



Summary of Washoe County School District Debt

June 17, 2022

Presented By:
Mark Mathers, Chief Financial Officer



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



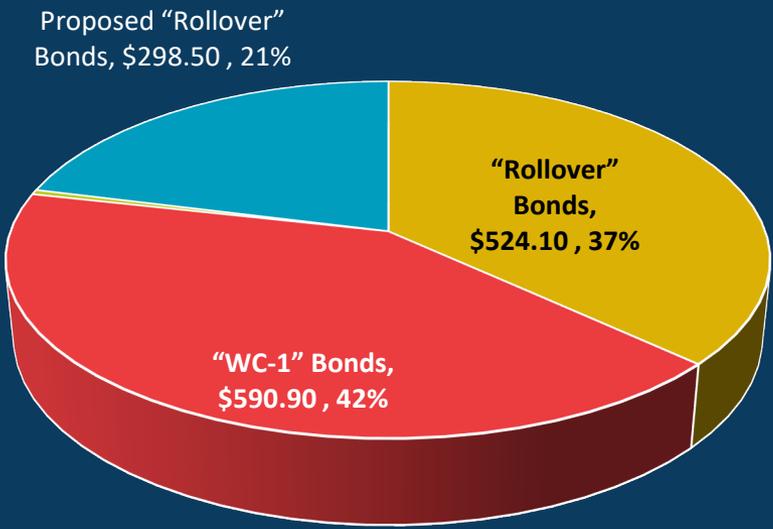
Types of Debt

1. General Obligation Bonds – Pledged by Property Taxes (“Rollover” Bonds)
2. General Obligation Bonds – Pledged by Sales Tax (aka, WC-1 Debt)
3. Medium Term Notes



Outstanding & Proposed Debt

Type	Amount (mil.)
“Rollover” Bonds	\$524.1
“WC-1” Sales Tax-Pledged Bonds	\$590.9
Medium Term Notes	<u>\$6.1</u>
TOTAL	\$1,121.1
Proposed “Rollover” Bond	\$298.5





Rollover Bonds

- Secured by the full faith and credit of the District
- Payable from revenues generated by the Property Tax Rate set for WCSD Debt
- Rate = \$0.3885 per \$100 Assessed Valuation
- Tax rate expected to generate \$76.37 million in FY23
- District's ability to issue rollover bonds expires in March 2035
 - Was reauthorized by legislature for 10 years in 2021



Rollover Bonds

- Property tax revenues are collected by County and accounted for in Debt Service Fund – not General Fund
- Tax rates levied for bond repayment have a priority on the tax rate
- District can utilize DSF balance in excess of required reserve and any annual surplus for pay-as-you-go projects
- Eligible Uses (NRS 387.335): new buildings for schools; enlarging, remodeling or repair of existing buildings; land acquisition; fleet, furniture and other equipment.



Proposed Rollover Bond Issuance

- Planned Sales (\$298.515 million)
 - FY23: \$102.77 million
 - FY24: \$195.745 million
- Uses
 - Annual Capital Renewal Plan in FY23 and FY24
 - Core School Investments – FY23-FY25 (depending on the pacing, type and number of projects identified in modernization study)



