



Washoe County School District
Every Child, By Name And Face, To GraduationSM



Popular Annual Financial Report

Washoe County School District | Reno, NV
Fiscal year ended June 30, 2019

Letter from the Superintendent and Chief Financial Officer

December 17, 2019

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, 2019. The intent of this report is to clearly communicate the financial operations of the District in an open, transparent, and easy-to-understand format. As such, the report focuses on historical trends related to the District's General Fund, provides an overall summary of the performance of all funds, and reviews major capital expenditures.

These are exciting times for the District. The District, its students and families have continued to reach new milestones on both an operational and financial basis. The Class of 2019 set a new record for the highest graduation rate in District history – 86 percent. This is the sixth consecutive year the graduation rate has increased. Not only is our overall rate increasing, but we are closing achievement gaps for racial and ethnic groups, with all groups achieving higher graduation rates in 2019. Once again this year, about half of our graduates earned advanced/honors diplomas. Additionally, we had ten high schools reach or exceed our goal of a 90 percent graduation rate by the year 2020.

We also reached another milestone, this time in our financial performance. Within the General Fund, the primary operating fund of the District, our operating deficit was eliminated for the first time in four years. Total revenues of the General Fund increased over the prior year by \$7.3 million to \$466.8 million, while General Fund expenditures increased only \$4.0 million to \$466 million. A General Fund surplus of \$833,222 resulted for the fiscal year ended June 30, 2019.

The District also has continued to execute on the promise to deliver new schools and make major renovations to our existing schools as a result of the passage of the 0.54% sales tax measure in 2016. Three new schools opened for the start of school in August 2019. These are Desert Skies Middle School in Sun Valley, Sky Ranch Middle School in Spanish Springs, and Nick Poulakidas Elementary School in south Reno. These schools have alleviated overcrowding in dozens of schools. The District also broke ground on a new elementary school in the Spanish Springs area and a new middle school in the Arrowcreek area, both of which are scheduled to open in August 2020.

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 focuses on the General Fund and capital projects funds and thus does not include information on all District funds, 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 www.washoeschools.net

Respectfully submitted,



Kristen McNeill, Ed.D
Interim Superintendent



Mark Mathers
Chief Financial Officer

Organizational Structure

Board of Trustees



Katy Simon Holland
President



Malena Raymond
Vice President



Dr. Angela Taylor
Clerk



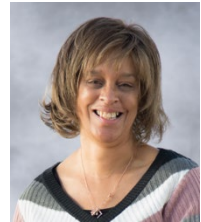
Scott Kelley
Member



Ellen Minetto
Member



Andrew Caudill
Member



Jacqueline Calvert
Member

Administrative Leaders

Dr. Kristen McNeill, Interim Superintendent

Dr. Paul LaMarca, Chief Ombudsman & Strategy Officer

Ben Hayes, Chief Accountability Officer

Troy Parks, Lead Area Superintendent

Debra Biersdorff, Chief Academic Officer

Jason Trevino, Chief of School Police

Emily Ellison, Chief Human Resources Officer

Robert Sidford, Chief Information Officer

Mark Mathers, Chief Financial Officer

Pete Etchart, Chief Operations Officer

Neil Rombardo, Chief General Counsel

Lindsay Anderson, Director Government Affairs

Kirk Starkey, Chief Internal Auditor

Irene Payne, Chief Communications & Community Engagement Officer

WASHOE COUNTY SCHOOL DISTRICT AT A GLANCE

District

Total square miles	6,342
Total buildings owned	106
Total buildings square footage	6,743,802

Nutrition Services

Lunches served	4,517,500
Breakfasts served	2,659,781
Free/Reduced price lunch	46.3%

Schools

Schools	96
Elementary schools	62
Middle schools	14
Comprehensive high schools	14
Other schools	6

Transportation Services

Buses	358
Students transported daily	20,054
Miles traveled	4,756,574

Student Enrollment

Student Enrollment	63,794
Elementary schools	32,643
Middle schools	11,752
Comprehensive high schools	17,884
Other schools	1,515

Employees by Type (FTE)

Employees by Type (FTE)	7,466
Administrators	466
Certified	4,138
Classified	2,826
School Police	36
Substitute Teachers (no FTE)	447

Student Population by Race/Ethnicity

African American	2.4%
American Indian	1.3%
Asian	4.2%
Hispanic	40.8%
Multiracial	6.0%
Pacific Islander	1.3%
White	43.9%

Teacher Information

15+ years of experience	1,491
Masters degrees or higher	2,572
National Board certified	184

Volunteers

Community volunteers	11,722
Hours volunteered to schools	1,265,976

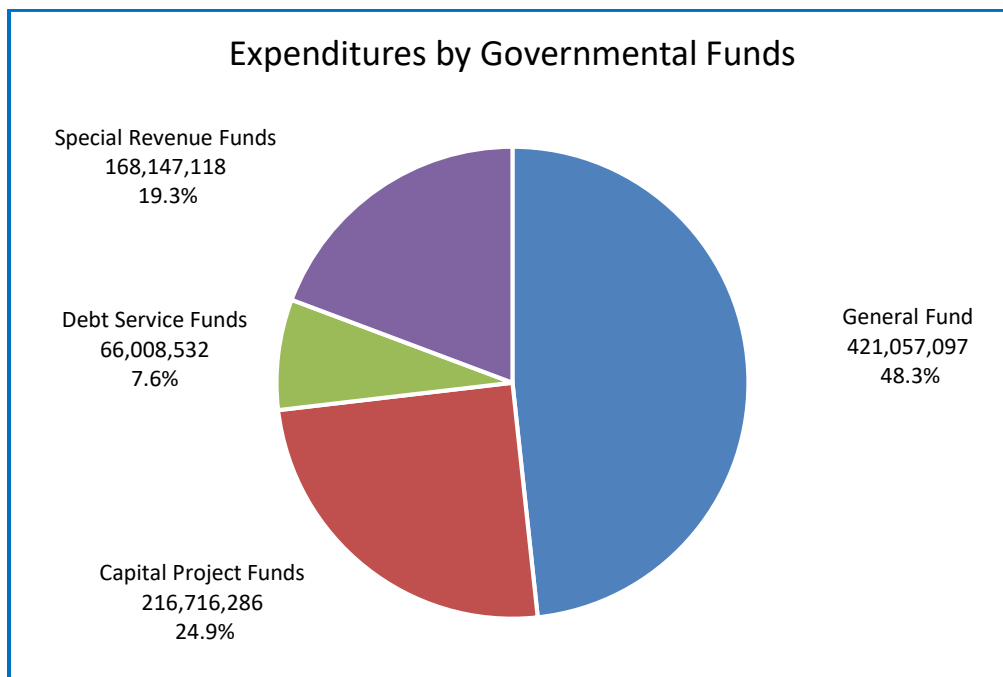
Summary of the District's Funds

In accordance with State law and governmental accounting principles, the District tracks its expenditures and revenues in separate funds. There are four types of governmental funds used by the District:

