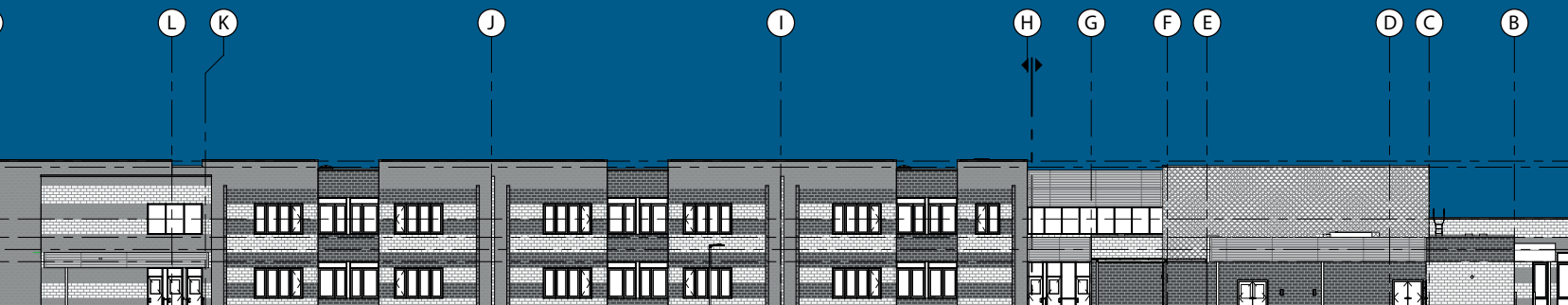




# Popular Annual Financial Report

Washoe County School District  
Reno, Nevada  
Fiscal year ended June 30, 2020



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**Washoe County School District**

425 East Ninth Street \* P.O. Box 30425 \* Reno, NV 89520-3425  
Phone (775) 348-0200 \* (775) 348-0304 \* [www.washoeschools.net](http://www.washoeschools.net)

Board of Trustees: Malena Raymond, President \* Angela D. Taylor, Vice President \* Andrew Caudill, Clerk  
\* Jacqueline Calvert \* Katy Simon Holland \* Sharon Kennedy \* Ellen Minetto \* Kristen McNeill, Ed.D., Superintendent

December 23, 2020

To the Citizens and Taxpayers of Washoe County:

We are pleased to present the Washoe County School District's (WCSD) Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2020. The intent of this report is to clearly communicate the financial operations of the District in an open, transparent, and easy-to-understand format. We have completely reformatted this year's PAFR document to provide a more easy-to-read style for the public, which heavily uses infographics to share the most important financial information about the District to the reader.

This year will long be remembered for the beginning of the global COVID-19 pandemic. There was not any aspect of society which wasn't impacted by the pandemic, and certainly public education was directly affected by the disease, which came to our region in mid-March. In accordance with Governor Sisolak's emergency declaration and executive orders, the District physically closed all schools for the remainder of the school year and had to immediately transition to a full distance learning model for our students. This involved the training of teachers and students on digital learning platforms, which impacted the nature and type of instruction offered to students. A massive initiative to order and provide computer devices and internet connectivity to students who did not possess devices or have internet service, along with personal protective equipment (PPE), began in the spring and has continued to the 2020-21 school year.

Despite these challenges, the District's General Fund had a surplus for the second year in a row, and our Capital Projects Department has continued the work to build new schools and renovate and upgrade many of our existing schools. Significant projects of note are the completion of John Bohach Elementary School and Marce Herz Middle School, which opened in August 2020, and the start of construction of a new elementary school in Cold Springs and a new high school in the Wildcreek area. As a reflection of the District's intense efforts to put the agency's financials on a sustainable path, the District's long-term credit rating was upgraded this fiscal year, and we are now rated "AA" by all three major rating agencies. The number of high school graduates in the 2020 class set an all-time record and our graduation rate stands at 85 percent, in spite of the challenges our students faced this year.

The PAFR summarizes the financial and operating results reported in our Comprehensive Annual Financial Report (CAFR); however, the PAFR is prepared on a non-GAAP basis and is unaudited. The report includes information on all of the District's governmental and proprietary funds but it excludes information on fiduciary funds. The PAFR does not provide full disclosure of all material events, or notes to the financial statements. Persons who would like to review the full financial statements should refer to the CAFR, which is available online on the Business & Finance Department section of WCSD's website at <https://www.washoeschools.net/Page/548>.

We hope you find the new format of the PAFR more "user friendly", and we look forward to any comments on the document.

Respectfully submitted,

Kristen McNeill  
Superintendent

Mark Mathers  
Chief Financial Officer



# Summary of the District's Funds

In accordance with State law and government accounting principles, the District tracks its revenues and expenditures in separate funds. Each fund is like a separate bank account, which is used to keep monies in each fund from being commingled with other monies.

