



TACOMA SCHOOL DISTRICT FINANCIAL HEALTH INDICATORS

OSPI Report

Fiscal Year 2022-23



Financial Health Indicators

- These indicators provide a view of the district's overall financial health as measured by the Office of Superintendent of Public Instruction (OSPI). This tool was developed by OSPI in response to school district insolvency concerns. To develop the indicators, OSPI uses data from every school districts' prior year financial reporting and is used by Tacoma Public Schools to assess the financial health of the district and as a comparator to other districts in the state. The information used for this report was published by OSPI on February 8, 2024, and includes data from the most recently completed prior fiscal year (2022-23).
- This data:
 - *Assign a financial health score based on data as of the end of the school fiscal year*
 - *Identify districts that are facing potential financial difficulties*
 - *Allow users to compare a district's financial indicator score over time*

Financial Health Indicators

The fiscal indicators utilized in this tool:

1. *Fund Balance to Revenue Ratio: measures what percentage of a district's revenues it currently has "in reserve".*
2. *Expenditures to Revenues: measures whether expenditures were greater or less than the amount of revenue the district brought in.*
3. *Days Cash on Hand: measures the number of days a district could operate if all funding were to dry up suddenly.*
4. *F195F 4-year Budget Summary Plan: measures how many years a district has reported having a negative fund balance deficit in its F195F report. (metric added to financial health indicators in 2017-18)*

A value is calculated for each of these indicators, which is then weighted. These values are added together to arrive at the district's financial indicator score for each school year.

Financial Health Total Weighted Average

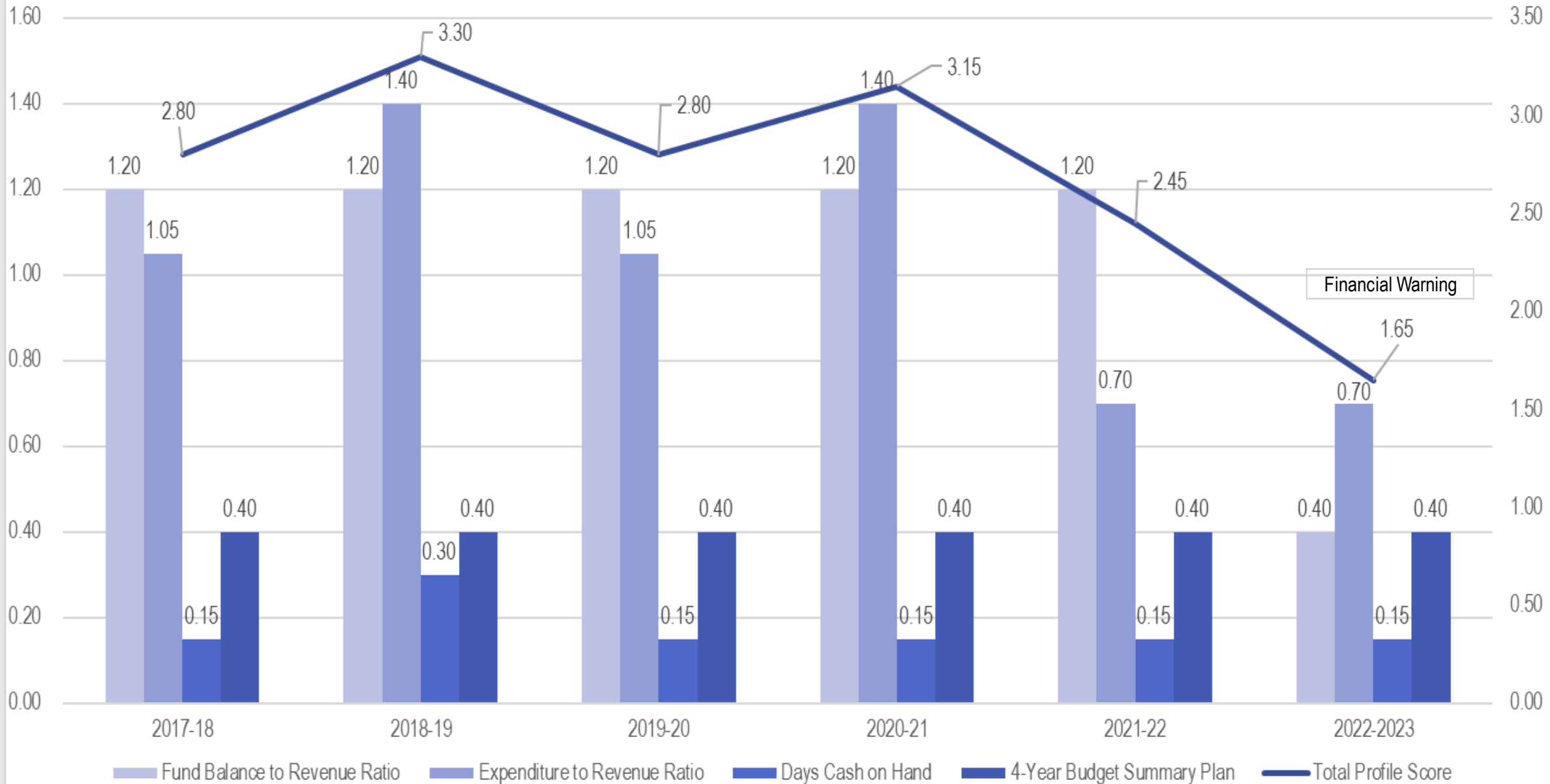
Matrix of Possible Scores					
<u>Category/Weighting</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>0</u>
Fund Balance to Revenue Ratio/40%	1.60	1.20	0.80	0.40	0.00
Expenditures to Revenues/35%	1.40	1.05	0.70	0.35	0.00
Days Cash on Hand/15%	0.60	0.45	0.30	0.15	0.00
F-195F 4-yr Budget Summary Plan/10%	0.40	0.30	0.20	0.10	0.00