- **General Fund** – Used for general operating expenditures of the school district such as salaries and benefits, utilities, supplies and equipment. This is the largest fund that provides funding for most of the District's operating costs.
- **Special Revenue Funds** – These funds are restricted to the specific purpose of the grantor or donor and are used to track grants funds such as Title I, II and III, Special Education, Class Size Reduction, and the various state funded programs.
- **Capital Projects Funds** – Used to track capital projects such as the construction of new schools and the revitalization of older schools.
- **Debt Service Funds** – Restricted by law for the payment of school district debt.

The District also uses two types of proprietary funds, an enterprise fund used to track the food services provided to schools funded by user charges and federal subsidies, and internal services funds that are restricted to the self-insurance of health, workers' compensation and property/casualty services of the district.

Overall, total expenditures of the District for the fiscal year ended on June 30, 2019 were \$871.9 million.



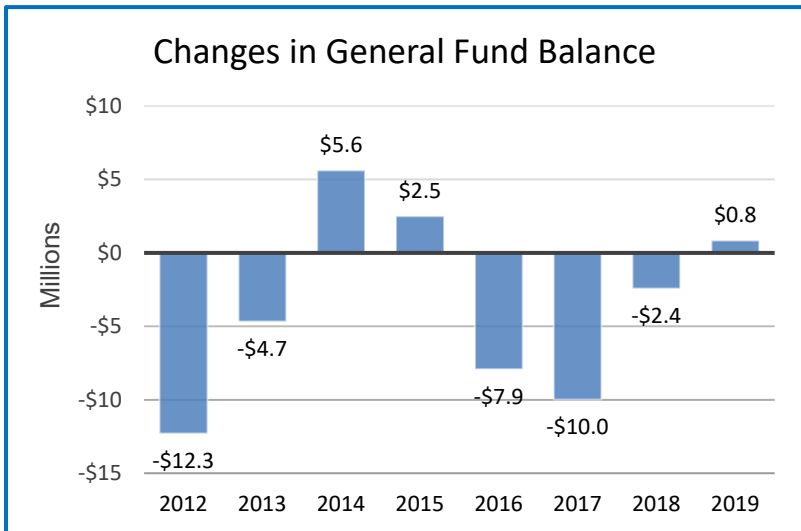
This document will provide information on the four types of governmental funds, focusing on the two largest fund types: the General Fund and Capital Projects Funds, which has taken on special significance since the passage of the 0.54% sales tax measure in Washoe County in November 2016 that is restricted to school construction, renovations and repairs. Information is also provided on Debt Service Funds and Special Revenue Funds.

Summary of General Fund Results

For the first time in four years, revenues of the General Fund budget exceeded expenditures and transfers to other funds, resulting in a surplus of \$833,222. As a result, the District's fund balance as of June 30, 2019, was \$41,715,928. This represents 9.0% percent of actual expenditures and transfers out in Fiscal Year 2018-19.

The turnaround of the General Fund resulted from more than \$60 million of strategic budget reductions over the last three years, which is shown below. Prior to FY 2018-19, the General Fund experienced deficits of \$2.4 million to \$10 million during the prior three-year period.

For many years, the District relied on an incremental budgeting approach to prepare its annual operating budget. This resulted in the use of one-time solutions to resolve the budget gap, including the use of reserves to cover the shortfall. The Board of Trustees recognized that new budgeting approaches and financial practices were necessary to address these issues; as a result, in January 2018, the Board approved the use of a new budgeting approach, priority based budgeting, and adopted several new financial policies to guide the District's budgeting process. These new policies required a structurally balanced budget by Fiscal Year 2020-21, a minimum fund balance in the General Fund of 8% to 10% of expenditures, public engagement and communications with stakeholders in the budget process, a long-term financial plan and greater use of quantitative analysis to make data-driven decisions.



Budget Reductions over the Last Three Budget Cycles

Strategy	Savings (in mil)
One-Time Reductions/Carry-Forward (FY18 only)	\$15.00
Class Size Increases (FY18 only)	7.83
Shifting of Costs to Other Funds	7.56
Deletion of Positions & Other Personnel Budget Reductions	11.58
Operating Budget Reductions	14.50
Other Efficiencies (e.g., Walk Zone)	0.44
Budgeting of Salary Savings and other "contra" accounts	6.20
Total	\$63.12

