



Popular Annual Financial Report

Washoe County School District | Reno, Nevada

Fiscal year ended June 30, 2022



**Washoe County
School District**

January 27, 2023

To the Citizens and Taxpayers of Washoe County:

We are pleased to present Washoe County School District's Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2022. The intent of this report is to convey our district's finances in an easy-to-understand format and to communicate our financial situation in an open and accountable manner.

The PAFR summarizes the financial activities and operating results reported in the Washoe County School District's audited Annual Comprehensive Annual Financial Report (ACFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis. Key differences between the PAFR and ACFR are the ACFR's use of prescribed accounting methods and financial statement formats; the presentation of segregated funds; and the disclosure of all material financial and non-financial matters in notes to the financial statements.

For more detailed financial information, a copy of the Annual Comprehensive Annual Financial Report is available from the Office of Business and Financial Services or can be viewed on the District's website at <https://www.washoeschools.net/Page/6094>

Respectfully submitted,



Mark Mathers
Chief Financial Officer

TABLE OF CONTENTS

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) PAFR AWARD	1
ABOUT WASHOE COUNTY SCHOOL DISTRICT AND ITS LEADERSHIP	2
WCSD DEMOGRAPHICS AND KEY STATISTICS	3
FINANCIAL HIGHLIGHTS	4
ENROLLMENT	4
FY22 ANNUAL STATEMENT OF REVENUES, EXPENDITURES & FUND BALANCES	5
GENERAL FUND	6
UNDERSTANDING FY22 GENERAL FUND REVENUE	7
PUPIL CENTERED FUNDING PLAN	8
SPECIAL REVENUE FUNDS	9
CAPITAL PROJECTS	10
DEBT SERVICE	11
ENTERPRISE FUND	12
CONTACT INFORMATION	13



Government Finance Officers Association

Award for
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, 2021

Christopher P. Morill

Executive Director/CEO



Popular Annual Financial Report



Washoe County School District
Reno, Nevada
Fiscal year ended June 30, 2021

The GFOA established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to encourage and assist state and local governments to extract information from their annual comprehensive financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.

ABOUT WASHOE COUNTY SCHOOL DISTRICT AND ITS LEADERSHIP



Dr. Susan Enfield
Superintendent



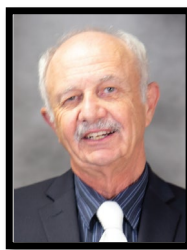
Dr. Angela Taylor
Board of Trustees
President



Dr. Diane Nicolet
Board of Trustees
Vice-President



Ellen Minetto
Board of Trustees
Clerk



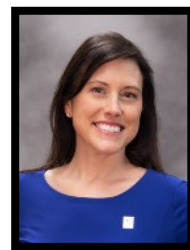
Jeffrey Church
Board of Trustees
Member



Adam Mayberry
Board of Trustees
Member

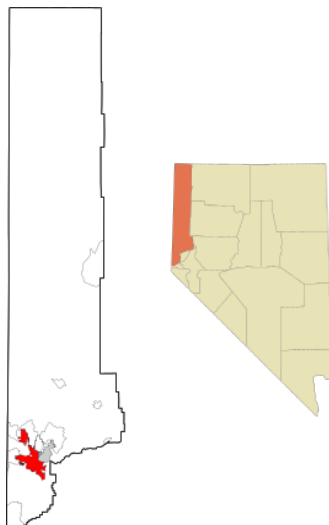


Joseph Rodriguez
Board of Trustees
Member



Elizabeth Smith
Board of Trustees
Member

WCSD is the 2nd largest school district in Nevada. Washoe County, located in the northwestern part of the State of Nevada, is the second most populous county (486,492 in 2020) in the State of Nevada covering an area of 6,342 square miles with the county seat in the City of Reno. Other communities in the county are Gerlach, Sparks, Wadsworth and Incline Village at Lake Tahoe.



Structure

The governing board of the District consists of seven trustees – five represent political divisions of the county and two are “at-large”. Members are elected by the public for overlapping four-year terms to serve as the stewards and guardians of the District’s values, vision, mission and resources. The legal power, duties and responsibilities of the Board of Trustees are defined by NRS and Board Policy.

The Superintendent of Schools is responsible to the Board of Trustees for the general efficiency of the school system including instruction, student services, personnel, finance, administration, and all other phases of District operations. In addition, the superintendent develops policy for constructive relations between schools and the community, and assures programs are responsive to current and future student needs, and compatible with community expectations. The District is focused on creating an education system where all students achieve academic success, develop personal and civic responsibility, and achieve career and college readiness for the 21st century.