## 4 Governmental Funds

There are four types of governmental funds and two types of proprietary funds, as shown below. Information on each type of fund is provided in the following pages of this document.

### Did you know?

- The General Fund is the primary operating fund of the district, where most expenses to run the District are paid from. Most teachers are paid out of the General Fund, for example.
- In FY 20, total expenditures of all funds were just short of \$1 billion, at \$991.4 million.
- In FY20, COVID-19 had to some extent, offsetting impacts. The District began ordering new computer devices for students, personal protective equipment, and cleaning supplies. On the other hand, the District saved money by not heating and lighting schools that were closed after March and not filling vacant maintenance positions, for example.

### Special Revenue Funds \$179,877,805

These funds are restricted to the specific purpose of the grantor or donor and are used to track grants funds.

### Debt Service Funds \$78,154,117

Restricted by law for the payment of school district debt.

### General Fund \$478,385,778

Used for general operating expenditures, such as salaries, benefits, supplies and equipment. This is the district's largest fund.

### Capital Projects Funds \$233,988,402

Used to track capital projects such as the construction of new schools.

### Internal Services Funds \$77,458,505

Internal Services funds are used to account for activities that provide goods or services to other funds, as well as to departments or agencies of the primary government or to other government entities for cost-reimbursement.

### Enterprise Funds \$23,426,460

Enterprise funds are used to account for activities for which external users are charged a fee for goods or services.

## Proprietary Funds 2

The district uses two types of proprietary funds, an enterprise fund to track food services provided to schools, and internal services funds that are restricted to the self-insurance of health, workers' compensation and property/casualty insurance of the district.

# FY 20 Annual Statement of Revenues, Expenditures and Fund Balances

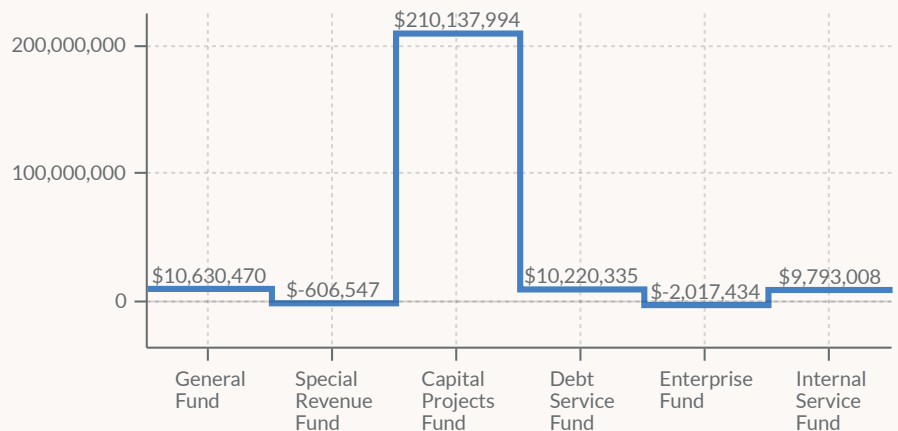
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	TOTAL ALL FUNDS
<b>REVENUES</b>							
Local Sources	\$ 343,543,406	\$ -	\$ 53,592,238	\$ 62,462,449	\$ 5,390,921	\$ 86,745,932	\$ 551,734,946
State Sources	137,364,670	90,796,224	-	-	82,771	-	228,243,665
Federal Sources	400,289	37,561,454	-	-	15,935,334	5,581	53,902,658
Other Sources	7,669,816	3,856,644	7,690,626	3,475,222	-	-	22,692,308
Total revenues	488,978,181	132,214,322	61,282,864	65,937,671	21,409,026	86,751,513	856,573,577
<b>EXPENDITURES</b>							
Salaries	275,455,381	108,875,445	3,993,989	-	8,543,267	504,488	397,372,570
Benefits	119,430,572	46,430,065	1,542,469	-	3,858,500	3,559,546	174,821,152
Purchased Services	16,564,670	8,896,213	155,563,907	-	1,184,459	73,276,466	255,485,715
Supplies	18,738,972	12,588,502	12,790,523	-	9,020,766	25,991	53,164,754
Property	191,287	123,327	29,785,554	-	284,633	-	30,384,801
Other	447,960	2,964,253	5,537,508	70,639,117	534,835	92,014	80,215,687
Total expenditures	430,828,842	179,877,805	209,213,950	70,639,117	23,426,460	77,458,505	991,444,679
Excess (deficiency) of revenues over expenditures	58,149,339	(47,663,483)	(147,931,086)	(4,701,446)	(2,017,434)	9,293,008	(134,871,102)
<b>OTHER SOURCES (USES)</b>							
Other Sources / Transfers In	38,067	47,056,936	372,843,532	22,436,781	-	500,000	442,875,316
Other Uses / Transfers Out	(47,556,936)	-	(14,774,452)	(7,515,000)	-	-	(69,846,388)
Total other financing sources (uses)	(47,518,869)	47,056,936	358,069,080	14,921,781	-	500,000	373,028,928
Net change in fund balance	10,630,470	(606,547)	210,137,994	10,220,335	(2,017,434)	9,793,008	238,157,826
<b>FUND BALANCE, July 1</b>	41,715,928	4,303,968	204,648,906	60,125,682	(3,056,460)	21,243,402	328,981,426
<b>FUND BALANCE, June 30</b>	\$ 52,346,398	\$ 3,697,421	\$ 414,786,900	\$ 70,346,017	\$ (5,073,894)	\$ 31,036,410	\$ 567,139,252