Tacoma School District Weighted Scores	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Fund Balance to Revenue Ratio	1.20	1.20	1.20	1.20	1.20	0.40
Expenditure to Revenue Ratio	1.05	1.40	1.05	1.40	0.70	0.70
Days Cash on Hand	0.15	0.30	0.15	0.15	0.15	0.15
4-Year Budget Summary Plan	0.40	0.40	0.40	0.40	0.40	0.40
Total Profile Score	2.80	3.30	2.80	3.15	2.45	1.65
						Financial Warning

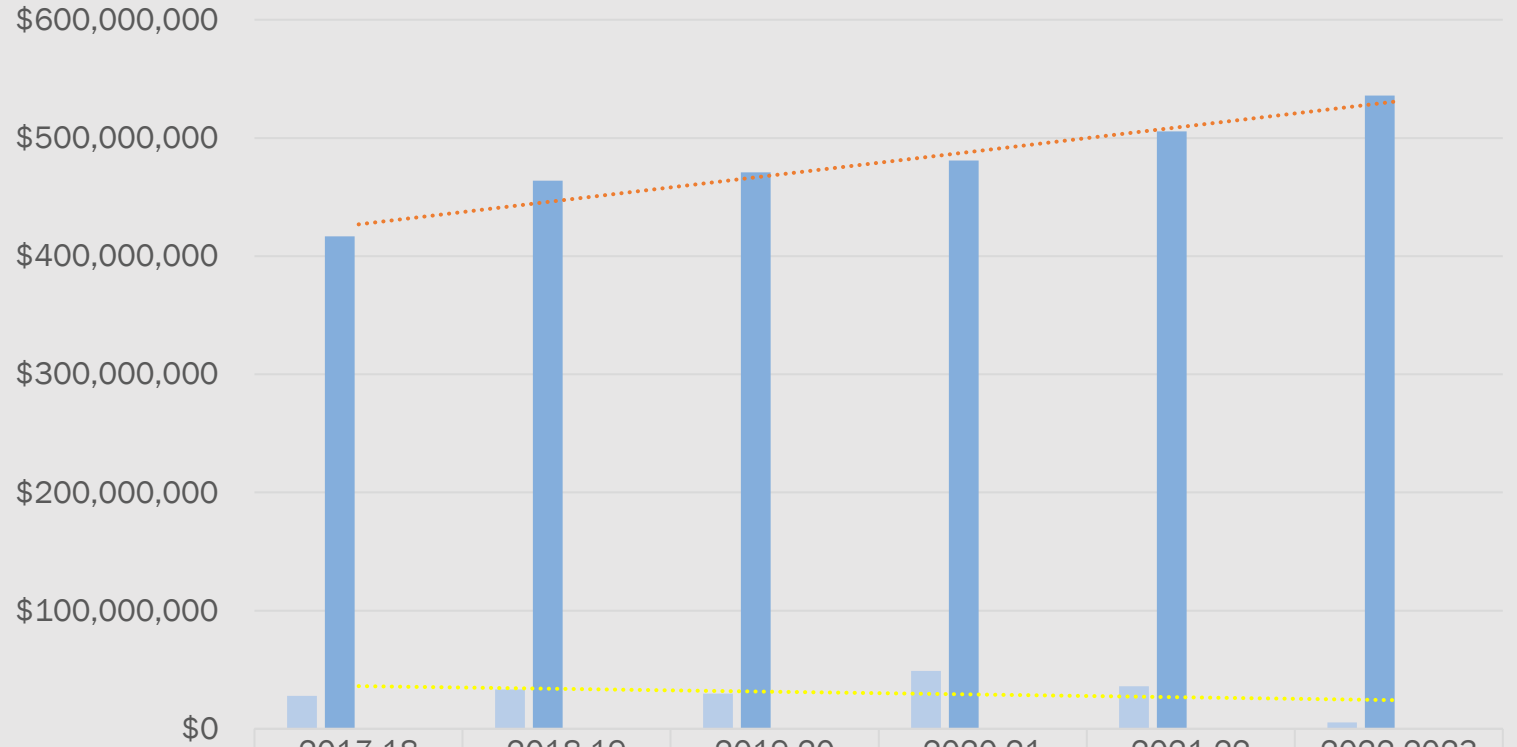
Financial Warning

- Financial warning happens if the total profile points fall below 1.76.
 - We are currently at 1.65.
 - Changes to the District's revenue ratio decreased 2 points (3 to a 1)
 - Days of cash on hand are low (1).
- The District has been actively addressing the decreasing fund balance by making mid-year reductions in the 2023-24 school year and is identifying larger reductions for the upcoming 2024-25 school year.