WCSD DEMOGRAPHICS AND KEY STATISTICS

SCHOOLS

65 Elementary Schools

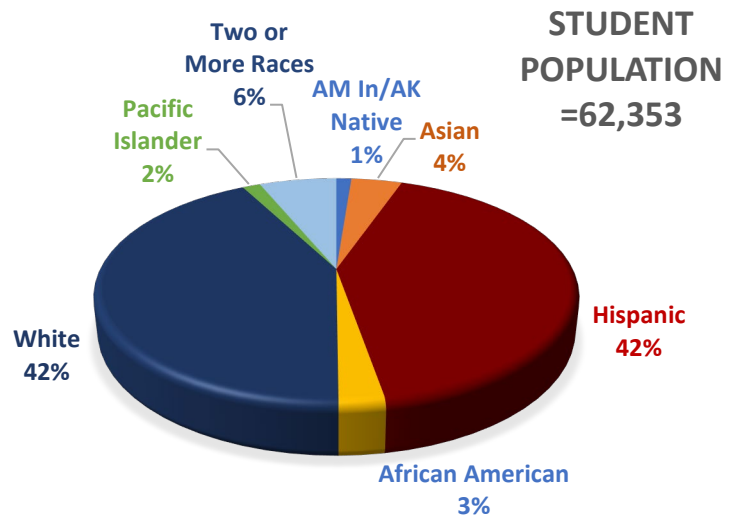
17 Middle Schools

14 Comprehensive High Schools

1 K-12 School

1 Adult Achievement High School

4 Alternative Schools



KEY STATISTICS



28,000+
Students transported
Daily
371
District-Owned Buses
(156 Specially Equipped)



8 Million +
School Meals Served
During 2021-22

59th
**Largest School District
in the Nation**

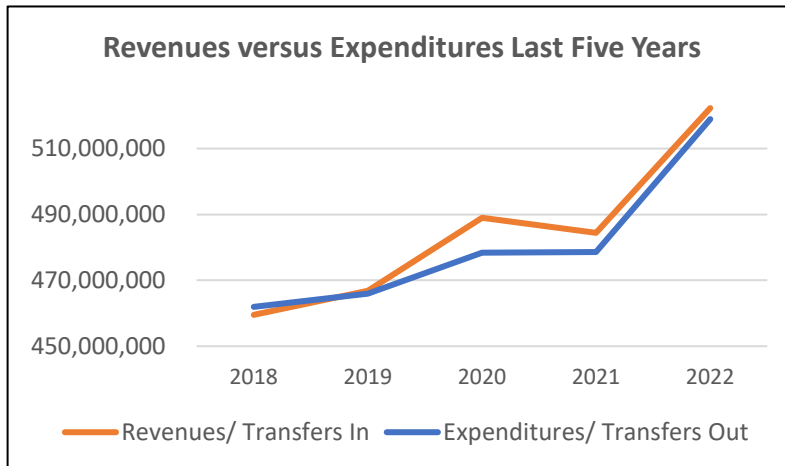
82%
Graduation Rate

3,743 TOTAL INSTRUCTIONAL STAFF

- 425 Nationally Board Certified Teachers
- 70% Earned a Master's Degree or Higher
- 1,593 Have 10+ years teaching experience
- 99% Teaching within area of licensure

FINANCIAL HIGHLIGHTS

- The District successfully managed the implementation of Nevada's first new school funding formula in more than 50 years, the *Pupil Centered Funding Plan (PCFP)*. There were many changes adopted as part of this new formula including the pooling of all major K-12 revenues at the State level and the creation of weighted funding for English Learners, At-Risk and Gifted and Talented students. These funding changes necessitated a number of budgetary changes in how services are funded.
- The General Fund had a surplus of \$3,343,358, as the amount of revenues exceeded expenditures and other uses. This is the *fourth* consecutive year that the General Fund has ended the fiscal year with a surplus.
- The District's total fund balance as of June 30, 2022, represented 11.9% of actual expenses and transfers out. The District's fund balance target is 12%.
- Washoe County's economy grew strongly due to the reopening of gaming facilities, federal stimulus funding that supported household incomes, net in-migration, and a number of other factors. As a result, locally WC-1 Sales Tax revenues increased by \$7.2 million to \$63.5 million. This represents a 12.7% increase over the prior year