Rollover Bonds

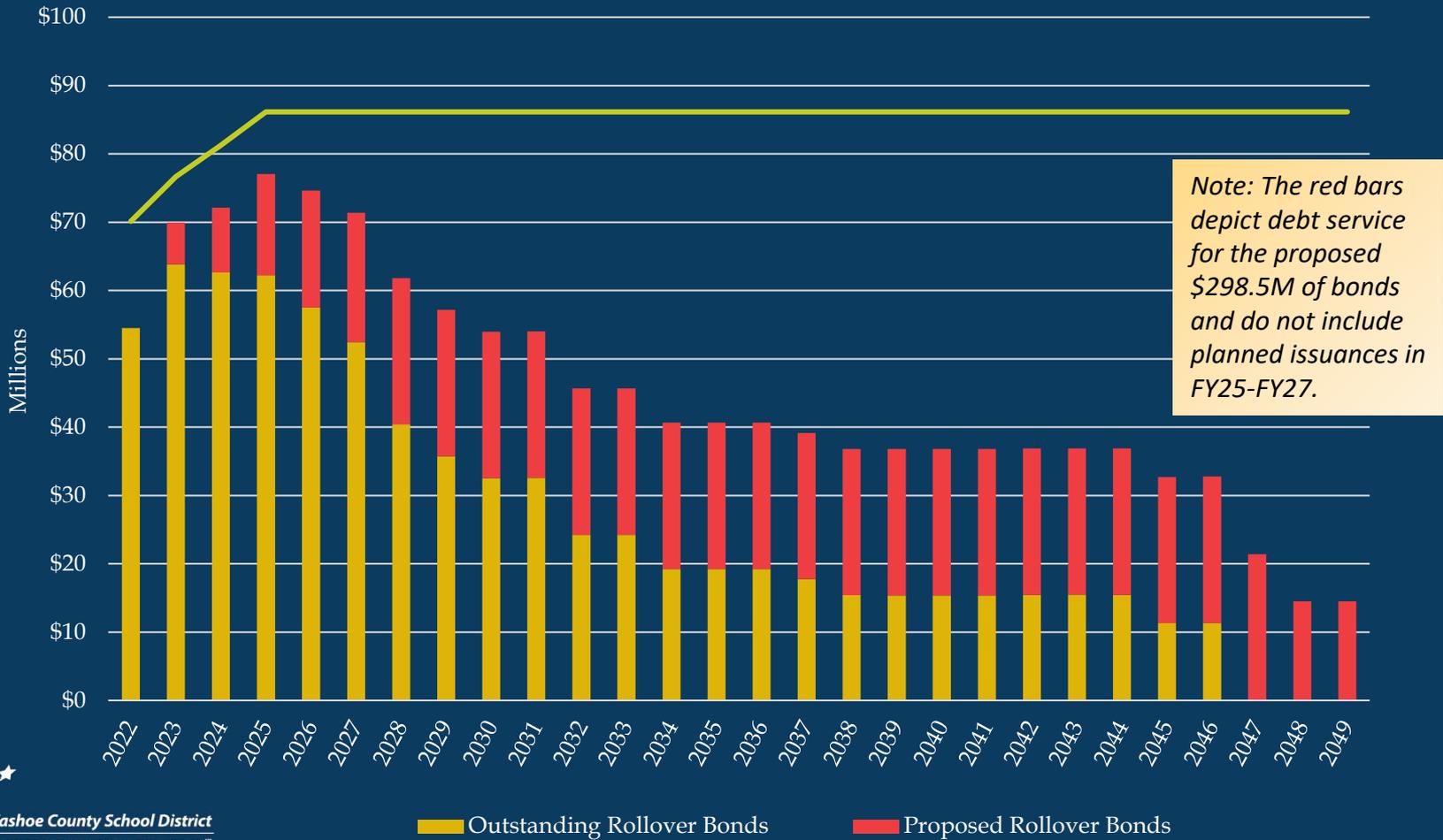
Coverage of Debt Paid by Property Tax ¹

Fiscal Year	2020 Audited	2021 Audited	2022 Estimated	2023 Budgeted
Property Tax Revenues	\$62,462,449	\$66,935,471	\$71,891,618	\$76,371,278
Earnings on Investments	1,718,778	1,957,342	1,496,519	1,373,204
TOTAL REVENUE	64,181,227	68,892,816	73,388,137	77,744,482
Annual Debt Service (excl proposed bonds)	\$57,713,304	\$58,440,845	\$64,537,559	\$63,833,977
Coverage	1.11	1.18	1.14	1.22

¹The District had an ending balance in the Debt Service Fund related to the property tax paid bonds of \$57.1 million as of June 30, 2021. This amount is in excess of the statutorily required reserve.