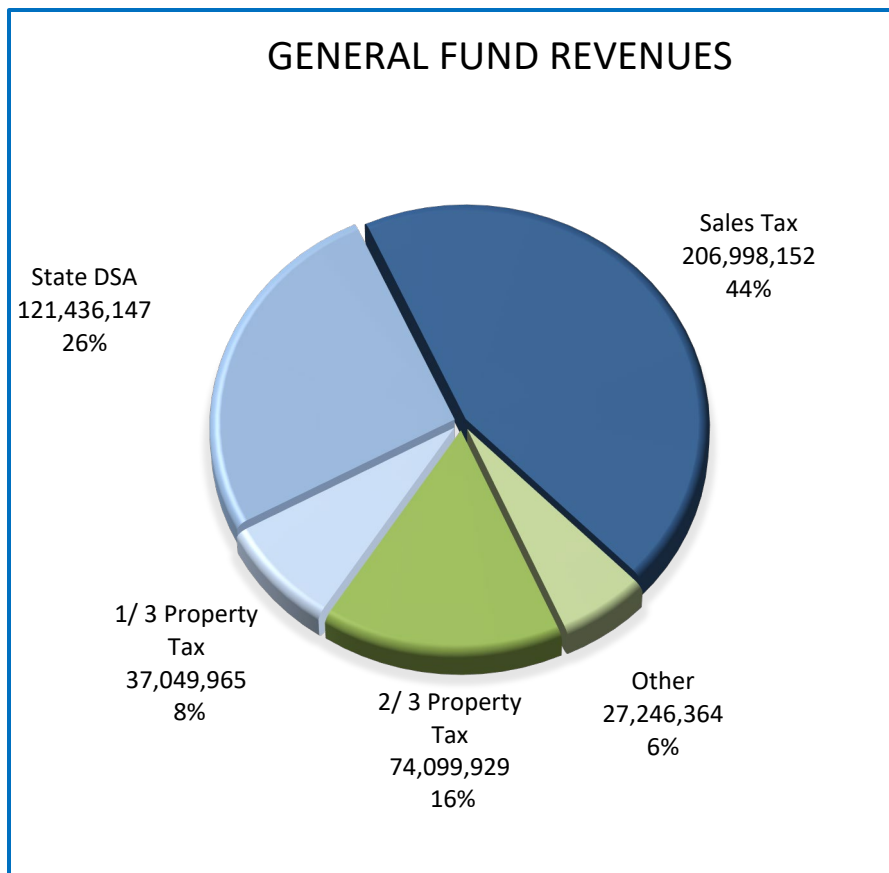
The following four pages provide a description of the major revenues and types of expenditures paid by the General Fund.

General Fund - Where the Money Comes From

Total Revenues and Other Financing Sources \$466,830,557

The “Nevada Plan” is the name of the State’s funding process that determines, in large part, the funding for school districts in Nevada. The minimum per pupil funding, or basic support amount, is established by the state legislature during each biennial legislative session. The total basic support is funded first by local sales tax and one-third of property tax revenues. The amount of basic support that remains, after local funding is deducted, is funded by the State through the Distributive School Account (DSA). As revenues from sales and property taxes increase, the amount funded through the DSA decreases. Conversely, as revenues from sales and property taxes decrease, the amount funded through the DSA increases. In addition to these revenues “inside the Nevada Plan” that comprise the basic support guarantee, school districts in Nevada also retain certain “local revenues”, which primarily consist of the remaining two-thirds of property taxes and the portion of the Government Services Tax distributed to a school district.

The chart below summarizes the major funding sources for the General Fund. Approximately 78 percent of the District’s General Fund revenues are comprised by the three main components of the Nevada Plan: the local sales taxes, one-third of property taxes and the State’s DSA payments. These revenues are shown



in blue below. These funding sources are allocated on the basis of the per-pupil amount. In Fiscal Year 2018-19, WCSD received per-pupil funding of \$5,737, an increase of \$60 per-pupil from the prior year amount of \$5,677. This amount of funding is guaranteed and does not change, other than for adjustments for average daily enrollment. This assures WCSD of stable funding during an economic downturn. However, in times of an economic expansion, WCSD does not receive additional funds related to the increases in sales tax.

Local revenues outside the Nevada Plan are shown in green. Other revenues

include the Government Services Tax, which is a portion of the motor vehicle tax paid by county residents; a portion of franchise taxes collected by local governments; investment earnings; sales of assets; and federal revenues.

General Fund - Where the Money Comes From

For the fiscal year ended on June 30, 2019, General Fund revenues increased by \$10.4 million or 2.3%. Of this, sales tax (i.e., school support taxes) increased by \$8.9 million, as the local economy continued to grow. (FY 2018-19 sales tax receipts were also low due to an extraordinary \$8.9 million tax refund.) Property tax increased by \$5.6 million as countywide assessed valuations continue to rise overall. These two revenue increases were partially offset by a corresponding \$8.3 million net decrease in DSA revenues, per the state funding formula explained above.

GENERAL FUND SCHEDULE OF REVENUES FOR THE YEAR ENDED JUNE 30, 2019 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)				
	2019 BUDGET	2019 ACTUAL	2018 ACTUAL	Percent Increase (Decrease)
REVENUES				
Local sources				
Ad valorem taxes	\$ 110,388,289	\$ 111,149,894	\$ 105,531,582	% 5.32%
School support taxes	206,830,042	206,998,152	189,132,165	9.45%
Franchise taxes	250,000	310,387	288,011	7.77%
Government services tax	19,751,868	19,711,982	17,921,072	9.99%
Revenue in lieu of taxes	185,000	190,412	180,800	5.32%
Tuition - regular day school	296,000	306,108	301,619	1.49%
Tuition - summer school	20,000	27,505	60,428	-54.48%
Earnings on investments	1,000,000	1,378,123	510,671	169.87%
Indirect costs	1,410,000	1,521,399	1,688,281	-9.88%
Transportation	620,000	631,389	594,973	6.12%
Reimbursements	1,500,000	1,279,026	1,493,680	-14.37%
Other	1,170,000	1,276,121	1,370,780	-6.91%
Total local sources	343,421,199	344,780,498	319,074,062	8.06%
State sources				
Distributive school fund	114,206,063	113,282,144	130,502,725	-13.20%
Special appropriations	8,177,059	8,154,003	6,181,777	31.90%
Total state sources	122,383,122	121,436,147	136,684,502	-11.16%
Federal sources				
Forest reserve	25,000	24,097	30,495	-20.98%
Revenue in lieu of taxes, P.L. 81-874	165,000	251,687	185,964	35.34%
E-Rate refund	300,000	301,762	399,521	-24.47%
Total federal sources	490,000	577,546	615,980	-6.24%
Total revenues	\$ 466,294,321	\$ 466,794,191	\$ 456,374,544	% 2.28%

General Fund - Where the Money Goes

Total Expenditures and Interfund Transfers \$465,997,335

Total General Fund expenditures and interfund transfers, shown by function, increased from the prior year by \$4 million, or 0.9%, due to:

- Salary and benefit expenditures increased by \$4 million for:
 - Negotiated salary increases for all bargaining groups.
 - An increase for Health insurance premiums.
- Operating (non-salary) expenditures increased by \$1 million, or 2.4%, due to increases in supplies of \$5.2 million and purchased services of \$0.2 million, which were partially offset by decreases in capital asset of \$3.8 million and other expenditures of \$0.6 million.

