



**Washoe County
School District**



Popular Annual Financial Report

Washoe County School District | Reno, Nevada
Fiscal year ended June 30, 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, 2023. This report intends 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 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 Financial Report is available from the Office of Business and Financial Services or can be viewed on the District’s website at [Business and Financial Services / Annual Financial Reports \(ACFR\)](https://washoeschools.net) (washoeschools.net).

Respectfully submitted,



Chief Financial Officer



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Government Finance Officers Association (GFOA) PAFR AWARD



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, 2022

Christopher P. Morill

Executive Director/CEO

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.

Board Members and Superintendent



Elizabeth "Beth" Smith
PRESIDENT
Board of Trustees



Jeffrey Church
MEMBER
Board of Trustees



Diane Nicolet, Ph.D.
VICE-PRESIDENT
Board of Trustees



Adam Mayberry
MEMBER
Board of Trustees



Joseph "Joe" Rodriguez
CLERK
Board of Trustees



Colleen Westlake
MEMBER
Board of Trustees



Dr. Susan Enfield
SUPERINTENDENT
WCSD



Alex Woodley
MEMBER
Board of Trustees

WCSD Demographics



Washoe County Population

2020	472,069
2021	478,355
2022	486,492
2023	496,745



School Enrollment

2020	64,037
2021	61,515
2022	61,703
2023	60,650



Median Age

2020	38.1
2021	38.6
2022	38.5
2023	39.5



Per Capita Income

2020	\$60,000
2021	\$63,000
2022	\$66,000
2023	\$74,000

Financial Highlights

- The General Fund received \$1,088,082 in revenues in excess of the year's expenditures and other uses. This is the fifth consecutive year that the General Fund has ended the fiscal year with a surplus. This was accomplished by strategic budget reductions over a multi-year period in accordance with the Board's fund balance policy, as well as salary savings due to vacancies and other operating savings achieved in FY23.
- The District continued to use the funding provided by the federal government during the COVID-19 pandemic to address learning loss incurred by students since March 2020 and provide additional mental health and other support to students. In FY23, approximately \$55.9 million was spent for these purposes.
- Capital assets of the District, net of depreciation, increased by \$64 million to \$1.35 billion. This was due primarily to new and ongoing construction projects including the completion of the new JWood Raw Elementary School, which was ready to open in August 2023.
- Outstanding general obligation debt decreased by \$9.2 million. In FY23 the District sold \$40 million in long-term general obligation bond debt and \$3.40 million in medium-term general obligation bond debt. However, the District paid off \$52.58 million in debt principal. The additional debt issued in FY23 will be used to fund capital renewal projects at existing schools.
- The Nutrition Services Fund had a surplus of \$9.2 million, which can be attributed primarily to increased meal reimbursement rates offered by the federal government for the universal free lunch program in FY23.
- The District's three internal service funds combined had a total net loss of \$6,070,618 in FY23. This occurred primarily due to the Health Insurance Fund's loss of \$6.5 million, as the number of medical services drastically increased in part due to employees and retirees having access to surgical services and other procedures that were not accessible during the COVID-19 pandemic. Still, the net position of each of the three internal services funds remains above District policy requirements and covers funding of future projected claims.