Rollover Bonds





Sales Tax-Pledged Bonds

- Payable from and secured by revenues of WC-1 sales tax
 - 0.54% Sales and Use Tax, approved by Washoe County voters in November 2016
- Full faith and credit of District is pledged to WC1 bonds
- Monthly average of \$4.15M collected since inception
- Budgeted revenues of \$61.9 M in FY23



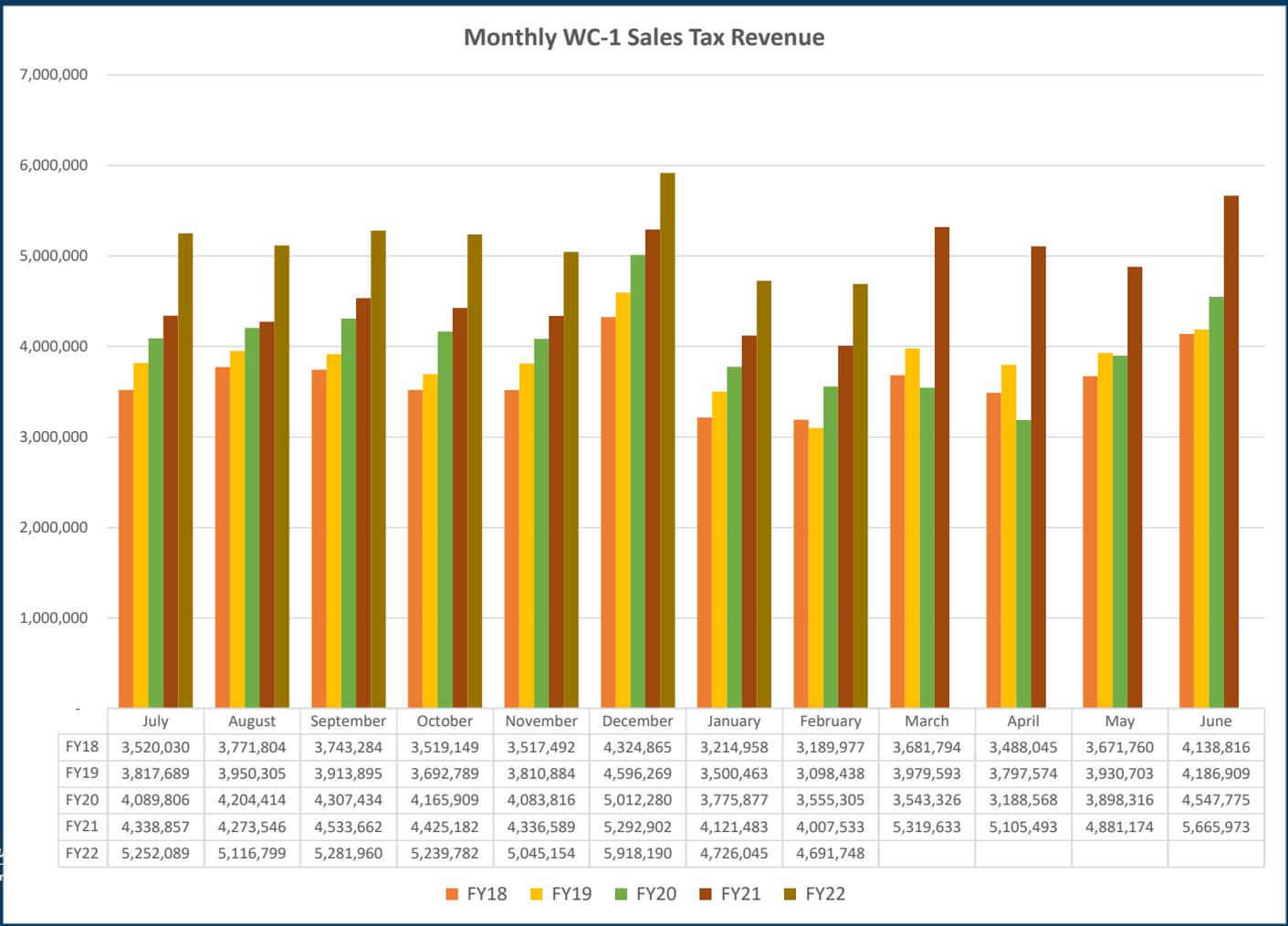


Sales Tax-Pledged Bonds

- Sales tax revenues are collected by State and accounted for in a Capital Fund – not General Fund
- District can utilize sales tax revenues either for debt service or pay-as-you-go projects