## Did you know?

- The District has the largest budget and most employees of any local government agency in Northern Nevada.
- As shown above, most of the revenues supporting the District are a mixture of local and state funding. Federal revenues of \$53.9 million mostly support Title I schools and special education.
- Since the passage of the WC-1 ballot measure in 2016 to increase the sales tax for school capital projects, the District's capital expenditures have increased significantly, as we have built multiple schools each year to relieve overcrowding. As a result, Capital Project Funds are a much larger portion of our budget now compared to before 2017.

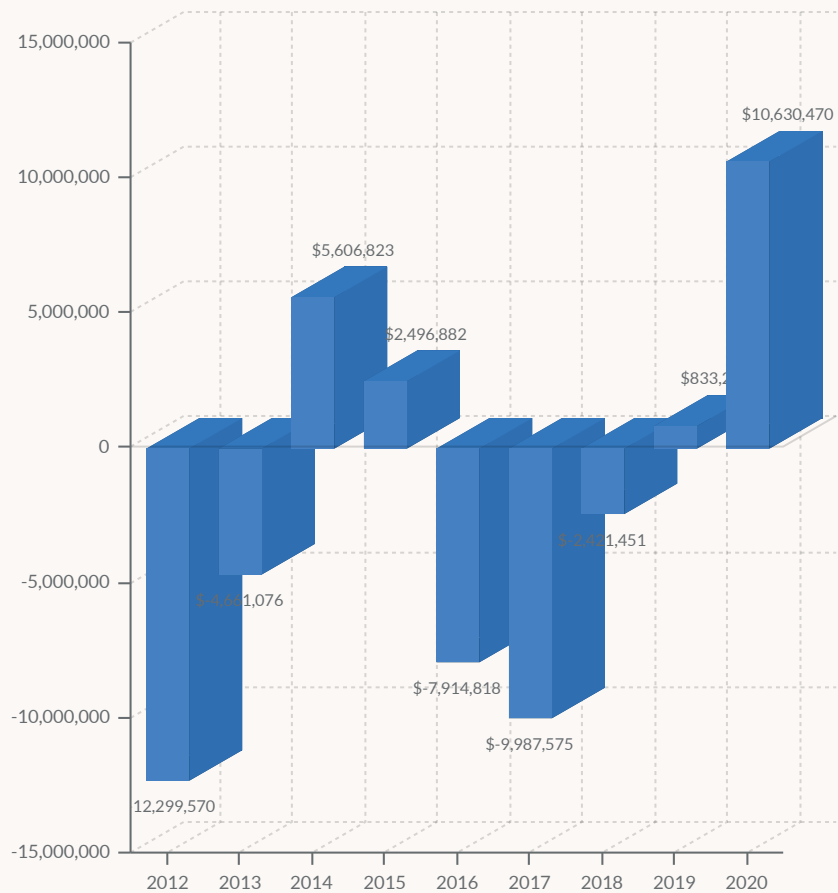
## What was the change in fund balance?



— Net Change in Fund Balance (FY 19-FY 20)

# Understanding the General Fund

## Profit & Loss by Fiscal Year



## General Fund Balance

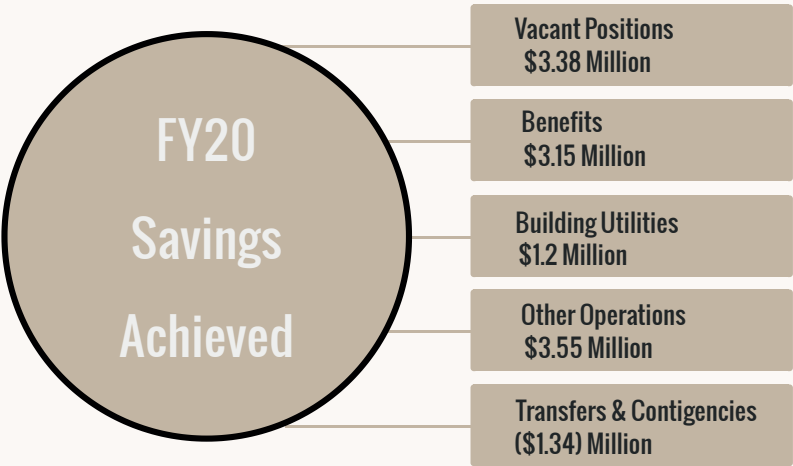
As a Percent of Expenses



FY 18	8.8%
FY 19	9.0%
FY 20	10.9%

By making more than \$60 million in budget cuts over the last three fiscal years, the District has stopped deficit spending and is re-building its reserves.

