenue	\$ 17,782,283	\$ 17,767,084	\$ (15,199)
Indirect Charges	(1,153,370)	(1,147,772)	5,598
Local Support	-	-	-
Prior Year Carryover	-	-	-
Total Resources	\$ 16,628,913	\$ 16,619,312	\$ (9,601)
Expenditures			
Salaries	\$ 6,578,227	\$ 7,180,312	\$ (602,085)
Benefits	3,934,760	4,326,168	(391,408)
Supplies	5,121,831	7,188,021	(2,066,190)
Contractual	1,014,579	7,361	1,007,218
Travel	10,260	30,768	(20,508)
Equipment	25,000	463,107	(438,107)
Internal Transfers (in)/out	(55,744)	(41,209)	(14,535)
Total Expenditures	\$ 16,628,913	\$ 19,154,528	\$ (2,525,615)
Transfer Out	-	-	-
Total Use of Resources	\$ 16,628,913	\$ 19,154,528	\$ (2,525,615)
Ending Balance	\$ -	\$ (2,535,216)	\$ (2,535,216)

Special Education

Special Education services are funded by state apportionment, state special purpose revenue, Medicaid reimbursements, Federal Flow Through, local support and revenue from other districts. State apportionment is revenue received through a state funding formula as discussed earlier in this report. The state special purpose revenue consists of an allocation for special education students ages birth to 3 years old, 3 to 5 years old (and not yet enrolled in kindergarten) and an allocation for special education students enrolled in kindergarten through age 21. The state special purpose revenue for special education students enrolled in kindergarten through age 21 is capped at 13.5% of the annual average resident basic education enrollment FTE for kindergarten through grade 12. Special Education may be reimbursed for Related Services (e.g., physical therapy, nursing services, etc.) for students that are eligible for Medicaid. These reimbursements are dependent on the availability of funding and not on service rendered. Revenue from other districts consists of reimbursements received for special education services rendered to students where facilities and/or staff are not available in their resident district to provide the required services. Our district bills at the end of the first semester and the end of the school year for these services. Federal Flow Through funding is an entitlement with a base, relative population and poverty allocations. Safety Net funding is not an entitlement, but an annual grant and is available to districts with demonstrated need for Special Education funding in excess of state and federal funding otherwise provided, as long as the program meets the criteria. Local support is revenue from local maintenance and operation levies.

The state uses an average headcount from October to June to determine the state special revenue funding of resident population for Special Education. The current projected average is 4,359 students; an increase of 130 students from last year's average of 4,229. Based on the state formula, the district will be funded for up to an average of 3,993 students.

Revenue is projected to be \$3,265,944 above budget. Program expenditures are projected to be \$1,430,876 over budget. As a result, it is currently projected that the program will end the year with an operating surplus of \$1,835,876.

The financial summary for the program is shown in **Table 12**.

Table 12

Special Education Consolidated Program Summary (Programs 01210, 21XXX, 24XXX)			
	<u>Budget</u>	<u>Projection</u>	<u>Variance</u> Favorable/ (Unfavorable)
Revenue			
State Funding	\$ 53,585,034	\$ 57,376,980	\$ 3,791,946
Federal Funding	8,621,784	7,577,672	(1,044,112)
Other Districts	1,885,009	2,437,916	552,907
Other Agencies	-	-	-
Total Revenue	\$ 64,091,827	\$ 67,392,569	\$ 3,300,742
Indirect Charges	(3,378,674)	(3,404,792)	(26,118)
Local Support	8,973,536	8,964,856	(8,680)
Prior Year Carryover	-	-	-
Total Resources	\$ 69,686,689	\$ 72,952,633	\$ 3,265,944
Expenditures			
Certificated Salaries	\$ 35,300,631	\$ 35,847,352	\$ (546,721)
Classified Salaries	10,992,702	11,073,198	(80,496)
Benefits	17,653,144	18,106,482	(453,338)
Supplies	145,448	209,393	(63,945)
Contractual	5,594,764	5,831,151	(236,387)
Travel	-	40,434	(40,434)
Equipment	-	17	(17)
Internal Transfers (in)/out	-	9,537	(9,537)
Total Expenditures	\$ 69,686,689	\$ 71,117,565	\$ (1,430,876)
Transfer Out	-	-	-
Total Use of Resources	\$ 69,686,689	\$ 71,117,565	\$ (1,430,876)
Net Surplus/(Deficit)	\$ -	\$ 1,835,068	\$ 1,835,068

Transportation

The district has its own fleet and bus drivers that transport special education students to and from school while contracting with First Student Services for basic education students. The transportation department's expenditures include costs associated with transporting all district students.

This is the fourth year of a five-year contract with First Student Services. First Student operates one-hundred and two home-to-school routes; and the district operates fifty-three special needs routes. In addition, the department is transporting students to field and sports events, and has daily service for after school activities.

State funding is based on distance driven, hazardous areas, student ridership, and special programs students may attend. The district reports three times a year this information which includes morning and afternoon counts to the Office of the Superintendent of Public Instruction (OSPI). Transportation to and from school is fully funded by the State.

It is currently projected that program will end the year with an operating deficit of \$3,500,701. The program revenue is projected to be \$1,633,393 below budget and program expenditures are projected to be \$1,867,308 above budget.

The financial summary for the program is shown in **Table 13**.

Table 13

Transportation Program Summary			
	<u>Budget</u>	<u>Projected</u>	<u>Variance</u> Favorable/ (Unfavorable)
Revenue			
Local Support	\$ 571,975	\$ 571,975	\$ -
Local Non-Tax	100,000	219,650	119,650
State Special Purpose	16,551,418	14,775,769	(1,775,649)
Total Revenue	\$ 17,223,393	\$ 15,567,395	\$ (1,655,998)
Indirect Charges	(759,587)	(748,792)	10,795
Other Districts	-	11,810	11,810
Total Resources	\$ 16,463,806	\$ 14,830,413	\$ (1,633,393)
Expenditures			
Salaries	\$ 4,846,579	\$ 4,668,545	\$ 178,034
Benefits	2,532,721	2,698,424	(165,703)
Supplies	1,100,130	1,385,200	(285,070)
Contractual	9,003,941	10,884,243	(1,880,302)
Travel	853	38,611	(37,758)
Equipment	-	-	-
Internal Transfers (in)/out	(1,020,418)	(1,343,910)	323,492
Total Expenditures	\$ 16,463,806	\$ 18,331,114	\$ (1,867,308)
Total Use of Resources	\$ 16,463,806	\$ 18,331,114	\$ (1,867,308)
Net Surplus/(Deficit)	\$ -	\$ (3,500,701)	\$ (3,500,701)

Career-Technical Education

“World Class CTE” means being the absolute best in the world at what we do as defined by ALL students graduating from Tacoma Public Schools being ready for life after high school. The CTE program will align curriculum, instructional materials, and professional development to ensure teachers and students have the tools and support for each student to earn one or more industry recognized credentials prior to graduation, earn CTE dual credit (college credit) while enrolled in high school CTE courses, and participate in extended learning leadership activities. *Student attainment of industry recognized credentials* is a measurable indicator for the strategic plan goal of Academic Excellence, and ensures each student is ready to enter post-secondary education and/or the workplace. Engagement in rigorous and relevant instruction through project-based learning and industry-standard equipment to meet college level learning standards is founded in the belief that all students can learn at high levels when provided high quality learning activities.

