

# OFFICIAL STATEMENT

**\$50,000,000**

**WASHOE COUNTY SCHOOL DISTRICT, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
SCHOOL IMPROVEMENT BONDS  
SERIES 2026A**

**\$73,020,000**

**WASHOE COUNTY SCHOOL DISTRICT, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
SCHOOL IMPROVEMENT BONDS  
(ADDITIONALLY SECURED BY PLEDGED REVENUES)  
SERIES 2026B**



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***Washoe County  
School District***

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**BOOK-ENTRY ONLY**

**RATINGS: “S&P”: “AA”  
Moody’s: “Aa2”  
See “RATINGS”**

*In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2026A and 2026B Bonds (together, the “Bonds”) is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. See “TAX MATTERS.”*

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WASHOE COUNTY SCHOOL DISTRICT, NEVADA  
GENERAL OBLIGATION (LIMITED TAX) SCHOOL IMPROVEMENT BONDS  
SERIES 2026A**

**\$73,020,000  
WASHOE COUNTY SCHOOL DISTRICT, NEVADA  
GENERAL OBLIGATION (LIMITED TAX) SCHOOL IMPROVEMENT BONDS  
(ADDITIONALLY SECURED BY PLEDGED REVENUES)  
SERIES 2026B**

**Dated: Date of Delivery**

**Due: June 1 (2026A Bonds), as shown herein  
October 1 (2026B Bonds), as shown herein**

The Bonds are issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See “THE BONDS – Book-Entry Only System.” The 2026A Bonds bear interest at the rates set forth herein, payable on June 1, 2026, and semiannually thereafter on June 1 and December 1 of each year. The 2026B Bonds bear interest at the rates set forth herein, payable on October 1, 2026, and semiannually thereafter on April 1 and October 1 of each year. Interest will be paid to and including the maturity dates shown herein (unless the Bonds are redeemed earlier), to the registered owners of the Bonds (initially Cede & Co.). The principal of the Bonds will be payable upon presentation and surrender at the principal operations office of Zions Bancorporation, National Association or its successor as the paying agent for the Bonds. See “THE BONDS – Payment Provisions.”

The maturity schedule for each series of the Bonds appears on the inside cover page of this Official Statement.

The Bonds are subject to optional redemption prior to maturity at the option of the District. The 2026B Bonds are also subject to mandatory sinking fund redemption. See “THE BONDS – Redemption Provisions

Proceeds of the Bonds will be used to: (i) acquire, construct, improve and equip school facilities in the District; and (ii) pay the costs of issuing the Bonds. See “SOURCES AND USES OF FUNDS.”

The Bonds constitute direct and general obligations of the District. The full faith and credit of the District is pledged for the payment of principal and interest on the Bonds, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See “SECURITY FOR THE BONDS – General Obligations.”

The 2026B Bonds are additionally secured by a lien on certain revenues derived from a 0.54% sales and use tax imposed within Washoe County, Nevada (the “Pledged Revenues”), as more fully described herein. The District may issue additional bonds secured by the Pledged Revenues with the lien priorities described herein. See “security for the bonds – Pledged Revenues.” *The Pledged Revenues are not pledged to the payment of the 2026A Bonds.*

**This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.**

The Bonds are offered when, as, and if issued by the District, subject to the approval of legality of the Bonds by Taft Stettinius & Hollister LLP, Reno, Nevada, and the satisfaction of certain other conditions. Taft Stettinius & Hollister LLP, also has acted as special counsel to the District in connection with preparation of this Official Statement. Certain legal matters will be passed upon for the District by its General Counsel. JNA Consulting Group, LLC, Boulder City, Nevada, is acting as the Municipal Advisor to the District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about January 29, 2026.

**Official Statement dated January 14, 2026**

**MATURITY SCHEDULES**  
**(CUSIP© 6-digit issuer number: 940859)**

**\$50,000,000**  
**WASHOE COUNTY SCHOOL DISTRICT, NEVADA**  
**GENERAL OBLIGATION (LIMITED TAX) SCHOOL IMPROVEMENT BONDS**  
**SERIES 2026A**

Maturing (June 1)	Principal Amount	Interest		CUSIP©		Maturing (June 1)	Principal Amount	Interest		CUSIP©	
		Rate†	Yield†	Issue Number	Yield†			Issue Number			
2027	\$1,500,000	5.000%	2.290%	RE3	2.960% <sup>(1)</sup>	2037	\$2,490,000	5.000%	2.960% <sup>(1)</sup>	RQ6	
2028	1,605,000	5.000	2.290	RF0	3.080 <sup>(1)</sup>	2038	2,615,000	5.000	3.080 <sup>(1)</sup>	RR4	
2029	1,685,000	5.000	2.280	RG8	3.180 <sup>(1)</sup>	2039	2,745,000	5.000	3.180 <sup>(1)</sup>	RS2	
2030	1,770,000	5.000	2.320	RH6	3.280 <sup>(1)</sup>	2040	2,880,000	5.000	3.280 <sup>(1)</sup>	RT0	
2031	1,860,000	5.000	2.360	RJ2	3.430 <sup>(1)</sup>	2041	3,025,000	5.000	3.430 <sup>(1)</sup>	RU7	
2032	1,950,000	5.000	2.440	RK9	3.560 <sup>(1)</sup>	2042	3,145,000	5.000	3.560 <sup>(1)</sup>	RV5	
2033	2,050,000	5.000	2.530	RL7	3.890 <sup>(1)</sup>	2043	3,275,000	4.000	3.890 <sup>(1)</sup>	RW3	
2034	2,150,000	5.000	2.600	RM5	4.030	2044	3,405,000	4.000	4.030	RX1	
2035	2,260,000	5.000	2.720	RN3	4.170	2045	3,540,000	4.000	4.170	RY9	
2036	2,370,000	5.000	2.850	RP8	4.280	2046	3,680,000	4.000	4.280	RZ6	

† Provided by Truist Securities, Inc., the Underwriter of the 2026A Bonds.

(1) Priced to the first optional redemption date of June 1, 2036.

**\$73,020,000**  
**WASHOE COUNTY SCHOOL DISTRICT, NEVADA**  
**GENERAL OBLIGATION (LIMITED TAX) SCHOOL IMPROVEMENT BONDS**  
**(ADDITIONALLY SECURED BY PLEDGED REVENUES)**  
**SERIES 2026B**

Maturing (October 1)	Principal Amount	Interest		CUSIP©		Maturing (October 1)	Principal Amount	Interest		CUSIP©	
		Rate††	Yield††	Issue Number	Yield††			Issue Number			
2027	\$1,185,000	5.000%	2.300%	SA0	3.240% <sup>(2)</sup>	2039	\$2,160,000	5.000%	3.240% <sup>(2)</sup>	SN2	
2028	1,245,000	5.000	2.300	SB8	3.290 <sup>(2)</sup>	2040	2,270,000	5.000	3.290 <sup>(2)</sup>	SP7	
2029	1,310,000	5.000	2.500	SC6	3.430 <sup>(2)</sup>	2041	2,385,000	5.000	3.430 <sup>(2)</sup>	SQ5	
2030	1,375,000	5.000	2.320	SD4	3.560 <sup>(2)</sup>	2042	2,505,000	5.000	3.560 <sup>(2)</sup>	SR3	
2031	1,445,000	5.000	2.370	SE2	3.690 <sup>(2)</sup>	2043	2,635,000	5.000	3.690 <sup>(2)</sup>	SS1	
2032	1,520,000	5.000	2.460	SF9	4.120	2044	2,755,000	4.000	4.120	ST9	
2033	1,600,000	5.000	2.550	SG7	4.240	2045	2,870,000	4.000	4.240	SU6	
2034	1,680,000	5.000	2.640	SH5	4.330	2046	2,990,000	4.125	4.330	SV4	
2035	1,765,000	5.000	2.750	SJ1	4.370	2047	3,115,000	4.125	4.370	SW2	
2036	1,855,000	5.000	2.870 <sup>(2)</sup>	SK8	4.410	2048	3,245,000	4.250	4.410	SX0	
2037	1,950,000	5.000	3.000 <sup>(2)</sup>	SL6	4.440	2049	3,390,000	4.250	4.440	SY8	
2038	2,050,000	5.000	3.100 <sup>(2)</sup>	SM4	4.470	2050	3,535,000	4.250	4.470	SZ5	

\$20,185,000 4.375% Term Bond due October 1, 2055, Yield 4.550% CUSIP© Issue No. TE1

†† Provided TD Financial Products LLC, the Underwriter of the 2026B Bonds.

(2) Priced to the first optional redemption date of April 1, 2036.

## **USE OF INFORMATION IN THIS OFFICIAL STATEMENT**

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Bonds (defined herein) in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by District. The District maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

The information set forth in this Official Statement has been obtained from the District and from the sources referenced throughout this Official Statement, which the District believes to be reliable. No representation is made by the District, however, as to the accuracy or completeness of information provided from sources other than the District. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

**THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**WASHOE COUNTY SCHOOL DISTRICT, NEVADA**

**BOARD OF TRUSTEES**

Adam Mayberry, President  
Alex Woodley, Vice President  
Christine Hull, Clerk  
Diane Nicolet, Ph.D.  
James Phoenix  
Elizabeth Smith  
Colleen Westlake

**ADMINISTRATIVE OFFICIALS**

Joseph M. Ernst, M.Ed., Superintendent  
Mark Mathers, Chief Financial Officer  
Adam Searcy Chief Operating Officer  
Neil Rombardo, Chief General Counsel

**MUNICIPAL ADVISOR**

JNA Consulting Group, LLC  
Boulder City, Nevada

**BOND AND SPECIAL COUNSEL**

Taft Stettinius & Hollister LLP  
Reno, Nevada

**REGISTRAR AND PAYING AGENT**

Zions Bancorporation, National Association  
Los Angeles, California

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## OFFICIAL STATEMENT

**\$50,000,000**

**WASHOE COUNTY SCHOOL DISTRICT, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
SCHOOL IMPROVEMENT BONDS  
SERIES 2026A**

**\$73,020,000**

**WASHOE COUNTY SCHOOL DISTRICT, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
SCHOOL IMPROVEMENT BONDS  
(ADDITIONALLY SECURED BY PLEDGED REVENUES)  
SERIES 2026B**

### INTRODUCTION

#### General

This Official Statement, including the cover page, the inside cover page and the appendices, is furnished by the Washoe County School District, Nevada (the “District”), to provide information about the District and its (i) \$50,000,000 General Obligation (Limited Tax) School Improvement Bonds, Series 2026A (the “2026A Bonds”), and (ii) \$73,020,000 General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2026B (the “2026B Bonds,” and together with the 2026A Bonds, the “Bonds”). The 2026A Bonds will be issued pursuant to a bond resolution adopted by the Board of Trustees of the District (the “Board”) on June 24, 2025 (the “2026A Bond Resolution”) and the 2026B Bonds will be issued pursuant to a bond resolution adopted by the Board on December 9, 2025 (the “2026B Bond Resolution”, and together with the 2026A Bond Resolution, the “Bond Resolutions”).

*The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein. Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page, the inside cover page and the appendices, is unauthorized.*

#### The Issuer

The District is a political subdivision of the State organized pursuant to legislation enacted in 1956. The District’s boundaries are coterminous with those of Washoe County (the “County”). The District covers an area of approximately 6,600 square miles in the northwestern portion of the State of Nevada (the “State”). The District serves the residents of the City of Reno (“Reno”), the City of Sparks (“Sparks”) and the unincorporated areas of the County, including the unincorporated communities of Incline Village, Wadsworth and Gerlach. See “WASHOE COUNTY SCHOOL DISTRICT.”

## **The Bonds; Prior Redemption**

The Bonds are issued solely as fully registered certificates in denominations of \$5,000, or any integral multiple thereof. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), the securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See “THE BONDS – Book-Entry Only System.” The Bonds are dated as of the date of their delivery and mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page of this Official Statement. The payment of principal and interest on the Bonds is described in “THE BONDS – Payment Provisions.”

The Bonds are subject to optional redemption prior to maturity. The 2026B Bonds are also subject to mandatory sinking fund redemption. See “THE BONDS – Redemption Provisions.”

## **Authority for Issuance**

The Bonds are being issued pursuant to: the constitution and laws of the State, particularly Nevada Revised Statutes (“NRS”) 350.500 through 350.720, designated as the “Local Government Securities Law” (the “Bond Act”), NRS Chapter 348 (the “Supplemental Bond Act”), the respective Bond Resolution and legislation enacted by the 2015 Nevada Legislature which deemed approval by the District’s electors at a November 5, 2002 election to constitute approval of the issuance of the general obligation bonds by the Board pursuant to Subsection 4 of NRS 350.020. The 2026B Bonds are further issued pursuant to NRS 387.335 (the “Project Act”), NRS 350.105 to 350.195, inclusive (the “Bond Sale Act”) and Senate Bill 411 enacted by the 2017 Nevada Legislature which deemed approval by the County’s electors in a November 8, 2016 general election to constitute approval of bonds secured by the Pledged Revenues (defined below).

## **Purpose**

Proceeds of the Bonds will be used to: (i) acquire, construct, improve and equip school facilities in the District (the “Improvement Project”); and (ii) pay the costs of issuing the Bonds. See “SOURCES AND USES OF FUNDS – The Improvement Project.”

## **Security for the Bonds**

General Obligations. The Bonds constitute direct and general obligations of the District. The full faith and credit of the District is pledged for the payment of principal and interest and any premium in connection with a mandatory redemption of the Bonds (the “Bond Requirements”), subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. Generally, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation. See “SECURITY FOR THE BONDS – General Obligations.” Pursuant to State law, taxes levied for the payment of bonded indebtedness, including the Bonds, enjoy a priority over taxes levied by each overlapping taxing unit for all other purposes where reduction is necessary in order to comply with the statutory limitations described in “PROPERTY TAX INFORMATION – Property Tax Limitations.”

Additional Security for the 2026B Bonds. The 2026B Bonds are additionally secured by a pledge of the Pledged Revenues, which means all income and revenue derived by the District from the collection of the 0.54% Sales and Use Taxes (defined below) imposed by the County and deposited in the Capital Projects Fund. The Pledged Revenues means all or a portion of the Pledged Revenues but does not include any amounts determined, pursuant to State law, to be subject to valid claims for refunds. The Pledged Revenues includes additional income derived from any supplemental or additional excise taxes received by the District if the Board is authorized to include and elects to include the additional excise taxes in “Pledged Revenues” for the remaining term of the Bonds. *The Pledged Revenues are not pledged to the payment of the 2022B Bonds.*

Pursuant to State law, the 0.54% Sales and Use Taxes are collected by the State and then remitted monthly to the County for deposit in the Capital Projects Fund.

The 0.54% Sales and Use Taxes. The 0.54% Sales and Use Taxes are defined in the 2026B Bond Resolution as the sales tax of 0.54% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the County and an excise tax of 0.54% upon the storage, use or other consumption in the County of tangible personal property purchased from any retailer for the storage, use or other consumption in the County.

Additional Bonds Secured by Pledged Revenues. The District is authorized to issue additional bonds or securities that have a lien on all or a portion of the Pledged Revenues that is superior to or on a parity with the lien thereon of the 2026B Bonds (the “Superior Securities” and “Parity Securities,” respectively), subject to the satisfaction of the conditions described herein. See “SECURITY FOR THE BONDS – Additional Bonds secured by Pledged Revenues.”