## Where did we save?



## How much did we save?





# Understanding FY 20 General Fund Revenues

## \$488,978,181

General Fund Total Revenues

### How Much Was State Funded?



## 78%

General Fund  
State Funded

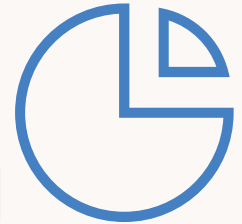
= **\$6,034**  
Per Pupil  
Guaranteed Funding

Approximately 78% of General Fund revenues are received by the District through per-pupil funding from the State. In FY 20, Washoe County School District received \$6,034 per student. This funding comes to the District via the following revenue sources.

### How Much Was Locally Funded?

## 22%

General Fund  
Locally Funded



The remaining 22% of the General Fund's revenues are considered "local revenues." For these revenues, the District either keeps any excess revenues (i.e., when actual revenues exceed budget) or has to make up any shortfalls in revenues.

## Guaranteed

### FY 20 State Funding Sources



Funded by the State \$382,211,330

1/3 from Property Taxes	\$ 39,399,009
Local School Support Sales Tax	205,447,651
Direct School Funding (DSA)	132,300,335
Special State Funding	5,064,335

## Variable

### FY 20 Local Funding Sources



Funded Locally \$106,766,851

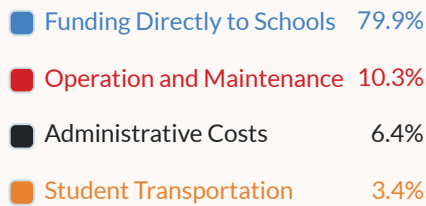
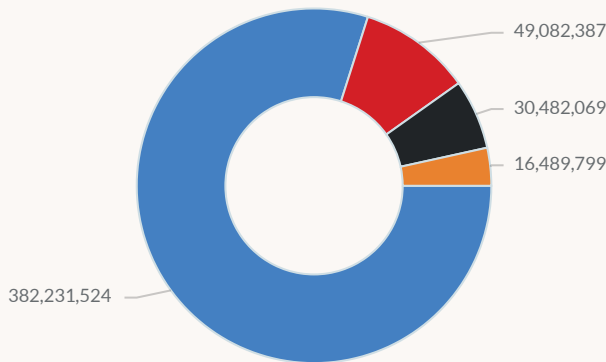
2/3 from Property Taxes	\$78,798,019
Motor Vehicles Registration	20,152,406
Investment Earnings	1,673,470
Federal Revenues	400,289
Other	5,742,667

### Did you know?

The funding formula that Nevada uses to distribute monies to school districts is commonly called "the Nevada Plan". This hybrid funding model was created in 1967, and is set to be replaced with the new Pupil Centered Funding Plan in FY 22.

# Understanding FY 20 General Fund Expenditures

## Where does the money go?



## General Fund Expenses

Total Uses	FY 2019	FY 2020
Funding Directly to Schools	372,698,538	382,331,524
Operations & Maintenance	47,255,651	49,082,387
Student Transportation	16,266,849	16,489,799
Administrative Costs	29,776,297	30,482,069
<b>Total</b>	<b>\$465,997,335</b>	<b>\$478,385,779</b>

# 92%

General Fund expenses go to salaries and benefits of district employees.

Salaries & Benefits	FY 2020	%
Salaries & Benefits	394,885,953	92
Non-Personnel Costs	35,942,890	8
<b>Total</b>	<b>\$430,828,843</b>	<b>100</b>

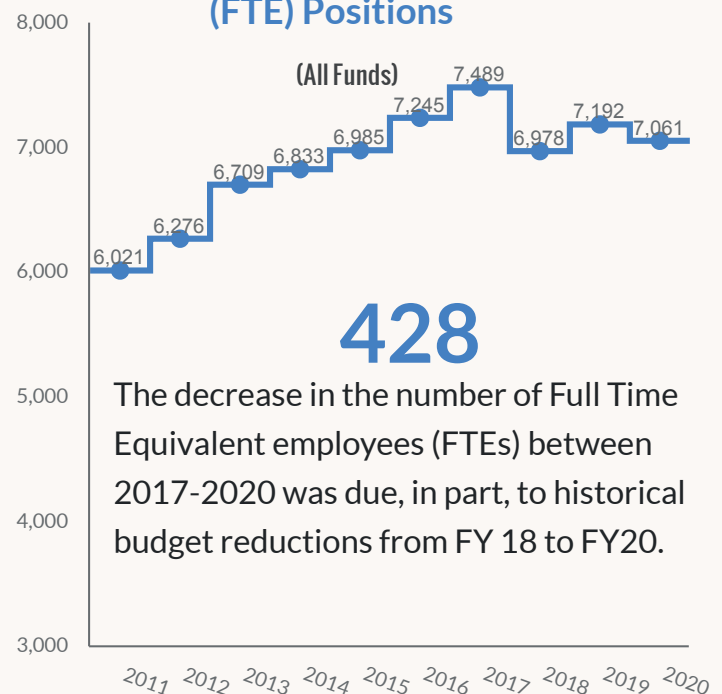
# 77%

General Fund expenses directly support schools. With the addition of the Student Transportation and Maintenance Costs, that total increases to over 90%.