Four grounding premises for World Class CTE in Tacoma Public Schools:

1. Learning is Life – relevant activities breathe life into learning and reinvent the school experience as in-the-moment inquiry and exploration through the student lens.
2. 21st Century Careers are Changing – communication and leadership skills are universal to all careers, present and future.
3. Partnerships Matter – networking is essential for preparing students for the real-world and provides a vehicle for students to expand their personal network for career guidance.
4. Prepared for the Future - each student deserves a fair “shot” at exploring their strengths and interests, and receiving the encouragement and support needed to successfully prepare for the universe of opportunities that await them in post-secondary education and/or the workplace.

Theory of Action: *If* we focus our effort and resources to expand opportunities and remove barriers for students to attain industry recognized credentials, CTE dual credit, and participate in leadership activities, *then* programs will align to current in-demand needs of the workplace and students will have a competitive advantage for entry-level employment and/or post-secondary education.

Program revenues are projected to be \$2,149,936 below budget due to an decrease in enrollment and expenditures are currently projected to be \$1,662,215 under budget. It is currently projected that the program will end the year with a deficit of \$487,721.

The financial summary for the program is shown in **Table 14**.

Table 14

Career-Technical Education Program Summary (Program 31.XXX, 34.XXX & 38.XXX)			
	<u>Budget</u>	<u>Projected</u>	<u>Variance</u> Favorable/ (Unfavorable)
Revenue			
Sales	\$ 40,000	\$ 48,087	\$ 8,087
State - Apportionment	20,488,371	18,201,589	(2,286,782)
Federal Special Purpose	254,097	254,097	-
Revenue from Other Districts	-	-	-
Revenue from Other Agencies	-	-	-
Sale of Equipment	-	-	-
Total Revenue	\$ 20,782,468	\$ 18,503,773	\$ (2,278,695)
Indirect Charges	(980,937)	(852,178)	128,759
Prior Year Carryover	-	-	-
Total Resources	\$ 19,801,531	\$ 17,651,595	\$ (2,149,936)
Expenditures			
Certificated Salaries	\$ 11,388,608	\$ 11,275,787	\$ 112,821
Classified Salaries	1,120,461	1,105,271	15,190
Benefits	4,348,535	4,416,624	(68,089)
Supplies	1,204,663	447,471	757,192
Contractual	1,584,770	787,869	796,901
Travel	6,000	14,385	(8,385)
Equipment	100,000	31,188	68,812
Internal Transfers (in)/out	48,494	60,721	(12,227)
Total Use of Resources	\$ 19,801,531	\$ 18,139,316	\$ 1,662,215
Net Surplus/(Deficit)	\$ -	\$ (487,721)	\$ (487,721)

Facilities

The Facilities Department supports and maintains the Tacoma School District's 5.4 million square feet in 71 district buildings on approximately 729 acres of land over 69 mile area. The primary function of the department is to ensure that the facilities and sites are safe, secure, healthy, and efficiently operated.

The focus of the Maintenance department is to maintain and repair district facilities providing a quality learning environment in support of district's instructional, extracurricular and athletic programs. This support is provided through a variety of building trades that include electrical, plumbing, carpentry, painting and mechanical infrastructure of district facilities. The maintenance department works in conjunction with custodial operations by responding to reports of facility repair needs of daily request and emergency response and repair.

The focus of the Custodial department is to provide the best customer service possible by maintaining healthy, safe and clean environments for teaching and learning in support of the district's instructional, extracurricular and athletic programs. This support includes the efficient and effective operation of all facilities by utilizing best practices and processes. The Custodial staff works in conjunction with the Maintenance department by reporting and monitoring of facility repair needs. It also plays a vital role in the daily operation of district facilities not only through their daily work activities, but also through interactions with students, staff, parents, partnerships and community focused on the student's social, physical, and academic needs.

The Facilities department supports all four of the district's strategic goals. The learning environment provided by the district can greatly impact and influence the district's goal of academic excellence from early learning through graduation. Clean, safe and healthy learning environments provide a positive asset to our community and support partnerships every day of the week. Safety is at the heart of our operations. The work we do each day enables our staff to engage with the community providing excellent facilities and grounds for student and staff success.

Expenditures are currently projected to end the year \$90,032 over budget due to a shortfall in supplies & benefits which collectively are forecasted to end the year \$1,471,926 over budget.

The financial summary for the program is shown in **Table 15**.

Table 15

Facilities Program Summary (Q3 2022-23)			
	<u>Adopted Budget</u>	<u>Projected</u>	<u>Variance</u> Favorable/ (Unfavorable)
Expenditures			
Classified Salaries	\$ 19,270,722	\$ 18,398,027	\$ 872,695
Benefits	8,245,543	7,728,921	516,622
Supplies	1,506,075	2,033,622	(527,547)
Contractual	850,117	1,794,496	(944,379)
Travel	3,000	2,966	34
Equipment	75,000	83,314	(8,314)
Internal Transfers (in)/out	(31,883)	(32,740)	857
Total Expenditures	\$ 29,918,574	\$ 30,008,606	\$ (90,032)

GENERAL FUND CONCLUSION

Table 16 displays the budget and projections for fund balance, revenues, and expenditures. Currently the district is projected to end the year with a fund balance of approximately \$29,492,421.

METHOD 1 – Historical trends are used as the basis of the analysis and any known exceptions are factored into the equations. The revenue is estimated by reviewing every account, and the expenditures are estimated by reviewing detail payroll, accounts payable, and other financially related transactions.

METHOD 2 – Historical trends are utilized for certain revenue accounts, and identified budget adjustments or variances are used for the remainder of the projections. A review of the budget is performed, and the adjustments and variances are analyzed to determine their effect on the financial position of the general fund. **Table 16** below displays the results of the Method 2 forecast.