- Eligible Uses: Acquisition, construction, repair and renovation of school facilities



WC-1 Sales Tax Revenues





Sales Tax-Pledged Bonds

Pledged Revenue and Coverage of Sales Tax Bonded Debt¹

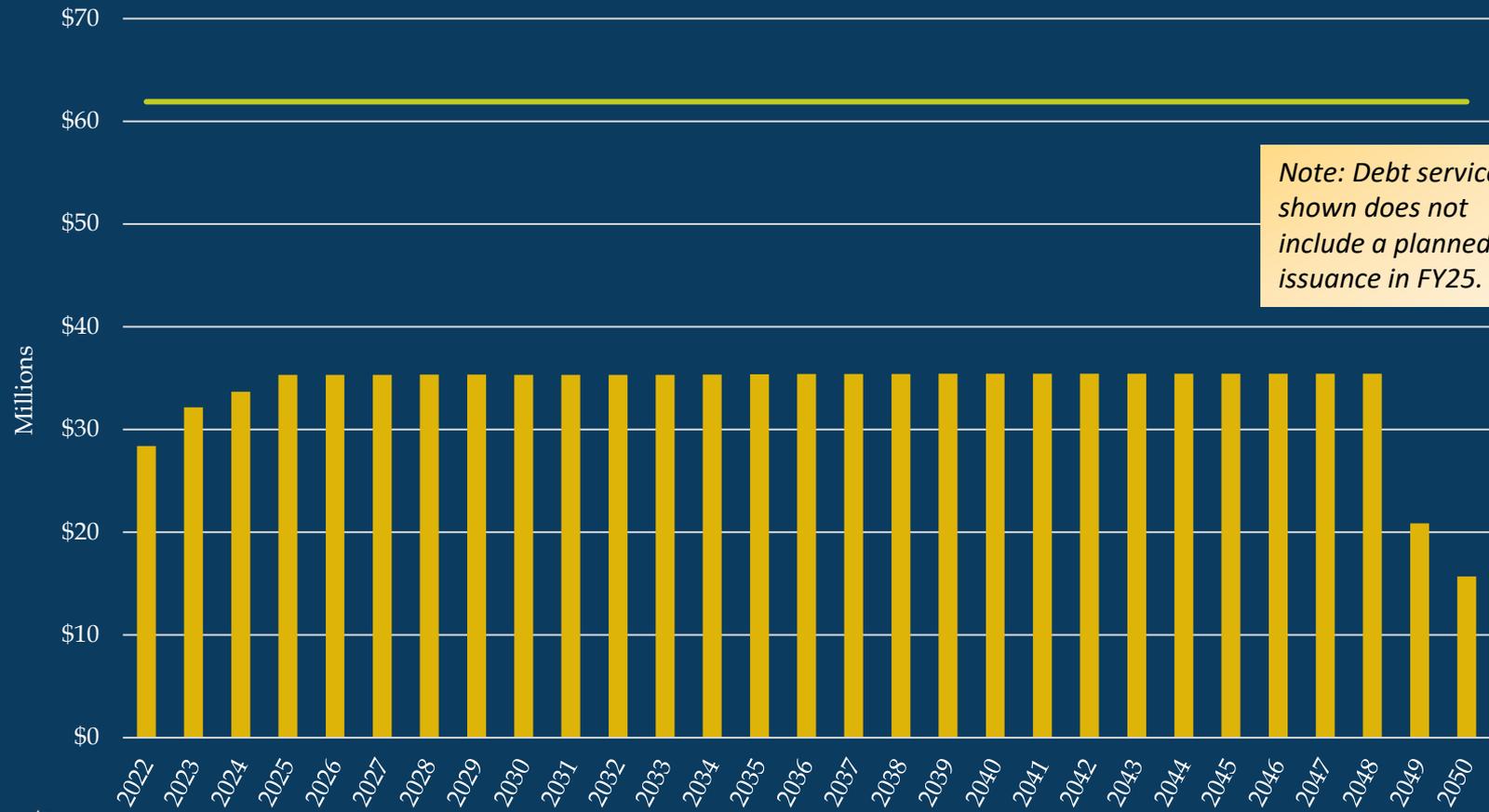
Fiscal Year	2020 Audited	2021 Audited	2022 Estimated	2023 Budgeted
Sales Tax Pledged Revenues ²	\$48,774,757	\$56,302,026	\$61,900,000	\$61,900,000
Outstanding Debt Service	\$11,734,650	25,255,860	27,413,725	32,164,068
Coverage	4.16	2.23	2.26	1.92
Maximum Annual Debt Service				35,539,506
Coverage				1.74