Lien Priority of 2026B Bonds. The 2026B Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues. The District has previously issued its General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2017C (the “2017C Bonds”), General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2018 (the “2018 Bonds”), General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledge Revenues), Series 2019B (the “2019B Bonds”), General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2020A (the “Series 2020A Bonds”), General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2022A (the “Series 2022A Bonds”) and General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2025A (the “Series 2025A Bonds”), currently outstanding in the aggregate amounts of \$174,780,000, \$76,700,000, \$92,030,000, \$156,225,000, \$45,710,000 and \$100,000,000, respectively, secured by the Pledged Revenues. The 2017C Bonds, the 2018 Bonds, the 2019B Bonds, the 2020 Bonds, the 2022A Bonds, the 2025A Bonds and the Bonds are referred to collectively herein as the “Parity Bonds”).

The District has received approval from the County Debt Management Commission to issue up to \$200 million of bonds secured by the Pledged Revenues. Prior to the issuance of the Bonds, the District has utilized such authorization to issue \$100,000,000 of bonds secured by the Pledged Revenues. Subject to fulfillment of all other legal requirements, the District plans to utilize all of the remaining \$100,000,000 of Debt Management Commission authorization to issue the Bonds. After issuance of the Bonds, the District will not have any authorization to issue bonds secured by the Pledged Revenues.

The 2026B Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues. Parity Bonds in the aggregate principal amount of \$645,445,000 are currently outstanding with a parity lien on the Pledged Revenues.

Outstanding Bonds. For information on the District's currently outstanding general obligation bonds, see "DEBT STRUCTURE – Outstanding Debt and Other Obligation."

### **Professionals**

Taft Stettinius & Hollister LLP, Reno, Nevada, has acted as Bond Counsel in connection with the Bonds and also has acted as special counsel to the District in connection with this Official Statement. Certain legal matters will be passed upon for the District by its General Counsel. JNA Consulting Group, LLC, Boulder City, Nevada, is providing municipal advisory services to the District. See "MUNICIPAL ADVISOR." The fees being paid to the Municipal Advisor are contingent upon the execution and delivery of the Bonds. The audited basic financial statements of the District, attached to this Official Statement as Appendix A, include the report of Crowe LLP, certified public accountants, Sacramento, California. See "INDEPENDENT AUDITORS." Zions Bancorporation, National Association, Los Angeles, California, will act as Registrar and Paying Agent for the Bonds.

### **Tax Matters**

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. See "TAX MATTERS – Federal Tax Matters."

In the opinion of Bond Counsel, under the laws of the State in effect as of the date of delivery of the Bonds, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See "TAX MATTERS – State Tax Exemption."

### **Continuing Disclosure Undertaking**

The District will execute a continuing disclosure certificate (the "Disclosure Certificate") at the time of the closing for the Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds. The District will covenant in the Bond Resolutions to comply with the terms of the Disclosure Certificate. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the District will provide the following information to the Municipal Securities Rulemaking Board ("MSRB"), through its Electronic Municipal Market Access System: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain material events; each as more particularly described in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix D. In the last five years, the District has not failed to materially comply with any prior continuing disclosure undertakings entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

## **Certain Bondholder Risks**

General. The purchase of the Bonds involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision.

Risks Related to Property Taxes. Numerous factors over which the District has no control may impact the amount and timely receipt of ad valorem property tax revenues in the future. The amount of ad valorem property taxes collected will be dependent upon the assessed valuation of land within the District and in part on the abatement caps calculated pursuant to NRS 361.4722. Factors that may affect the timely receipt of ad valorem property tax revenues include the number of homes which are in foreclosure, bankruptcy proceedings of property taxpayers or their lenders, and the ability or willingness of property owners or lien holders to pay taxes in a timely manner.

It is not possible to predict future property values, the impact of foreclosures or delinquencies on property tax payments or the impact of the annual abatement cap. Specifically, it is not possible to predict whether property values in the District will continue to increase or whether they will decline in the future or, whether delinquency rates which are currently less than one percent will change.

Certain Risks Associated with Pledged Revenues. The 0.54% Sales and Use Taxes are collected by the State, then remitted directly to the County and then remitted to the District pursuant to various statutory provisions. The District has no statutory authority to collect the 0.54% Sales and Use Taxes itself and also has no control over the collection processes in place at the State. Receipt of the Pledged Revenues is dependent upon the ability and willingness of the State to collect the 0.54% Sales and Use Taxes and forward the revenues to the County. If the State fails to perform its collection duties in a timely fashion, the District may not receive Pledged Revenues in time to meet scheduled debt service payments. If the State fails to collect, remit or transfer the 0.54% Sales and Use Taxes revenues, the District's only remedy is to file suit against the nonperforming party, including an action *in mandamus* to compel performance. Further, the District has no control over the auditing procedures in place at the State. The District must depend upon the State to ensure that retailers are collecting and remitting the required Pledged Revenues. If the State fails to do so, the District may not receive all of the moneys to which it is entitled.

0.54% Sales and Use Taxes collections are subject to fluctuations in spending which is affected by, among other things, general economic cycles. 0.54% Sales and Use Taxes revenues may increase along with the increasing prices brought about by inflation, but collections also are vulnerable to adverse economic conditions and reduced spending and may decrease as a result. Consequently, the rate of 0.54% Sales and Use Taxes collections may be expected to correspond generally to economic cycles. The District has no control over general economic cycles and is unable to predict what economic factors or cycles will occur while the Bonds remain outstanding.

Changes in Law. Various State laws apply to the imposition, collection, and expenditure of property taxes (sometimes referred to as 'General Taxes') as well as to the operation and finances of the District, including State funding of education.

The Legislature determines the amount of State funds that will be distributed to school districts for operating purposes in each year pursuant to statutory funding formulas. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of its revenues, including General Taxes.

### **Forward-Looking Statements**

This Official Statement, particularly (but not limited to) the sections entitled “DISTRICT FINANCIAL INFORMATION – General Fund History of Revenues, Expenditures and Changes in Fund Balance,” “ – Debt Service Fund,” “ – Fiscal Year 2026 Budget Considerations,” and any statements throughout this Official Statement referring to budgeted, interim or unaudited information for future years, contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not occur as assumed or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results. Those differences could be materially adverse to the owners of the Bonds.

### **Secondary Market**

No guarantee can be made that a secondary market for the Bonds will develop or be maintained by the Initial Purchaser or others. Thus, prospective investors should be prepared to hold their Bonds to maturity.

### **Additional Information**

This introduction is only a brief summary of the provisions of the Bonds and the Bond Resolutions; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Bonds, the Bond Resolutions, the Improvement Project and the District are included in this Official Statement. All references herein to the Bonds, the Bond Resolutions and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change.*

Additional information and copies of the documents referred to herein are available from the District and the Municipal Advisor at the addresses set forth as follows:

Washoe County School District  
Attn: Chief Financial Officer  
425 East 9<sup>th</sup> Street  
Reno, Nevada 89520  
775-348-0313

JNA Consulting Group, LLC  
410 Nevada Way  
Suite 200  
Boulder City, Nevada 89005  
702-294-5100

## SOURCES AND USES OF FUNDS

### Sources and Uses of Funds

The proceeds of the Bonds are expected to be applied in the manner set forth in the following table.

<u>Sources and Uses of Funds</u>		
SOURCES:	<u>2026A Bonds</u>	<u>2026B Bonds</u>
Principal amount .....	\$50,000,000	\$73,020,000
Plus: net original issue premium.....	4,983,283	3,181,645
Total .....	\$54,483,283	\$76,201,645
USES:		
The Improvement Project .....	\$54,627,282	\$75,498,037
Costs of issuance (including underwriting discount)....	356,001	703,608
Total .....	\$54,983,283	\$76,201,645

Source: The Municipal Advisor.

### The Improvement Project

A portion of the Bond proceeds will be used to acquire, construct, improve and equip school facilities in the District, including the acquisition of real property and the costs of issuing the Bonds.

## THE BONDS

General information describing the Bonds appears below and throughout this Official Statement. This summary information is qualified in its entirety by the provisions of the Bond Resolutions, which is available from the sources listed in “INTRODUCTION – Additional Information.”

### General

The Bonds will be issued as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. The Bonds will be dated as of their date of delivery and will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) and mature as set forth on the inside cover page of this Official Statement. The Bonds initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the Bonds. See “Book-Entry Only System” below.

### Payment Provisions

Interest on the 2026A Bonds is payable on June 1 and December 1 (each an interest payment date) commencing June 1, 2026. Such interest on the 2026B Bonds is payable on April 1 and October 1 (each an interest payment date) commencing October 1, 2026. Such interest on the Bonds is payable by check or draft mailed by the Paying Agent on the interest payment date,

or if such day is not a business day, on the next succeeding business day, to the person in whose name each Bond is registered (*i.e.*, Cede & Co.) on the 15th day of the month preceding the interest payment date (the ‘Regular Record Date’), at the address shown on the registration records maintained by the Registrar as of the close of business on the Regular Record Date. However, if there is a default in payment or provision of interest due with respect to a Bond on any interest payment date, such interest thereafter will be paid to the registered owner of such Bond as of a special record date (the ‘Special Record Date’) to be established by the Registrar whenever moneys become available for payment of the defaulted interest. The Special Record Date will be fixed by the Paying Agent whenever money becomes available for payment of the defaulted interest and notice of the Special Record Date will be given to the registered owners of the Bonds not less than 10 days prior thereto electronically or otherwise by first-class mail to each registered owner as shown on the Registrar’s registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date selected for the payment of the defaulted interest. Principal on the Bonds will be payable at maturity or earlier redemption at the corporate trust office of the Paying Agent (or at such other office designated by the Paying Agent) upon presentation and surrender thereof. Any Bond not paid upon presentation and surrender at or after maturity or redemption shall continue to draw interest at the rate stated in the Bond until the principal is paid in full. All such payments of principal and interest shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to DTC’s Participants (defined in Appendix C) is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners (defined in Appendix C) is the responsibility of DTC’s Participants and the Indirect Participants (defined in Appendix C), as more fully described herein. See “Book-Entry Only System” below.

### **Redemption Provisions**

Optional Redemption – 2026A Bonds. The 2026A Bonds, or portions thereof (\$5,000 or any integral multiple), maturing on and after June 1, 2037 are subject to redemption prior to their respective maturities, at the option of the District, on or after June 1, 2036, in whole or in part, at any time, from any maturities selected by the District, and by lot within a maturity (giving proportionate weight to 2026A Bonds in denominations larger than \$5,000), at a price equal to the principal amount of each 2026A Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date.

Optional Redemption – 2026B Bonds. The 2026B Bonds, or portions thereof (\$5,000 or any integral multiple), maturing on and after October 1, 2036 are subject to redemption prior to their respective maturities, at the option of the District, on or after April 1, 2036, in whole or in part, at any time, from any maturities selected by the District, and by lot within a maturity (giving proportionate weight to 2026B Bonds in denominations larger than \$5,000), at a price

equal to the principal amount of each 2026B Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The 2026B Bonds maturing on October 1, 2055 are subject to mandatory sinking fund redemption to be redeemed on October 1 of the years and in the principal amounts provided below:

<u>Years</u>	<u>Amounts</u>
2051	\$3,690,000
2052	3,855,000
2053	4,030,000
2054	4,210,000
2055 (stated maturity)	4,400,000

Notice of Redemption. Notice of any redemption prior to maturity of the Bonds will be given by the Registrar, electronically, as long as Cede & Co. is the registered owner of the Bonds, and otherwise by first class mail, at least 30 days but not more than 60 days prior to the redemption date, to the registered owner of any Bonds, all or a part of which is called for redemption, at his address as it last appears on the registration records of the Registrar, in the manner and upon the conditions to be provided in the respective Bond Resolutions. The notice will identify the Bonds or portions thereof (in the case of redemption of the Bonds in part but not in whole) to be redeemed, specify the redemption date and state that on the redemption date, the principal amount thereof, accrued interest and premium, if any, thereon will become due and payable at the office of the Paying Agent, or such other office as may be designated by the Paying Agent, and that after the redemption date, no further interest will accrue on the principal of any Bonds called for redemption. Actual receipt of notice by the owners of Bonds is not a condition precedent to redemption of such Bonds.

A notice of redemption may contain a statement that the redemption is conditioned upon receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was given.

## **Tax Covenant**

In the Bond Resolutions, the District covenants for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any project financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The foregoing covenants shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Bonds, until the date on which all obligations of the District in fulfilling the above-described covenants under the Tax Code have been met.

## **Defeasance**

When all bond requirements of any Bond have been duly paid, the pledge and lien and all obligations under the Bond Resolutions shall be discharged and the Bond shall no longer be deemed to be outstanding within the meaning of the Bond Resolutions. There will be deemed to be such due payment when the District has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all bond requirements of the Bond, as the same become due to the final maturity of the Bond, or upon any redemption date as of which the District shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond for payment. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure availability as so needed to meet the schedule. For the purpose of this paragraph, "Federal Securities" shall be as defined in NRS 350.222 and shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the holder thereof.

## **Amendment of the Bond Resolutions**

The Bond Resolutions may be amended by the District: (1) without the consent of or notice to the holders of the Bonds for the purpose of curing any ambiguity or formal defect or omission therein; and (2) with the consent of a majority of the Bondholders or with the consent of the insurer, if any, of the Bonds in connection with any other amendment.

Notwithstanding the foregoing, no such amendment, unless consented to by the Bondholder adversely affected thereby, shall permit: (1) a change in the maturity or in the terms of redemption of the principal of any outstanding Bond or any installment of interest thereon; (2) a reduction in the principal amount of any Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith; or (3) the establishment of any priorities as between Bonds issued and outstanding under the provisions of the Bond Resolutions.

## **Book-Entry Only System**

The Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond for each maturity in each series, as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of such maturity coming due thereon, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C – Book-Entry Only System.

**SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.**

Neither the District nor the Registrar and Paying Agent will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (each as defined in Appendix C), or the persons for whom they act as nominees, with respect to the payments to or the providing of

notice for the Direct Participants, the Indirect Participants or the beneficial owners of the Bonds as further described in Appendix C to this Official Statement.

### Debt Service Requirements

The following table sets forth the debt service requirements for the 2026A Bonds in each fiscal year.

#### The 2026A Bonds – Bond Debt Service Requirements<sup>(1)</sup>

<u>Fiscal Year</u>	<u>Principal</u>	<u>2026A Bonds</u>	
		<u>Interest</u>	<u>Total</u>
2026	--	\$800,117	\$800,117
2027	\$1,500,000	2,361,000	3,861,000
2028	1,605,000	2,286,000	3,891,000
2029	1,685,000	2,205,750	3,890,750
2030	1,770,000	2,121,500	3,891,500
2031	1,860,000	2,033,000	3,893,000
2032	1,950,000	1,940,000	3,890,000
2033	2,050,000	1,842,500	3,892,500
2034	2,150,000	1,740,000	3,890,000
2035	2,260,000	1,632,500	3,892,500
2036	2,370,000	1,519,500	3,889,500
2037	2,490,000	1,401,000	3,891,000
2038	2,615,000	1,276,500	3,891,500
2039	2,745,000	1,145,750	3,890,750
2040	2,880,000	1,008,500	3,888,500
2041	3,025,000	864,500	3,889,500
2042	3,145,000	713,250	3,858,250
2043	3,275,000	556,000	3,831,000
2044	3,405,000	425,000	3,830,000
2045	3,540,000	288,800	3,828,800
2046	3,680,000	147,200	3,827,200
Total	\$50,000,000	\$28,308,367	\$78,308,367

(1) Totals may not add due to rounding.