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Table 16

General Fund	2022-23 Budget	2022-23 Projected	Variance Surplus/(Deficit)
Beginning Fund Balance	\$ 55,513,851	\$ 44,334,490	\$ (11,179,361)
Revenue	568,452,772	528,010,849	(40,441,923)
Other Financing Sources	3,000,000	5,184,228	2,184,228
Total Resources Available	626,966,623	577,529,567	(49,437,056)
Expenditures	598,543,984	555,671,606	42,872,378
Other Financing Uses	-	-	-
Total Use of Resources	598,543,984	555,671,606	42,872,378
Ending Fund Balance	\$ 28,422,639	\$ 21,857,961	\$ (6,564,678)

The district administration continually reviews operational requirements and revises operations for the benefit of the students in stewardship over district assets. Any material changes that affect the financial condition of the district are included in the financial reports. Enrollment counts and basic education financial operations are updated and reported monthly.

COVID-19

Washington State's Elementary and Secondary School Emergency Relief (ESSER) Fund is a federal program that provides funding to support K-12 education in response to the COVID-19 pandemic. The funding comes from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA). The district is closely monitoring the financial impacts that the COVID-19 pandemic continues to have on revenues and expenditures. Washington State's ESSER funding is allocated to school districts based on a formula that takes into account the number of low-income students, English language learners, and students with disabilities in each district. The funds must be used in accordance with federal guidelines and must be used to address the impacts of the COVID-19 pandemic on K-12 education. The district is currently in the third phase of ESSER funding (ESSER III) which was authorized under the ARPA, and provides an additional \$2.6 billion to Washington State's K-12 schools. The funds are being used to support schools in their efforts to safely reopen for in-person learning, address learning loss, provide additional academic and social-emotional support for students, and invest in school infrastructure to support improved learning environments.

Table 10 shows the district's current expenses under the budget responsibility codes (BRCs) used to track COVID-19 related expenditures

Table 10

Expenditures by Object	Amount of Expenditures
Debit/Credit - 0XXX/1XXX	1,161
Salaries - Certificated Employees - 2XXX	3,871,902
Salaries - Classified Employees - 3XXX	2,598,282
Benefits and Payroll Taxes - 4XXX	2,281,094
Supplies, Instructional Resources - 5XXX	8,987,459
Purchased Services - 7XXX	3,087,953
Travel - 8XXX	1,369
Capital Outlay - 9XXX	1,824,632
Totals by Object	\$22,653,852

Expenditures are from September 1 - May 31

ENROLLMENT

State funding for school districts is based on the number of full time equivalent (FTE) students enrolled in the district (see also **REVENUE in Section I** of this report). FTE is calculated based on the number of hours of classroom instruction received. Student enrollment is typically highest in October, but for funding purposes, monthly enrollment is averaged for the year. **Table 17** displays the variances between actual annual average and projected average FTE by individual grade level for 2021-22 and 2022-23, and the variances between projected and budgeted average FTE for 2022-23.

Table 17

K-12 Annual Average FTE Enrollment Two Year Comparison					
	(A) 2020-21 Actual	(B) 2022-23 Budget	(C) 2022-23 Projected	(D) Variance (C)-(A)	(E) Variance (C)-(B)
Kindergarten	1,996	2,017	2,083	87	66
Grade 1	1,914	1,987	2,068	154	81
Grade 2	1,947	1,905	1,944	(3)	39
Grade 3	1,992	1,890	1,980	(13)	90
Grade 4	1,893	1,963	2,025	133	62
Grade 5	1,912	1,879	1,909	(3)	29
Elementary	11,653	11,641	12,008	355	367
Grade 6	1,931	1,856	1,843	(88)	(12)
Grade 7	1,925	1,917	1,947	22	30
Grade 8	2,047	1,939	1,932	(114)	(7)
Middle School	5,903	5,712	5,722	(181)	10
Grade 9	2,158	2,155	2,181	23	26
Grade 10	1,977	2,166	2,076	99	(90)
Grade 11	1,652	1,786	1,653	1	(133)
Grade 12	1,531	1,550	1,476	(56)	(75)
High School	7,319	7,658	7,385	67	(272)
Running Start	402	442	355	(47)	(88)
TCC Fresh Start **	101	114	89	(13)	(25)
Reengagement Center **	150	147	180	30	33
Goodwill **	8	11	12	3	1
Alternative Learning Experience	1,567	1,446	1,016	(552)	(430)
Grand Total *	27,103	27,170	26,766	(337)	(404)
Actual data through July 2023					

** Open Doors - 1418 Programs

In comparison with 2021-22 annual averages, projected enrollment is expecting an annual average decrease of 289 student FTE.

(Table 17 column (D)):

Elementary schools (grade K-5) increased by 355 FTE;
Middle schools (grades 6-8) decreased by 181 FTE;
High schools (grades 9-12) increased by 67 FTE;
Running Start (college level courses) decreased by 47 FTE;
ALE (Alternative Learning Experience) decreased by 552 FTE

Open Doors – 1418 Programs

TCC Fresh Start decreased by 13 FTE;
Reengagement Center increased by 30 FTE;
Goodwill FTE increased by 3 FTE

Every student enrolled is converted to a full-time equivalent (FTE) based on the number of instructional hours. A full-time equivalent student for grades 4-12 is 900 hours (i.e., 5 hours per day x 180 days) and grades K-3 is 720 hours (i.e., 4 hours per day x 180 days).