GENERAL FUND

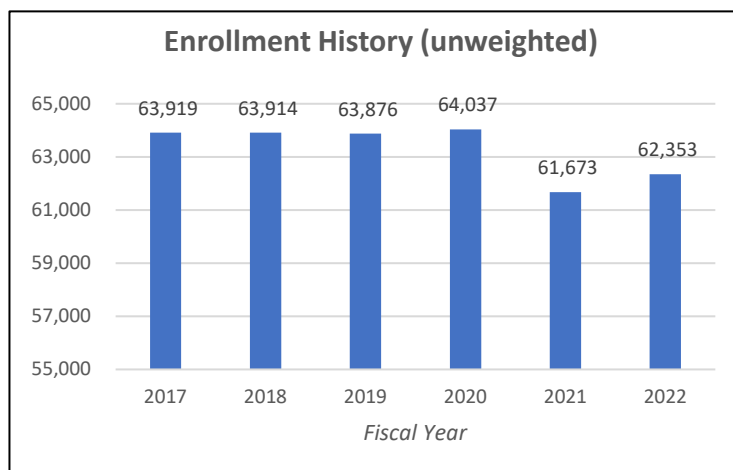
Revenues & Other Financing Sources Over/(Deficit) Expenditures

	FY18	FY19	FY20	FY21	FY22
Total Revenues & Other Financing Sources	\$459,530,467	\$466,830,557	\$489,016,248	\$484,438,691	\$522,278,525
Total Expenditures	\$461,951,918	\$465,997,335	\$478,385,778	\$478,567,427	\$518,935,167
Revenues & Other Financing Sources Over/(Deficit) Expenditures	\$(2,421,451)	\$ 833,222	\$10,630,470	\$5,871,264	\$3,343,358

ENROLLMENT

During the pandemic, enrollment on the District's "Count Day" declined more than 3.5% in the new school year of 2020-21. This was based on several likely factors, most notably concerns about the COVID-19 coronavirus disease. Enrollment in kindergarten, which is not mandatory in Nevada, fell by 786; this accounted for more than one-third of the enrollment drop, as parents may have been concerned about sending their children to school.

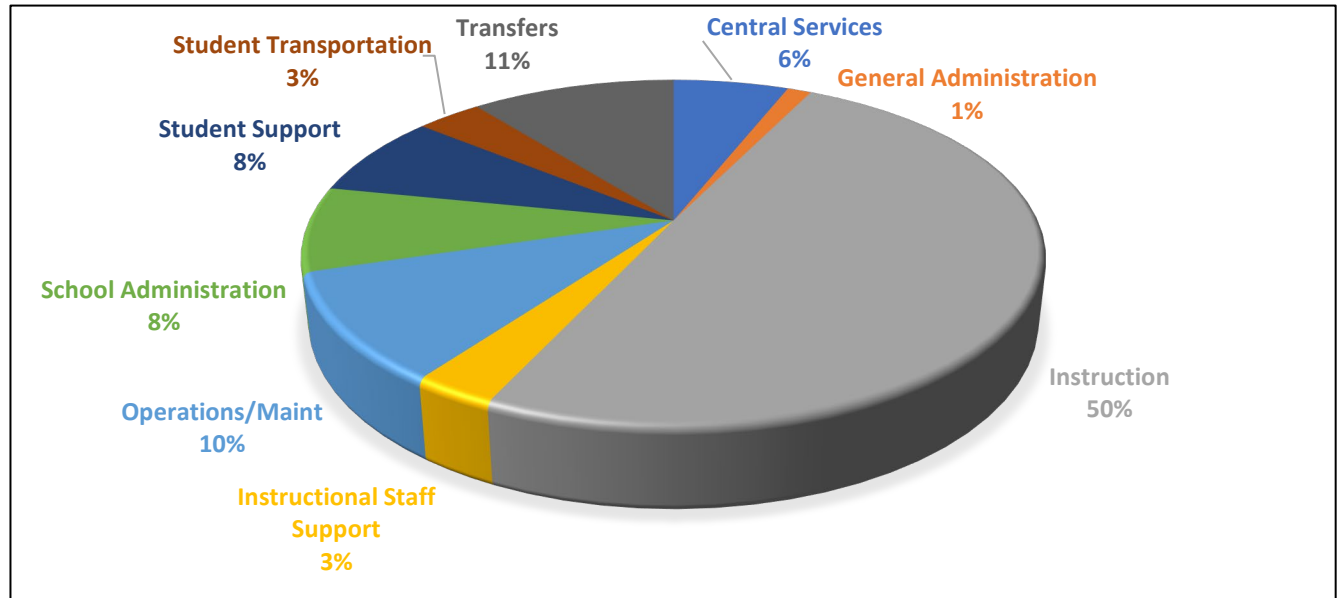
Fortunately, enrollment for the 2021-22 school year rebounded partially to 62,353 students, an increase of 1.1%.