¹The District had a balance of \$18.3 million in the WC1 Debt Service Fund as of June 30, 2021.

²Based on a 0.54% tax rate; tax was imposed 04/01/2017.



Sales Tax-Pledged Bonds





Medium-Term Bonds

- Allowed by State law for bonds payable from existing resources
 - GO Notes < 10 year term
 - Installment Purchase (Lease) – any term
- Historically used by District to pay for buses and other vehicles, but can be used for any capital expense
- Debt service generally paid by Government Services Tax (GST) Capital Fund





Medium-Term Bonds

Medium Term Bonds Affordability

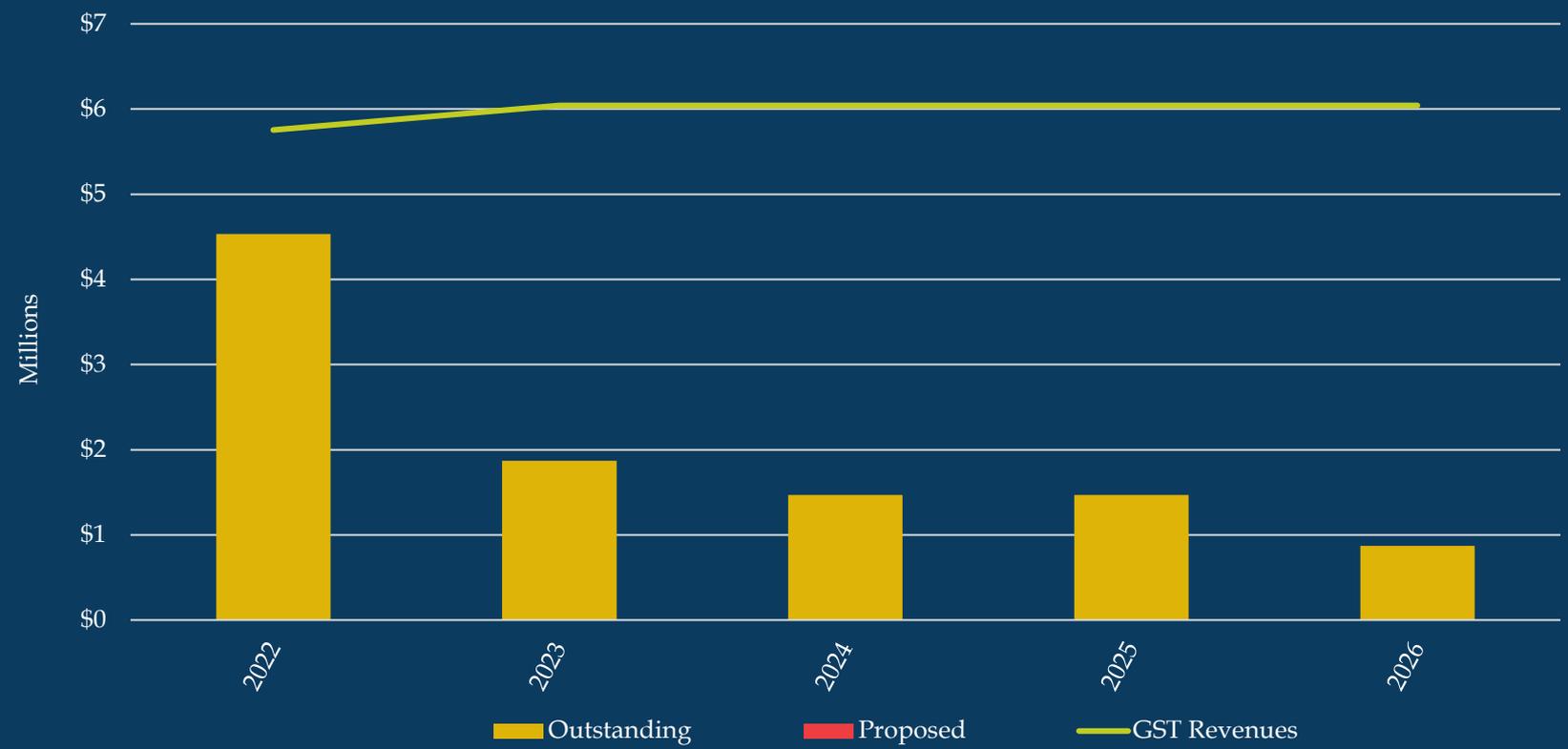
Fiscal Year	2020 Audited	2021 Audited	2022 Estimated	2023 Budgeted
GST Revenue ¹	\$5,714,573	\$5,442,655	\$5,754,400	\$6,042,100
Outstanding Debt Service ²	2,001,442	1,802,038	4,533,922	1,868,835
Coverage	2.86	3.02	1.27	3.23

¹ In addition to the GST Revenue, the GST Capital Projects Fund and General Fund balances are also available to pay debt service