GENERAL FUND SCHEDULE OF EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2019 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)					
	2019 BUDGET	2019 ACTUAL	2018 ACTUAL		Percent Increase (Decrease)
EXPENDITURES					
Instruction	\$ 242,938,694	\$ 239,336,324	\$ 233,718,947	%	2.40%
Student support	32,853,976	32,907,988	31,975,899		2.91%
Instructional staff support	18,377,236	18,351,687	18,133,528		1.20%
General administration	5,981,577	6,005,289	6,154,378		-2.42%
School administration	35,387,537	37,162,301	35,297,243		5.28%
Central services	24,806,120	23,771,008	23,053,603		3.11%
Operation and maintenance	47,940,462	47,255,651	46,969,177		0.61%
Student transportation	17,227,611	16,266,849	20,683,740		-21.35%
Transfers	45,408,444	44,940,238	45,965,403		-2.23%
Total expenditures and transfers	\$ 470,921,657	\$ 465,997,335	\$ 461,951,918	%	0.88%

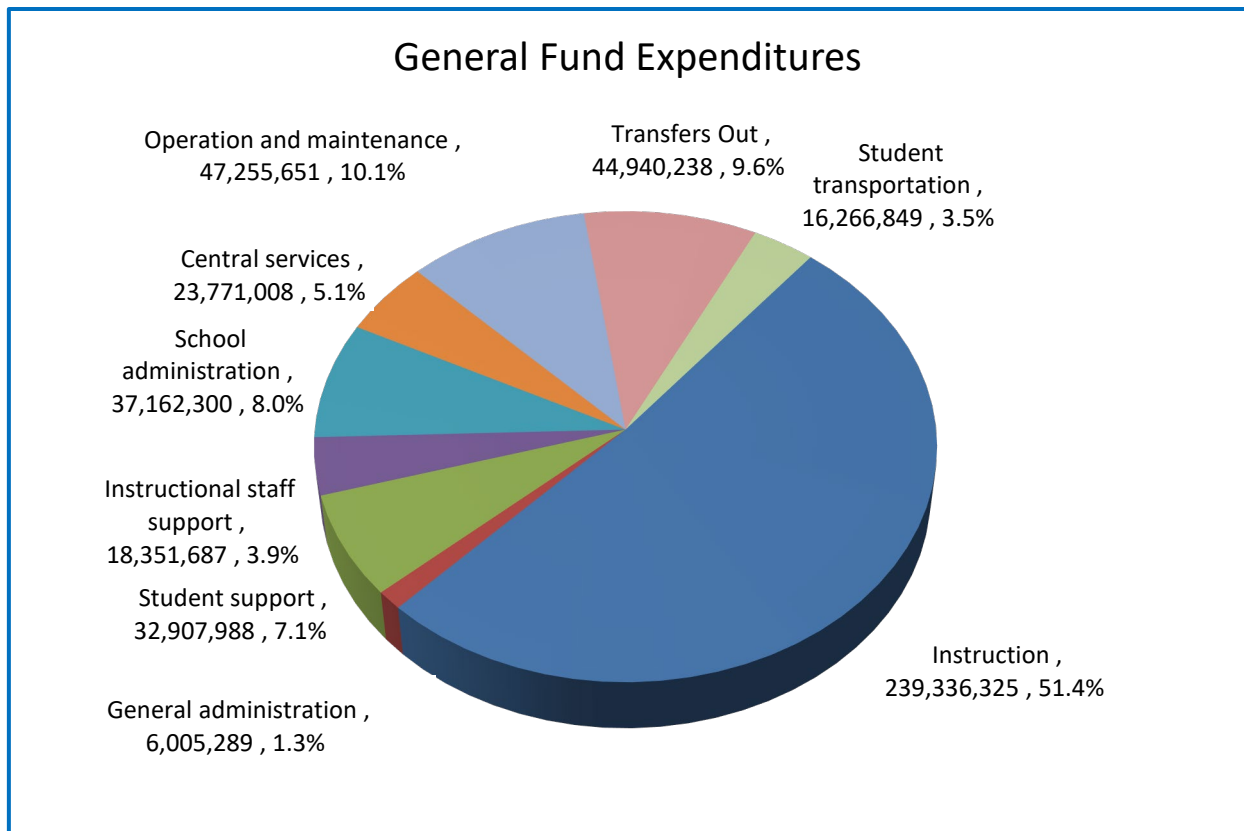
General Fund transfers to other funds decreased from the prior year by \$1.0 million, or 2.23%. Changes from the prior year were:

- Transfers to the Debt Service fund decreased from the prior year by \$0.5 million, as a result of lower debt service for the financing of buses and other vehicles.
- Transfers to the Special Education fund increased from the prior year by \$1.1 million. The General Fund covers any special education expenditures not covered by the State's per-pupil special education funding or by federal grants.
- Direct transfers to the Insurance Fund for post-employment benefits were eliminated in Fiscal Year 2018-19. Funding of post-employment benefits is included in benefit costs, rather than as a fund transfer.

General Fund - Where the Money Goes

As shown in the following table, 83.5% of General Fund expenditures goes to support instruction, support to students and schools, and transfers to Special Education. Instruction, which includes teachers, aides and assistants, comprised 51.4% of total expenditures. The categories of school support services, which includes counselors; instructional staff support; school administration, including principals, deans, and assistant principals; and student transportation comprised an additional 22.5%. Transfers to other funds of 9.6% primarily consists of transfers to the Special Education Fund.

Overall, General Administration and Central Services (for example, Human Resources, Business and Finance functions, and Information Technology services) represent 6.4% of total expenditures. The remaining 10.1% of expenditures are for operations and maintenance, which includes custodial services, groundskeeping and school police.