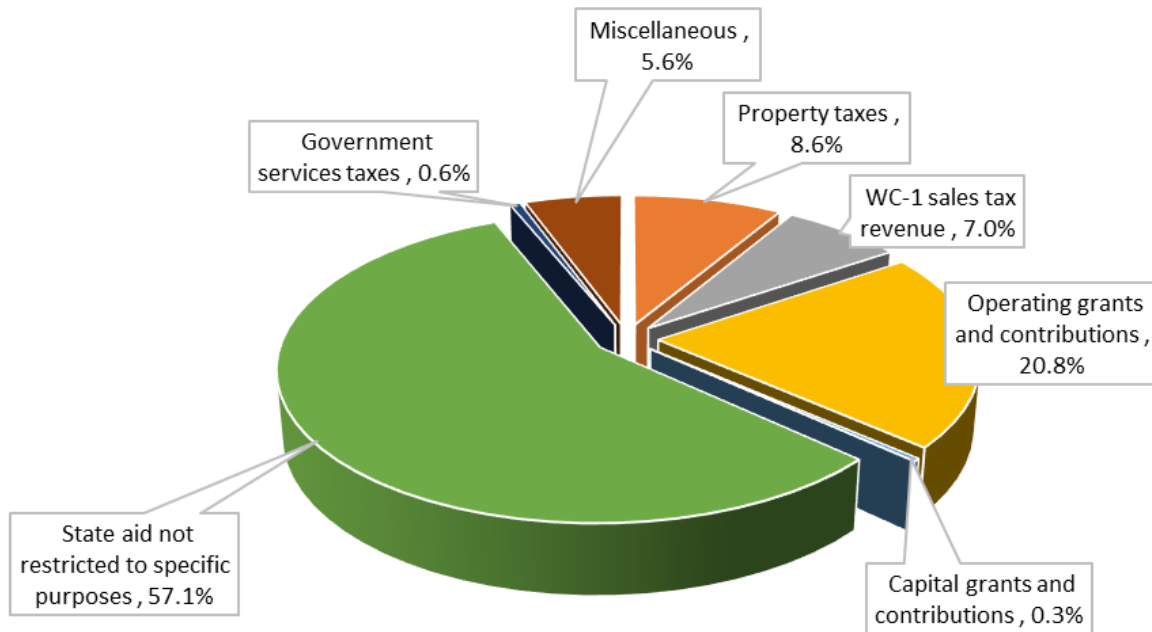
Statement of Revenues, Expenditures & Fund Balances

GOVERNMENTAL FUNDS				
General Fund		Original Budget	Adjusted Budget	Actuals
Beginning Fund Balance	\$	56,935,972	\$ 61,561,019	\$ 61,561,019
Revenues/Sources		532,394,616	524,011,352	524,853,693
Expenditures/Uses		535,617,556	531,681,635	523,765,611
Ending Fund Balance		53,713,032	53,890,736	62,649,101
Special Revenue Funds				
Beginning Fund Balance		2,607,819	5,728,780	18,369,616
Revenues/Sources		230,979,458	307,653,047	236,350,701
Expenditures/Uses		229,744,417	309,755,652	236,442,905
Ending Fund Balance		3,842,860	3,626,175	18,277,412
Capital Project Funds				
Beginning Fund Balance		22,612,798	235,080,890	308,741,507
Revenues/Sources		183,015,247	183,683,396	128,906,104
Expenditures/Uses		115,031,504	329,480,585	166,475,309
Ending Fund Balance		90,596,541	89,283,701	271,172,302
Debt Service Funds				
Beginning Fund Balance		75,946,644	75,946,644	75,052,016
Revenues/Sources		112,303,164	112,477,614	114,388,141
Expenditures/Uses		105,010,581	105,185,031	105,178,031
Ending Fund Balance		83,239,227	83,239,227	84,262,126
PROPRIETARY FUNDS				
Enterprise Fund		Original Budget	Adjusted Budget	Actuals
Beginning Net Position		3,750,063	5,250,063	7,173,994
Revenues/Sources		31,715,891	31,715,891	34,896,530
Expenditures/Uses		32,214,130	33,714,130	25,656,223
Ending Net Position		3,251,824	3,251,824	16,414,301
Internal Services Funds				
Beginning Net Position		36,310,695	39,828,975	41,540,916
Revenues/Sources		96,849,825	96,849,825	99,665,786
Expenditures/Uses		99,922,028	105,922,028	105,736,404
Ending Net Position		33,238,492	30,756,772	35,470,298
TOTAL OF ALL FUNDS				
		Original Budget	Adjusted Budget	Actuals
Beginning Net Position	\$	198,163,991.00	\$ 423,396,371.00	\$ 512,439,068.00
Revenues/Sources		1,187,258,201	1,256,391,125	1,139,060,955
Expenditures/Uses		1,117,540,216	1,415,739,061	1,163,254,483
Net Surplus		267,881,976	264,048,435	488,245,540



Where Does The Money Come From?