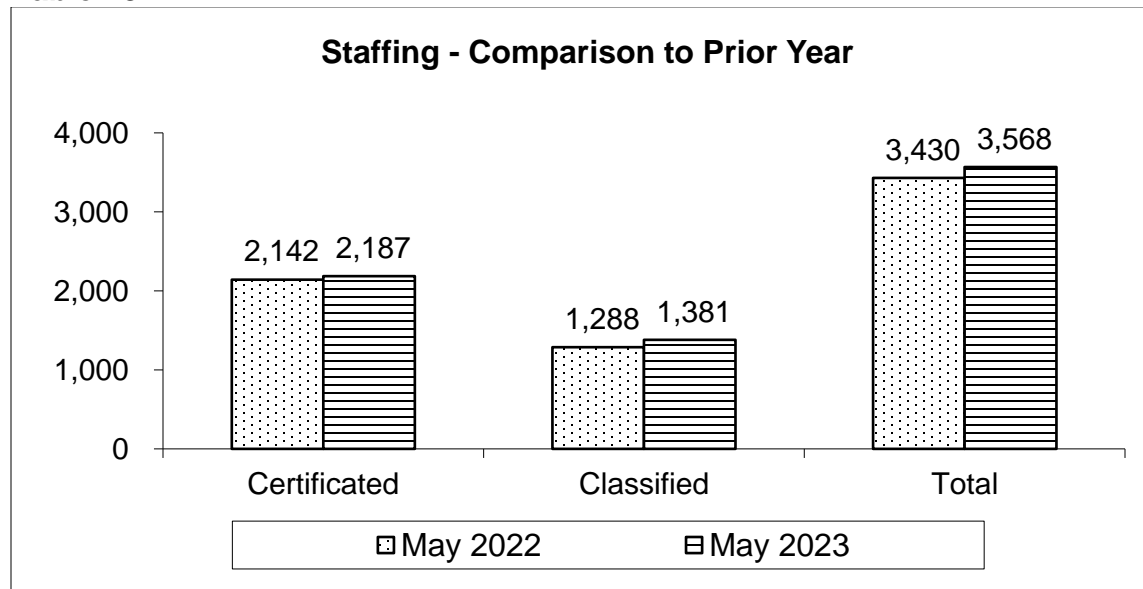
Students who participate for only part of the year or part of each day are calculated as a portion of an FTE. Any district may choose to serve students more hours per day or per year than the state definition of full-time equivalent. However, those students who attend classes more hours per day will not generate more than one FTE for funding purposes.

Open Doors – 1418 Programs, named for the bill establishing a statutory framework for a statewide dropout reengagement system. This program provides education and services to older youth, ages 16-21, which have dropped out of school or are not expected to graduate from high school by the age of 21.

STAFFING

District staffing is divided into two categories: certificated staff – teachers, counselors, librarians, nurses, specialists and principals, and classified staff – classroom aids, secretaries, bus drivers, cooks, custodians, playground staff, maintenance crews, grounds crews, and business support staff. **Table 18** compares the number of filled positions in May 2023 to the number of filled positions in May 2022. The number of certificated staff increased 45 FTE while classified staff increased 93 FTE, respectively from this time last year.

Table 18



As shown in **Table 19**, the number of assigned certificated FTE is 2,187 and classified staff FTE is 1,381. The certificated and classified staffs are under budget by 50 and 163 FTE respectively. These are due to positions being vacant or unfilled for a portion of the year (i.e., late hires, resignations, departmental reorganizations, etc.).

Table 19

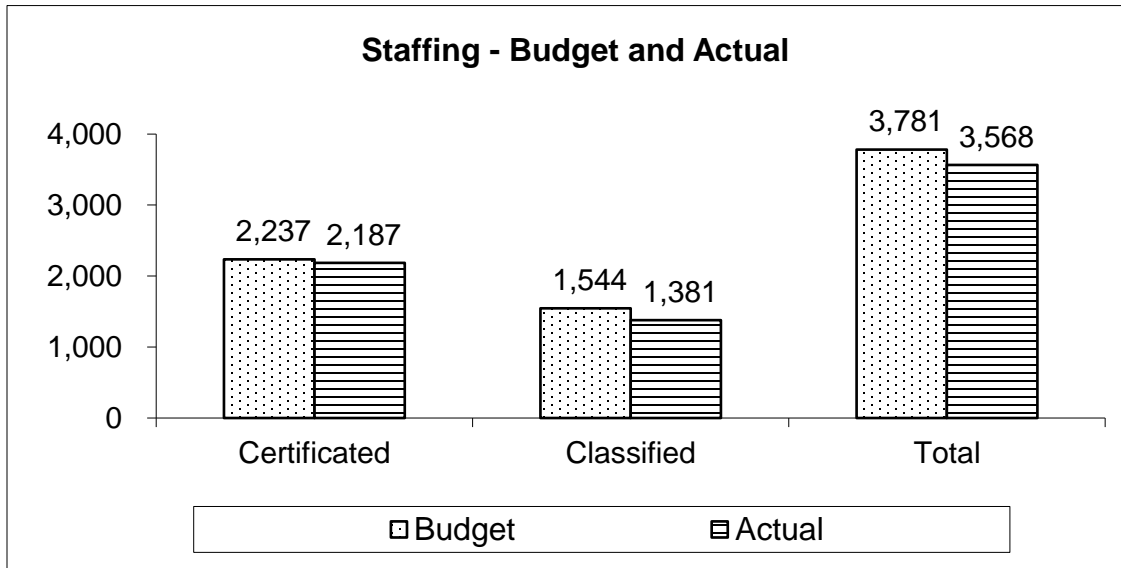


Table 20 compares the number of budgeted FTE to the number of actual FTE by program.

Table 20

Budget vs. Actual Staffing			
In FTE (Full Time Equivalents)			
Program Description (Number)	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> Incr/(Decrease)
<u>Certificated Staff</u>			
Certificated Management	34.40	34.86	(0.46)
Principals	107.00	103.92	3.08
Superintendent	1.00	1.00	0
Teachers	2,094.50	2,047.15	47.35
Total Certificated	2,236.90	2,186.94	49.97
<u>Classified Staff</u>			
Bus Drivers	58.00	53.62	4.38
Custodians	203.00	196.50	6.50
Exempt	97.00	90.15	6.85
Food Services	143.19	128.55	14.64
Maintenance	64.00	60.11	3.89
Office Professionals	186.10	178.47	7.63
Paraeducators	583.75	478.59	105.16
Professional Technicals	169.60	159.85	9.75
Security	39.00	34.86	4.14
Total Classified	1,543.64	1,380.70	162.94
<u>Total All Staff</u>	3,780.54	3,567.63	212.90
* Actual data through May 2023			

“Compensatory” programs are programs paid for from special funding or other agencies, such as Head Start and the Student Achievement Program. “Other instructional” includes several programs – ECEAP, ROTC, Extended Day Program, and several smaller grants. “Basic education” includes classroom instruction as well as instructional support – principals, librarians, and counselors. “Support Services” includes custodial, maintenance, business support, food services, transportation, and central administrative support.

Similar to enrollment, staffing is calculated in full time equivalents (FTE). Staff (FTE) is based upon full day schedules as stipulated in each bargaining agreement. Staff who work a portion of each day, or a portion of the year, are calculated to that portion of an FTE.

Certificated staffing levels vary with student population. The total change in staffing will reflect both the change in student population and any shifts between levels (elementary and secondary). Classified staffing will vary with major changes in student population, as well as with major projects or with changes in operations of the support functions.