Source: The Municipal Advisor.

The following table sets forth the debt service requirements for the 2026B Bonds and Parity Securities in each fiscal year. See “DEBT STRUCTURE – District General Obligation Bond Total Debt Service Requirements” for information on the debt service due on all of the District’s outstanding general obligation bonds payable from the Pledged Revenues or the District’s debt service levy. See “SECURITY FOR THE BONDS – Additional Security for the 2026B Bonds.”

The 2026B Bonds – Bond Debt Service Requirements<sup>(1)</sup>

Fiscal Year	2026B Bonds			Parity Securities Debt Service	Total
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2026	--	--	--	\$39,777,079	\$39,777,079
2027	--	\$3,913,933	\$3,913,933	41,228,150	45,142,083
2028	\$1,185,000	3,309,275	4,494,275	41,240,025	45,734,300
2029	1,245,000	3,248,525	4,493,525	41,239,900	45,733,425
2030	1,310,000	3,184,650	4,494,650	41,231,150	45,725,800
2031	1,375,000	3,117,525	4,492,525	41,236,400	45,728,925
2032	1,445,000	3,047,025	4,492,025	41,228,425	45,720,450
2033	1,520,000	2,972,900	4,492,900	41,235,200	45,728,100
2034	1,600,000	2,894,900	4,494,900	41,252,925	45,747,825
2035	1,680,000	2,812,900	4,492,900	41,286,275	45,779,175
2036	1,765,000	2,726,775	4,491,775	41,299,575	45,791,350
2037	1,855,000	2,636,275	4,491,275	41,300,525	45,791,800
2038	1,950,000	2,541,150	4,491,150	41,313,009	45,804,159
2039	2,050,000	2,441,150	4,491,150	41,341,069	45,832,219
2040	2,160,000	2,335,900	4,495,900	41,316,806	45,812,706
2041	2,270,000	2,225,150	4,495,150	41,288,212	45,783,362
2042	2,385,000	2,108,775	4,493,775	41,293,187	45,786,962
2043	2,505,000	1,986,525	4,491,525	41,329,050	45,820,575
2044	2,635,000	1,858,025	4,493,025	41,345,631	45,838,656
2045	2,755,000	1,737,050	4,492,050	41,345,287	45,837,337
2046	2,870,000	1,624,550	4,494,550	41,348,062	45,842,612
2047	2,990,000	1,505,481	4,495,481	41,354,381	45,849,862
2048	3,115,000	1,379,566	4,494,566	41,381,706	45,876,272
2049	3,245,000	1,246,363	4,491,363	26,834,628	31,325,991
2050	3,390,000	1,105,369	4,495,369	21,676,175	26,171,544
2051	3,535,000	958,213	4,493,213	6,014,300	10,507,513
2052	3,690,000	802,375	4,492,375	6,039,100	10,531,475
2053	3,855,000	637,328	4,492,328	6,064,500	10,556,828
2054	4,030,000	464,844	4,494,844	6,095,000	10,589,844
2055	4,210,000	284,594	4,494,594	6,125,100	10,619,694
2056	4,400,000	96,250	4,496,250	--	4,496,250
<b>Total</b>	<b>\$73,020,000</b>	<b>\$61,203,339</b>	<b>\$134,223,339</b>	<b>\$1,027,060,835</b>	<b>\$1,161,284,174</b>

(1) Totals may not add due to rounding.

Source: The Municipal Advisor.

## SECURITY FOR THE BONDS

### General Obligations

General. The Bonds are direct and general obligations of the District, and the full faith and credit of the District is pledged for the payment of the principal of, any prior redemption premiums and the interest on the Bonds, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See “PROPERTY TAX INFORMATION – Property Tax Limitations.” The Bonds are payable by the District from any source legally available therefor at the times such payments are due, including the General Fund of the District. In the event, however, that such legally available sources of funds are insufficient, the District is obligated to levy a general (ad valorem) tax on all taxable property within the District for payment of the Bonds, subject to the limitations provided in the constitution and statutes of the State.

Limitations on Property Tax Revenues. The constitution and laws of the State limit the total ad valorem property taxes that may be levied by all overlapping taxing units within each county (including the State, the County, any city, or any special district) in each year. Generally, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation. Those limitations are described in “PROPERTY TAX INFORMATION – Property Tax Limitations.” In any year in which the total property taxes levied within the County by all applicable taxing units exceed such property tax limitations, the reduction to be made by those units must be in taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness. See “PROPERTY TAX INFORMATION – Property Tax Limitations.”

### Additional Security for the 2026B Bonds

Pledged Revenues. The 2026B Bonds are additionally payable from and secured by an irrevocable lien on the Pledged Revenues on a parity with the lien thereon of any additional Parity Securities issued in the future and subordinate to any Superior Securities issued in the future. The Pledged Revenues are comprised of revenues derived from the 0.54% Sales and Use Taxes as defined below.

General Description of the 0.54% Sales and Use Taxes. In 2017, the Nevada General Assembly adopted Senate Bill 411 which authorized the Board to establish by resolution a Public Schools Overcrowding and Repair Needs Committee (the “Committee”) to recommend the imposition of certain taxes for consideration by the County’s voters to fund capital projects of the District. The Committee recommended the imposition of a non-expiring sales and use tax increase of 0.54% in the County to the Board of County Commissioners of the County. Pursuant to Senate Bill 411, the Board of County Commissioners was required to submit a question to the voters of the County at the general election held on November 8, 2016 asking whether such recommended sales and use tax increase should be imposed in the County to fund capital projects of the District (the “Ballot Question”). The Ballot Question was approved by the County voters. Revenues from the 0.54% Sales and Use Taxes may be used only for capital projects. The County adopted an ordinance on January 24, 2017 (the “Sales Tax Ordinance”) imposing the 0.54% Sales and Use Taxes effective April 1, 2017.

The 0.54% Sales and Use Taxes. The 0.54% Sales and Use Taxes are defined in the 2026B Bond Resolution as the sales tax of 0.54% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the County and an excise tax of 0.54% upon

the storage, use or other consumption in the County of tangible personal property purchased from any retailer for the storage, use or other consumption in the County.

Prior to deposit in the Capital Projects Fund, sales tax revenues are decreased by a percentage (calculated on the same basis as the percentage calculated pursuant NRS 374.785(3)(a)) of all fees, taxes, interest and penalties as compensation to the State Department of Taxation (“Taxation”) for the cost of collecting the sales taxes. In addition, the taxpayer shall deduct and withhold from the sales taxes otherwise due the amount permitted by law to reimburse the taxpayer for the cost of collecting the sales taxes. Exempted from the 0.54% Sales and Use Taxes are the gross receipts from the sale of, and the storage, use of or other consumption in the County of, (i) tangible personal property the gross receipts from the sale of which, or the storage, use or other consumption of which, the County is prohibited from taxing under the Constitution or laws of the United States or under the constitution or laws of the State; and (ii) tangible personal property used for the performance of a written contract: (a) entered into on or before the effective date of the 0.54% Sales and Use Taxes and if, under the terms of the contract or bid the contract price or bid amount cannot be adjusted to reflect the imposition of the 0.54% Sales and Use Taxes or increase in the 0.54% Sales and Use Taxes; or (b) for the construction of an improvement to real property for which a binding bid was submitted prior to the effective date of the tax or the increase in the 0.54% Sales and Use Tax if the bid was afterward accepted and if, under the terms of the contract or bid the contract price or bid amount cannot be adjusted to reflect the imposition of the 0.54% Sales and Use Taxes or increase in the 0.54% Sales and Use Taxes. The 0.54% Sales and Use Taxes are collected by Taxation as explained further below.

Overlapping Sales and Use Tax Rates. The total sales and use tax rate imposed on taxable sales in the County currently is 8.265%. The following table illustrates the various components of the total sales and use tax imposed within the County. Only revenues derived from the 0.54% Sales and Use Taxes constitute Pledged Revenues. The other sales and use taxes shown in the following table are for informational purposes only.

Overlapping Sales and Use Taxes Rates in the County

<u>Sales and Use Taxes</u>	<u>Tax Rate</u>	<u>Revenues Allocated To:</u>
State	2.000%	State General Fund
Supplemental City/County Relief Tax (SCCRT)	1.750	Local governments pursuant to formula
Basic City/County Relief Tax (BCCRT)	0.500	Local governments pursuant to formula
Local School Support Tax (LSST)	2.600	Washoe County School District
Local Government Tax Acts	0.250	Local governments pursuant to formula
Regional Transportation Commission	0.375	Regional Transportation Commission
Washoe County - Flood Control	0.125	County / Flood Authority
Reno - ReTrac	0.125	Reno - railroad undergrounding project
SB 411 Tax <sup>(1)</sup>	0.540	Washoe County School District
Total	8.265%	

(1) Consists of the 0.54% Sales and Use Taxes which comprise the Pledged Revenues.

Source: The County.

Collection and Enforcement of the 0.54% Sales and Use Taxes. Taxation administers the collection and enforcement of all sales and use taxes within the State, including the 0.54% Sales and Use Taxes. Taxation collects the 0.54% Sales and Use Tax directly and deposits the revenues to the Local Government Tax Distribution Account monthly for distribution

to the County. The State's sales and use tax collection and enforcement procedures are discussed briefly below.

Each licensed retailer is required to remit all sales tax directly to Taxation. Pursuant to State statute, Taxation currently retains a collection fee of 1.75% (that amount is subject to change by the Legislature) of all amounts remitted by retailers. (Notwithstanding the foregoing, the increased fee cannot be applied so as to modify, directly or indirectly, any taxes levied or revenues pledged in such a manner as to impair adversely any outstanding obligations of any political subdivision of this State or other public entity). Every person desiring to conduct business as a retailer within the County must obtain a permit from Taxation. Any retailer that fails to comply with State statutes may have its license revoked by Taxation after a hearing held upon 10 days' written notice.

Sales and use taxes are due and payable to Taxation monthly on or before the last day of the month next succeeding the month in which such taxes are collected (*i.e.*, sales taxes collected by retailers in November 2016 were due to Taxation no later than December 31, 2016). Retailers are allowed to deduct 0.25% of the amount due to reimburse themselves for the cost of collecting the tax. Sales tax remittances to Taxation must be accompanied by a return form prescribed by Taxation. Taxation may require returns and payments for periods other than calendar months. Interest on deficient sales tax payments, exclusive of penalties, accrues at rates established by State law. A penalty of 10% of the amount of the deficiency also may be added.

Use taxes apply primarily to property purchased outside of Nevada for storage, use or other consumption in Nevada from a seller not registered in Nevada. Use Tax applies to mail order, out-of-state toll-free "800" numbers, purchases made on the internet and other purchases of tangible personal property on which Nevada Sales Tax has not been paid. Any individual, business, corporation or other entity is liable for use taxes when sales tax is not collected by the seller and the item is delivered in Nevada. Taxation may issue an assessment for use tax liability. Interest will be imposed at the rate of 0.75%. A penalty of no more than 10% per month will also be assessed in addition to the tax. If there is evidence of intent to evade use tax, a 25% penalty can be assessed. If the intent to evade use tax pertains to a vehicle, vessel or aircraft, a 300% penalty can be assessed.

Deficiency notices must be delivered to taxpayers within three years of any deficiency. Failure to pay sales and use taxes as required results in a lien against the property of the retailer failing to pay. The lien is enforced by Taxation's filing of a certificate and request for judgment with the County Clerk. Immediately upon filing of the certificate, the County Clerk is required to enter a judgment in the amount owed, including penalties and interest. The lien may be enforced through a warrant executed by the County sheriff. In addition, Taxation may seize and sell property of the delinquent payor as provided by law.

### Taxable Sales.

Reno and Sparks are the center of a retail trade area that extends 300 miles eastward to Elko and Eureka, Nevada, 274 miles south to Goldfield, Nevada; Bishop and other Inyo County points in California, 100 miles west and northwest to Quincy, Westwood, Susanville, Truckee, Donner Summit and Lake Tahoe areas of California, and north 247 miles to Lakeview, Oregon. The following table sets forth a history of taxable sales in the County.

#### Taxable Sales in the County

<u>Fiscal Year</u> <sup>(1)</sup>	<u>County Total</u>	<u>Percent Change</u>
2021	\$11,049,067,465	19.4%
2022	12,267,765,904	11.03
2023	12,383,862,434	1.0
2024	12,117,540,409	(2.2)
2025	12,551,997,965	3.5

(1) Fiscal year runs from July 1 to the following June 30.

Source: State of Nevada, Department of Taxation.

### 0.54% Sales and Use Tax Collection Data.

*Annual 0.54% Sales and Use Tax Collections.* The following table presents annual revenues from the District's 0.54% Sales and Use Tax received by the County and the related coverage for the last five fiscal years. This table is presented on an accrual basis; accordingly, revenues are accounted for in the month of the original sales rather than the month of actual collection by the County. For example, revenues representing sales made by retailers in November 2023 are recorded in that month even though retailers remitted those revenues to the State in December 2023 and the moneys were received by the County in January 2024.

#### Annual 0.54% Sales and Use Tax Revenues

<u>Fiscal Year</u>	<u>0.54% Sales and Use Tax Revenues</u> <sup>(1)</sup>	<u>Change</u>	<u>Parity Bond Debt Service</u>	<u>Coverage</u>
2019	\$46,275,511	--	\$9,209,765	5.02
2020	48,372,825	4.5%	12,733,010	3.80
2021	56,302,026	16.4	25,255,860	2.23
2022	63,470,032	12.73	27,413,725	2.32
2023	63,156,648	(0.49)	32,164,068	1.96
2024	65,026,507	2.96	33,677,300	1.93
2025	66,466,076	2.21	35,330,800	1.88
July 24-Oct 24	22,187,082	--	n/a	n/a
July 25-Oct 25	23,982,049	8.1	n/a	n/a

(1) In December 2024, the Nevada Department of Taxation ("Taxation") began upgrading the system used to calculate and collect certain taxes collected by the State and distributed to local governments. Taxation has stated that it expects implementation of such upgrades to take up to three years and that irregular revenues may occur as a result of transitioning to a new accounting system.

Source: The District.

### Estimated Debt Service Coverage.

For fiscal year 2026, the District has budgeted Sales Tax revenues of \$65,328,800, resulting in estimated debt service coverage of the Outstanding Parity Bonds and the 2026B Bonds (calculated using the maximum annual debt service on the Outstanding Parity Bonds and 2026B Bonds) of 1.42x. See “INTRODUCTION – Forward-Looking Statements

### **Additional Bonds Secured by Pledged Revenues**

This section contains a description of the principal additional bonds provision of the Bond Resolution. The complete description of such provisions is set forth in Appendix B – Summary of Certain Portions of the Bond Resolution – Additional Bonds.

### Additional Superior Securities and Parity Securities.

The Bond Resolution allows the District to issue additional Superior Securities and Parity Securities upon the satisfaction of the conditions described below. Additional bonds or other securities issued to refund all or a part of the Bonds also may be issued on the terms describe in Appendix B – Summary of Certain Portions of the Bond Resolution – Refunding Bonds and Subordinate Bonds. Before such additional Superior Securities or Parity Securities are authorized or actually issued (excluding any superior or parity refunding securities other than any securities refunding Subordinate Securities), the following requirements must be met:

*Absence of Default.* At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the District shall not be in default in making any payments required by the Bond Resolution with respect to any Superior or Parity Securities.