Revenues by Source Governmental Activities



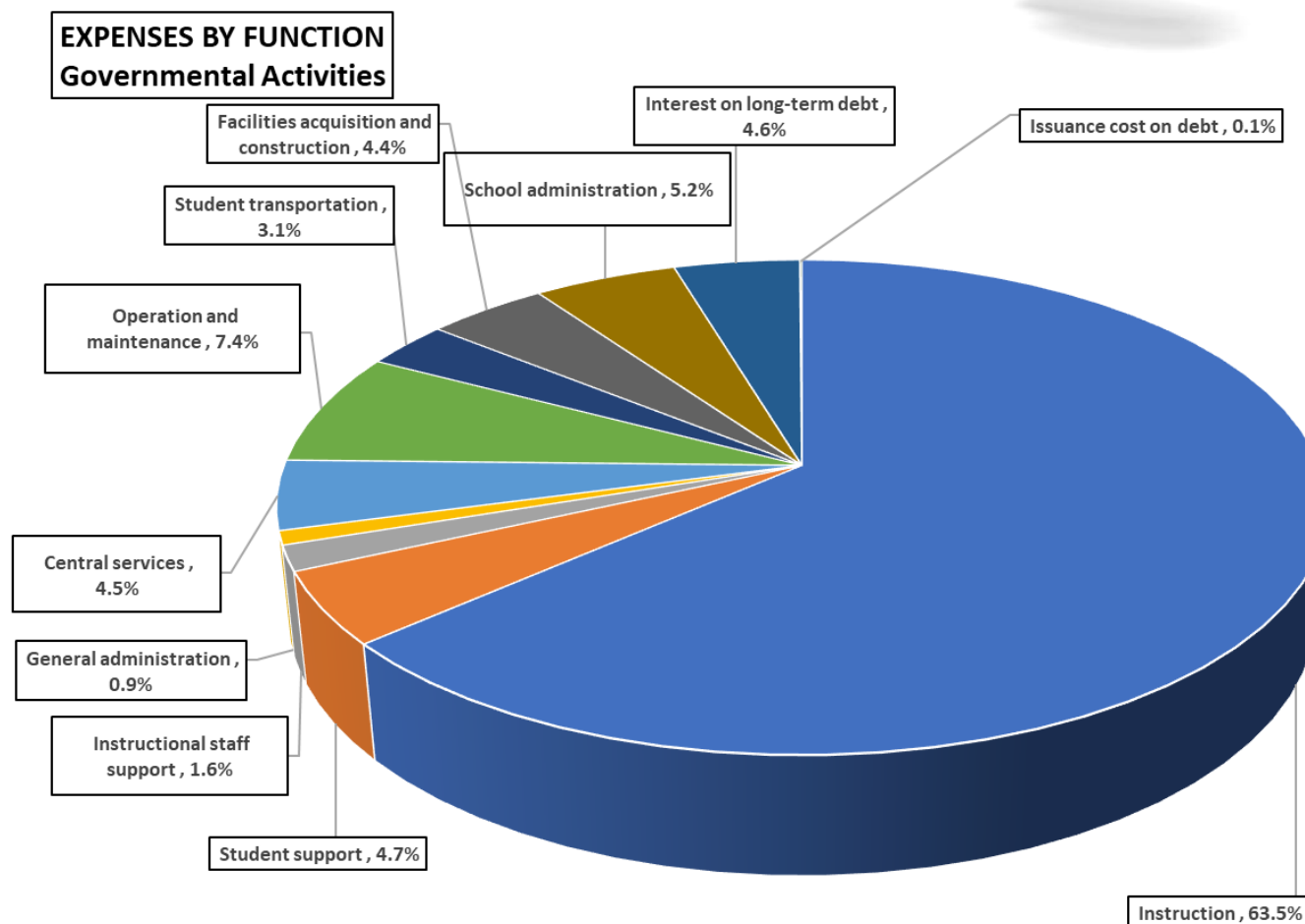
The new Pupil Centered Funding Plan (PCFP), implemented on July 1, 2021, replaced the local school support taxes and the property taxes collected for school operations by the state. Beginning in FY22, the District instead receives funding from the State Education Fund.

State Education Fund revenue, reported within the category of state aid not restricted to specific purposes, was \$514.11 million. These revenues represented 57.1% of general governmental revenues for the current fiscal year. Most of this funding was received via base funding of \$7,318 per pupil, recorded in the General Fund.