10-GENERAL FUND

September 1, 2022 - August 31, 2023

For the TACOMA SCHOOL DISTRICT NO. 10 School District for the Month of May 2023

	Annual Adopted Budget	Month Actual	Year-to-Date Actual	Encumbrances	Balance	Percent
<u>A. REVENUES/OTHER FIN. SOURCES</u>						
1000 LOCAL TAXES	76,499,727	6,931,131	74,091,533		2,408,194	96.85
2000 LOCAL SUPPORT NONTAX	10,785,178	628,840	3,465,514		7,319,664	32.13
3000 STATE, GENERAL PURPOSE	277,223,526	13,523,172	195,032,968		82,190,558	70.35
4000 STATE, SPECIAL PURPOSE	109,958,350	4,220,147	59,608,753		50,349,597	54.21
5000 FEDERAL, GENERAL PURPOSE	559,666	24,430	322,302		237,364	57.59
6000 FEDERAL, SPECIAL PURPOSE	89,564,712	6,334,714	54,213,920		35,350,792	60.53
7000 REVENUES FR OTH SCH DIST	1,885,009	17,213	2,311,837		(426,828)	122.64
8000 OTHER AGENCIES AND ASSOCIATES	1,976,604	160,264	1,474,641		501,963	74.60
9000 OTHER FINANCING SOURCES	3,000,000	8,669	118,105		2,881,895	3.94
<u>Total REVENUES/OTHER FIN. SOURCES</u>	571,452,772	31,848,581	390,639,573	0	180,813,199	68.36
<u>B. EXPENDITURES</u>						
00 Regular Instruction	291,066,667	23,001,697	210,583,423	62,752,012	17,731,233	93.91
10 Federal Stimulus	53,801,530	1,755,242	23,262,697	13,626,768	16,912,065	68.57
20 Special Ed Instruction	64,172,384	6,543,661	52,560,971	14,398,951	(2,787,539)	104.34
30 Voc. Ed Instruction	19,801,531	1,729,036	13,713,369	4,010,894	2,077,268	89.51
40 Skills Center Instruction	0	0	0	0	0	0.00
50+60 Compensatory Ed Instruct.	45,148,130	3,445,155	31,127,723	8,803,555	5,216,852	88.45
70 Other Instructional Pgms	13,219,998	234,712	1,470,103	261,303	11,488,592	13.10
80 Community Services	5,778,142	504,111	4,495,183	1,088,292	194,667	96.63
90 Support Services	105,555,602	7,346,826	81,444,825	14,531,484	9,579,293	90.92
<u>Total EXPENDITURES</u>	598,543,984	44,560,438	418,658,295	119,473,257	60,412,432	89.91
<u>C. EXCESS OF REVENUES/OTHER FIN. SOURCES OVER(UNDER) EXP/OTH FIN USES (A-B)</u>	(27,091,212)	(12,711,857)	(28,018,722)		120,400,767	
<u>D. TOTAL BEGINNING FUND BALANCE</u>	55,513,851		44,334,490			
<u>E. TOTAL ENDING FUND BALANCE</u>	28,422,639		16,315,768			

10-GENERAL FUND

September 1, 2022 - August 31, 2023

For the TACOMA SCHOOL DISTRICT NO. 10 School District for the Month of May 2023

	Annual Adopted Budget	Month Actual	Year-to-Date Actual	Encumbrances	Balance	Percent
<u>F. ENDING FUND BALANCE ACCOUNTS:</u>						
3820 - Assigned to Encumbrances	310,128		3,769,770			
3821 - Restricted for C/Over of Restricted RV			1,328,374			
3830 - Restricted for Debt Service			439,803			
3840 - Nonspendable - Inventory & Prepaid Items	3,453,645		5,861,370			
3866 - Assigned to Carryover			2,543,975			
3868 - Assigned to C&I Initiative			0			
3870 - Committed to Contingencies	1,000,000		1,000,000			
3875 - Assigned to Future Operations			7,225,737			
3890 - Unassigned Fund Balance			(23,644,760)			
3891 - Unassigned for Minimum FB Policy	23,658,866		17,791,499			
<u>TOTAL</u>	28,422,639		16,315,768			

ASSOCIATED STUDENT BODY FUND

The ASB (Associated Student Body) Fund is a special revenue fund established to support extracurricular student activities, and most of the district's schools have active ASB accounts. ASB funds are generated through fundraising efforts, student fees, and donations. ASB expenditures are non-curricular in nature, and support events that are of a cultural, athletic, recreational, or social nature. The ASB financial statements are next in this section.

40-ASSOCIATED STUDENT BODY FUND

September 1, 2022 - August 31, 2023

For the TACOMA SCHOOL DISTRICT NO. 10 School District for the Month of May 2023

	Annual Adopted Budget	Month Actual	Year-to-Date Actual	Encumbrances	Balance	Percent
<u>A. REVENUES/OTHER FIN. SOURCES</u>						
1000 GENERAL STUDENT BODY	1,124,200	34,385	429,333		694,867	38.19
2000 ATHLETICS	1,127,700	27,309	367,578		760,122	32.60
3000 CLASSES	383,800	45,177	163,968		219,832	42.72
4000 CLUBS	1,581,200	52,194	407,765		1,173,435	25.79
6000 PRIVATE MONEYS	74,300	270	16,319		57,981	21.96
<u>Total REVENUES/OTHER FIN. SOURCES</u>	4,291,200	159,335	1,384,962	0	2,906,238	32.27
<u>B. EXPENDITURES</u>						
1000 GENERAL STUDENT BODY	982,700	32,617	283,390	8,650	690,660	29.72
2000 ATHLETICS	1,046,800	48,222	375,087	39,863	631,850	39.64
3000 CLASSES	361,300	23,215	121,239	13,467	226,594	37.28
4000 CLUBS	1,560,600	42,744	344,693	25,170	1,190,738	23.70
6000 PRIVATE MONEYS	92,200	4,187	20,092	63	72,046	21.86
<u>Total EXPENDITURES</u>	4,043,600	150,985	1,144,501	87,212	2,811,887	30.46
<u>C. EXCESS OF REVENUES/OTHER FIN.SOURCES OVER(UNDER) EXP/OTH FIN USES (A-B)</u>	247,600	8,350	240,461		94,351	
<u>D. TOTAL BEGINNING FUND BALANCE</u>	1,902,800		2,018,843			
<u>E. TOTAL ENDING FUND BALANCE</u>	2,150,400		2,259,304			
<u>F. ENDING FUND BALANCE ACCOUNTS:</u>						
3810 - Restricted for Other Items						
3819 - Restricted for Fund Purposes	2,150,400		2,018,843			
3840 - Nonspendable - Inventory & Prepaid Items						
3850 - Restricted for Uninsured Risks						
3870 - Committed to Contingencies						
3889 - Assigned to Fund Purposes			240,461			
3890 - Unassigned Fund Balance						
<u>TOTAL</u>	2,150,400		2,259,304			

DEBT SERVICE FUND

The Debt Service 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. Current year principal and interest payments on the District's outstanding Unlimited Tax General Obligation (UTGO) bonds are paid using property taxes as the primary revenue source. Principal and interest payments on the outstanding bonds are made twice a year in December and June.