FY22 ANNUAL STATEMENT OF REVENUES, EXPENDITURES & FUND BALANCES

GOVERNMENTAL TYPE FUNDS			
	Original Budget	Adjusted Budget	Actuals
General Fund			
Beginning Fund Balance	\$ 45,340,617	\$ 46,465,193	\$ 58,217,661
Revenues/Sources	522,423,636	525,421,661	522,278,525
Expenditures/Uses	522,423,636	526,703,349	518,935,167
Ending Fund Balance	45,340,617	45,183,505	61,561,019
Special Revenue Funds			
Beginning Fund Balance	4,385,025	11,650,889	14,582,366
Revenues/Sources	200,540,895	310,415,538	200,615,840
Expenditures/Uses	201,290,471	319,664,545	196,828,587
Ending Fund Balance	3,635,448	2,401,882	18,369,616
Capital Project Funds			
Beginning Fund Balance	120,400,016	395,500,033	405,404,208
Revenues/Sources	122,879,819	123,879,819	132,945,567
Expenditures/Uses	208,253,682	483,939,233	229,608,268
Ending Fund Balance	35,026,153	35,440,619	308,741,507
Debt Service Funds			
Beginning Fund Balance	72,689,137	75,364,121	75,347,025
Revenues/Sources	105,141,319	179,449,847	176,931,333
Expenditures/Uses	102,443,980	179,427,492	177,226,343
Ending Fund Balance	75,386,476	75,386,476	75,052,016
PROPRIETARY TYPE FUNDS			
	Original Budget	Adjusted Budget	Actuals
Enterprise Fund			
Beginning Net Position	(3,062,527)	(3,062,527)	712,486
Revenues/Sources	34,475,881	34,475,881	36,521,070
Expenses	31,438,304	31,438,304	30,059,562
Ending Net Position	(24,950)	(24,950)	7,173,994
Internal Service Funds			
Beginning Net Position	35,673,415	39,022,552	40,897,696
Revenues/Sources	95,341,803	96,602,803	93,480,857
Expenses	95,030,699	100,291,699	92,837,636
Ending Net Position	35,984,519	35,333,656	41,540,917
TOTAL OF ALL FUNDS			
Beginning Fund Balance/Net Position	\$ 275,425,683	\$ 564,940,261	\$ 595,161,441
Revenues/Sources	1,080,803,353	1,270,245,549	1,162,773,192
Expenditures/Uses	1,160,880,772	1,641,464,622	1,245,495,563
Net Surplus	195,348,263	193,721,188	512,439,070

Where does the money go?



91%

General Fund
expenditures go to
salaries and benefits
of district
employees

GENERAL FUND SPENDING

Total Uses	FY2020	FY2021	FY2022
Funding Directly to Schools	382,331,524	380,748,756	410,571,495
Operations & Maintenance	49,082,387	49,831,287	52,896,107
Student Transportation	16,489,799	15,866,211	17,734,491
Administrative Costs	30,482,069	32,121,173	37,733,074
TOTAL	478,385,779	478,567,427	518,935,167

SERVICES PROVIDED	FY18	FY19	FY20	FY21	FY22
Central Services	23,053,603	23,771,008	24,830,002	26,504,131	31,264,995
General Administration	6,154,378	6,005,289	5,652,067	5,617,042	6,468,079
Instruction	237,928,568	239,336,325	242,242,747	242,230,580	257,888,391
Instructional Staff Support	15,195,251	18,351,686	18,639,063	18,791,238	16,122,345
Operations/Maintenance	46,969,177	47,255,651	49,082,387	49,831,287	52,896,107
School Administration	35,297,243	37,162,301	38,818,879	38,544,060	41,178,473
Student Support	31,766,681	32,907,988	35,073,898	34,864,256	39,934,037
Student Transportation	19,621,614	16,266,849	16,489,799	15,866,212	17,734,491
Transfers	45,965,403	44,940,238	47,556,936	46,318,622	55,448,249
Total Expenditures	\$461,951,918	\$465,997,335	\$478,385,778	\$478,567,427	\$518,935,167

UNDERSTANDING FY22 GENERAL FUND REVENUE



\$7,222 Per Pupil

**General Funds
State Funded**

Approximately 98.76% of General Fund revenues are received by the District through per-pupil funding from the State. In FY22, Washoe County School District received \$7,222 per student. This funding comes to the District via the following revenue sources.