² In FY22, \$3.1 million of debt service was paid from the General Fund



Medium-Term Bonds



FY22 Includes \$3.1 million of debt service paid from the general fund

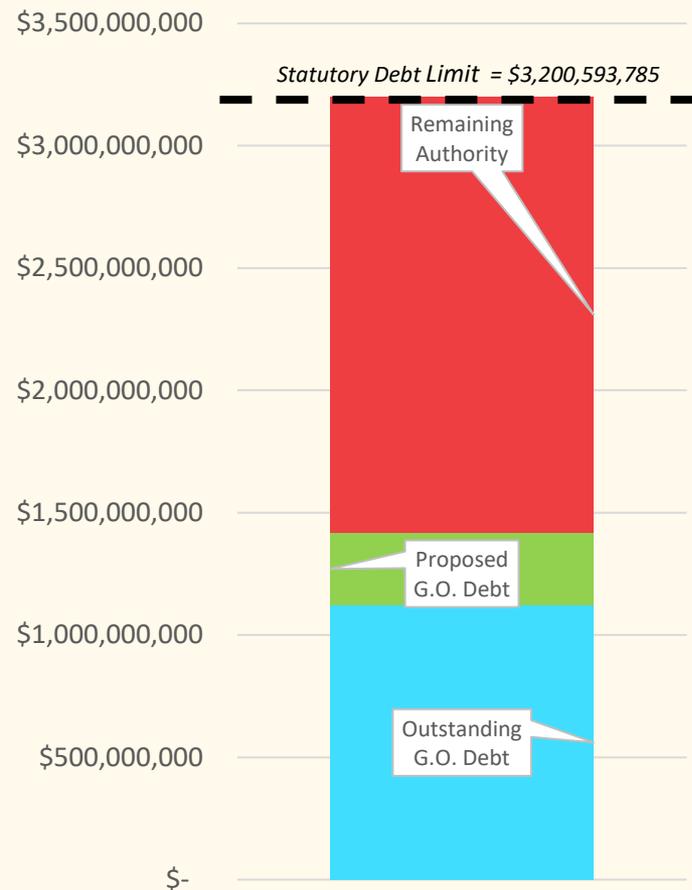


General Obligation Debt Limit

Based on Fiscal Year 2022 Assessed Value

Assessed Value	21,337,291,898
General Obligation Debt Limit (15%)	3,200,593,785
Outstanding General Obligation Debt	<u>(1,121,100,000)</u>
Available GO Debt Limit After Currently Outstanding GO Debt	2,079,493,785
Proposed General Obligation Debt	(298,515,000)
Available GO Debt Limited After Outstanding and Proposed Debt	\$1,780,978,785

Statutory Debt Limit





G.O. Debt Comparison

Debt comparisons and comparative debt levels can be useful, but there are many caveats:

- In Nevada, school districts' property tax debt rates vary greatly and are influenced by tax base and need. Some districts have no debt rate.
- Districts' capital funding sources also vary. Other districts have small tax bases and/or don't have a dedicated sales tax for capital like WCSD.
- Coverage and reserve levels are more important when considering whether an agency can afford its debt.





G.O. Debt Comparison

District	General Obligation Debt	Population	FY 2021 Assessed Value	GO Debt Per Capita	GO Debt as a % of Assessed Value
Carson City School District	\$54,075,000	56,434	\$1,814,811,670	\$958.20	2.98%
Churchill County School District	26,362,700	26,202	895,312,015	1,006.13	2.94%
Clark County School District	2,826,400,000	2,320,107	99,962,719,089	1,218.22	2.83%
Douglas County School District	32,593,000	49,082	3,538,641,085	664.05	0.92%
Elko County School District	0	55,435	2,307,887,553	0.00	0.00%
Esmeralda County School District	0	999	120,193,550	0.00	0.00%