*Earnings Test.* Except as hereinafter otherwise provided in the Bond Resolution: (1) the Pledged Revenues derived in the fiscal year immediately preceding the date of the issuance of the additional Superior Securities or Parity Securities shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements (to be paid during any one Bond Year, commencing with the Bond Year in which the additional Superior Securities or Parity Securities are issued and ending on the last Bond Year in which any then Outstanding Bonds mature) of the Outstanding Bonds and any other Outstanding Superior Securities or Parity Securities of the District and the bonds or other securities proposed to be issued (excluding any reserved therefor), or (2) the Pledged Revenues estimated by the District chief financial officer, independent feasibility consultant or an Independent Accountant shall be at least equal to the Bond Requirements in each fiscal year of the Bonds, any outstanding Superior or Parity Securities and such additional Superior or Parity Securities proposed to be issued.

*Adjustment of Pledged Revenues.* In any computation of such earnings test as to whether or not additional Superior or Parity Securities may be issued as provided in the preceding paragraph, the amount of the Pledged Revenues for the next preceding fiscal year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the District chief financial officer, independent feasibility consultant or Independent Accountant making the computations, which loss or gain results from any change in the rate of the taxes deposited in the Capital Projects Fund or otherwise constituting a part of the Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such Superior or Parity Securities, as if such modified rate shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made before the computation of

the designated earnings test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year.

### **Debt Service Tax Levy**

The County on behalf of the District currently levies a debt rate of \$0.3885 and expects to repay all of its outstanding general obligation bonds, including the Bonds, but excluding its medium-term general obligations, without increasing its debt rate of \$0.3885. However, if necessary, the District may increase that rate to pay debt service on its outstanding general obligation bonds (excluding medium-term bonds), subject to the State constitutional and statutory limitations discussed throughout this Official Statement.

The District has approval to levy a debt service tax rate until all of the District's general obligation bonds have been repaid. In 2015, the State Legislature enacted legislation that reauthorized bonding authority until March 4, 2025. In 2021, the State Legislature enacted SB 450 that further extended bonding authority for another 10 years to March 3, 2035. If bonding authority is not renewed either by the State Legislature or Washoe County voters by March 3, 2035, the District would not be able to issue new rollover bonds or transfer monies to the Capital Projects Fund beyond that date without additional authorization. See "DEBT STRUCTURE – Contemplated Debt." However, the District is able to maintain a debt rate to pay debt service on all of its outstanding general obligation bonds.

### **Bond Resolution Irrepealable**

After any of the Bonds are issued, the respective Bond Resolutions shall constitute irrevocable contracts between the District and the registered owner or owners of the respective Bonds; and the respective Bond Resolution, if any Bonds are in fact issued, shall be and shall remain irrepealable until the respective Bonds, as to all respective Bond Requirements, shall be fully paid, canceled and discharged, as provided in the respective Bond Resolution.

### **Other Security Matters**

No Repealer. State statutes provide that no act concerning the Bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the Bonds or their security until all of the Bonds have been discharged in full or provision for their payment and redemption has been fully made.

No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District, except the proceeds of the General Taxes and any other monies pledged under the respective Bond Resolution for the payment of the Bonds. No property of the District shall be liable to be forfeited or taken in payment of the Bonds.

No Recourse. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon the respective Bond Resolution or any other instrument relating thereto, against any individual member of the Board or any officer or other agent of the Board or District, past, present or future, either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise.

## **Limitations on Remedies**

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the Bonds and the obligations incurred by the District in issuing the Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government (including the imposition of tax liens by the federal government), if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Changes in Laws. Various State laws apply to the imposition, collection, and expenditure of General Taxes as well as the operation and finances of the District. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of its revenues, including General Taxes.

## **PROPERTY TAX INFORMATION**

### **General**

The County on behalf of the District currently levies property taxes, which include a statutorily required \$0.75 general school operating property tax and a school debt rate of \$0.3885. The \$0.75 general operating school property tax is remitted directly to the State Education Fund, rather than being remitted to the District's General Fund, as was the case under the prior Nevada Plan (as defined and further described under "DISTRICT FINANCIAL INFORMATION – Pupil-Centered Funding Plan"). The revenues generated by the \$0.75 general operating property tax will not be available to directly pay debt service on the Bonds. The following information describes the property tax system in Nevada in general and how the revenues generated by the \$0.3885 debt rate are determined. See "SECURITY FOR THE BONDS – Debt Service Tax Levy."

### **Property Tax Base**

The State Department of Taxation reports that the total assessed valuation of property within the District for Fiscal Year 2026, is \$33,267,124,287 (including the assessed valuation attributable to the Reno Redevelopment Agency and the Sparks Redevelopment Agency (the "Redevelopment Agencies")). That assessed valuation represents a 4.9% increase over the assessed valuation for Fiscal Year 2025.

State law requires that the County assessor reappraise at least once every five years all real and secured personal property (other than certain utility owned property which is centrally appraised and assessed by the Nevada Tax Commission). While the law provides that in years in which the property is not reappraised, the County assessor is to apply land and improvement factors approved by the Nevada Tax Commission, it is the policy of the Washoe County Assessor to reappraise all real and secured personal property in the District each year. State law requires that property be assessed at 35% of taxable value; that percentage may be adjusted upward or downward by the Legislature. Based upon the assessed valuation for Fiscal Year 2026 the taxable value of all taxable property within the District is \$95,048,926,534 (including the taxable value attributable to the Redevelopment Agencies).

“Taxable value” is defined in the statutes as the full cash value in the case of land, as the replacement cost less applicable straight-line depreciation and obsolescence in the case of improvements to land, and as the replacement cost less applicable depreciation and obsolescence (determined in accordance with the regulations of the Nevada Tax Commission) with respect to taxable personal property; but the computed taxable value of any property must not exceed its full cash value. Depreciation of improvements to real property must be calculated at 1.5% of the cost of replacement for each year of adjusted actual age up to a maximum of 50 years. Adjusted actual age is actual age adjusted for any addition or replacement. The maximum depreciation allowed is 75% of the cost of replacement. When a substantial addition or replacement is made to depreciable property, its “actual age” is adjusted, *i.e.*, reduced to reflect the increased useful term of the structure. The adjusted actual age has been used on appraisals for taxes since 1986-87.

In Nevada, county assessors are responsible for determining the taxable value of all property in the counties except for certain properties centrally assessed by the State, which include property owned by railroads, airlines and utility companies.

## History of Assessed Value

The following table illustrates a history of the assessed valuation in the District, including the assessed values attributable to redevelopment agencies. Due to property tax abatement laws enacted in 2005 (described in “Required Property Tax Abatements” below) the taxes collected by taxing entities within the County are capped and there is no longer a direct correlation between changes in assessed value and property tax revenue.

### History of Assessed Value

<u>Fiscal Year Ending June 30</u>	<u>Assessed Value of the District<sup>(1)(2)</sup></u>	<u>Percent Change</u>
2022	\$21,337,291,898	6.9%
2023	22,297,007,640	4.5
2024	29,208,579,047	30.9
2025	31,701,836,974	8.5
2026	33,267,124,287	4.9

(1) Includes the assessed value attributable to Net Proceeds of Minerals and the Redevelopment Agencies.

(2) There is no longer a direct correlation between the growth in assessed value and property tax revenues.

Sources: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation, 2021-22 through 2025-26.

## Property Tax Collections

**General.** In Nevada, county treasurers are responsible for the collection of property taxes, and forwarding the allocable portions thereof to the overlapping taxing units within the counties.

A history of the County’s tax roll collection record appears in the following table. *This table reflects all amounts collected by the County, including amounts levied by the County on behalf of the District, the cities within the County and certain special taxing districts. The figures in the following table include property taxes that are not available to pay debt service on the Bonds.* The table below provides information with respect to the historic collection rates for the County, but may not be relied upon to depict the amounts of ad valorem property taxes available to the County in each year. There is no assurance that collection rates will be similar to the historic collection rates depicted below.

### Property Tax Levies, Collections and Delinquencies – Washoe County, Nevada

<u>Fiscal Year Ending June 30</u>	<u>Net Secured Roll Tax Levy<sup>(1)(2)</sup></u>	<u>Current Tax Collections</u>	<u>% of Levy (Current) Collected</u>	<u>Delinquent Tax Collections<sup>(3)</sup></u>	<u>Total Tax Collections</u>	<u>Total Tax Collections as % of Current Levy<sup>(3)</sup></u>
2021	\$559,168,133	\$556,908,770	99.60%	\$2,019,395	\$558,928,165	99.96%
2022	596,190,050	594,459,610	99.71	3,637,629	598,097,239	100.32
2023	645,222,352	642,760,951	99.62	2,145,450	644,906,401	99.95
2024	699,929,717	697,345,748	99.63	1,918,716	699,264,465	99.90
2025	757,357,198	753,806,390	99.53	2,923,053	756,738,443	99.92
2026	811,405,620	476,549,651	58.73	1,447,793	477,997,445	58.91

(1) Represents the real property tax roll levies and collections for ad valorem taxes only as of November 25, 2025.

(2) Includes Supplemental Real Estate billed as of November 25, 2025.

(3) Based on collections to net levy (actual levy less stricken taxes).

Source: Washoe County Treasurer’s Office.

Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in installments on or before the third Monday in August and the first Mondays in October, January, and March of each fiscal year. Penalties are assessed if any taxes are not paid within 10 days of the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event of nonpayment, the county treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10% per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the county treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the county treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property. State law provides alternative remedies for the collection of taxes in certain instances, including judicial foreclosure (which may take place before the expiration of the two-year redemption period) and the issuance of a tax lien to the County Treasurer which may be sold before the expiration of the two-year redemption period (but remains subject to redemption).

All property that is not defined or taxed as “real estate” or “real property” is considered to be “personal property.” Taxable personal property includes all property used in conjunction with a business, manufactured homes, aircraft, aircraft hangars, and billboards. Business personal property is reported annually and must include all personal property used in the business on July 1st of the current fiscal year. The County Treasurer issues annual personal property tax bills monthly between August and May; payments are due 30 days after issue.

## Ten Highest Assessed Value of Taxpayers in the District

The following table represents the ten largest property-owning taxpayers in the District based on Fiscal Year 2025 assessed valuations. The assessed valuations in this table represent both the secured tax roll (real property) and the unsecured tax roll (defined generally as taxable property which does not attach to the real estate, such as business equipment and fixtures, mobile/manufactured homes and airplanes). No independent investigation has been made of, and consequently there can be no representation as to, the financial conditions of the taxpayers listed, or that any such taxpayer will continue to maintain its status as a major taxpayer based on the assessed valuation of its property in the District. It is possible that one or more of the major taxpayers in the District may be experiencing varying degrees of financial difficulty; those or other entities may encounter future difficulties that could negatively impact the timely payment of property taxes.

Ten Largest Taxpayers in the District  
Fiscal Year 2024-25

Taxpayer	Type of Business	Assessed Value	% of Total Assessed Value <sup>(1)</sup>
NV Energy Combined	Utility	\$225,950,995	0.71%
Apple Inc	Technology	186,166,091	0.59
Peppermill Hotel Casino	Hotel/Casino	132,975,214	0.42
Dodge Flat Solar LLC	Solar	88,594,750	0.28
Gage Village Commercial	Real Estate	79,292,848	0.26
Hamilton Company		78,972,559	0.25
Icon Reno Property Owner Pool 3 Nevada LLC	Real Estate	68,627,934	0.22
Golden Road Motor Inn Inc.	Hotel/Casino	67,433,631	0.22
Prime Healthcare Services Reno LLC	Health	63,938,504	0.20
Fish Springs Ranch LLC	Solar	<u>63,364,716</u>	<u>0.20</u>
TOTAL		\$1,055,317,242	3.34%

(1) Based on the County's fiscal year 2025 total assessed valuation of \$31,701,836,974 (which includes the assessed valuation of the Redevelopment Agencies).

Source: Nevada Department of Taxation, Division of Local Government Services.

## Property Tax Limitations

Overlapping Property Tax Caps. Article X, Section 2, of the State constitution limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (*i.e.*, the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation (\$5 per \$100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation in all counties of the State with certain exceptions that (a) permit a combined overlapping tax rate of up to \$4.50 per \$100 of assessed valuation in the case of certain entities that are in financial difficulties; and (b) require that \$0.02 of the statewide property tax rate of \$0.17 per \$100 of assessed valuation is not included in computing compliance with this \$3.64 cap. (This \$0.02 is, however, counted against the \$5.00 cap.) State statutes provide a priority for taxes levied for the payment of general obligation bonded indebtedness in any year in which the proposed tax rate to be levied by overlapping units within a county exceeds any rate limitation; a reduction must be made by those units for purposes other than the payment of general obligation bonded indebtedness, including interest thereon.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues school districts may receive from ad valorem property taxes for operating purposes. Pursuant to NRS 387.195, each board of county commissioners levies a tax of \$0.75 per \$100 of assessed valuation for school district operating purposes which is deposited in the State Education Fund. See “DISTRICT FINANCIAL INFORMATION – State Education Fund.” School districts are also allowed additional levies for voter-approved debt service (including debt service on the Bonds) and voter-approved tax overrides for capital projects. State statutes also limit the revenues produced by property tax rates of other local governments for purposes other than paying certain general obligation indebtedness. These revenue limitations do not apply to school districts and do not apply to the ad valorem taxes levied to pay the Bonds, which are exempt from such ad valorem revenue limits.

### **Required Property Tax Abatements**

General. In addition to a State constitutional amendment approved in 2002 to provide property tax abatements in limited circumstances to owners of single-family residences to avoid severe economic hardship, the Legislature approved the Abatement Act (NRS 361.471 to 361.4735) in 2005, which established formulas to determine whether tax abatements are required for property owners in each year. The general impact of the Abatement Act is to limit increases in ad valorem property tax revenues owed by taxpayers to a maximum of 3% per year for primary owner-occupied residential properties (and low-income housing properties) and, for all other properties, an annual percentage equal to the lesser of (a) 8% or (b) the greater of the average annual change in taxable values over the last ten years, as determined by a formula or twice the percentage of increase in the consumer price index for the immediately preceding calendar year. In accordance with such calculations, the increase in ad valorem property tax revenues owed by taxpayers for other properties in Fiscal Year 2024 is limited to 8.0%. The Abatement Act limits do not apply to new construction. The Abatement Act formulas are applied on a parcel-by-parcel basis each year.

Generally, reductions in the amount of ad valorem property tax revenues levied in the County are required to be allocated among all of the taxing entities in the County in the same proportion as the rate of ad valorem taxes levied for that taxing entity bears to the total combined rate of all ad valorem taxes levied for that fiscal year. However, abatements caused by tax rate increases are to be allocated against the entity that would benefit from the tax increase rather than among all entities uniformly. Revenues realized from new or increased ad valorem taxes that are required by any legislative act that was effective after April 6, 2005, generally are not exempt from the abatement formulas. The Abatement Act provides for the recapture of previously abated property tax revenues in certain limited situations.

Levies for Debt Service. Revenues resulting from increases in the rate of ad valorem taxes for the payment of tax-secured obligations are exempt from the Abatement Act formulas if increased rates are necessary to pay debt service on the related obligation in any fiscal year if (1) the tax-secured obligations were issued before July 1, 2005; or (2) the governing body of the taxing entity and the County Debt Management Commission make findings that no increase in the rate of an ad valorem tax is anticipated to be necessary for payment of the obligations during their term. Ad valorem tax rate increases to pay debt service on the Bonds may be exempt from the Abatement Act formulas.