On July 22, 2020 the District completed the sale of bonds issued to refund \$295,555,000 of the District's outstanding Series 2014 and Series 2015 bond issues. The new issue of refunding bonds was sold at an overall interest rate of 2.018%. The average interest rate of the bonds refunded was 5.036%. This improvement in interest rate resulted in an aggregate reduction in annual debt service of \$45,335,614 over the years 2027 - 2039. This debt service savings will be passed along to District taxpayers as reductions in annual tax collection for debt service.

On October 30, 2020, the District completed the sale of bonds (2020B tax exempt bonds and 2020C taxable bonds) for the purpose of paying the costs of replacing or renovating eight district schools and making safety and facility improvements in schools throughout the district. The 2020B bonds were sold at an overall interest rate of 2.587037% and the 2020C bonds were sold at an overall interest rate of 2.814222%. The bonds sold at a premium of over \$52.5M and will be fully paid off in December 2045.

Finance staff regularly consults with the District's financial advisors to review debt payments and tax rates to minimize borrowing costs and keep a level property tax rate for its citizens.

Property tax revenues are performing as expected when measured against the Debt Service Fund cash flow models. Tax collections are forecast to be sufficient to pay the scheduled interest and principal payments on the District's outstanding bonds.

Following is a summary of the bonds payable for 2022-23:

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**Debt Service Fund - Schedule of Long-Term Debt
 For the Quarter Ended May 31, 2023**

Bonds and Contracts Payable	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due In One Year
2012 Refunding of '03,05,05A UTGO's	\$ 35,000,000	\$ -	\$ 10,795,000	\$ 24,205,000	\$ 11,705,000
2014 UTGO	6,240,000	-	-	6,240,000	-
2015 Refunding of 2005 UTGO	69,805,000	-	3,820,000	65,985,000	3,640,000
2020 UTGO	360,495,000	-	5,540,000	354,955,000	5,565,000
2020-B UTGO	249,280,000	-	-	249,280,000	-
2020-C UTGO	218,540,000	-	22,250,000	196,290,000	25,905,000
Total Bonds Payable	\$ 939,360,000	\$ -	\$ 42,405,000	\$ 896,955,000	\$ 46,815,000

The financial statements for this fund are next in this section.

30-DEBT SERVICE FUND

September 1, 2022 - August 31, 2023

For the TACOMA SCHOOL DISTRICT NO. 10 School District for the Month of May 2023

	Annual Adopted Budget	Month Actual	Year-to-Date Actual	Encumbrances	Balance	Percent
<u>A. REVENUES/OTHER FIN. SOURCES</u>						
1000 LOCAL TAXES	71,389,390	6,534,825	69,134,172		2,255,218	96.84
2000 LOCAL SUPPORT NONTAX	32,600	155,951	576,459		(543,859)	1,768.28
3000 STATE, GENERAL PURPOSE	0	0	0		0	0.00
4000 STATE, SPECIAL PURPOSE	0	0	0		0	0.00
5000 FEDERAL, GENERAL PURPOSE	0	0	0		0	0.00
9000 OTHER FINANCING SOURCES	0	0	0		0	0.00
<u>Total REVENUES/OTHER FIN. SOURCES</u>	71,421,990	6,690,777	69,710,631	0	1,711,359	97.60
<u>B. EXPENDITURES</u>						
Matured Bond Expenditures	42,405,000	0	42,405,000		0	100.00
Interest On Bonds	26,751,900	0	13,586,756		13,165,144	50.79
Interfund Loan Interest	0	0	0		0	0.00
Bond Transfer Fees	10,000	0	1,800		8,200	18.00
Arbitrage Rebate	0	0	0		0	0.00
Underwriter's Fees	0	0	0		0	0.00
<u>Total EXPENDITURES</u>	69,166,900	0	55,993,556	0	13,173,344	80.95
<u>C. EXCESS OF REVENUES/OTHER FIN. SOURCES OVER(Under) EXP/OTH FIN USES (A-B)</u>	2,255,090	6,690,777	13,717,075		(11,461,985)	
<u>D. TOTAL BEGINNING FUND BALANCE</u>	29,797,000		30,551,345			
<u>E. TOTAL ENDING FUND BALANCE</u>	32,052,090		44,268,420			
<u>F. ENDING FUND BALANCE ACCOUNTS:</u>						
3810 - Restricted for Other Items						
3820 - Assigned to Encumbrances						
3830 - Restricted for Debt Service			30,551,345			
3835 - Restricted for Arbitrage Rebate						
3870 - Committed to Contingencies						
3889 - Assigned to Fund Purposes			13,717,075			
3890 - Unassigned Fund Balance						
<u>TOTAL</u>	32,052,090		44,268,420			

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the construction or purchase of major capital facilities, districtwide technology implementations, site acquisitions, major remodels or building renovations and capital equipment purchases. Revenue sources for this fund include: Bond proceeds, special levies, state matching funds, mitigation fees, interest earnings and property sales.

Voters of Tacoma/Pierce County approved a capital construction bond measure in the amount of \$535 million on February 11, 2020.