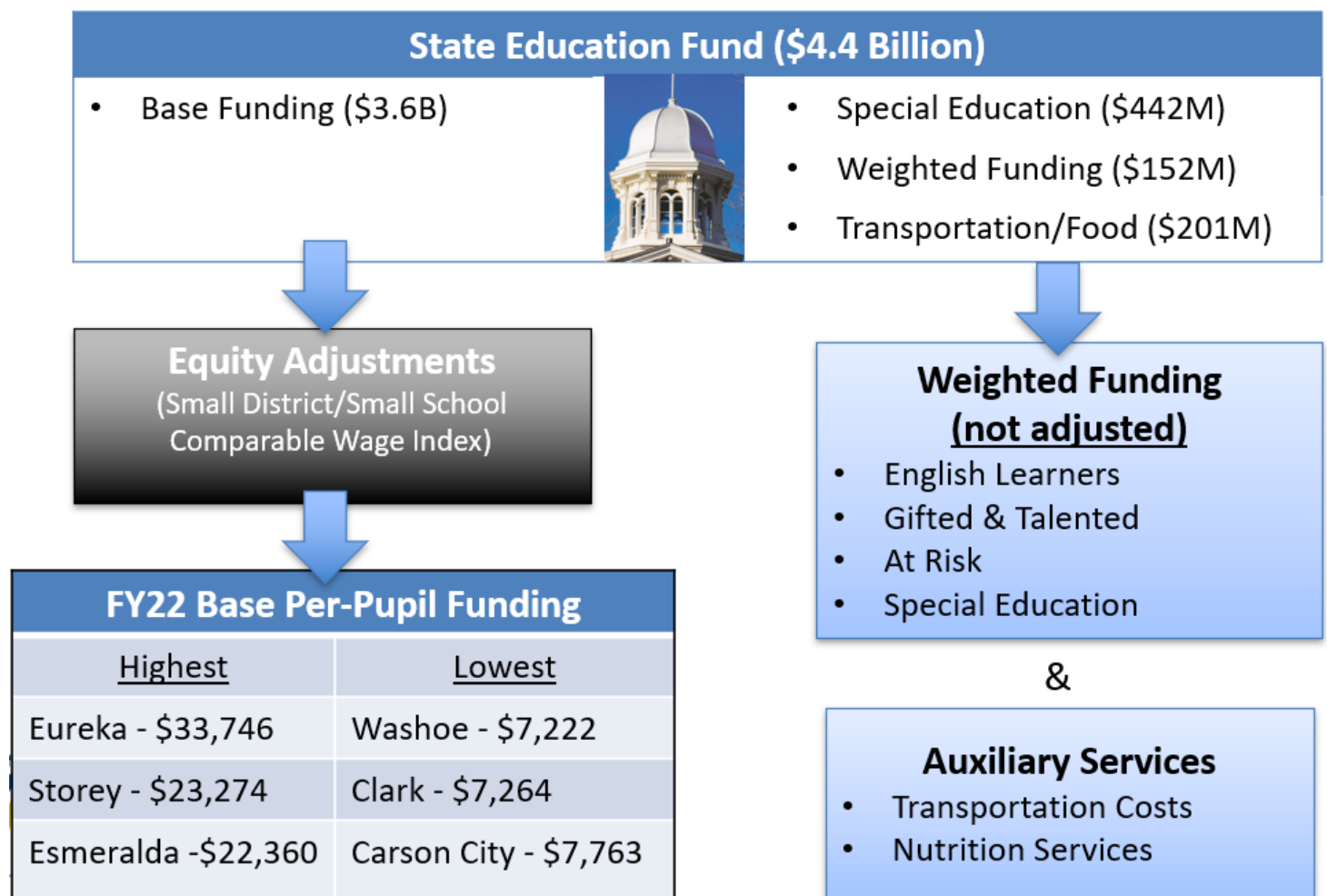
Revenues & Other Financing Sources					
	FY18	FY19	FY20	FY21	FY22
Taxes, State and Federal Revenue	\$450,354,112	\$460,374,520	\$481,783,224	\$476,055,051	\$516,152,642
Tuition	362,047	333,613	273,679	274,857	179,331
Investments	510,671	1,378,123	1,673,470	96,425	(696,492)
Transportation	594,973	631,389	474,426	472,921	1,177,204
Reimbursements	1,493,680	1,279,026	1,337,743	1,224,094	1,387,518
Refunds, Indirect costs & Other	3,059,061	2,797,520	3,435,639	3,152,098	4,024,888
Proceeds from sale of property	55,923	36,366	38,067	54,245	53,434
Bond Financing	3,100,000	-	-	3,109,000	-
Total Revenues & Other Financing Sources	\$459,530,467	\$466,830,557	\$489,016,248	\$484,438,691	\$522,278,525

PUPIL CENTERED FUNDING PLAN

Implemented on July 1, 2021, the State implemented a new funding formula for all school districts in Nevada. The new model, called the new Pupil Centered Funding Plan (PCFP), replaced the old “Nevada Plan”, which had been used since the late 1960’s to fund school districts. The plan dramatically changed the mix of revenue sources in the General Fund and grant funds received by the District. Districts no longer receive what were formerly considered “local school revenues” of property taxes, local school support taxes, government services tax, and franchise taxes. These revenue sources are pooled together at the state level in the State Education Fund and then redistributed to all 17 districts and charter schools based on various equity adjustments in the PCFP model.