Other major revenue sources consist of:

- The District still receives property tax revenues from the County Treasurer attributable to the \$0.3885 debt rate assessed in Washoe County. These revenues totaled \$77.0 million.
- Government services taxes totaled \$5.8 million, increasing by \$0.1 million. This tax is imposed at a rate of 4 cents on each \$1 of vehicle valuation for the privilege of operating upon the public highways in Nevada and is used for state or local purposes. Under the new school funding formula, this revenue is no longer received in the District's General Fund and instead is pooled at the state level. The \$5.8 million is the capital project portion of this revenue, which the District retains.
- WC-1 sales tax revenue decreased by \$0.3 million, to \$63.2 million. This tax is imposed on sales of tangible personal property in Washoe County at a rate of 0.54 percent to fund capital projects for the Washoe County School District.
- Operating grants and contributions, increased by \$12 million from FY22, totaling \$151.1 million. Major grants received in this category are State Special Education funding, Title I federal funding, and federal stimulus funding for school districts known as the Elementary and Secondary School Emergency Relief Fund or ESSER.

Where Does The Money Go?



Total governmental expenses increased from the prior fiscal year by \$132.4 million, or 18.4%.

Instruction expenses accounted for \$524.8 million, or 63.5% of all governmental expenses, with 71.4% of instruction dollars spent for regular and special instruction. As noted previously, operational decreases were offset by induced expenses allocated to this function for pension and OPEB liabilities and deferred outflows.

The remaining \$301.8 million, or 36.5%, of governmental expenses were used to support the students and instructional staff and operate and maintain the District. The largest support expenses were operation and maintenance totaling \$61.0 million, or 7.4% of all expenses, student support of \$39.1 million, or 4.7%; school administration totaling \$42.9 million, or 5.2%; central services of \$38.3 million, or 4.5%; and interest on long-term debt of \$37.7 million, or 4.6%.

Debt

General long-term debt which is only related to governmental activities consists of the following at June 30, 2023:

General Obligation Bonds					
Series	Date Issued	Date of Maturity	Interest Rate (%)	Amount Issued	Balance June 30, 2023
2010D	05/26/10	05/01/27	3.80%	3,550,000	2,800,000
2010E	10/06/10	06/01/27	2.81%	5,415,000	4,415,000
2014A	07/15/14	06/01/26	5.000%	40,000,000	15,320,000
2015A	03/31/15	06/01/29	3.00-5.00%	45,375,000	36,405,000
2016A	12/31/15	06/01/36	2.00-5.00%	59,215,000	41,275,000
2016B	11/10/16	05/01/37	3.00-5.00%	15,000,000	12,260,000
2017A	02/09/17	06/01/37	4.00-5.00%	55,000,000	52,430,000
2017B	04/05/17	04/01/37	3.25-5.00%	26,885,000	24,505,000
2017C	11/21/17	04/01/48	3.125-5.00%	200,000,000	188,335,000
2017D	11/21/17	06/01/31	4.00-5.00%	58,320,000	39,030,000
2018	12/05/18	04/01/49	4.00-5.00%	85,000,000	81,925,000
2019A	09/26/19	06/01/44	3.00-5.00%	69,020,000	66,250,000
2019B	12/19/19	10/01/49	3.00-5.00%	100,000,000	98,155,000
2020A	05/07/20	10/01/50	3.00-5.00%	165,780,000	164,780,000
2020B	04/01/20	04/01/25	5.000%	6,870,000	2,955,000
2021	01/28/21	06/01/46	2.00-5.00%	130,480,000	127,135,000
2022A	03/09/22	10/01/47	2.00-5.00%	49,220,000	49,220,000
2022B	03/09/22	04/01/33	5.000%	64,900,000	57,450,000
2022C	09/29/22	06/01/42	4.00-5.00%	40,000,000	40,000,000
Total					<u>\$ 1,104,645,000 *</u>

Notes Payable from Direct Borrowings					
Series	Date Issued	Date of Maturity	Interest Rate (%)	Amount Issued	Balance June 30, 2023
2020	03/03/20	03/01/24	1.52%	2,300,000	588,000
2020B	12/23/20	02/01/25	1.24%	1,549,000	784,000
2021B	12/17/21	02/01/26	1.09%	3,400,000	2,564,000
2022	12/27/22	02/01/27	3.94%	3,400,000	3,400,000
					<u>\$ 7,336,000</u>