Eureka County School District	0	1,936	1,208,149,464	0.00	0.00%
Humboldt County School District	1,591,000	17,064	1,421,877,282	93.24	0.11%
Lander County School District	864,000	6,324	1,602,462,246	136.62	0.05%
Lincoln County School District	3,240,800	5,293	290,075,392	612.28	1.12%
Lyon County School District	53,069,000	57,629	2,273,021,391	920.87	2.33%
Mineral County School District	1,892,000	4,896	229,822,634	386.44	0.82%
Nye County School District	48,193,000	48,414	2,196,383,282	995.44	2.19%
Pershing County School District	2,952,000	6,983	328,601,056	422.74	0.90%
Storey County School District	0	4,304	1,549,397,544	0.00	0.00%
Washoe County School District (Rollover only)	574,325,000	473,606	19,346,366,369	1,212.66	2.97%
Washoe County School District (All Debt)	1,128,974,428	473,606	19,346,366,369	2,383.78	5.84%
White Pine County School District	6,197,000	10,477	670,770,280	<u>591.49</u>	<u>0.95%</u>
			Average:	\$542.26	1.50%



Debt-Financed Capital Facilities

Issue Date	Series	Type	Par 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	Annual Capital Renewal
Total			\$ 799,500,000	

PAYGO Projects: Bohach ES, JWood Raw ES (in process)



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

* Not a comprehensive list, does not include all projects financed with debt



Outlook Through 2027

- Will continue to use a combination of debt and pay-as-you-go funding for capital projects
- WC-1 Sales Tax
 - \$127M in new debt + \$342M in revenue over next 5 years
- Property Tax (“rollover”)
 - \$315M in additional new debt (above \$298.515M requested today)
- The phasing and number of new schools is more growth-dependent. District will pivot more towards core school investments.



Questions?