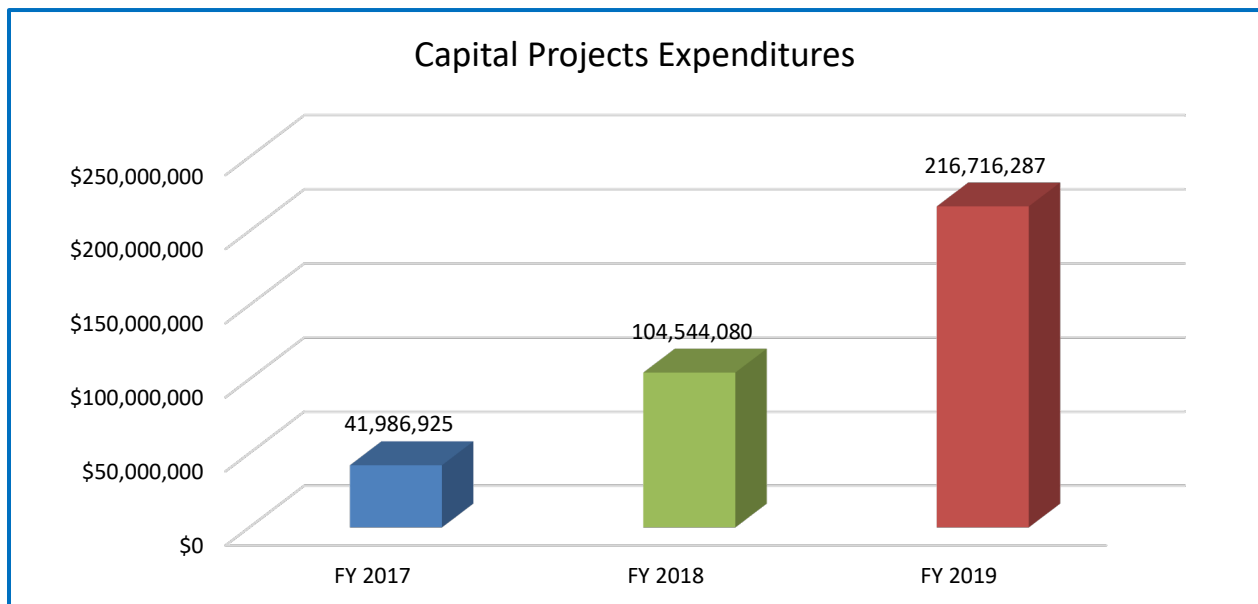


Capital Projects

For several decades, Washoe County School District suffered from a lack of funding sources for construction of new schools to address growth in the region and for rehabilitation and repairs of existing schools. The inability to issue bonds between 2012 and 2015 meant a lack of funding for capital needs, including construction and repairs and maintenance. Enrollment growth continued to strain the capacity of existing schools and as of June 30, 2019, 26 schools were over capacity. The median age of our schools is 41 years.

Due to the passage of county ballot measure WC-1 to increase the sales and use tax by 0.54%, three new schools were completed by the opening of school in August 2019. These schools are Nick Poulakidas Elementary School in South Reno, Desert Skies Middle School in Sun Valley, and Sky Ranch Middle School in Spanish Springs. This is in addition to the completion of the expansion of Damonte Ranch High School. Other facilities and schools that are in either the planning or construction phase include a new middle school in the Arrowcreek area, expansion of the District's nutrition services facility, a new high school in the Wildcreek area, and a new elementary school in Cold Springs and Spanish Springs. The District has also made a commitment to repair and upgrade existing schools and has budgeted more than \$40 million annually for this purpose.

Because of the passage of the WC-1 bond measure in 2016 combined with the issuance of Rollover Bonds, the District has been able to greatly expand and accelerate its Capital Improvement Program. As shown in the accompanying chart, total expenditures on capital projects were \$216.7 million in Fiscal Year 2018-19 compared to \$104.5 million in the prior fiscal year. For the second consecutive year, capital projects expenditures more than doubled from the previous fiscal year.



Capital Projects

As shown in the table below, expenditures exceeded revenues by \$67.8 million. However, it is important to note that the District receives all the money for a bond when the bond is issued, then over the life of the projects funded, the funds are expended. Expenditures for each bond typically are spread out over two or more fiscal years. The ending fund balance in the Capital Projects fund as of June 30, 2019 is \$152.5 million.

Major monthly sources of revenues include WC-1 sales tax revenue, which is recorded in the WC-1 Sales Tax Revenue Fund and motor vehicle taxes recorded in the Government Services Tax fund. In FY 2018-19, \$85 million of general obligation bonds were issued. The source of revenues for the other capital projects funds are primarily investment earnings.

CAPITAL PROJECTS SCHEDULE OF REVENUES AND EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2019

	Revenues	Expenses	Difference
WC-1 Sales Tax Revenue (Note 1)	\$ 47,165,196	\$ 12,272,800	\$ 34,892,396
2017C WC-1 Sales Tax Revenue Bond	2,917,886	144,908,825	(141,990,939)
2018 WC-1 Sales Tax Revenue Bond (Note 2)	89,659,141	18,277,171	71,381,970
2017B Extended Rollover Bond	241,627	6,994,055	(6,752,428)
2017A Extended Rollover Bond	656,559	16,185,180	(15,528,621)
2016B Extended Rollover Bond	161,637	3,347,096	(3,185,459)
2016A Extended Rollover Bond	84,660	6,134,588	(6,049,928)
2012C Extended Rollover Bond	89,846	2,641,518	(2,551,672)
All Other Extended Rollover Bonds	7,723	472,133	(464,410)
Government Services Tax Fund	7,224,859	5,121,639	2,103,220
All Other Capital Projects Funds	665,619	361,281	304,338
Totals	\$ 148,874,753	\$ 216,716,286	\$ (67,841,533)

Note 1: WC-1 Sales Tax Revenue is received in monthly installments.

Note 2: 2018C Bond was issued in FY 2018-19 in the amount of \$85,000,000.

The District prepares a long-term capital improvement plan for the construction of new schools and core school improvements and repairs. All told, property tax collections dedicated to debt, and sales and use tax revenues are projected to provide for the funding of more than \$1 billion in capital improvements over the next eight to ten years.