The 2020 bond measure authorized the district to replace or renovate 8 deteriorating schools across Tacoma, improve learning environments, fix or replace leaky or deteriorating roofs, construct up-to-date classrooms, technology infrastructure, and science labs and fix or replace aging school boilers, elevators, and bathroom facilities. The measure will also implement health, safety, security and technology upgrades, earthquake safety, alarm/sprinkler systems, energy-efficient heating/lighting, electrical/plumbing and improve playgrounds, playfields and athletic facilities. The district will issue \$535,000,000 of general obligation bonds maturing within a maximum term of 25 years and to levy annual excess property taxes to repay the bonds. Capital improvements to facilities districtwide are as follows:

Projects currently under construction (part of the 2013 bond measure)

- Lincoln High School Athletic Complex (*opens 2024*)
- Bryant Montessori School replacement (*opens 2024*)
- Oakland High School Historic modernization: (*opens 2025*)

Neighborhood School Replacements or Major Renovations (part of the 2020 bond measure)

- Lowell Elementary School replacement: 2026
- Whittier Elementary School replacement: 2027

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The current capital projects are as follows:

- The new Lincoln Athletic Complex will include baseball and fastpitch fields, 8 tennis courts, restrooms, dugouts, batting cages and various sport facilities and infrastructure. The ballfields and play area will be synthetic turf to provide year-round use. The project will also include site improvements, such as fencing and ADA accessible ramps.
- The original Bryant school was built in 1891 and the school has been at its current site and in its current building since 1960. It became a Montessori school in 1998. The Bryant project will include on-site and off-site improvements, parking, new playgrounds and playfields. The new Bryant will be designed for about 560 students. Bryant will continue to serve as a Montessori school serving students K-8.
- Originally constructed in 1912 as an elementary school, Oakland High School is now 108 years old and on the City of Tacoma's register of historic places. During its remodel, the outside will remain intact while the inside will be improved.

The Capital Projects Fund financial statements are next in this section.

20-CAPITAL PROJECTS FUND

September 1, 2022 - August 31, 2023

For the TACOMA SCHOOL DISTRICT NO. 10 School District for the Month of May 2023

	Annual Adopted Budget	Month Actual	Year-to-Date Actual	Encumbrances	Balance	Percent
<u>A. REVENUES/OTHER FIN. SOURCES</u>						
1000 LOCAL TAXES	24,410,000	2,235,817	23,682,564		727,436	97.02
2000 LOCAL SUPPORT NONTAX	1,010,800	1,601,960	12,752,544		(11,741,744)	1,261.63
3000 STATE, GENERAL PURPOSE	0	0	0		0	0.00
4000 STATE, SPECIAL PURPOSE	0	0	26,951		(26,951)	100.00
5000 FEDERAL, GENERAL PURPOSE	0	0	0		0	0.00
6000 FEDERAL, SPECIAL PURPOSE	0	0	0		0	0.00
7000 REVENUES FR OTH SCH DIST	0	0	0		0	0.00
8000 OTHER AGENCIES AND ASSOCIATES	0	0	0		0	0.00
9000 OTHER FINANCING SOURCES	500,000	0	43,161		456,839	0.00
<u>Total REVENUES/OTHER FIN. SOURCES</u>	25,920,800	3,837,777	36,505,219	0	(10,584,419)	140.83
<u>B. EXPENDITURES</u>						
10 Sites	1,320,000	598,415	8,053,597	4,501,482	(11,235,079)	610.12
20 Buildings	118,391,500	8,932,821	47,067,566	92,402,158	(21,078,224)	39.76
30 Equipment	21,000,000	3,616,857	17,191,373	5,872,733	(2,064,106)	81.86
40 Energy	0	0	0	0	0	0.00
50 Sales & Lease Expenditure	0	0	39,790	5,048	(44,837)	100.00
60 Bond Issuance Expenditure	0	0	0	0	0	0.00
90 Debt	0	0	0	0	0	0.00
<u>Total EXPENDITURES</u>	140,711,500	13,148,094	72,352,326	102,781,420	(34,422,246)	124.46
C. OTHER FIN. USES TRANS. OUT (GL 536)	3,000,000					
<u>D. EXCESS OF REVENUES/OTHER FIN. SOURCES OVER(UNDER) EXP/OTH FIN USES (A-B-C)</u>	(117,790,700)	(9,310,317)	(35,847,107)		(153,637,807)	
<u>E. TOTAL BEGINNING FUND BALANCE</u>	458,057,461		430,236,048			
<u>F. TOTAL ENDING FUND BALANCE</u>	340,266,761		394,388,941			

20-CAPITAL PROJECTS FUND

September 1, 2022 - August 31, 2023

For the TACOMA SCHOOL DISTRICT NO. 10 School District for the Month of May 2023

	Annual Adopted Budget	Month Actual	Year-to-Date Actual	Encumbrances	Balance	Percent
<u>G. ENDING FUND BALANCE ACCOUNTS:</u>						
3861 - Restricted from Bond Proceeds	329,573,761		410,022,072			
3862 - Restricted from Levy Proceeds	5,793,000		15,544,320			
3889 - Assigned to Fund Purposes	4,900,000		4,675,035			
3890 - Unassigned Fund Balance	0		(35,852,485)			
<u>TOTAL</u>	340,266,761		394,388,941			

TRANSPORTATION VEHICLE FUND

The transportation vehicle fund is used to account for expenditures related to the purchase, major repair, rebuilding, and related debt service costs incurred for district owned/operated pupil transportation equipment.

Currently, the district maintains a fleet of 77 yellow buses operating approximately 53 Special Education routes. In 2000, the district began a long-term bus replacement plan that is to be self-supporting through the use of state bus depreciation payments. In 2022-23, the district has budgeted to receive \$554,400 in depreciation from the state for district buses. The district is planning to replace six buses in 2022-23 and six buses each year for the next two years. This plan includes upgrades, which address emerging safety requirements for the transportation of students.