- There are currently 18 other districts who are listed as financial warning based on 2022-23 data.

Tacoma School District Weighted Score Trend



Fund Balance to Revenue Ratio



	2017-18	2018-19	2019-20	2020-21	2021-22	2022-2023
Unrestricted Fund Balance divided by	\$27,735,778	\$33,203,284	\$29,764,949	\$49,001,302	\$36,043,259	\$5,369,986
Total Revenues and Other Financing Sources	\$416,738,211	\$463,882,512	\$470,871,828	\$480,938,045	\$505,526,349	\$535,927,901
Ratio	6.70%	7.20%	6.30%	10.20%	7.10%	1.00%
Score	3	3	3	3	3	1

Unrestricted Fund Balance divided by

Ratio

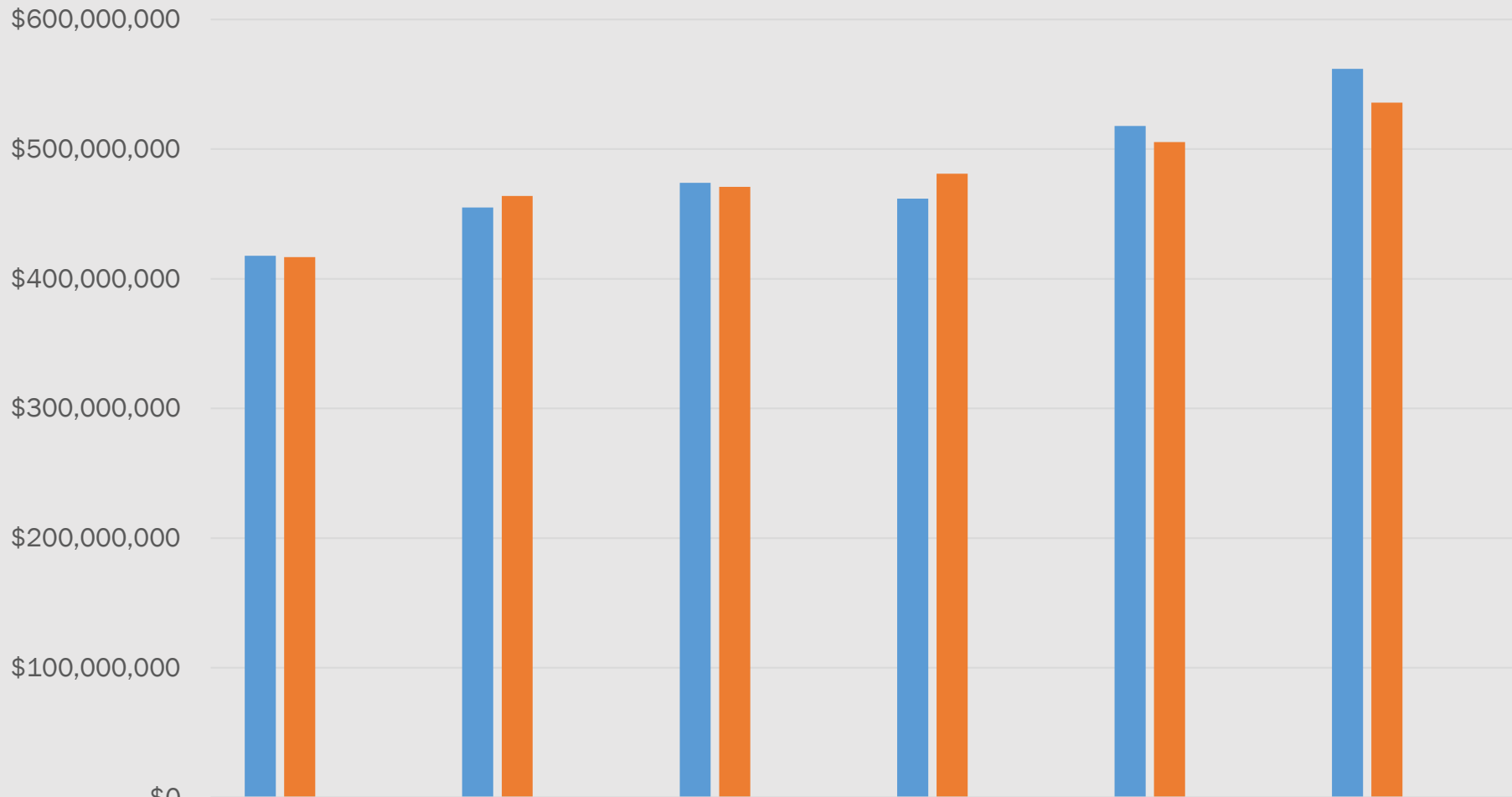
Linear (Unrestricted Fund Balance divided by)