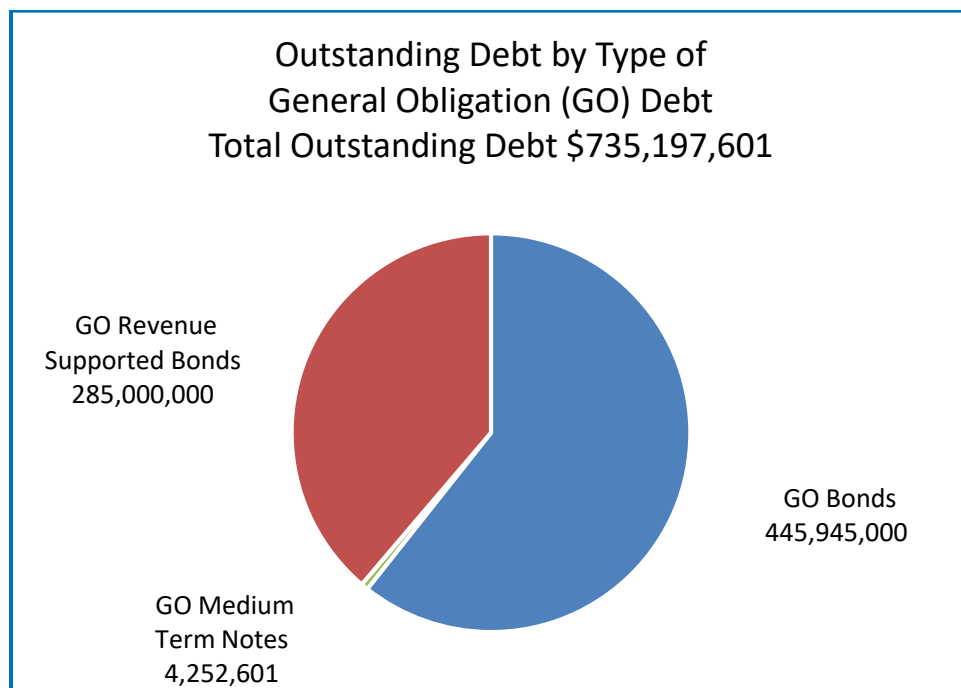
Debt Service Funds

The District's Debt Service Funds account for the accumulation of resources (money) and payment of principal and interest for long-term debt. In order to finance needed school facilities, repairs and renovations that are needed now but also benefit future students, WCSD has sold debt in the capital markets. The District is generally limited in the bonds it can issue by its statutory debt limit, the \$3.64 limit on overlapping tax rates and the amount of revenue available to pay debt service on bonds.

As of June 30, 2019, the District has \$735,197,601 of total general obligation debt. While significant, the District conservatively issues debt with a coverage requirement and certain reserves, which will allow the District to pay its debt during fluctuations in the business cycle.

The District's total outstanding general obligation debt consists of three type of debt:

- **General Obligation Bonds** (paid by property taxes) - This type of general obligation debt is paid by the levy of a specific property tax. The current tax rate set by law and levied by the County is \$0.3885 per \$100 of assessed valuation. The District has \$445.9 million of General Obligation Bonds.
- **General Obligation Revenue-Supported Bonds** - With the passage of the WC-1 ballot measure in November 2016, the District may issue general obligation revenue supported bonds pledging this revenue. In November 2018, the District issued its second bond series pledging this source at a face amount of \$85 million. The District has \$285 million of General Obligation Revenue-Supported Bonds.
- **General Obligation Medium Term Notes** - State law allows the issuance of medium term notes (MTN's), which have a term of 10 years or less, as approved by the State Department of Taxation. The District has \$4.3 million of general obligation medium-term notes outstanding. This type of financing is typically used by the District for the purchase of vehicles for student transportation.



Debt Service Funds

The District has two debt service funds in order to separately account for debt service for rollover bonds from bonds that pledge the WC-1 sales tax. The following table titled "Debt Service Fund" summarizes activity for the debt service fund for rollover bonds. Overall, revenues (property tax revenues and interest earnings) exceeded expenditures for debt service payments by more than \$5 million in FY 2018-19. Other financing uses shown below reflect debt service payments held in escrow to defease crossover bonds.

The Debt Service Fund for rollover bonds had a total fund balance of \$42.5 million, all of which is restricted for the payment of debt service. In accordance with state law, the District must maintain a debt service fund balance of at least 25% of our general obligation bonds outstanding debt. The required reserve amount for the fiscal year ended June 30, 2019 is \$16.9 million. The District exceeds the minimum required fund balance by approximately two and one-half times the amount required.

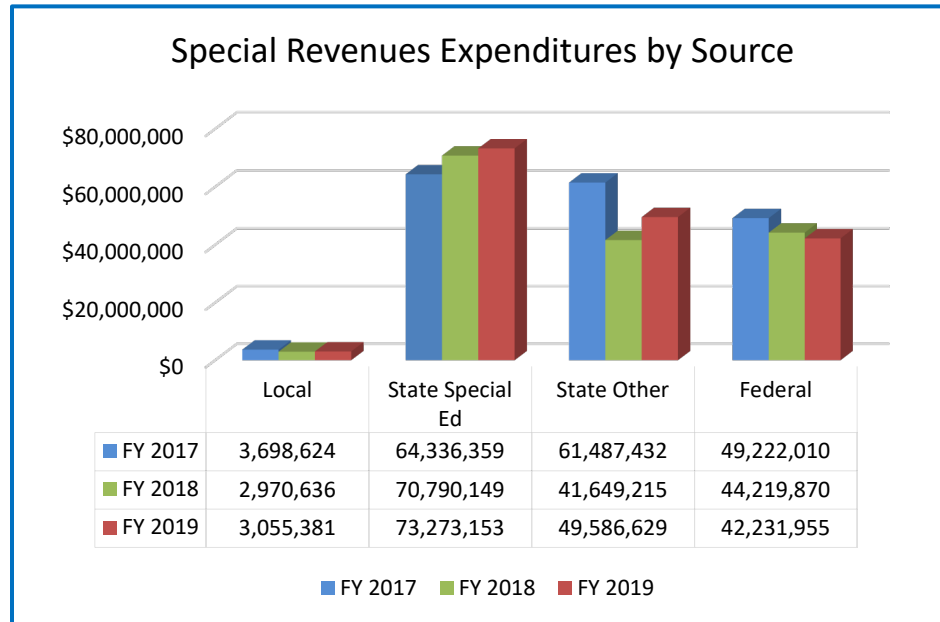
DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2019				
	2019 BUDGET	2019 ACTUAL	2018 ACTUAL	Percent Increase (Decrease)
Total Revenues	\$ 59,848,527	\$ 62,201,016	\$ 57,384,090	% 8.39%
Total expenditures	57,049,669	56,798,767	55,281,434	2.74%
Total other financing sources (uses)	(25,576,116)	(24,750,648)	30,649,278	-180.75%
Net change in fund balance	(22,777,258)	(19,348,399)	32,751,934	-159.08%
FUND BALANCE, July 1	61,920,647	61,920,647	29,168,713	112.28%
FUND BALANCE, June 30	\$ 39,143,389	\$ 42,572,248	\$ 61,920,647	% -31.25%

The Debt Service WC-1 Fund had a total fund balance of \$17.5 million, all of which is restricted for the payment of debt service. The fund balance decreased by \$8.6 million, as the District intentionally drew down on excess reserves.