The transportation vehicle fund financial statements are next in this section

90-TRANSPORTATION VEHICLE FUND

September 1, 2022 - August 31, 2023

For the TACOMA SCHOOL DISTRICT NO. 10 School District for the Month of May 2023

	Annual Adopted Budget	Month Actual	Year-to-Date Actual	Encumbrances	Balance	Percent
<u>A. REVENUES/OTHER FIN. SOURCES</u>						
1000 LOCAL TAXES	0	0	0	0	0	0.00
2000 LOCAL SUPPORT NONTAX	4,200	10,214	66,808		(62,608)	1,590.66
3000 STATE, GENERAL PURPOSE	0	0	0	0	0	0.00
4000 STATE, SPECIAL PURPOSE	554,400	0	0	0	554,400	0.00
5000 FEDERAL, GENERAL PURPOSE	0	0	0	0	0	0.00
6000 FEDERAL, SPECIAL PURPOSE	0	0	0	0	0	0.00
7000 REVENUES FR OTH SCH DIST	0	0	0	0	0	0.00
8000 OTHER AGENCIES AND ASSOCIATES	0	0	0	0	0	0.00
9000 OTHER FINANCING SOURCES	0	0	15,300		(15,300)	0.00
<u>Total REVENUES/OTHER FIN. SOURCES</u>	558,600	10,214	82,108	0	476,492	14.70
<u>B. EXPENDITURES</u>						
30 Equipment	800,800	265,650	389,598	399,431	11,771	98.53
40 Energy	0	0	0	0	0	0.00
60 Bond Levy Issuance	0	0	0	0	0	0.00
90 Debt	0	0	0	0	0	0.00
<u>Total EXPENDITURES</u>	800,800	265,650	389,598	399,431	11,771	98.53
<u>C. EXCESS OF REVENUES/OTHER FIN.SOURCES OVER(UNDER) EXP/OTH FIN USES (A-B)</u>	(242,200)	(255,436)	(307,490)		464,721	
<u>D. TOTAL BEGINNING FUND BALANCE</u>	2,351,600		2,563,566			
<u>E. TOTAL ENDING FUND BALANCE</u>	2,109,400		2,256,075			
<u>F. ENDING FUND BALANCE ACCOUNTS:</u>						
3810 - Restricted for Other Items						
3819 - Restricted for Fund Purposes	2,109,400		2,563,566			
3830 - Restricted for Debt Service						
3835 - Restricted for Arbitrage Rebate						
3850 - Restricted for Uninsured Risks						
3870 - Committed to Contingencies						
3889 - Assigned to Fund Purposes						
3890 - Unassigned Fund Balance			(307,490)			
<u>TOTAL</u>	2,109,400		2,256,075			

Year To Date Budget vs. Year To Date Actual

Table 1 & 2 displays the year to date budget versus year to date actual for both revenues and expenditures. The budget spread is calculated using a weighted average based upon the last three years (Fiscal Years 19/20, 20/21, & 21/22) of actual data. The weighted average is applied to the current year budget to derive at the year to date budget amount as displayed in Tables 1 & 2. Due to the unpredictable nature of revenues and expenditures, the year to date budget may not truly reflect the operations of the district from year to year.

Table 1 Year To Date Revenues

Revenue Sources	Year To Date Budget	Percent of Total	Year To Date Actual *	Percent of Total	Variance over/(under)
Local Taxes	\$ 69,421,252	16.73%	\$ 74,091,533	18.97%	\$ 4,670,282
Local Non-Tax	8,450,939	2.04%	3,465,514	0.89%	(4,985,425)
State, General Purpose	204,402,447	49.27%	195,032,968	49.93%	(9,369,479)
State, Special Purpose	68,438,453	16.50%	59,608,753	15.26%	(8,829,699)
Federal, General Purpose	402,296	0.10%	322,302	0.08%	(79,994)
Federal, Special Purpose	61,496,306	14.82%	54,213,920	13.88%	(7,282,386)
Revenue - Other District	1,416,385	0.34%	2,311,837	0.59%	895,452
Revenue - Other Agencies	805,259	0.19%	1,474,641	0.38%	669,383
Revenue - Other Financing	-	0.00%	118,105	0.03%	118,105
Total Revenue	\$ 414,833,335	100.00%	\$ 390,639,573	100.00%	\$ (24,193,762)

Table 2 Year To Date Expenditures

Expenditure Objects	Year To Date Budget	Percent of Total	Year To Date Actual *	Percent of Total	Variance (over)/under
Certificated Salaries	\$ 188,242,560	42.59%	\$ 191,710,320	45.79%	\$ (3,467,761)
Classified Salaries	68,506,684	15.50%	68,301,948	16.31%	204,736
Employee Benefits	91,634,629	20.73%	93,575,232	22.35%	(1,940,603)
Supplies and Materials	37,740,325	8.54%	22,989,040	5.49%	14,751,285
Contractual Services	53,813,561	12.18%	39,041,906	9.33%	14,771,655
Local Mileage & Travel	572,554	0.13%	337,411	0.08%	235,143
Capital Outlay	1,454,527	0.33%	2,702,438	0.65%	(1,247,911)
Total Expenditures	\$ 441,964,839	100.00%	\$ 418,658,295	100.00%	\$ 23,306,544

* Actual data through May 2023

APPENDIX B

Financial Statement 2022-23			
	(1) Budget	(2) Projection Method 2	(3) Variance (1) vs. (3)
Beginning Fund Balance	\$ 55,513,851	\$ 44,334,490	\$ (11,179,361)
Revenue	568,452,772	528,010,849	(40,441,923)
Other Financing Sources	<u>3,000,000</u>	<u>5,184,228</u>	<u>2,184,228</u>
Total Resources Available	626,966,623	577,529,567	(49,437,056)
Expenditures	598,543,984	555,671,606	42,872,378
Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Total Use of Resources	598,543,984	555,671,606	42,872,378
Ending Fund Balance	<u>\$ 28,422,639</u>	<u>\$ 21,857,961</u>	<u>\$ (6,564,678)</u>
Detail of Ending Fund Balance			
Nonspendable - Inventory & Prepaid Items	\$ 3,453,645	\$ 5,861,370	\$ 2,407,725
Committed to Debt & Fiscal Management	-	-	-
Committed to Encumbrances	310,128	3,769,770	3,459,642
Committed to Contingencies	1,000,000	1,000,000	-
Restricted for Carryover	-	1,328,374	1,328,374
Restricted for Debt Service	-	439,803	439,803
Assigned to Carryover	-	2,543,975	2,543,975
Assigned to Curriculum & Instruction	-	-	-
Assigned to Future Operations	-	7,225,737	7,225,737
Unassigned Fund Balance	-	(18,102,566)	(18,102,566)
Unassigned for Minimum FB Policy	<u>-</u>	<u>17,791,499</u>	<u>17,791,499</u>
Total Fund Balance	\$ 28,422,639	\$ 21,857,961	\$ (6,564,678)

Method 2 projections are used for all tables and graphs in this report.



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<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 giỏi 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>		

Tacoma 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: Renee Trueblood, 253-571-1252, civilrights@tacoma.k12.wa.us
- Title IX Coordinator, Elementary: Christa Erolin, 253-571-1318, cerolin@tacoma.k12.wa.us
- Title IX Coordinator, Secondary: Wayne Greer, 253-571-1191, wgreer@tacoma.k12.wa.us
- 504 Coordinator, Elementary: Jennifer Herbold, 253-571-1096, jherbol@tacoma.k12.wa.us
- 504 Coordinator, Secondary: Megan Nelson, 253-571-1003, mnelson@tacoma.k12.wa.us

Mailing address: P.O. Box 1357, Tacoma, WA 98401-1357.

If you have questions regarding this non-discrimination statement and its use, please email civilrights@tacoma.k12.wa.us.