### Did you know?

- Total General Fund expenses and transfers to other funds increased 2.7% in FY 20. This was largely due to a 3% Cost-of-Living Adjustment (COLA) that the State funded and District employees received this fiscal year.
- The COVID-19 pandemic led to the physical closure of schools beginning in mid-March and the transition to full distance learning. The closure of schools resulted in more than \$1 million in savings for building utilities and gas for busing. Athletic travel and training expenses were also curtailed.
- Other cost savings the District achieved were due to vacancies in operations and maintenance (custodians and bus drivers) and teaching positions.
- The District uses a Financial Review Committee to review all major expenditures and proposed recruitment for vacancies in the General Fund to identify opportunities for savings and deferral of spending.

## Number of Full-Time Equivalent Employees (FTE) Positions



# 428

The decrease in the number of Full Time Equivalent employees (FTEs) between 2017-2020 was due, in part, to historical budget reductions from FY 18 to FY20.

# Understanding FY 20 Special Revenue Fund Expenditures

**\$179,877,805  
Million**

Special Revenue Expenses

Includes \$27,663,008 for  
"Other" Programs

## Largest Programs

**At Risk**  
\$23,490,050 Million

**Special Education**  
\$93,287,105 Million

**Class Size Reduction**  
\$21,372,957 Million

**English Language Learners**  
\$7,284,332 Million

**Gifted and Talented**  
\$1,839,858 Million

**Read by Grade Three**  
\$4,940,495 Million

### Did you know?

- Special Revenue Funds are used to account for resources restricted for specific purposes and are separate from debt service or capital projects funds.
- Special revenue funds largely focus on students in "weighted categories." Examples of "weighted categories" are special education, gifted and talented, at-risk, English Language Learners and other special programs.
- The majority of our grant funding comes through the Nevada Department of Education.
- A significant portion of Special Education expenses are funded by a transfer from the District's General Fund.
- Class Size Reduction, at \$21.4 million, is the largest single program after Special Education.

## What Changed?

Special education expenses increased \$5.4 million or 7.3%.

Other state programs increased \$8.6 million or 17.4%. This was largely due to increased funding for English language learners and remedial formula grants.

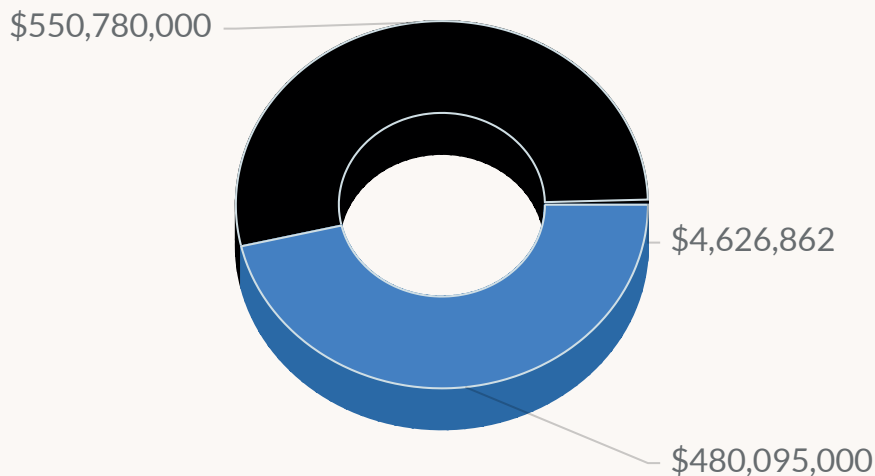
Federal expenses decreased by \$2.8 million or 6.7%. This was largely due to the sunset of a multi-year federally funded Pre-K program.

### Special Revenue Programs

- **At Risk:** For schools with high numbers of students from low-income families who require temporary or ongoing interventions and supplemental services in order to succeed in school.
- **Special Education:** Educational services provided to students with special needs.
- **Class Size Reduction:** To reduce class sizes in grades K - 3 by providing funding for additional teachers.
- **English Language Learners:** Supplemental services to students who are currently not fluent in the English language.
- **Gifted and Talented:** Programs to provide accelerated education to students who have been identified as showing evidence of high achievement capabilities.
- **Read by Grade Three:** Provides interventions to ensure all elementary school students are reading at grade level by the end of third grade.