DEBT SERVICE WC-1 FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2019				
	2019 BUDGET	2019 ACTUAL	2018 ACTUAL	Percent Increase (Decrease)
Total Revenues	\$ -	\$ 648,750	\$ 43,860,798	% -98.52%
Total expenditures	10,008,894	9,209,765	2,892,101	218.45%
Total other financing sources (uses)	2,000,000	-	(25,000,000)	N/A
Net change in fund balance	(8,008,894)	(8,561,015)	15,968,697	-153.61%
FUND BALANCE, July 1	26,114,449	26,114,449	10,145,752	157.39%
FUND BALANCE, June 30	\$ 18,105,555	\$ 17,553,434	\$ 26,114,449	% -32.78%

Special Revenue Funds

Special Revenue Funds are used to account for resources restricted or committed for specific purposes other than debt service or capital projects. This includes the Special Education Fund and 25 other funds that are used to track categorical grants and other restricted monies. Revenues and expenditures for special education are required by state law to be reported in a Special Revenue Fund. State funding does not provide enough revenues to cover the expenditures for special education services. The excess of special education expenditures over revenues is covered by a transfer from the General Fund.



For grants, restrictions are usually be imposed by the granting agency. The District's Board of Trustees may also approve the creation of Special Revenue Funds and restrict certain revenues' use. Grant funding plays an important role as a resource to supplement the General Fund and to expand academic programs to achieve greater academic success. Grant funding

varies from year to year as programs are added or discontinued, or funding availability changes. 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. State funding includes programs such as Class Size Reduction, Zoom Schools which provide supplemental funds specifically targeting English language learners, Victory Schools, which provide supplemental funds to schools located in high poverty areas, Gifted and Talented programs, and Vocational Education programs.

Total expenditures for Fiscal Year 2018-19 were just over \$168 million; an increase of 5.3% from the previous year. State grants increased \$10.4 million, or 9.3%, and comprised 73.1% of total expenditures. This increase is attributed to increases in expenditures of \$2.5 for state Special Education, \$2.5 million for Zoom schools, \$1.7 for the New Nevada Funding Plan, \$1.3 million for Class Size Reduction and \$2.4 million for various smaller programs.

Federal grants decreased \$2.0 million or 4.5%. Major decreases were \$4.5 million in direct federal grants due to the end of the federal competitive Teacher Incentive Fund (TIF) grant and a decrease of \$1 million to the federal Title I formula grant.

<u>Major Grants</u>	<u>Expenditures</u>
Title I	\$ 13,438,433
Federal Special Education	\$ 11,353,621
Zoom Schools	\$ 8,222,946
Victory Schools	\$ 2,943,290
21st Century After School	\$ 2,677,887
Regional Professional Development	\$ 2,238,375
Nevada Ready Pre-k	\$ 2,219,466
Gifted and Talented	\$ 2,000,484
Career and Technical Education	\$ 1,777,393
Read by Grade 3	\$ 1,626,536
Adult High School	\$ 1,503,046
Title II Teacher Quality	\$ 1,192,463
Social Workers	\$ 1,088,178

Summary of All Governmental Funds

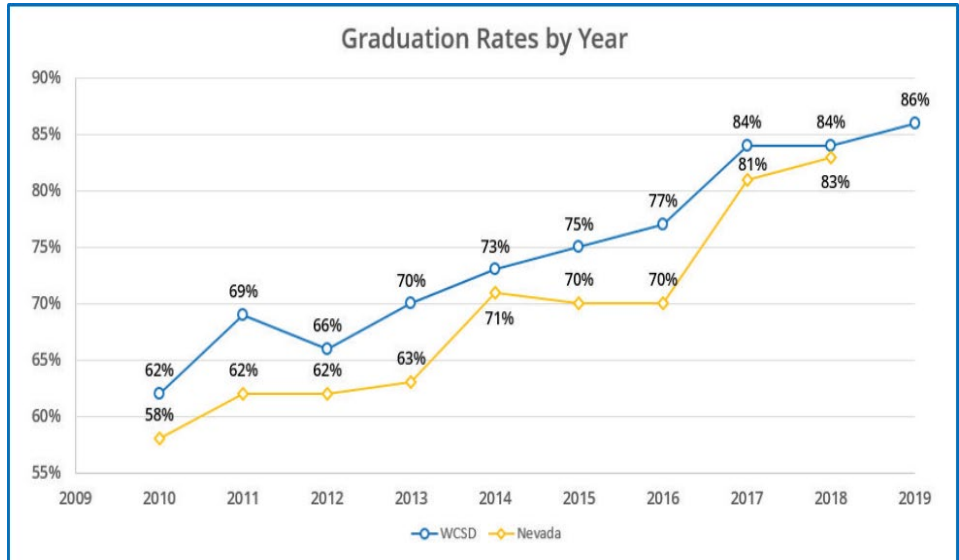
The table summarizes Fiscal Year 2018-19 revenues, expenditures and fund balance for the four types of governmental funds. The focus of the District's governmental funds is to provide information on revenues, expenditures and balances of spendable resources. Approximately 90% of the District's expenditures go directly to educational activities.

The District's governmental funds reported a combined ending fund balance of \$310.8 million, which is shown in the bottom line of the table below. This represents a decrease of \$95.2 million from the prior year and is primarily attributable to the fact that we are spending down capital projects funds to build new schools and renovate existing schools.