## Overlapping Tax Rates

The following table presents a history of statewide average tax rates and a representative overlapping tax rate for taxing districts located in Reno, the most populous city in the County. The overlapping rates for incorporated and unincorporated areas within the County vary depending on the rates imposed by applicable taxing jurisdictions. The highest overlapping tax rate in the County currently is \$3.6600 in Reno, Sparks and in portions of the Palomino Valley General Improvement District and Truckee Meadows Fire Protection District.

### History of Statewide Average and Sample Overlapping Property Tax Rates<sup>(1)</sup>

<u>Fiscal Year Ended June 30</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Average Statewide rate	<u>\$3.1037</u>	<u>\$3.1736</u>	<u>\$3.1096</u>	<u>\$3.1095</u>	<u>\$3.1062</u>
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385
City of Reno	0.9598	0.9598	0.9598	0.9598	0.9598
Combined Special Districts	0.0000	0.0000	0.0000	0.0000	0.0000
State of Nevada <sup>(2)</sup>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
Total	<u>\$3.6600</u>	<u>\$3.6600</u>	<u>\$3.6600</u>	<u>\$3.6600</u>	<u>\$3.6600</u>

(1) Per \$100 of assessed valuation.

(2) \$0.0200 of the State rate is exempt from the \$3.64 cap. See "Property Tax Limitations" above.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada, Department of Taxation, 2021-22 through 2025-26.

## Estimated Overlapping General Obligation Indebtedness

In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries that overlap or partially overlap the boundaries of the District. In addition to the entities listed below, other governmental entities may overlap the District but have no general obligation debt outstanding. The following chart sets forth the estimated overlapping general obligation debt (including general obligation medium-term bonds) chargeable to property owners within the District as of December 1, 2025.

### Estimated Overlapping Net General Obligation Indebtedness

<u>Entity</u> <sup>(1)</sup>	<u>Total General Obligation Indebtedness</u> <sup>(2)</sup>	<u>Presently Self-Supporting General Obligation Indebtedness</u>	<u>Net Direct General Obligation Indebtedness</u>	<u>Percent Applicable</u> <sup>(3)</sup>	<u>Overlapping Net General Obligation Indebtedness</u> <sup>(4)</sup>
Washoe County	\$91,788,848	\$84,273,848	\$7,515,000	100.00%	\$7,515,000
City of Reno	132,446,479	125,802,272	6,644,207	100.00	6,644,207
City of Sparks	17,847,745	17,847,745	0	100.00	0
North Lake Tahoe Fire District	874,000	0	874,000	100.00	874,000
RSCVA	44,390,000	44,390,000	0	100.00	0
Incline Village GID	1,260,143	1,260,143	0	100.00	0
Truckee Meadows Fire District	9,933,000	7,633,000	2,300,000	100.00	2,300,000
State of Nevada	<u>1,280,200,000</u>	<u>266,055,000</u>	<u>1,014,145,000</u>	14.97	<u>151,847,507</u>
Total	\$1,578,740,215	\$547,262,008	\$1,031,478,207		\$198,003,625

(1) Other taxing entities overlap the District and may issue general obligation debt in the future.

(2) Includes medium-term bonds and other obligations.

(3) Based on fiscal year 2025 assessed valuation in the applicable jurisdiction. The percent applicable is derived by dividing the assessed valuation of the governmental entity into the assessed valuation of the District.

(4) Overlapping Net General Obligation Indebtedness equals total existing general obligation indebtedness less presently self-supporting general obligation indebtedness times the percent applicable.

Source: Debt information compiled by the Municipal Advisor; percentages calculated using information from Property Tax Rates for Nevada Local Governments - State of Nevada - Department of Taxation, 2024-25 and the State Treasurer's office.

The following table sets forth the total net direct of the District (without taking the issuance of the Bonds into account) and overlapping general obligation indebtedness attributable to the District as of December 1, 2025.

### Net Direct & Overlapping General Obligation Indebtedness

Total Direct General Obligation Indebtedness <sup>(1)</sup>	\$1,340,435,000
Plus: Overlapping Net General Obligation Indebtedness	<u>1,031,478,207</u>
Net Direct & Overlapping Net General Obligation Indebtedness	\$2,371,913,207

(1) Does not include the issuance of the Bonds. See "DEBT STRUCTURE – Outstanding Debt and Other Obligations."

## Selected Debt Ratios

The following table illustrates selected debt ratios for the District.

### Selected Debt Ratios for the District

Population <sup>(1)</sup> .....	513,854
Net Direct Debt <sup>(2)</sup> .....	\$1,340,435,000
Overlapping Debt <sup>(3)</sup> .....	<u>1,031,478,207</u>
Total Direct Debt & Overlapping Debt.....	\$2,371,913,207
Per Capita Net Direct Debt .....	\$2,609
Per Capita Net Total Direct Debt & Overlapping Debt .....	\$4,616
2026 Assessed Valuation <sup>(4)</sup> .....	\$33,267,124,287
% Net Direct Debt to Assessed Valuation .....	4.03%
% Net Total Direct Debt & Overlapping Debt to Assessed Valuation ..	7.12%
2025 Taxable Value <sup>(4)</sup> .....	\$95,048,926,534
% Net Direct Debt to Taxable Value .....	1.41%
% Net Total Direct Debt & Overlapping Debt to Taxable Value .....	2.50%

(1) Nevada Department of Taxation, *Population Estimates of Nevada Counties* (as of July 1, 2024).

(2) As of December 1, 2025, does not include the issuance of the Bonds. See “DEBT STRUCTURE – Outstanding Debt and Other Obligations.”

(3) As of December 1, 2025. Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt. See the table “Estimated Overlapping General Obligation Debt.”

(4) See “Property Tax Base and Tax Roll Collection” for an explanation of the Assessed Value and Taxable Value. Includes the aggregate assessed valuation attributable to the Redevelopment Agencies.

Source: Nevada State Demographer and Nevada Department of Taxation, Property Tax Rates for Nevada Local Governments..

## WASHOE COUNTY SCHOOL DISTRICT

### General

All school districts in Nevada are organized under the terms of legislation enacted in 1956. There is one school district in each county with responsibility for all public education from preschool through the twelfth grade. The District’s boundaries are coterminous with those of the County. Incorporated municipalities served by the District are Reno and Sparks. The District also serves the unincorporated areas of the County, including the unincorporated communities of Incline Village, Wadsworth and Gerlach. The estimated population of the County (which has boundaries identical to the District) was 508,759 as of July 1, 2023 (most recent figure available).

## Board of Trustees

The District has a seven-member board of trustees. Five members are elected from geographic districts and two members are elected at-large. All members serve four-year terms. The Board elects a President, Vice President and Clerk from its members. Board members are limited to 12 years in office pursuant to State constitutional term limitations. The current members of the Board and their terms of office are as follows.

<u>Board Member and Title</u>	<u>District Represented</u>	<u>Expiration of Term</u>
Adam Mayberry, President	District F (At-Large)	2027
Alex Woodley, Vice President	District E	2029
Christine Hull, Clerk	District A	2029
Elizabeth Smith	District D	2029
James Phoenix	District C	2027
Colleen Westlake	District B	2027
Diane Nicolet, PhD.	District G (At-Large)	2029

## Administration

The Board establishes District policy and oversees the budget. The Board appoints the Superintendent as its chief executive officer to administer the day-to-day operations of the District. Brief biographies for the Superintendent and the Chief Financial Officer, each of whom is directly involved in the issuance of the Bonds, are set forth below.

Superintendent – Joseph M. Ernst. The Superintendent is the chief executive officer responsible for the administration of the District in accordance with policy set by the Board. As the chief executive officer and educational leader of the District, the Superintendent oversees the administration of all curricula, instruction, support services, personnel, fiscal operations, and facilities. In fulfilling this responsibility, the Superintendent operates through members of the administrative team who are each assigned specific functions in designated areas. Joseph M. Ernst was appointed as the District’s Superintendent on May 14, 2024. Prior to being appointed by the District, Mr. Ernst served as the District’s Chief Continuous Improvement Officer beginning in 2021. Since 1996, Mr. Ernst has also served the District in various capacities, including Co-Lead Area Superintendent, Elementary School Principal, Assistant Principal, Elementary School Teacher and Coach. Mr. Ernst has been honored with numerous awards, including the Reno Gazette Journal Best in Education, Washoe County Teachers Association Distinguished Performance Award, WCSD Inspiration Award for Exemplary Inclusive Practices and WCSD Principal of the Year. As Principal, he led Anderson Elementary School to being recognized as one of only nine Shining Star Schools in Nevada. He graduated from Wayne State University in Detroit Michigan with a Bachelor’s Degree of Science in Elementary Education. He also holds a Master’s Degree in Educational Leadership from the University of Phoenix.

Chief Financial Officer - Mark Mathers. Mark Mathers was appointed as the District’s Chief Financial Officer on October 23, 2017. Prior to being appointed by the District, Mr. Mathers served as Budget Manager for Washoe County, Nevada, from January 2015 through October 2017. Previously, he served first as Senior Deputy Treasurer and then Chief Deputy Treasurer for the State of Nevada from 2010 to 2014, Chief Deputy Treasurer for the State of Missouri from 2008 to 2009 and Director of Investments for the State of Missouri from 2004 to

2008. His local government experience also includes 10 years with the County of San Bernardino, California, in which he served as assistant debt manager helping to manage a debt portfolio of more than \$1.5 billion, and chief investment officer and cash manager. He holds a Bachelor's Degree magna cum laude in Public Administration from California State University, Fullerton, and a Masters of Public Administration from Golden Gate University, California.

## **Facilities**

The District operates 104 schools which include 67 elementary schools, 17 middle schools, and 14 comprehensive high schools, plus one adult achievement school, four alternative schools (K-12) including an online school and one school for mentally fragile students.

## **Capital Improvement Plan**

Nevada statutory law requires local governments, including school districts, to file a five-year capital improvement plan ("CIP") along with a debt management policy and statement of indebtedness to the State and county debt management commission by August 1 of each year. The District's most recently filed Five-Year CIP for Fiscal Years 2026 through 2030 provides for a total of \$1.35 billion of capital projects and associated costs over the next five years, plus transfers of \$260 million to cover debt service. These projects are proposed to be financed through a combination of debt financing and pay-as-you-go funding supported by property tax collections dedicated to debt and dedicated sales and use taxes. See "DEBT STRUCTURE – Contemplated Debt." Total resources are estimated to be \$1.55 billion.

The CIP includes planning or construction of one new elementary school, modernization of a transportation facility and the District's central administration building, completion of the conversion of an existing comprehensive high school to a new career and technology education high school, demolition of an existing middle school and construction of a new facility on the same site, and \$35 million of major improvements at an existing high school. An annual capital renewal plan, which encompasses repairs and upgrades to existing schools, of \$46 million to \$55 million per year is funded.

On December 12, 2023, the Board approved the final District-wide Facility Modernization Plan and the implementation of the plan. The 2023 Facility Modernization Plan is a 15-year program for capital projects with a focus on modernizing every existing school within the District while prioritizing efficiency and equity. The CIP includes funding of \$829.42 million of major renovations and other facility modernization projects that were identified and prioritized in the 2023 Facility Modernization Plan.

## Enrollment

The following table shows an enrollment history for the District.

### Enrollment History<sup>(1)</sup>

<u>Academic Year</u>	<u>Total Enrollment</u>	<u>Percent Change</u>
2016-17	63,991	--
2017-18	64,089	0.2%
2018-19	63,876	(0.3)
2019-20	64,037	0.3
2020-21 <sup>(2)</sup>	61,673	(3.7)
2021-22	62,353	1.1
2022-23	61,130	(2.0)
2023-24	60,057	(1.8)
2024-25	59,677	(0.6)
2025-26	58,920	(0.1)

- (1) The date on which enrollment data is obtained has changed several times over the past ten years but is generally obtained three to four weeks after the school year begins.
- (2) The enrollment decline during the 2020-21 academic year was primarily driven by (a) concerns of parents and students about COVID-19, (b) relocation of many families due to loss of employment and (c) a new charter school which began operations during such academic year.

Source: The District.

Although Washoe County has experienced population increases, the District's enrollment has not correlated with such increases. This is attributable to several factors.

First, the County has experienced demographic changes among new residents, as evidenced by lower household sizes, and specifically a lower number of school-aged children in new single and multi-family developments. The District believes that it may continue to experience an exodus of families with more school-aged children due to rapidly rising housing costs and the replacement of such families with an influx of older residents from out-of-state without school-aged children. Additionally, there has been a decrease in the birth rate within the County.

Second, enrollment in public charter schools has increased and there has been an increased trend towards home schooling. Although the Economic Development Authority of Northern Nevada has estimated possible population growth in the region between 1.7% and 2.4% as a result, in part, of Tesla and other companies locating in northern Nevada, this may not necessarily result in equivalent enrollment growth in the District.

## Employee Relations and Pension Benefits

Employee Relations. As of December 1, 2025, the District had approximately 7,493 regularly scheduled employees and 1,617 substitute teachers. The 7,493 regularly scheduled employees are comprised of 3,879 certified educators, 2,901 education support professionals, 673 administrators and 40 school police officers.

The District is an equal opportunity employer with six employee bargaining units: school police, school administrators, professional-technical, school psychologists, certified (teachers), and educational support staff.

The District has collective bargaining agreements with each of these units through June 30, 2027.

Benefits. The District provides long term disability and life insurance, health insurance, including vision and dental insurance, paid vacation, sick leave, holidays, and reimbursement for certain educational expenses to its employees.

Pension Matters. The State’s Public Employees’ Retirement System (“PERS”) covers substantially all public employees of the State, its agencies and its political subdivisions, including the District. PERS, established by the Legislature effective July 1, 1948, is governed by the Public Employees’ Retirement Board whose seven members are appointed by the Governor for four-year terms. **Except for certain District-specific information set forth below, the information in this section has been obtained from publicly-available documents provided by PERS. The District has not independently verified the information obtained from the publicly available documents provided by PERS and is not responsible for its accuracy.**

All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit plan. Benefits, as established by statute, are determined by the number of years of accredited service at the time of retirement and the member’s highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under PERS include pension benefits, disability benefits and death benefits. The following table illustrates the PERS service credit multiplier which reflects the benefit allowances for members as computed as certain percentages of average compensation for each accredited year of service depending upon when membership commenced (Membership Date) and during which period services were earned (Service Credit Multiplier). For the purpose of illustration, a public employee whose Membership Date occurred prior to July 1, 2001 would receive the Service Credit Multiplier of 2.50% for employment prior to July 1, 2001 and a Service Credit Multiplier of 2.67% for employment thereafter.

PERS Benefit Multiplier

<u>Membership Date</u>	<u>Service Credit Multiplier</u>				<u>Highest Contiguous Average Over</u>
	<u>Before 07/01/01</u>	<u>After 07/01/01</u>	<u>After 01/01/10</u>	<u>After 07/01/15</u>	
Before July 1, 2001	2.50%	2.67%	2.67%	2.67%	36 months
After July 1, 2001, before January 1, 2010	--	2.67%	2.67%	2.67%	36 months
After January 1, 2010, before July 1, 2015	--	--	2.50%	2.50%	36 months
After July 1, 2015	--	--	--	2.25%	36 months

Similarly, legislative changes have created several tiers of retirement eligibility thresholds. The following table illustrates the PERS retirement eligibility thresholds for regular members.