Many categorical grant programs were either discontinued during the 2020 special legislative session or were replaced by new weighted funding categories created by the PCFP in FY22. Other state categorical grants, such as the Class Size Reduction program and social worker grants, which were previously received in special revenue funds, were eliminated and those funds were reallocated to districts’ general funds.

The diagram below shows how funding was distributed from the State to school districts in FY22, the first year of the new funding formula.



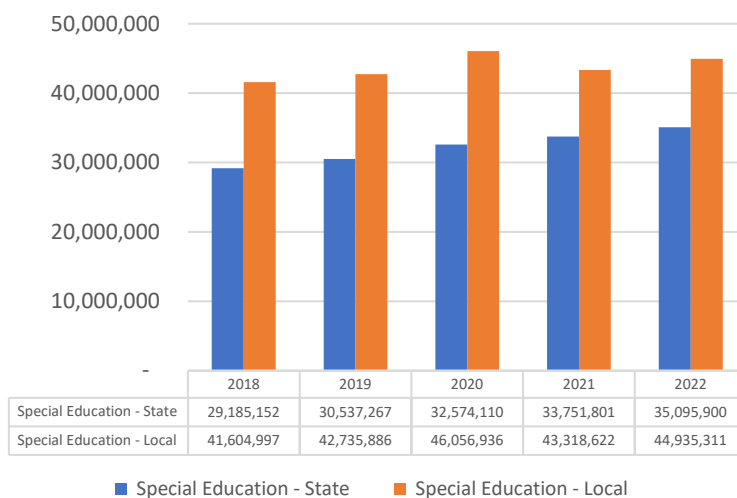
SPECIAL REVENUE FUNDS

Special revenue funds are used to account for monies that are legally restricted for specific purposes other than debt service funds or capital project funds. Most commonly, these are grants or other restricted funding from the federal or state government.

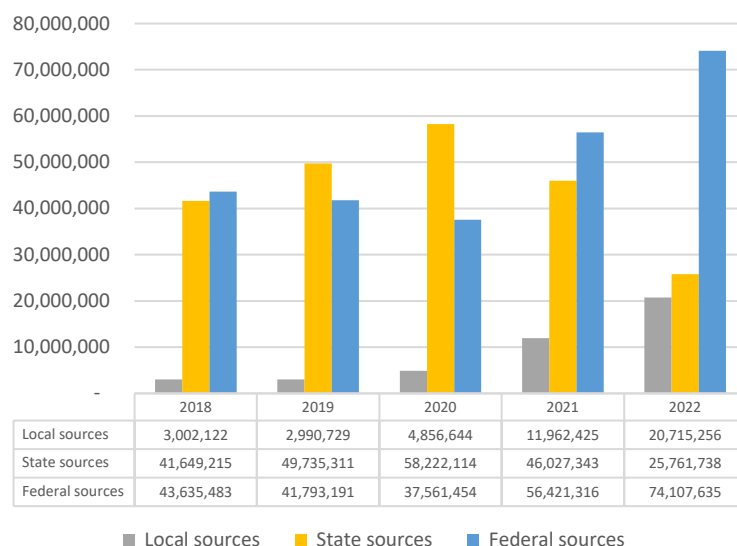
The District has one major fund within the Special Revenue Funds category: the **Special Education Fund**. The District's primary costs for providing services to students with an Individual Education Plan (IEP) are recorded here. Because State support does not cover the entire cost of these services, the District is required to transfer monies from its General Fund for the remainder of costs, which is more than half of the total cost.

Nonmajor funds include a wide variety of State and federal funding provided to K-12 school districts. Major federal grant funds include Title I of the Elementary and Secondary Education Act (ESSA) which provides additional funding for schools with high numbers of children from low-income families. Beginning in 2020, the federal government has funded three rounds of stimulus programs for U.S. school districts, known as Elementary and Secondary School Emergency Relief (ESSER) funding, to assist schools in safely reopening after the pandemic and to address learning loss and other needs of students. ESSER is the single largest targeted investment in K-12 public education in the history of our nation. This explains the tremendous growth in federal funding over the last two years, as shown to the right.