Total Revenues and Other Financing Sources

Score

Linear (Total Revenues and Other Financing Sources)

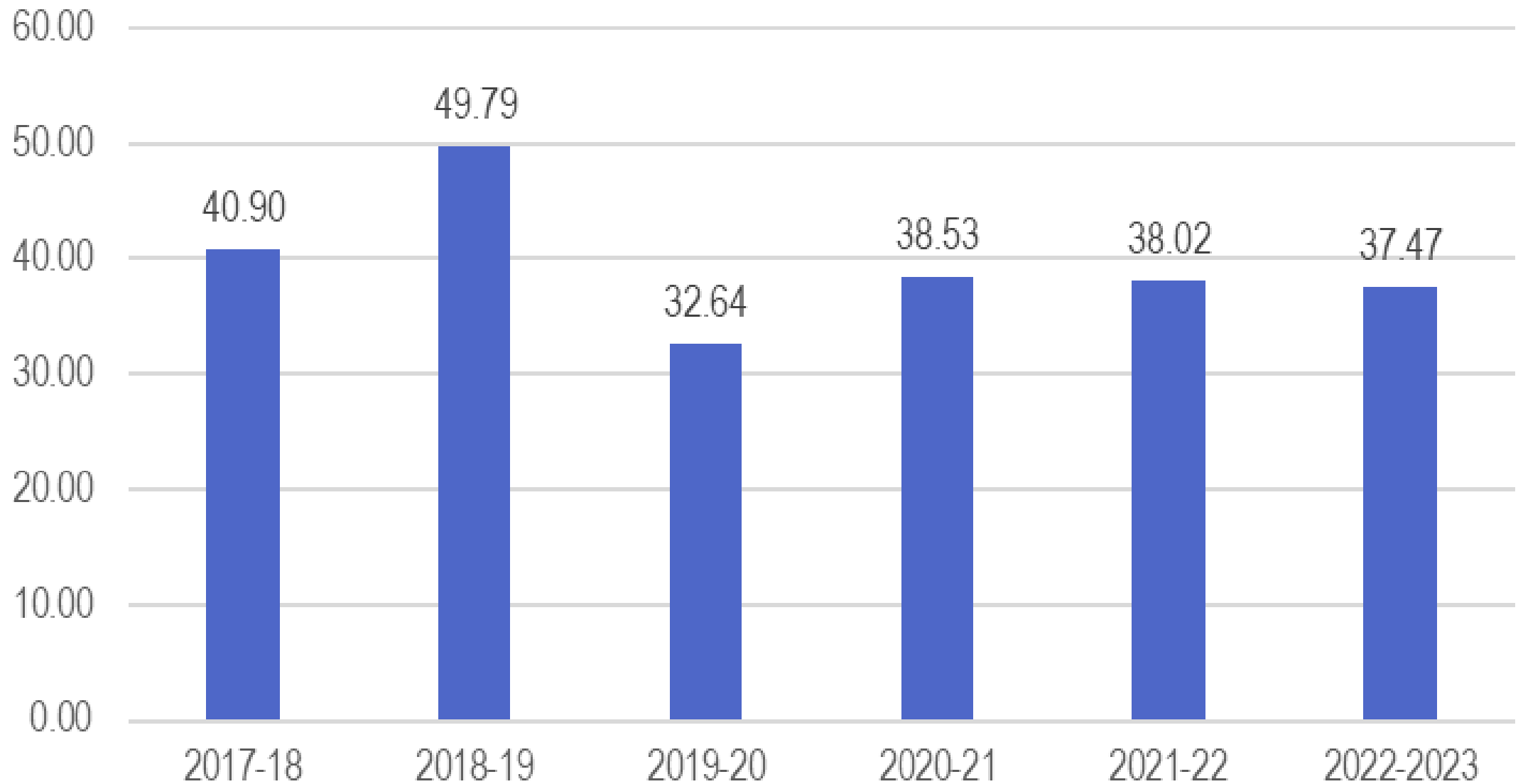
Expenditure to Revenue Ratio



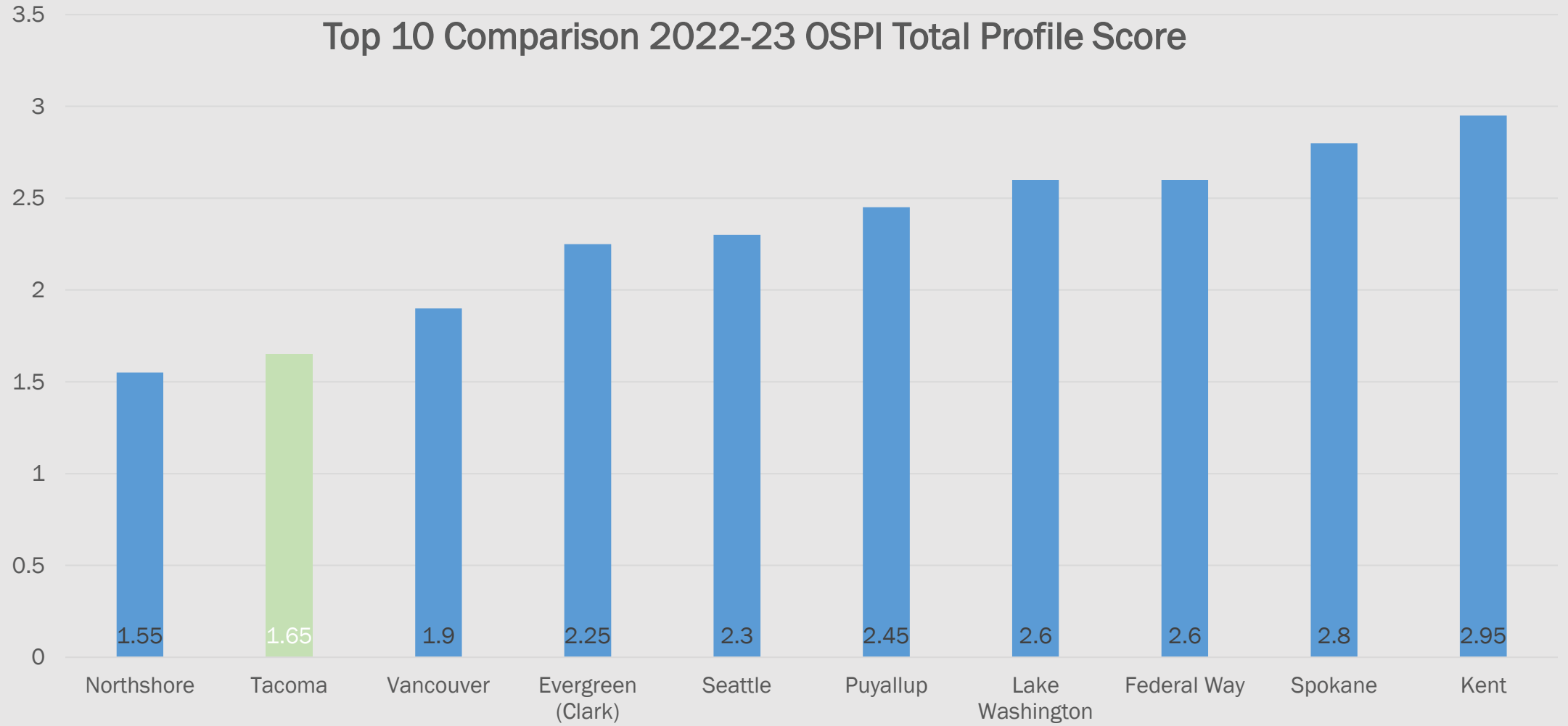
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-2023
Total Expenditures divided by	\$417,805,266	\$454,906,513	\$473,923,608	\$461,765,201	\$517,919,915	\$561,928,696
Total Revenues and Other Financing Sources	\$416,738,211	\$463,882,512	\$470,871,828	\$480,938,045	\$505,526,349	\$535,927,901
Ratio	100.26%	98.07%	100.65%	96.01%	102.45%	104.85%
Score	3	4	3	4	2	2