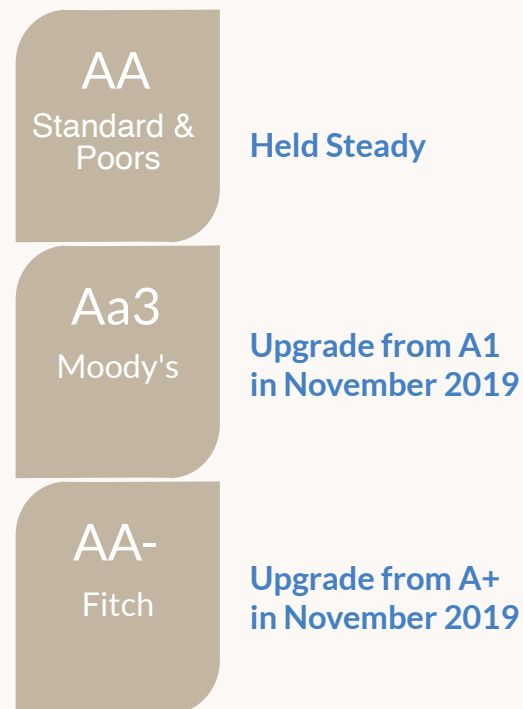
# Understanding our Debt

## Outstanding Indebtedness



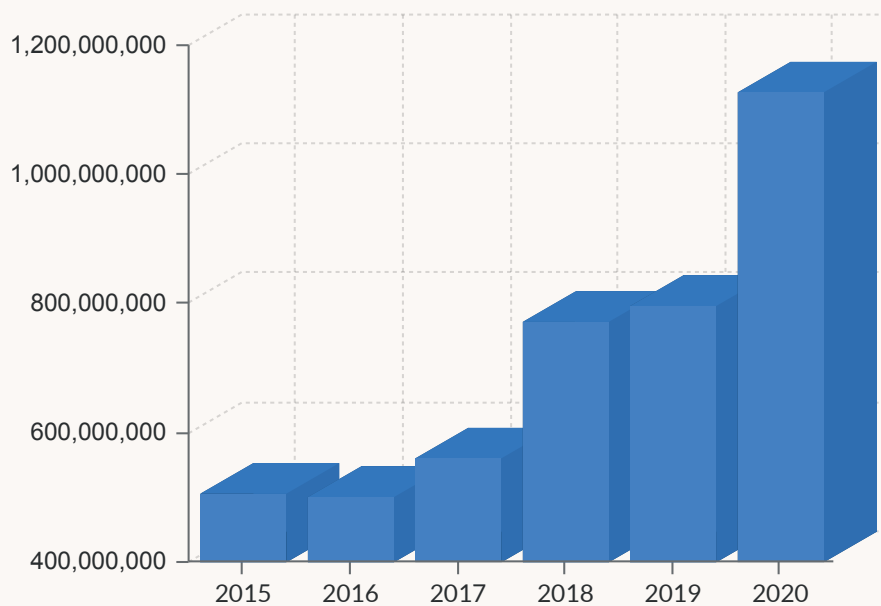
- General Obligation Bonds (Paid by Property Tax)
- General Obligation Revenue Bonds (Paid by WC-1 Sales Tax)
- Medium Term Bonds (for Fleet Purchases)