Capital Projects

Budget Highlights

New Bonds Issued: 2022 Extended Bond Rollover \$40,000,000
Primary Uses: Annual Capital Renewal Program

Major Projects Completed: J. Wood Raw Elementary School

Ribbon Cutting at
J. Wood Raw
Elementary School



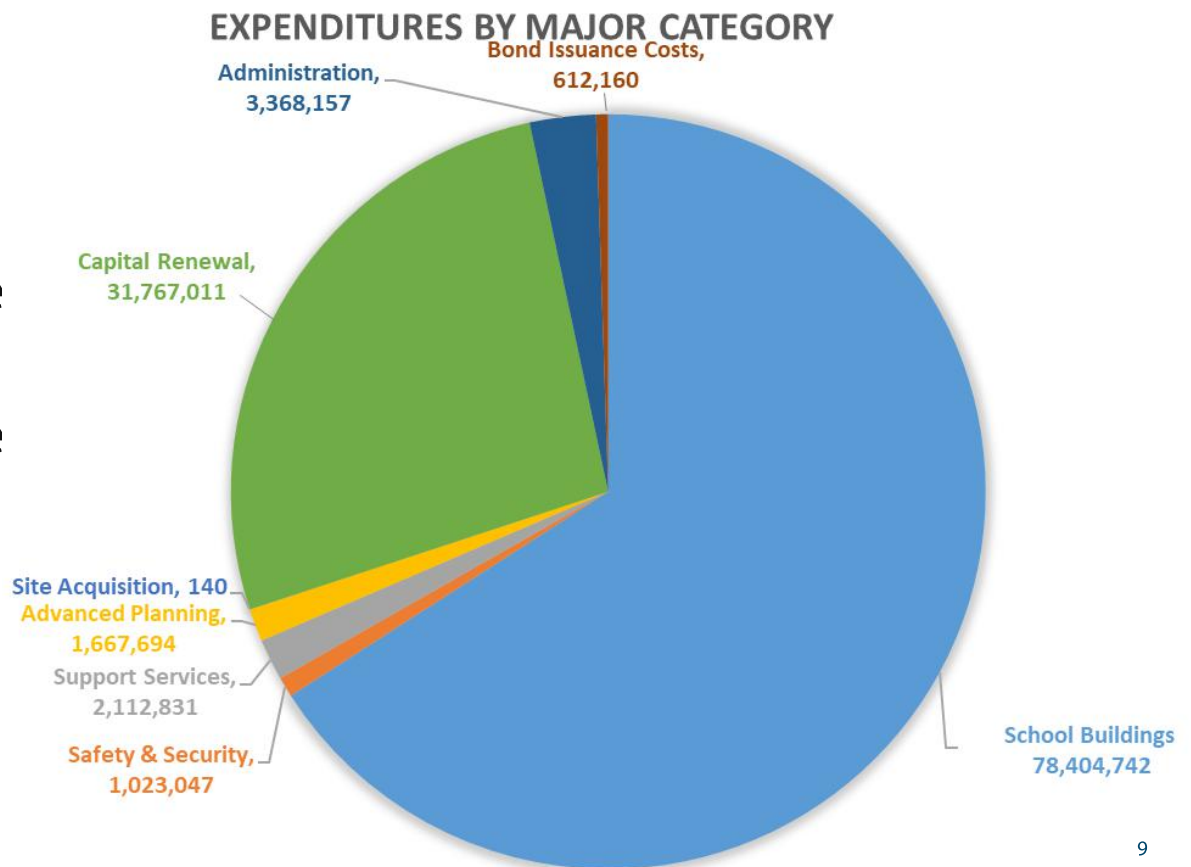
Major Projects Started

Debbie Smith CTE Academy HS
Vaughn MS Rebuild (Design)
Transportation Expansion (Design)

Estimated Completion

June 2025
June 2026
June 2025

Capital Projects Bond Fund Expenditure by Major Type



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
PO Box 30425
Reno, NV 89512



***Washoe County
School District***

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