■ Total Expenditures divided by
 ■ Total Revenues and Other Financing Sources
 ■ Ratio
 ■ Score

Days Cash on Hand

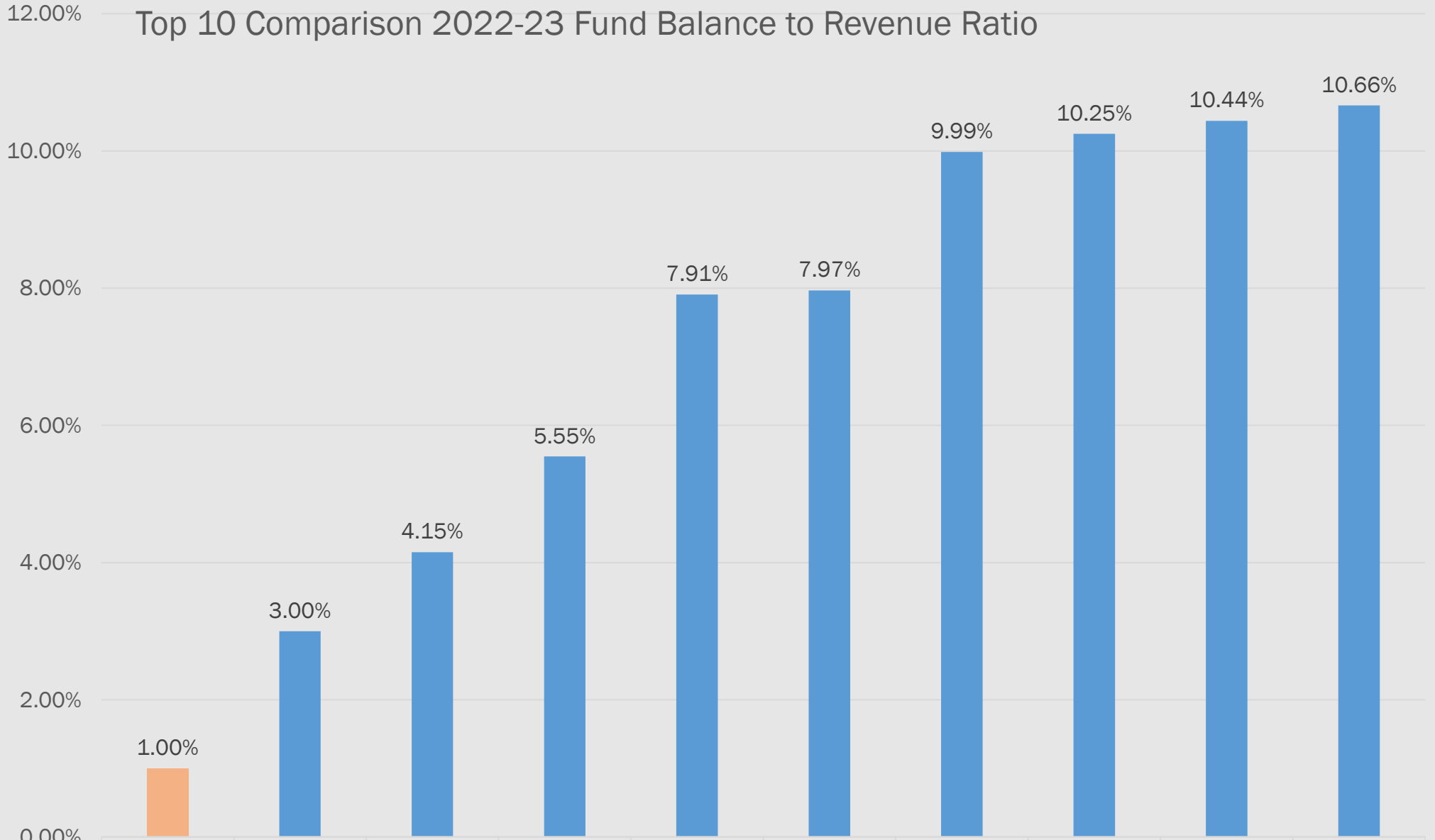


Top 10 Comparison 2022-23 OSPI Total Profile Score



■ Northshore ■ Tacoma ■ Vancouver ■ Evergreen (Clark) ■ Seattle ■ Puyallup ■ Lake Washington ■ Federal Way ■ Spokane ■ Kent