Nevada PERS Retirement Eligibility

<u>Membership Date</u>	<u>Regular</u>	
	<u>Age</u>	<u>Years of Service</u>
Before January 1, 2010	65	5
	60 <sup>(1)</sup>	10
	Any	30
After January 1, 2010, before July 1, 2015	65	5
	62	10
	Any	30
After July 1, 2015	65	5
	62	10
	55	30
	Any	33 1/3

(1) Age 55 for police or firefighters.

State law requires PERS to conduct annual actuarial valuations showing unfunded actuarial accrued liability (“UAAL”) and the contribution rates required to fund PERS on an actuarial reserve basis. The actual employer and employee contribution rates are established in cycle with the State’s biennium budget on the first full pay period of the even numbered fiscal years. By PERS policy, the system performs an annual actuary study. The most recent independent actuarial valuation report of PERS was completed as of June 30, 2024. The following table reflects some of the key valuation results from the last three PERS’ actuary studies:

PERS Actuarial Report

<u>Key Valuation Results</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
UAAL	\$14.49 billion	\$16.64 billion	\$18.33 billion	\$18.80 billion	\$20.13 billion
Market Value Funding Ratio	77.0%	86.5%	75.1%	76.2%	78.1%
Actuarial Value Funding Ratio	76.1%	75.4%	74.7%	75.4%	75.6%
Assets Market Value	\$46.74 billion	\$58.46 billion	\$54.51 billion	\$58.32 billion	\$64.46 billion
Assets Actuarial Value	\$46.17 billion	\$50.94 billion	\$54.24 billion	\$57.77 billion	\$62.40 billion

For the purpose of calculating the actuarially determined contribution rate, the UAAL is amortized as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 20 years. Effective June 30, 2022, the outstanding balance of all Regular amortization bases, except for the initial base dated June 30, 2004, were combined and re-amortized over a closed 20-year period, and the outstanding balance of all Police/Fire amortization bases, including the initial base dated June 30, 2004, were combined and re-amortized over a closed 20-year period. Any new UAAL as a result of actuarial gains or losses or a change in actuarial assumptions or methods will be amortized over 20 years. The PERS Board also adopted a five-year asset smoothing policy for net deferred gains/losses.

The following presents the net pension liability of PERS as of June 30, 2024, and the District's proportionate share of the net pension liability of PERS as of June 30, 2024, calculated using the discount rate of 7.25%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage point higher (8.25%) than the current discount rate:

Net Pension Liability

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
PERS Net Pension Liability	\$29,055,348,823	\$18,067,886,503	\$9,003,110,455
District Share of PERS Net Pension Liability	\$1,481,241,974	\$948,630,148	\$458,978,661

Contribution rates to PERS are established in accordance with State statute. The statute allows for biennial increases or decreases of the actuarially determined rate. The Legislature can increase the contribution rate for members by any amount it determines necessary. Pursuant to statute, there is no obligation on the part of the employers to pay for their proportionate share of the unfunded liability. The District is obligated to contribute all amounts due under PERS; however, in accordance with State law, non-police/fire employees share the annual increases equally with the employer (unless otherwise prohibited by contract). A history of contribution rates is shown below.

	Fiscal Years <u>2018 and 2019</u>	Fiscal Years <u>2020 and 2021</u>	Fiscal Years <u>2022 and 2023</u>	Fiscal Years <u>2024 and 2025</u>	Fiscal Years <u>2026 and 2027</u>
Regular members	28.00%	29.25%	29.75%	33.50%	36.75%
Police/fire members	40.50	42.50	44.00	50.00	58.75

The District employs two different contribution plans for PERS: the employer-paid plan where the district contributes the full contribution required on behalf of the employee, and the employer/employee paid plan where the employee and the district contribute equal amounts towards the required contribution.

The table below shows the District's contribution to PERS over the last five fiscal years.

PERS Contributions

	Fiscal Year <u>2021</u>	Fiscal Year <u>2022</u>	Fiscal Year <u>2023</u>	Fiscal Year <u>2024</u>	Fiscal Year <u>2025</u>
Contribution	\$55,105,795	\$55,890,237	\$52,014,526	\$57,983,321	\$81,227,032

See Note 8 in the audited financial statements attached hereto as Appendix A for a summary description of PERS. In addition, copies of the most recent audited financial statements for PERS are available from the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599, 775-687-4200.

Other Post-Employment Benefits/Retiree Health Insurance Subsidy. For the year ended June 30, 2018, the District was required to apply Governmental Accounting Standards Board Statement ("GASB") No. 75, Accounting and Financial Reporting Postemployment Benefit

Plans Other Than Pension Plans (“GASB 75”). GASB 75 replaces requirements of GASB Statement Nos. 45 and 57 as they relate to OPEB plans that are administered through trusts or equivalent arrangements that meet certain criteria. The objective of GASB 75 is to improve the usefulness of information about postemployment benefits other than pensions (“OPEB”) included in the external financial reports. It requires enhancements to footnote disclosure and required supplementary information for OPEB plans.

Prior to the new standard, the accounting and reporting requirements of the OPEB liabilities followed a long-term funding policy perspective. The new standard separates the accounting and reporting requirements from the funding decisions. The standard applies for financial reporting purposes only and do not apply to contribution amounts for OPEB funding purposes.

With the implementation of GASB 75, the District reported net OPEB liability, deferred inflows of resources, deferred inflows of resources, and fiduciary net position in its annual comprehensive financial report for the Fiscal Year 2018. The total OPEB liability for financial reporting was determined on the same basis as the Actuarial Accrued Liability measure for funding.

State law requires the District to conduct an actuarial valuation showing the Net OPEB Liability. The District conducts the actuarial valuation bi-annually with the most recent valuation done as of June 30, 2025. The following table reflects some of the key valuation results from the last two actuary studies:

Washoe County School District OPEB Actuarial Report

<u>Key Valuation Results</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Net OPEB Liability	\$84.12 million	\$65.90 million	\$35.01 million	\$28.33 million
Actuarial Funding Ratio	47.3%	55.4%	72.5%	76.8%
Assets Actuarial Value	\$75.61 million	\$81.91 million	\$92.24 million	\$122.11 million

The following presents the net OPEB liability of the District as of June 30, 2025, calculated using the discount rate of 6.72%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.72%) or one percentage point higher (7.72%) than the current discount rate:

Net OPEB Liability

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate (6.72%)</u>	<u>1% Increase in Discount Rate</u>
Net OPEB Liability	\$40,517,000	\$28,330,000	\$18,048,000

See Note 9 in the audited financial statements attached hereto as Appendix A for additional information about the District’s OPEB and OPEB Trust Fund.

**Compliance with Federal Laws**

General. As a public entity, the District is subject to various federal laws, including those relating to environmental matters, accommodation of those with disabilities and compliance with federal affordable healthcare requirements. The District also is subject to federal laws and

regulations related to certain of its educational programs and is subject, to various degrees, to legislation reducing grants or payments associated with those programs. The laws described above and other federal laws presently in effect or enacted in the future may require the expenditure of funds on programs without necessarily providing sufficient resources (in the form of federal grants or otherwise) to pay for the mandates of those requirements. The District cannot predict the ultimate effect of current or future federal legislation on the District.

Sequestration. The District is subject to developments at the federal level with respect to the Budget Control Act of 2011, also known as “sequestration,” which requires spending cuts.

With regard to the District’s QSCB subsidy, a Department of the Treasury IRS notice dated August 8, 2017 pursuant to IRS Code section 6431 stated that the sequestration reduction to the interest subsidies will be 5.7% for federal fiscal year beginning October 1, 2020 through September 30, 2030. Under a federal budget bill enacted in November 2015, the sequestration reduction will continue through federal fiscal year 2029. The sequestration reduction rate remains subject to change should additional laws be enacted which impact the sequester. See “DEBT STRUCTURE – District General Obligation Bond Total Debt Service Requirements” for an illustration of expected subsidies (without taking sequestration into account).

## **DISTRICT FINANCIAL INFORMATION**

### **Budgeting**

On or before April 15 of each year, the District is required to submit to the Nevada Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The tentative budget contains the proposed expenditures and means of financing them. After reviewing the tentative budget, the Nevada Department of Taxation is required to notify the District upon its acceptance of the budget.

Following acceptance of the proposed budget by the Nevada Department of Taxation, the District is required to conduct public hearings on its budget no sooner than the third Monday in and no later than the last day in May and adopt the final budget on or before June 8. The District has 30 days from the close of the biennial legislative session to adopt an amended final budget.

The District is authorized to transfer budgeted amounts within functions or funds, but any other transfers must be approved by the Board. Increases to a fund’s budget other than by transfers are accomplished through formal action of the Board. With the exception of money appropriated for specific capital projects or Federal and State grant expenditures, all unencumbered appropriations lapse at the end of the fiscal year.

### **Annual Reports**

General. The District prepares an annual comprehensive financial report (“ACFR”) setting forth the financial condition of the District as of June 30 of each fiscal year. The ACFR, which includes the District’s basic audited financial statements, is the official financial report of the District. It is prepared following generally accepted accounting principles (“GAAP”). The latest completed report is for the year ended June 30, 2025. See Note 1 in the audited financial

statements attached hereto as Appendix A for a summary of the District’s significant accounting policies.

The audited basic financial statements for the year ended June 30, 2025, which are attached hereto as Appendix A, are excerpted from the ACFR and represent the most recent audited financial statements of the District. Financial statements for prior years may be obtained from the sources listed in “INTRODUCTION – Additional Information.”

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (the “GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2024. This is the twenty-fourth consecutive year the District has received this recognition. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both generally accepted accounting principles and acceptable legal requirements.

The GFOA further awarded a Popular Annual Financial Report for the fiscal year ended June 30, 2024 to the District for a eighth consecutive year.

## **Accounting**

All governmental funds are accounted for using the modified accrual basis of accounting in which revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and other revenues are considered “measurable and available” if they are collected within 60 days of the end of the current fiscal year and grant revenues are recognized within 75 days of year end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is principal and interest on general long-term debt, which are recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting in which revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

## **Pupil-Centered Funding Plan**

Prior to July 1, 2021, the framework for school district funding in Nevada was governed by the Nevada School Finance Plan (the “Nevada Plan”), which was adopted by the Legislature in 1967. As part of the Nevada Plan, the Legislature established, during each legislative session and for each school year of the biennium, an estimated statewide average basic support guarantee per pupil. This was the per pupil amount that was “guaranteed” on a statewide basis through a combination of state money and certain local revenues, supplemented by other local revenues which were not “guaranteed” by the State. The basic support guarantee for each school district was computed by multiplying the basic support guarantee per pupil that is established by law for the school district for each school year by pupil enrollment. In addition to the basic support guarantee per pupil, state financial aid to public education was provided through various programs, commonly known as “categorical funding,” that targeted specific purposes or populations of pupils for additional support.

Effective July 1, 2021, the Nevada Plan was replaced by the Pupil-Centered Funding Plan pursuant to Senate Bill 543 approved by the Legislature in its 2019 Legislative Session. Similar to the Nevada Plan, the purpose of the Pupil-Centered Funding Plan is to provide K-12 funding on an equitable basis by identifying a certain basic level of support to each pupil in the State and then making adjustments to such basic support to reflect different conditions in each school district. However, as further discussed below, the two plans are significantly different in that local general operating school property taxes and the sales taxes previously collected for deposit to each school district's General Fund under the Nevada Plan are now deposited in the State Education Fund created by the Pupil-Centered Funding Plan (the "State Education Fund") for redistribution to school districts on a Statewide basis. Further, the numerous categorical funding programs and grants that were provided to school districts under the Nevada Plan for deposit in special revenue funds have largely been replaced by weighted funding applied to the base per pupil funding amount based on certain factors, including English learners, at-risk pupils, and gifted and talented pupils. Special education funding for students with disabilities is separately appropriated by the State.

Specifically, the Pupil-Centered Funding Plan combines money raised pursuant to State law at the local level with State money to provide a certain basic level of support to each pupil in the State which is adjusted: (1) to account for variation in the local costs to provide a reasonably equal educational opportunity to pupils; and (2) for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. The Pupil-Centered Funding Plan identifies numerous sources of revenues to be deposited in the State Education Fund, in addition to direct legislative appropriations from the State General Fund. The Pupil-Centered Funding Plan also authorizes the Superintendent of Public Instruction to create one or more accounts in the State Education Fund for the purpose of administering money received from the federal government.

With respect to deposits to the State Education Fund derived from major local sources of school district funding, the Pupil-Centered Funding Plan requires that the countywide \$0.75 ad valorem property tax and the Local School Support sales and use tax equal to 2.60% of taxable sales (the "LSST") be deposited in the State Education Fund. Thus, the distinction in the prior Nevada Plan between State sources of revenues, which were held in the State's Distributive School Account and were guaranteed, and local revenue sources, which were not guaranteed, ceased effective on June 30, 2021. Earnings on investments, tuition and summer school fees, athletic proceeds, facility rentals, donations and grants and miscellaneous sources will continue to be considered a local revenue that stays with school districts. None of these sources of revenue account for significant amounts of General Fund revenues. Beginning July 1, 2021, the State began making monthly distributions to school districts from the State Education Fund, which equal approximately one-twelfth of budgeted revenues less any amount set aside as a reserve.

As discussed above, under the Pupil-Centered Funding Plan, school districts' base per-pupil funding amount are no longer guaranteed. However, the Pupil-Centered Funding Plan authorizes and provides for funding in the Education Stabilization Account in the State Education Fund. Once the Education Stabilization Account is funded, the Pupil-Centered Funding Plan provides for possible use of the money in such account to provide relief to school districts when collection of revenues will result in the State Education Fund receiving less than 97% of what has been budgeted. Additionally, to protect districts during times of declining enrollment, State law contains a "hold-harmless" provision which, if the average daily enrollment ("ADE") during the quarter of the school year is less than or equal to 95% of the enrollment in the school district based

on the ADE during the same quarter of the immediately preceding school year, the higher enrollment of pupils during the same quarter of the immediately preceding school year must be used for purposes of making the monthly apportionment from the SEF to that school district pursuant to NRS 387.1223.

**As described herein, the transition from the Nevada Plan to the Pupil Centered Funding Plan significantly altered the sources of revenues and expenditures in the General Fund used for the District's operations. However, the Pupil-Centered Funding Plan does not change the distribution method or amount of capital sources that school districts receive to pay debt service on general obligation bonds or for pay-as-you-go capital projects. Thus, the District has continued to receive property taxes collected for the \$0.3885 per \$100 of assessed valuation debt rate collected by the County Treasurer, revenues from a 0.54% sales tax rate approved by County voters for school capital projects, and other revenues received in District capital project and debt service funds.**

### **State Education Fund**

The State Education Fund is a special revenue fund of the State, in which revenues and expenditures of the Pupil-Centered Funding Plan are budgeted. As noted previously, the two largest sources of revenues within the State Education Fund are the countywide \$0.75 ad valorem property tax and the LSST equal to 2.60% of taxable sales. These revenues are pooled on a statewide basis within the State Education Fund. In addition, the State contributes a significant amount of funding for education through a transfer from its General Fund to the State Education Fund. Other revenues sources of the State Education Fund are motor vehicle government services tax, AB 579 transient lodging taxes, marijuana taxes, a share of the state tax on slot machines, and interest earnings.