Special Education Fund - Sources



Special Revenue Nonmajor Funds - Sources



State funding includes programs such as new weighted funding for English language learners, Gifted and Talented programs and At-Risk students and categorical grant funding for mental health supports, social emotional learning, vocational education programs, and many other programs.

CAPITAL PROJECTS

To account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by special revenue funds).

Individual funds include the following:

- **Bond Proceeds Funds:**
To account for costs related to the building and acquisition, construction, and improvements for schools and other District-owned properties.
- **Government Services Tax Fund:**
To account for capital projects funded with Government Services Taxes per NRS 387.328.
- **Building and Sites Fund:**
To account for various other capital projects per NRS 387.177.
- **AB299 Indian Colony Fund**
To account for school renewal projects funded with sales tax revenue provided by Assembly Bill 299 passes in 2005.



Bond Issued Since FY18

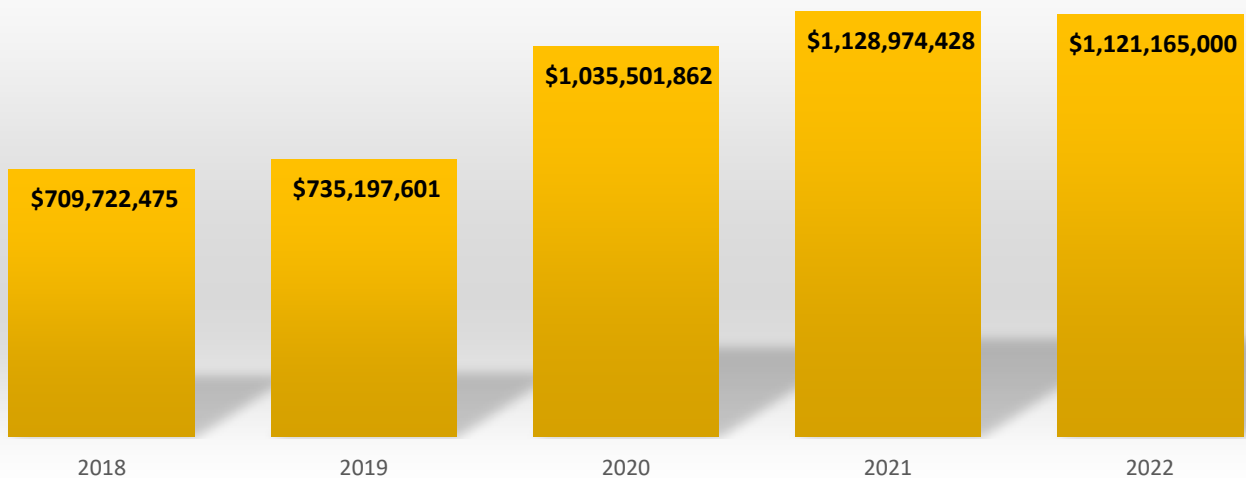
Issue Date	Series	Type	Face Amount	Major Facilities*
Nov-17	2017C	WC-1 Bonds	\$ 200,000,000	Desert Skies MS, Sky Ranch MS, Poulakidas ES
Dec-18	2018A	WC-1 Bonds	85,000,000	Herz MS
Sep-19	2019A	Rollover Bonds	69,020,000	O'Brien MS Design, Annual Capital Renewal
Dec-19	2019B	WC-1 Bonds	100,000,000	Inskeep ES, Swope MS Expansion, New Hug HS (partial)
May-20	2020A	WC-1 Bonds	165,780,000	New Hug HS (Wildcreek)
Jan-21	2021	Rollover Bonds	130,480,000	O'Brien MS Rebuild, Annual Capital Renewal
Mar-22	2022A	WC-1 Bonds	49,220,000	Capital Renewal projects
Total			\$ 799,500,000	

DEBT SERVICE

As of June 30, 2022, the District had \$1,121,165,000 of outstanding long-term debt. The District has issued long-term debt, or bonds, to finance the construction of new schools and other facilities, as well as repairs and upgrades to existing schools.

The District's outstanding debt declined by \$7.8 million in FY22. This decrease is attributable to the issuance of \$114.12 million in long term general obligation bond debt and \$3.4 million in medium term general obligation bond debt reduced by \$43.04 million in debt principal payments made and the refunding of \$82.3 million of bonds. Net effect is \$7.8 million decrease.

Outstanding Long-Term Debt



How Debt Service Funds Work

Each year, principal and interest payments are due on these long-term bonds. To pay the annual debt service on these bonds, the District maintains two debt service funds.