Top 10 Comparison 2022-23 Fund Balance to Revenue Ratio



■ Fund Balance to Revenue Ratio

Tacoma

Northshore

Evergreen
(Clark)

Vancouver

Puyallup

Spokane

Lake
Washington

Kent

Federal Way

Seattle

1.00%

3.00%

4.15%

5.55%

7.91%

7.97%

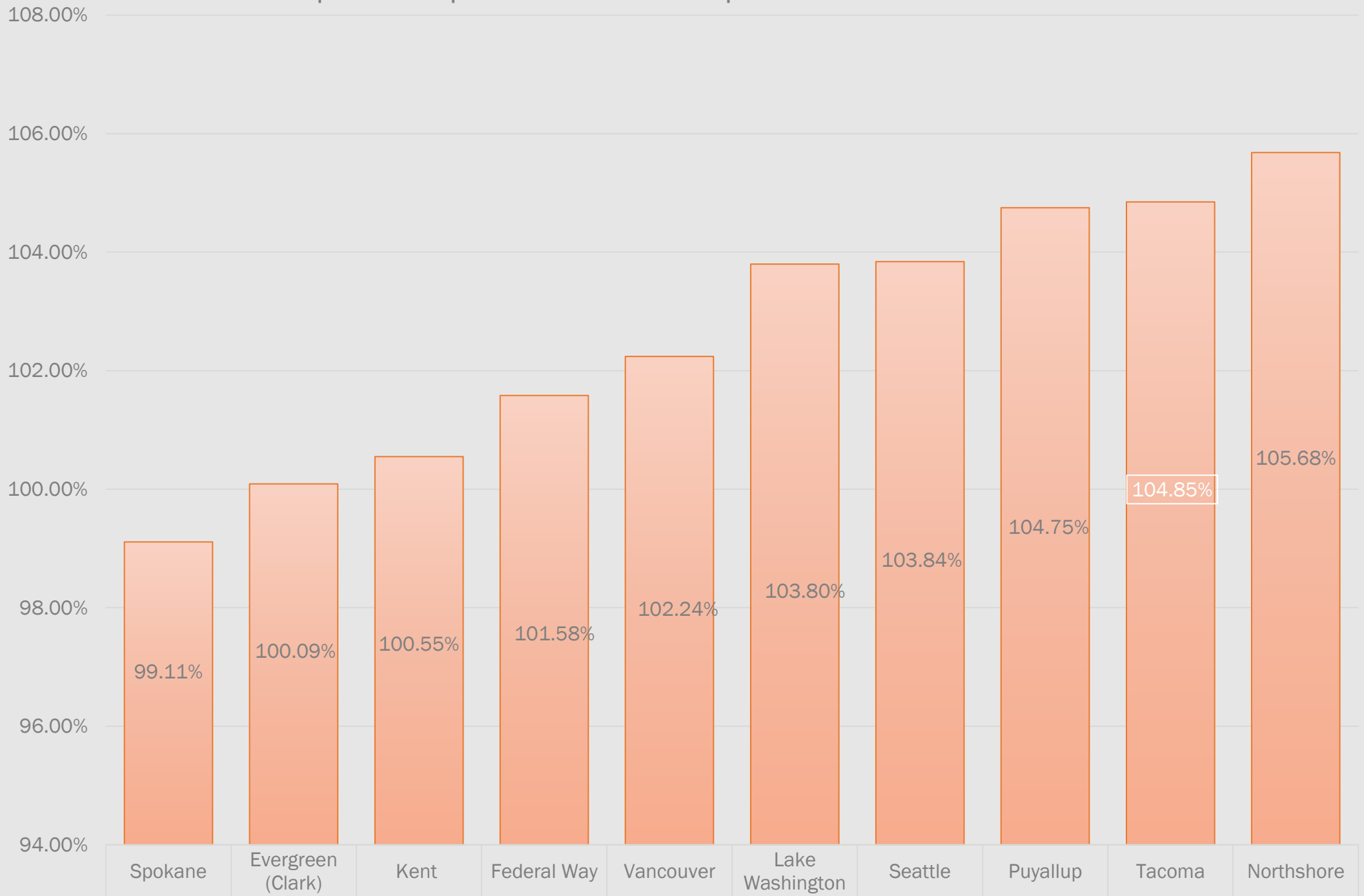
9.99%

10.25%

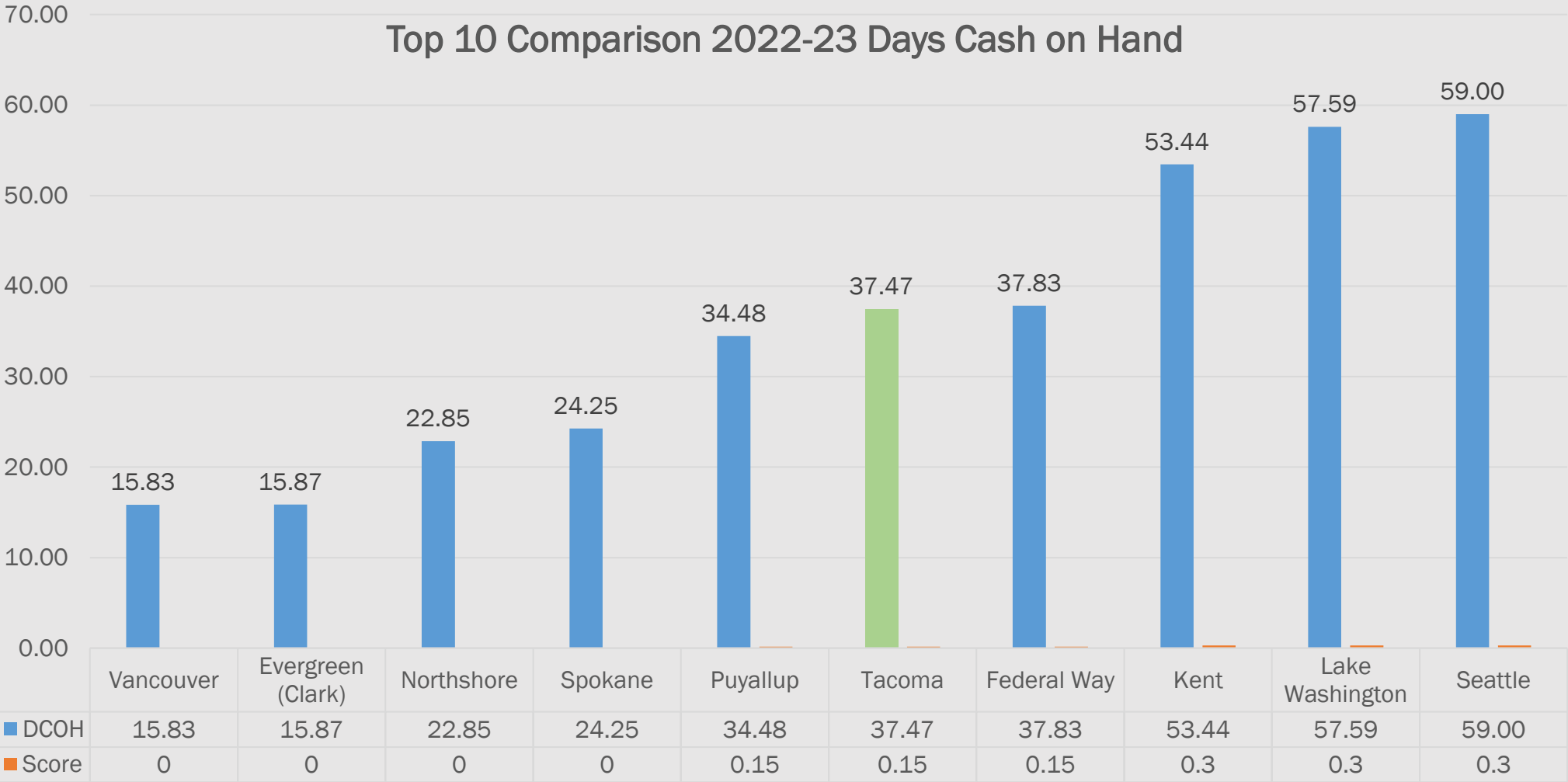
10.44%

10.66%

Top 10 Comparison 2022-23 Expenditure to Revenue Ratio



Top 10 Comparison 2022-23 Days Cash on Hand



Top 10 Comparison Consecutive Years with a Deficit Fund Balance