In Fiscal Year 2022, actual statewide LSST revenues and certain other revenues far exceeded the State's budgeted amounts, which were set during the COVID-19 pandemic. The increase in revenues was due to greater consumer spending on taxable goods, partly due to federal stimulus transfers to households and greater visitor volumes and spending on gaming. Because the State's budget was set for Fiscal Years 2022 and 2023, these additional revenues were not appropriated during the last biennium. In addition, the State estimated continued growth in revenues for each of Fiscal Years 2024 and 2025. Consequently, total budgeted funding increased approximately \$1 billion per year last biennium (Fiscal Years 2024 and 2025), due to the aforementioned growth of State Education Funding revenues in Fiscal Years 2022 and 2023.

The table below provides a history of total budgeted Pupil-Centered Funding Plan funding from the State to school districts and charter schools over this period.

Budgeted Pupil-Centered Funding Plan

Fiscal Year Ended June 30	2023	2024	2025	2026	2027
Base Per Pupil Funding	\$3,667,227,214	\$4,379,176,004	\$4,601,409,680	\$4,523,487,318	\$4,557,042,431
Weighted Funding	162,230,374	419,193,900	440,139,107	407,561,721	410,599,763
Auxiliary Funding	201,468,300	194,770,412	194,807,777	193,612,678	193,612,678
Local Spec Ed Revenues	442,438,392	483,781,493	483,874,301	599,829,442	599,829,442
Total	\$4,473,364,280	\$5,476,921,809	\$5,720,230,865	\$5,724,491,159	\$5,761,084,314
% Change	--	22.4%	4.4%	0.1%	0.6%

Sources: Legislative Appropriation Report for 2022-2023. State Legislative Finance Committee for 2023-2024 through 2026-2027.

Base per-pupil funding is the amount distributed to school districts and charter schools for the general education needs of all students and is recorded in local agencies’ General Fund budgets. Weighted funding is provided for At-Risk, Gifted and Talented, and English Learners students to cover the additional estimated cost to support these students’ needs. Auxiliary funding represents funding for districts’ transportation costs and the net cost of food services not funded by the federal government or local food services revenues. Local Special Education funding represents the amount of funding for Special Education services funded by the State.

The greater resources for statewide K-12 education resulted in a large increase in each district’s base per-pupil amount in Fiscal Year 2024, although these increases differed for each district based on equity adjustments within the Pupil-Centered Funding Plan funding model. For the District, per-pupil funding increased from \$7,318 in Fiscal Year 2023 to \$9,243 in fiscal year 2024, an increase of 26.3%. The statewide base per pupil amount increased from \$7,074 to \$8,966 over that period. For Fiscal Year 2026, the District receives \$9,708 in adjusted base per-pupil funding.

The State’s budget also establishes an Education Stabilization Account. The balance in the Education Stabilization Account is projected to be \$648.7 million at the end of the 2025-27 biennium.

**General Fund**

General. The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. Included are all transactions related to the approved current operating budget, its accompanying revenue, expenditures and encumbrances, and its related asset, liability, and fund equity accounts. As discussed above under “DISTRICT FINANCIAL INFORMATION – Pupil-Centered Funding Plan” the District was funded under the Nevada Plan until June 30, 2021. The Pupil Centered Funding Plan became effective on July 1, 2021.

## **General Fund History of Revenues, Expenditures and Changes in Fund Balance**

General. The following table provides a history of the audited financial operations for the District's General Fund for Fiscal Years 2021 to 2025. The information for Fiscal Years 2021 through 2025 was derived from the District's ACFR for each of those years. The table also provides budget information for Fiscal Year 2026.

The information in this table should be read together with the District's audited financial statements for Fiscal Year 2025, and the accompanying notes, which are included as Appendix A hereto. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION – Additional Information."

Current Board policy sets a target for the District to maintain unrestricted reserves in the General Fund in an amount equal to 12% of General Fund expenditures and transfers. The District ended Fiscal Year 2025 with an unrestricted reserve of approximately 11.6% based on actual General Fund expenditures and transfers out for Fiscal Year 2025.

Washoe County School District - General Fund History of Revenues, Expenditures and Changes in Fund Balance<sup>(1)</sup>

Fiscal Year Ending June 30	2021 Audited	2022 Audited <sup>(2)</sup>	2023 Audited <sup>(2)</sup>	2024 Audited <sup>(2)</sup>	2025 Audited <sup>(2)</sup>	2026 Budgeted <sup>(2)</sup>
<b>Revenues</b>						
Local sources	\$382,922,754	\$6,072,449	\$10,048,002	\$13,899,371	\$12,494,628	\$8,918,563
State sources	98,000,635	515,769,253	514,110,805	618,917,807	638,234,390	654,333,823
Federal sources	352,056	383,389	569,513	381,537	343,620	370,000
Total Revenues	481,275,445	522,225,091	524,728,320	633,198,715	651,072,639	663,622,386
<b>Expenditures</b>						
Instructional Programs	246,749,457	260,113,902	263,782,854	291,860,509	298,433,354	301,785,692
Student support	34,633,787	39,690,473	37,006,965	47,133,275	54,226,176	56,253,103
Instructional staff support	14,831,140	15,300,893	12,927,764	15,223,740	16,891,403	17,146,378
General Administration	5,617,042	6,468,079	6,581,671	7,299,711	8,209,141	8,727,967
School Administration	38,544,060	41,178,473	41,043,923	45,334,960	47,992,643	48,469,762
Central Services	26,504,131	31,264,995	32,068,425	35,859,363	40,006,947	42,906,144
Operation & Maintenance of Plant	49,831,287	52,896,107	57,940,968	63,571,694	64,123,770	70,137,168
Student Transportation	15,537,902	16,573,996	19,123,465	22,345,553	24,891,822	26,536,942
Total Expenditures	432,248,806	463,486,918	470,476,035	533,674,730	554,775,256	571,963,155
<b>Excess of Revenues over Expenditures</b>	49,026,639	58,738,173	54,252,285	99,523,985	96,297,382	91,659,231
<b>Other Financing Sources (Uses)</b>						
Medium-Term Financing	3,109,000	--	--	--	--	--
Proceeds from sale of property	54,245	53,434	125,373	45,266	79,494	50,000
Transfers In	--	--	--	--	--	--
Contingency	--	--	--	--	--	(5,000,000)
Transfers Out	(46,318,622)	(55,448,249)	(53,289,576)	(91,135,670)	(93,300,060)	(89,560,574)
Total Other Financing Sources/(Uses)	(43,155,377)	(55,394,815)	(53,164,203)	(91,090,404)	(93,220,566)	(91,090,404)
<b>Excess (deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)</b>	5,871,262	3,343,358	1,088,082	8,433,581	3,076,816	(2,851,344)
<b>FUND BALANCE, JULY 1</b>	<u>\$52,346,398</u>	<u>\$58,217,661</u>	<u>\$61,561,018</u>	<u>\$62,649,101</u>	<u>\$71,082,682</u>	<u>\$69,343,651</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$58,217,660</u>	<u>\$61,561,019<sup>(3)</sup></u>	<u>\$62,649,101</u>	<u>\$71,082,682<sup>(3)</sup></u>	<u>\$74,159,498</u>	<u>\$66,492,307<sup>(3)</sup></u>
Non-spendable	\$ 1,088,438	\$ 1,237,389	\$ 1,319,464	\$ 1,278,424	\$1,833,559	\$1,278,424
Spendable	\$57,129,222	\$60,323,630	\$61,329,637	\$69,804,258	\$72,325,939	\$65,213,883

(1) Totals may not add due to rounding.

(2) Actual and budgeted revenues and expenses shown for Fiscal Years 2022, 2023, 2024 and 2025 are not comparable to Fiscal Year 2021. This is due to the Pupil-Centered Funding Plan essentially eliminating local sources of revenue with almost all funding coming from the State. Also, as part of the transition to the Pupil-Centered Funding Plan, various programs funded with grants and other resources now flow through the General Fund instead of various separate funds.

(3) The amended fiscal year 2026 budget approved in December 2025 had an estimated opening fund balance of \$69,923,041. The budget can be further amended to reflect the actual opening fund balance of \$74,159,498.

Source: Derived from the District's ACFRs for fiscal years 2021 through 2025; and from District staff for the Fiscal Year 2026 Budget amounts.

## Debt Service Fund

The District maintains two Debt Service Funds to account for the accumulation of resources and payment of principal and interest on general obligation bonds and bonds payable by a 0.54% sales and use tax and other District obligations, including general obligation medium-term obligations. The District pays debt service on the medium-term obligations through transfers in from the Government Services Tax capital projects fund and pays debt service on parity bonds secured by the 0.54% sale and use tax through transfers in from the WC-1 capital projects fund. The Reserve Account required by NRS 350.020 (described under ‘DISTRICT FINANCIAL INFORMATION – Reserve Account’) is accounted for as part of the fund balance in the Debt Service Funds. Fund balance in excess of the Reserve Requirement (described under ‘‘DISTRICT FINANCIAL INFORMATION – Reserve Account’’) may be transferred for capital projects until March 2035. **The Pupil-Centered Funding Plan does not have any impact on the property tax revenues used to pay the District’s limited tax general obligation debt (including the Bonds).**

The following table provides a history of the audited combined revenues, expenditures and changes in fund balance in the District’s Debt Service Fund for Fiscal Years 2021 to 2025. The table also provides the budget information for Fiscal Year 2026 based on the final budget adopted in June 2025.

The information in this table should be read together with the District’s audited financial statements for the year ended June 30, 2025, and the accompanying notes, which are included as Appendix A hereto. Financial statements for prior years can be obtained from the sources listed in ‘‘INTRODUCTION – Additional Information.’’

Washoe County School District – Debt Service Fund History of Revenues, Expenditures and Changes in Fund Balance<sup>(1)</sup>

Fiscal Year Ending June 30	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited	2026 Budget
<b>Revenues</b>						
Property taxes	\$66,935,474	\$71,843,742	\$77,043,940	\$85,287,470	\$90,313,448	\$96,419,140
Miscellaneous revenues	--	--	--	--	--	--
Investment earnings <sup>(2)</sup>	1,957,342	1,553,642	2,899,151	5,079,021	6,525,137	1,954,646
Net Increase/(Decrease) in fair value of investments	<u>(856,078)</u>	<u>(3,121,433)</u>	<u>--</u>	<u>1,643,711</u>	<u>1,437,074</u>	<u>--</u>
Total Revenues	\$68,036,738	\$70,275,951	\$79,943,091	\$92,010,202	\$98,275,659	\$98,373,786
<b>Expenditures</b>						
Principal	41,665,434	43,034,428	52,584,000	57,529,000	62,317,000	64,635,000
Interest	43,835,337	48,782,377	48,094,031	46,612,431	53,571,696	61,748,890
Bond issuance costs	--	366,675	--	--	--	--
Tax Refunds	--	--	--	--	--	--
Other	<u>9,350</u>	<u>--</u>	<u>--</u>	<u>9,350</u>	<u>9,100</u>	<u>15,000</u>
Total Expenditures	\$85,510,121	\$92,183,480	\$100,678,031	\$104,150,781	\$115,897,796	\$126,398,890
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(17,473,383)	(21,907,529)	(20,734,940)	\$(12,140,579)	\$(17,622,137)	\$(28,025,104)
<b>Other Sources (Uses)</b>						
Proceeds of refunding bonds	--	64,900,000	--	--	--	--
Premium on bonds sold	--	9,408,528	--	--	--	--
Payments for refunded bonds	--	(82,295,000)	--	--	--	--
Operating Transfers Out	(4,585,535)	(2,747,862)	(4,500,000)	(9,150,000)	(10,341,386)	(5,000,000)
Operating Transfers In <sup>(1)</sup>	<u>27,059,926</u>	<u>32,346,854</u>	<u>34,445,050</u>	<u>36,481,867</u>	<u>37,538,823</u>	<u>44,537,455</u>
Total Other Sources (Uses)	22,474,391	21,612,520	29,945,050	27,331,867	27,197,437	39,537,455
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Sources (Uses)</b>	5,001,008	(295,009)	9,210,000	15,191,288	9,575,300	11,512,351
<b>Beginning Fund Balance<sup>(3)</sup></b>	70,346,017	75,347,025	75,052,016	84,262,126	99,453,414	105,872,532
	<u>\$75,347,025<sup>(6)</sup></u>	<u>\$75,052,016</u>	<u>\$84,262,126</u>	<u>\$99,453,414<sup>(6)</sup></u>	<u>\$109,028,714<sup>(6)</sup></u>	<u>\$115,575,885</u>
Debt Service Fund <sup>(3)(5)</sup>	57,084,771	57,084,771	65,896,116	80,047,344	88,532,700	95,427,829
WC-1 Debt Service Fund <sup>(5)</sup>	18,262,254	17,967,245	18,366,010	19,406,070	20,496,014	20,148,056

- (1) The 0.54% sales and use tax revenues are recorded in the WC-1 capital projects fund and debt service on the bonds secured by such sales tax revenues is paid from transfers in from the WC-1 capital projects fund.
- (2) Includes interest subsidies on certain District Recovery Zone Economic Development Bonds and direct-pay qualified school construction bonds. See “DEBT STRUCTURE.”
- (3) Includes the statutorily-mandated Reserve Account described in “DISTRICT FINANCIAL INFORMATION – Reserve Account.” The Reserve Account is not associated with the District’s medium-term general obligations.
- (4) The debt service fund balance is available to pay the District’s general obligation bonds paid with property taxes and its general obligation revenue supported bonds.
- (5) The WC-1 debt service balance is only available to pay the District’s general obligation revenue supported bonds.
- (6) The fiscal year 2026 amended budget adopted in June 2025 had an estimated opening fund balance of \$105,872,532. The budget can be amended to reflect the actual opening fund balance of \$109,028,714.

Source: Derived from the District’s ACFRs for Fiscal Years 2021 through 2025; and from District staff for the Fiscal Year 2026 Budget amounts.

*Annual \$0.3885 Debt Services Levy Collections.* The following table presents annual revenues from the District’s \$0.3885 debt service levy received by the County and the related debt service for the last five fiscal years. There can be no assurance that the annual revenues reflected below are indicative of future revenues.

Annual Property Tax Revenues

Fiscal Year	\$0.3885 Property Tax Revenues	Debt Service
2021	\$66,935,474	\$58,440,845
2022	71,843,742	56,177,649
2023	77,043,940	65,064,694
2024	85,287,470	67,659,564
2025	90,313,448	80,557,896

Source: The District.

**Reserve Account**

Pursuant to NRS 350.020(5) the Board established a reserve account (the “Reserve Account”) within its Debt Service Fund for payment of the outstanding general obligation bonds of the District payable from the tax rate for debt described above (excluding medium-term bonds) and, if then permitted by the statutes of the State, amounts in the Reserve Account may be withdrawn and used for purposes other than payment of debt service on outstanding District bonds. The Reserve Account must be established and maintained in an amount at least equal to the lesser of: 25% of the amount of principal and interest payments, net of any subsidies, due on all of the outstanding bonds of the District in the next fiscal year, or 10% of the outstanding principal amount of the District’s bonds (the “Reserve Requirement”). The amounts on deposit in the Reserve Account are not directly pledged to pay debt service on the Bonds or the other general obligation bonds of the District. Currently, amounts on deposit in the Reserve Fund may be utilized only for the payment of debt service. However, the registered voters of the District at an election on the question or the Legislature may allow amounts in the Reserve Account to be withdrawn and used for purposes other than payment of debt service on outstanding District bonds.