## WCSD Debt Ratings



## District Debt is Increasing to Build New Schools

2015-2020



## How Does the District Pay its Debt?



Property Tax  
Revenues to Pay Debt:  
\$65,392,739



WC-1 Sales Tax  
Revenues to Pay Debt:  
\$49,641,891

## Annual Debt Service

\$57,713,304



**Paid by  
Property Tax**

\$12,773,010



**Paid by WC-1  
Sales Tax**

1.13 Ratio Revenue to  
Debt Payments (FY20)

3.89 Ratio of Revenue to  
Debt Payments (FY20)

# Capital Projects

Promises Made, Promises Kept

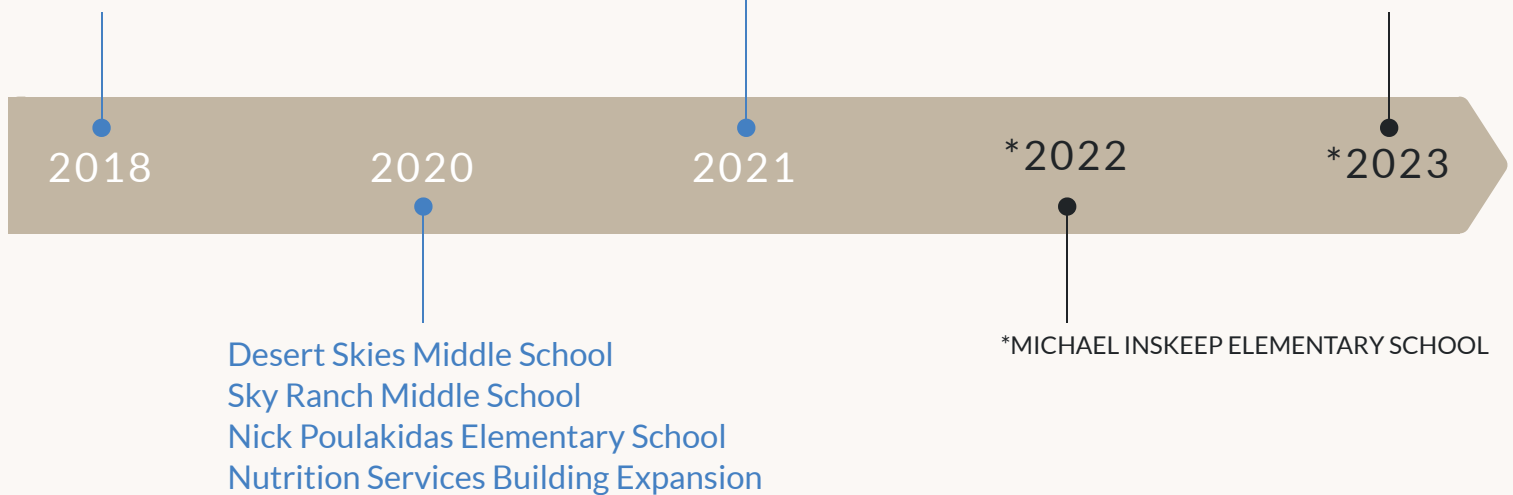
## BUILDINGS COMPLETED

Marce Herz Middle School  
John C. Bohach Elementary School

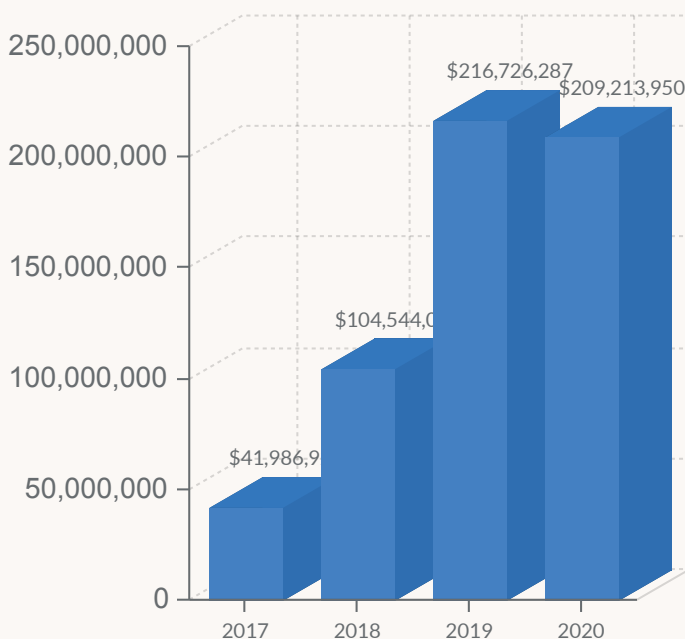
## \*FUTURE PROJECTS

\*NEW HUG HIGH SCHOOL  
\*SWOPE MIDDLE SCHOOL EXPANSION  
\*NEW O'BRIEN MIDDLE SCHOOL

Damonte Ranch High School Addition



## Capital Project Spending



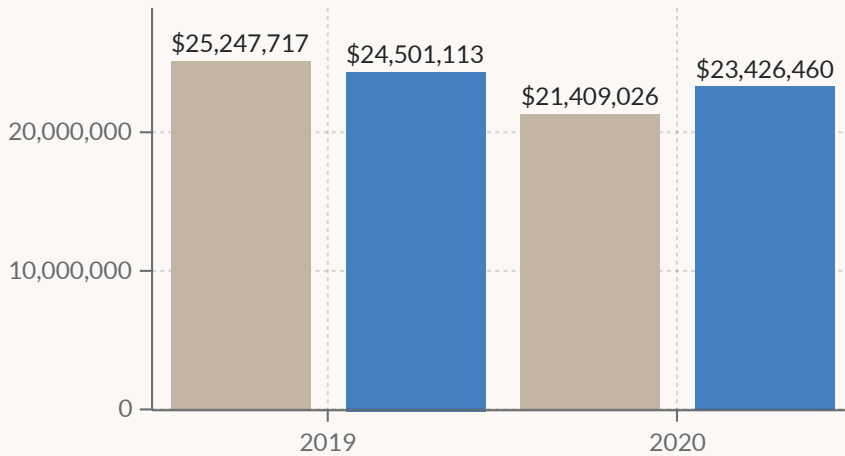
## Did you know?