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2019					
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 111,149,894	\$ -	\$ -	\$ 58,572,922	\$ 169,722,816
Local school support taxes	206,998,152	-	-	-	206,998,152
WC1 Sales Tax Revenue	-	-	46,275,511	-	46,275,511
Government Services Tax	19,711,982	-	5,105,902	-	24,817,884
State DSA	121,436,147	30,537,267	-	-	151,973,414
State grants and other	-	49,735,311	-	-	49,735,311
Federal grants and other	577,546	41,793,191	-	-	42,370,737
All other sources	6,920,470	2,990,729	7,659,488	4,276,844	21,847,531
Other sources	-	-	-	-	-
Total revenues	466,794,191	125,056,498	59,040,901	62,849,766	713,741,356
EXPENDITURES					
Instruction	239,336,325	106,807,412	-	-	346,143,737
Student support	32,907,988	24,122,981	-	-	57,030,969
Instructional staff support	18,351,686	16,511,973	-	-	34,863,659
General administration	6,005,289	3,580,912	-	-	9,586,201
School administration	37,162,301	2,627,253	-	-	39,789,554
Central services	23,771,008	4,131,824	2,949,536	-	30,852,368
Operation and maintenance	47,255,651	952,223	-	-	48,207,874
Student transportation	16,266,849	8,740,224	1,242,109	-	26,249,182
Community service operations	-	580,821	-	-	580,821
Capital outlay	-	91,495	210,792,053	-	210,883,548
Debt service	-	-	-	66,008,532	66,008,532
Bond issuance costs	-	-	1,732,588	-	1,732,588
Total expenditures	421,057,097	168,147,118	216,716,286	66,008,532	871,929,033
Excess (deficiency) of revenues over expenditures	45,737,094	(43,090,620)	(157,675,385)	(3,158,766)	(158,187,677)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of property	36,366	-	-	-	36,366
Bonds issued and premiums	-	-	86,501,000	-	86,501,000
Payments to refunded bonds escrow agent	-	-	3,332,852	(26,955,000)	(23,622,148)
Transfers in	-	42,735,886	-	2,204,352	44,940,238
Transfers out	(44,940,238)	-	-	-	(44,940,238)
Total other financing sources (uses)	(44,903,872)	42,735,886	89,833,852	(24,750,648)	62,915,218
Net change in fund balance	833,222	(354,734)	(67,841,533)	(27,909,414)	(95,272,459)
FUND BALANCE, July 1	40,882,706	4,658,702	272,490,439	88,035,096	406,066,943
FUND BALANCE, June 30	\$ 41,715,928	\$ 4,303,968	\$ 204,648,906	\$ 60,125,682	\$ 310,794,484

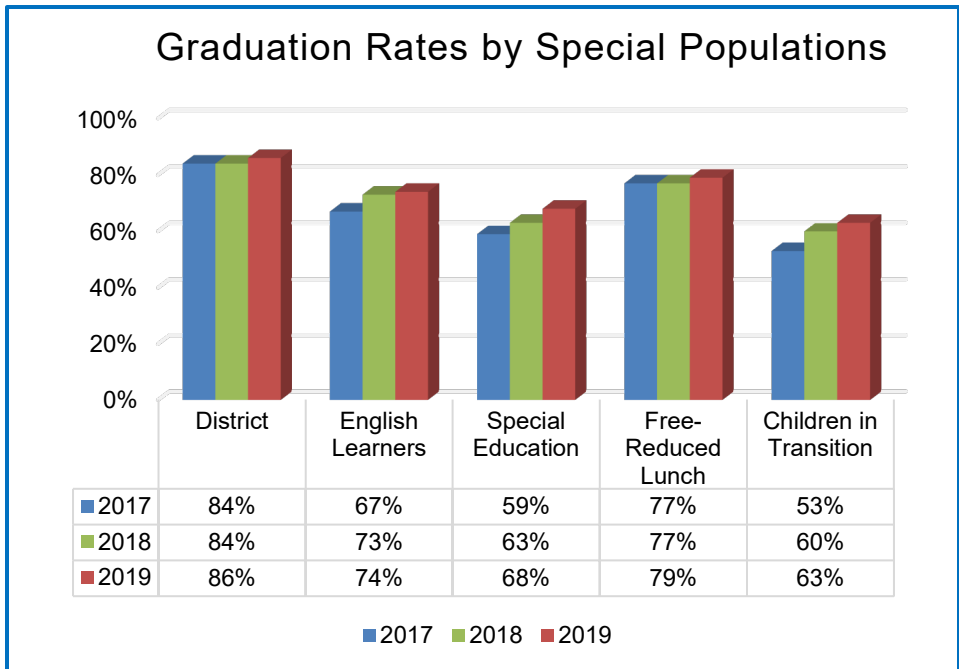
Student Achievement

Ensuring that all WCSD students graduate from high school ready for college and highly-skilled careers lies at the heart of the District's strategic plan *Envision WCSD 2020—Investing In Our Future*. Specifically, the District has a goal of reaching a 90% graduation rate by the year 2020. Through innovative programs designed to provide significant support to students and schools, tremendous support of school staff, students, parents, guardians, and the community at large, we are continuing to progress toward our goal. For the sixth consecutive year, students in WCSD have posted the highest graduation rate in district history as the Class of 2019 reached an 86% graduation rate.



Other graduation rates data highlights include:

- Fifteen high schools have graduation rates at or above 83%.
- Ten high schools are at 90% or higher graduation rate.
- Six high schools are at 95% or higher graduation rate.
- Ten high schools increased their graduation rate.
- For the Class of 2019, 1,978 students received Honors diplomas, Advanced Diplomas, or College and Career Ready diplomas and 2,071 students received standard diplomas.
- All racial/ethnic groups continued to show growth, including:
 - African American students increased 4% to 73%.
 - Pacific Islander students increased 3% to 85%.
 - American Indian students increased 1% to 81%.
 - Students receiving Special Education supports, English Language (EL) supports, Free and Reduced Lunch, and Children in Transition all increased graduation rates in 2019.



For additional information on graduation rates, go to: <http://www.wcsddata.net/data-topics/graduation/>



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



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Christopher P. Morill
Executive Director/CEO



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