Each fund is responsible for the payment of a different types of debt, as shown on the right.

Debt Service Fund General Obligation Bonds Pledged by Property Taxes ("Rollover" Bonds)

\$524.1 million + \$6.1 million
of Medium Term bonds

Payable from revenues generated by the Property Tax Rate set for WCSD Debt
Rate = \$0.3885 per \$100 Assessed Valuation

Medium Term Bonds for fleet purchases are also paid from this fund.

Debt Service Fund - WC1 General Obligation Bonds Pledged by WC-1 Sales Tax ("WC-1 Bonds")

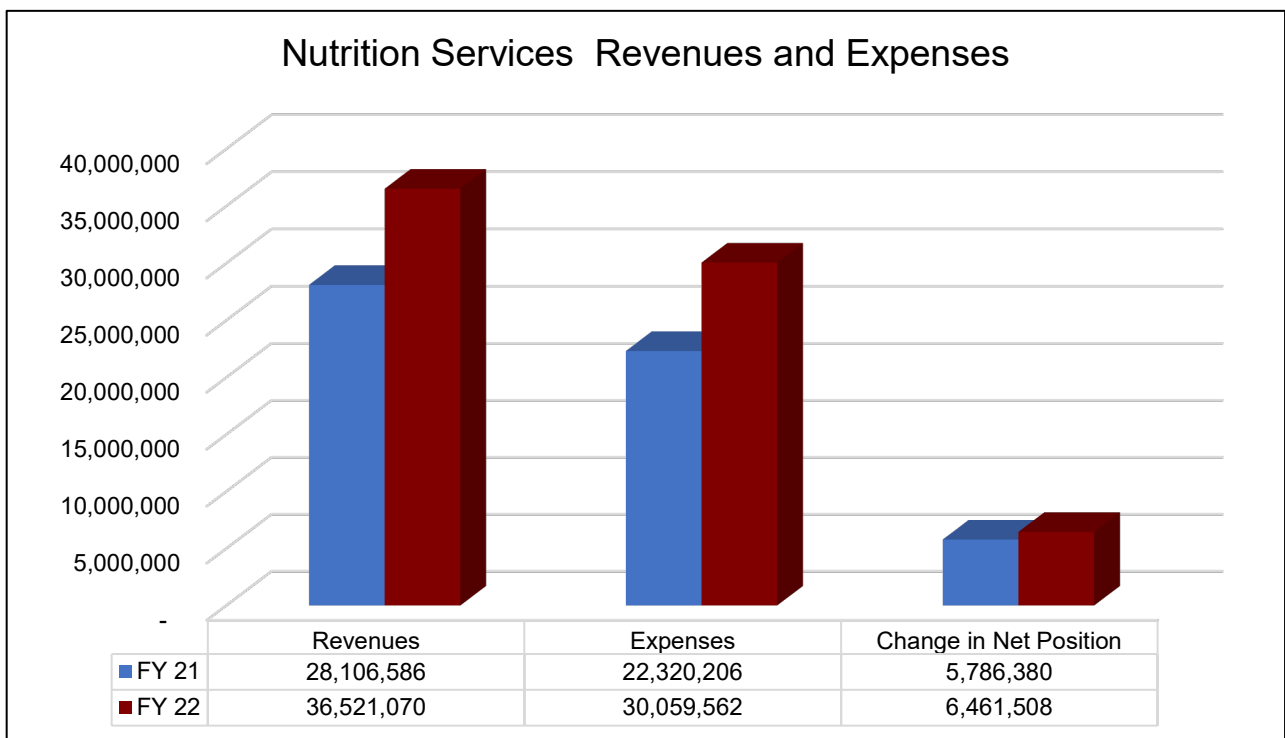
\$590.9 million

In 2016, Washoe County voters approved a ballot measure to increase the county sales tax rate by 0.54% for school facilities.

These sales tax revenues are used to pay debt services on these bonds.

ENTERPRISE FUND

- ✓ Accounts for transactions relating to the food services provided to schools and other locations.
- ✓ Main objective is to provide healthy, nutritious meals to students.
- ✓ Surplus is attributed primarily to increased meal reimbursement rates offered by the federal government for the universal free lunch program in FY22.
- ✓ Total meals served also significantly increased with the opening of full on-site learning this fiscal year.



Meals Served 2021-22

Breakfast	2,895,230
Lunch	5,108,945



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 Annual Comprehensive Financial Report (ACFR) should be addressed to:

Office of Business & Financial Services
P.O. Box 30425
Reno, NV 8951