The District uses a combination of long-term debt (see prior page) and cash reserves to build its new schools. Washoe County voters' passage of a 0.54% sales tax for school capital projects has allowed the District to address long-overdue overcrowded conditions at schools, as well to upgrade and repair many older schools.



# FY 20 Nutrition Services Fund at a Glance

## Revenues & Expenses



■ Revenues

■ Expenses

1

Last fiscal year, the Nutrition Services Fund had a profit of \$746,604 which it planned to use to upgrade facilities and for food.

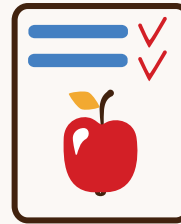
2

Unfortunately, in FY20, schools were physically closed after COVID-19 caused a statewide lock-down and as a result, meals at schools ceased. The fund ended FY20 with a \$2,017,434 loss.

### Did you know?

- The Nutrition Services Fund pays for transactions relating to the food services provided to schools and other locations.
- The main objective is to provide healthy, nutritious meals to students.
- Free and Reduced 51.1%: This is an increase of 4.8% over the prior year due to transitioning schools to the Community Eligibility Program (CEP).

## Meals Served



Breakfast  
2,179,658

Lunch  
3,399,742

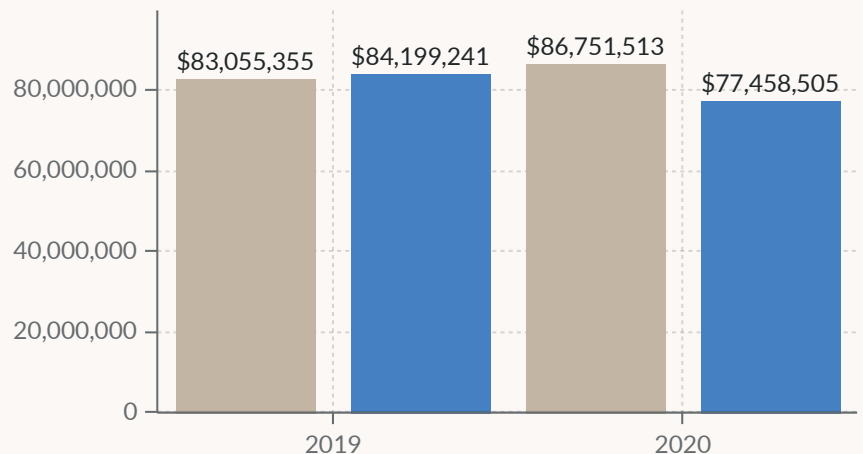
# FY 20 Internal Services Funds at a Glance

Internal Revenue Funds = Insurance Funds

### Did you know?

- Property & Casualty Funds are for the self insured property and casualty costs of the District.
- Covers losses due to acts of nature, damage to property, etc.
- Health Insurance Funds account for the self insured employee health benefit costs of the District.
- Types of insurance provided are medical, dental, vision, life and long term disability.

## Revenues & Expenses



■ Revenues

■ Expenses

# Washoe County School District– FY 20 at a Glance

## 2nd Largest School District in Nevada

**3**

New Schools Opened

**7**

Sponsored Charter Schools

**106**

Total Buildings Owned

**75**

Among the Seventy-five  
Largest School Districts

**6,342**

Total Square Miles

## Student Population by Race/Ethnicity



**41.0%**  
Hispanic

**2.5%**  
African American

**1.3%**  
Pacific Islander

**1.3%**  
American Indian

**6.2%**  
Multiracial

**4.2%**  
Asian

**43.5%**  
White

# Students = 64,158

**30,389**

Elementary Students in  
**Sixty-three**  
Schools

**18,282**

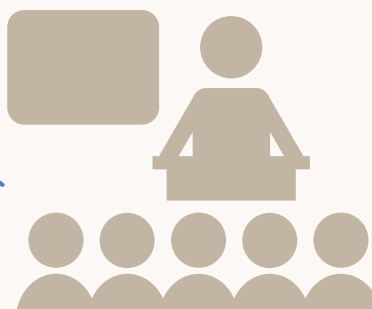
High School Students in  
**Fourteen**  
Comprehensive High Schools

**14,032**

Middle School Students in  
**Sixteen**  
Schools

**1,455**

Students in  
**Six**  
Other Schools



# NINETY-NINE Schools



Questions concerning any of the information provided in this report may be addressed by phone at 775-348-0312. Written inquiries and requests for copies of the Comprehensive Annual Financial Report (CAFR) should be addressed to:

Office of Business & Financial Services  
PO Box 30425  
Reno, NV 89512



Government Finance Officers Association

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Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**Washoe County School District  
Nevada**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2019**

*Christopher P. Morill*

Executive Director/CEO



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Executive Director/CEO

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## ***Washoe County School District***

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Every Child, By Name And Face, To Graduation<sup>SM</sup>

**425 East Ninth Street**

**Reno, NV 89512**

**775-348-0200**