After the issuance of the Bonds, the amount required to be on deposit in the Reserve Account is \$32,020,026; that amount has been funded with available funds in the District’s Debt Service Funds. If the amount in the Reserve Account falls below the required amount, NRS 350.020(5) provides that: (i) the Board shall not issue additional bonds pursuant to NRS 350.020 (4) until the Reserve Account is restored to the level set forth above; and (ii) the Board shall apply all of the taxes levied by the District for payment of bonds of the District that are not needed for payment of the principal and interest on bonds of the District in the current fiscal year to restore the reserve account to an amount equal to the Reserve Requirement.

**Management’s Discussion and Analysis**

An overview of the financial activity and overall financial condition of the District for Fiscal Year 2025, is presented in the “Management’s Discussion and Analysis” section of the audited financial statements attached to this Official Statement as Appendix A. The Management’s Discussion and Analysis includes a general description of the District’s funds and

pertinent results in those funds, a district-wide financial analysis, a brief discussion of economic and budget factors impacting the 2025 fiscal year and other information, including information about State financial difficulties and declining enrollment in the District. Unless discussed in “Analysis of Recent Financial Developments” or elsewhere in this Official Statement, the District is not aware of any material adverse change in its financial condition since June 30, 2025.

### **Analysis of Recent Financial Developments**

Fiscal Year 2026. The Governor’s Recommended Budget, constrained to projected State revenues for the 2025-27 biennium, kept the District’s per pupil amount flat at the same level as Fiscal Year 2024-25, at \$9,705 per student. The flat per pupil amount was caused by unfavorable revenue projections in the State Education Fund. The Nevada May Economic Forum resulted in worse revenue projections, leading Nevada lawmakers to transfer \$115.7 million from the Education Stabilization Account to the State Education Fund in the 2025-27 biennium to keep K-12 education funding whole. Washoe County School District’s final per pupil amount for Fiscal Year 2025-26 was approved at \$9,708. This small increase of \$3 per student was not enough to cover ongoing costs and cost increases.

In addition to typical inflationary cost increases, the District also experienced cost increases related to the Nevada Public Employee Retirement System pension rate increases, new fixed costs related to the opening of the new Debbie Smith Career & Technical Education High School, a health insurance rate increase of 10%, and increased special education costs related to the rapidly increasing number of students with Individualized Education Plans.

The focus of the 2025-26 budget process was to preserve and maintain as many prior school investments as possible, while still resolving the budget deficit. Over the course of four months, the Board of Trustees and staff worked together to reduce the budget deficit by \$7.58 million, to \$2.09 million.

### **Cybersecurity**

The District operates a large and complex Information Technology (IT) infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is constant. These incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks or actions from outside entities. The effect of these threats may include unauthorized access to District systems, data or resources, inappropriate disclosure or use of District information, disruption of District services, and damage to District systems.

The District has implemented a comprehensive Information Technology Security program based on the Center for Internet Security (CIS) framework, which emphasizes technical, procedural, and administrative safeguards to implement a true “defense-in-depth” strategy. The program is managed by a dedicated IT Security team that performs security operations, risk and vulnerability management, incident response, and user awareness training.

The District utilizes a complementary suite of technologies specializing in threat detection and prevention, boundary defense, and identity protection to ensure that all organizational assets are protected. IT Security tools are actively monitored and regularly maintained to ensure timely response and remediation to cyber threats.

At all levels, the District identifies and addresses cybersecurity risk. The District has established a security risk register to assist in high level decision-making regarding risk avoidance and mitigation, and is in the process of refining a comprehensive district information and cyber security plan and accompanying policies, along with an Executive-Level Information and Cyber Security Governance Committee.

All District personnel engage in regular cybersecurity awareness training, and the training content is regularly reviewed and updated to ensure continued relevance to modern threats. Staff members participate in Cybersecurity awareness training upon hire and annually thereafter. Additionally, the District has implemented a comprehensive Digital Citizenship curriculum for all students emphasizing age-appropriate digital literacy skills and the responsible use of technology.

## **Risk Management**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District reports all of its risk management activities in the Internal Service Funds in accordance with Governmental Accounting Standards Board Statement Numbers 10 and 30.

Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated annually by an outside actuary who takes into consideration recently settled claims, the frequency of claims and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value. At June 30, 2025, the District's Property and Casualty Funds' total unrestricted net position was \$6,613,936.

The District combines both self-insurance and commercial insurance to protect against risks. There was no significant reduction in those insurance coverages purchased by the District from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years. See Note 10 in Appendix A for further information on the District's risk management activities as of June 30, 2025.

## DEBT STRUCTURE

### Debt Limitation

State statutes limit the aggregate principal amount of the District's general obligation debt to 15% of the District's total assessed valuation. The following table presents a record of the District's outstanding general obligation indebtedness with respect to its statutory debt limitation.

#### Statutory Debt Limitation

Fiscal Year Ended June 30	Assessed Valuation <sup>(1)</sup>	Debt Limit	Outstanding General Obligation Debt	Additional Statutory Debt Capacity
2021	\$19,963,863,206	\$2,994,579,481	\$1,128,974,429	\$1,865,605,052
2022	21,337,291,898	3,200,593,785	1,121,165,000	2,079,428,785
2023	22,297,007,640	3,344,551,146	1,121,165,000	2,223,386,146
2024	29,208,579,047	4,381,286,857	1,244,452,000	3,136,834,857
2025	31,701,836,974	4,755,275,546	1,392,650,000	3,362,625,546
2026 <sup>(2)</sup>	33,267,124,287	4,990,686,643	1,379,140,000	3,611,546,643

(1) Includes the assessed valuation attributable to the Redevelopment Agencies.

(2) As of December 1, 2025, excludes the issuance of the Bonds.

Source: Nevada Department of Taxation, Property Tax Rates for Nevada Local Governments, fiscal years 2021 through 2026, and the District; compiled by JNA Consulting Group, LLC.

## Outstanding Debt and Other Obligations

Outstanding General Obligation Bonds. The following table presents the outstanding general obligation indebtedness of the District as of December 1, 2025, without taking the issuance of the Bonds into account.

### Outstanding General Obligation Bonds<sup>(1)</sup>

	Date Issued	Maturity Date	Original Amount	Amount Outstanding
<u>GENERAL OBLIGATION BONDS<sup>(2)</sup></u>				
School Improvement Bonds, Series 2010D (QSCB)	05/26/10	05/01/27	\$3,550,000	\$2,800,000
School Improvement Bonds, Series 2010E (QSCB)	10/06/10	06/01/27	5,415,000	4,415,000
Refunding Bonds, Series 2014A (PSF)	07/15/14	06/01/26	40,000,000	5,130,000
Refunding Bonds, Series 2015	03/31/15	06/01/29	45,375,000	25,860,000
School Imp. & Ref. Bonds, Series 2016A	02/02/16	06/01/36	59,215,000	22,235,000
School Improvement Bonds, Series 2016B	11/10/16	05/01/37	15,000,000	10,960,000
School Improvement Bonds, Series 2017A	02/09/17	06/01/46	55,000,000	50,315,000
School Imp. & Ref. Bonds, Series 2017B	04/05/17	04/01/37	26,885,000	23,130,000
Refunding Bonds, Series 2017D	11/21/17	06/01/31	58,320,000	33,615,000
School Improvement Bonds, Series 2019A	09/26/19	06/01/44	69,020,000	62,435,000
School Improvement Bonds, Series 2021	01/28/21	06/01/46	130,480,000	121,755,000
School Improvement Bonds, Series 2022B	03/09/22	04/01/33	64,900,000	31,865,000
School Improvement Bonds, Series 2022C	09/29/22	06/01/42	40,000,000	37,315,000
School Improvement Bonds, Series 2023A	09/26/23	06/01/43	60,000,000	58,720,000
School Improvement Bonds, Series 2024	05/16/24	06/01/44	130,000,000	130,000,000
School Improvement Bonds, Series 2024B	10/23/24	06/01/44	110,515,000	110,515,000
Total General Obligation Bonds				\$731,065,000
<u>GENERAL OBLIGATION REVENUE SUPPORTED BONDS</u>				
Sales Tax Bonds, Series 2017C	11/21/17	10/01/47	\$200,000,000	\$174,780,000
Sales Tax Bonds, Series 2018A	12/05/18	10/01/48	85,000,000	76,700,000
Sales Tax Bonds, Series 2019B	12/19/19	10/01/49	100,000,000	92,030,000
Sales Tax Bonds, Series 2020A	05/07/20	10/01/49	165,780,000	156,225,000
Sales Tax Bonds, Series 2022A	03/09/22	10/01/47	49,220,000	45,710,000
Sales Tax Bonds, Series 2025A	03/18/25	10/01/54	100,000,000	100,000,000
Total General Obligation Revenue Bonds				\$645,445,000
<u>MEDIUM-TERM GENERAL OBLIGATION BONDS<sup>(3)</sup></u>				
Medium-Term Bond, Series 2021B	12/17/21	02/01/26	3,400,000	\$864,000
Medium-Term Bond, Series 2022	12/27/22	02/01/27	3,400,000	1,766,000
Total Medium-Term General Obligations				\$2,630,000
<b>Total General Obligation Debt</b>				<b>\$1,379,140,000</b>

(1) As of December 1, 2025 (does not take the issuance of the Bonds into account). Does not include lease-purchase agreements, certificates of participation, accrued compensated absences, deferred amounts from bonds issuance, arbitrage, other post-employment benefits, remediation, or claims and judgments.

(2) General obligation bonds secured by the full faith, credit and taxing power of the District. The ad valorem tax available to pay these bonds is limited to the \$3.64 statutory and the \$5.00 constitutional limit.

(3) General obligations secured by the full faith, and credit and payable from all legally available funds of the District. The ad valorem tax rate available to pay these bonds is limited to the statutory and the constitutional limit as well as to the District's maximum operating levy and any legally available tax overrides.

Source: The District Finance Department; compiled by JNA Consulting Group, LLC.

**Obligations.** The District records long-term liabilities for compensated absences, early separation incentive stipends, arbitrage payable and capital lease obligations. See Note 6 in the audited basic financial statements attached hereto as Appendix A for a depiction of those liabilities as of June 30, 2025.

### District General Obligation Bond Total Debt Service Requirements

The following table illustrates the debt service requirements for the District's outstanding general obligation bonds as of December 1, 2025. This table excludes medium-term bonds.

#### Outstanding Debt Service Requirements<sup>(1)(2)</sup>

Fiscal Year Ended June 30	General Obligation Bonds (paid with property taxes)			General Obligation Revenue Supported Bonds			Grand Total
	Principal	Interest <sup>(3)</sup>	Total	Principal	Interest	Total	
2026	\$51,125,000	\$30,063,271	\$81,188,271	\$13,510,000	\$26,267,079	\$39,777,079	\$120,965,351
2027	51,570,000	27,507,021	79,077,021	15,850,000	25,378,150	41,228,150	120,305,171
2028	42,135,000	24,902,856	67,037,856	16,675,000	24,565,025	41,240,025	108,277,881
2029	39,415,000	22,959,206	62,374,206	17,530,000	23,709,900	41,239,900	103,614,106
2030	38,075,000	21,092,656	59,167,656	18,420,000	22,811,150	41,231,150	100,398,806
2031	39,900,000	19,299,306	59,199,306	19,370,000	21,866,400	41,236,400	100,435,706
2032	33,365,000	17,508,894	50,873,894	20,330,000	20,898,425	41,228,425	92,102,319
2033	34,905,000	15,967,713	50,872,713	21,320,000	19,915,200	41,235,200	92,107,913
2034	31,405,000	14,461,219	45,866,219	22,345,000	18,907,925	41,252,925	87,119,144
2035	32,725,000	13,125,369	45,850,369	23,390,000	17,896,275	41,286,275	87,136,644
2036	34,110,000	11,750,450	45,860,450	24,370,000	16,929,575	41,299,575	87,160,025
2037	33,990,000	10,397,075	44,387,075	25,315,000	15,985,525	41,300,525	85,687,600
2038	32,960,000	9,099,638	42,059,638	26,295,000	15,018,009	41,313,009	83,372,647
2039	34,235,000	7,867,788	42,102,788	27,315,000	14,026,069	41,341,069	83,443,856
2040	35,590,000	6,582,431	42,172,431	28,275,000	13,041,806	41,316,806	83,489,238
2041	36,850,000	5,394,356	42,244,356	29,220,000	12,068,212	41,288,212	83,532,569
2042	38,235,000	4,152,481	42,387,481	30,240,000	11,053,187	41,293,187	83,680,669
2043	36,270,000	2,862,200	39,132,200	31,335,000	9,994,050	41,329,050	80,461,250
2044	32,460,000	1,649,744	34,109,744	32,505,000	8,840,631	41,345,631	75,455,375
2045	10,690,000	607,825	11,297,825	33,760,000	7,585,287	41,345,287	52,643,112
2046	11,055,000	309,200	11,364,200	35,070,000	6,278,062	41,348,062	52,712,262
2047	--	--	--	36,435,000	4,919,381	41,354,381	41,354,381
2048	--	--	--	37,875,000	3,506,706	41,381,706	41,381,706
2049	--	--	--	24,515,000	2,319,628	26,834,628	26,834,628
2050	--	--	--	20,200,000	1,476,175	21,676,175	21,676,175
2051				5,015,000	999,300	6,014,300	6,014,300
2052				5,245,000	794,100	6,039,100	6,039,100
2053				5,485,000	579,500	6,064,500	6,064,500
2054				5,740,000	355,000	6,095,000	6,095,000
2055				6,005,000	120,100	6,125,100	6,125,100
<b>TOTAL</b>	<b>\$731,065,000</b>	<b>\$267,560,700</b>	<b>\$998,625,700</b>	<b>\$658,955,000</b>	<b>\$368,105,835</b>	<b>\$1,027,060,835</b>	<b>\$2,025,686,535</b>

(1) Excludes medium-term obligations and the Bonds.

(2) Totals may not add due to rounding.

(3) The District's 2010D Bonds and 2010E Bonds were issued as direct-pay qualified school construction bonds ("QSCBs"). The District expects to receive an interest subsidy on the QSCBs in each year. However, receipt of the subsidy is dependent on numerous factors and it is possible that the District may not receive the credits in future years. The amounts shown reflect interest due on the QSCBs, not net of the expected credits. The District is required to pay all of the interest of the QSCBs even if the credits are not received.

**Contemplated Debt**

On August 16, 2024, the District received approval from the Debt Management Commission to issue up to \$200 million of general obligation bonds secured by and expected to be paid from additional pledged revenues consisting of the non-expiring 0.54% Sales and Use Tax; the District previously issued \$100 million of this authorization. After the issuance of the Bonds, the District will have authorization to issue additional revenue-backed general obligations bonds in the amount of \$26,980,000. The District also received approval on August 16, 2024 to issue up to \$100 million of general obligation bonds secured by property taxes, and the District has \$58 million of remaining authorization pursuant to such approval and is using \$50 million of the authorization for the 2026A Bonds.. The District’s current five-year Capital Improvement Plan contemplates the issuance of general obligation bonds (including bonds paid by property taxes or sales and uses taxes) totaling approximately \$1.2 billion through fiscal year 2029.

**ECONOMIC AND DEMOGRAPHIC INFORMATION**

This portion of the Official Statement contains general information concerning the historic economic and demographic conditions in the County and the District. This portion of the Official Statement is intended only to provide prospective investors with general information regarding the District’s community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District.

**Population and Age Distribution**

Population. The table below shows the population growth of Washoe County and the State since 1980.

Year	<u>Population</u>			
	Washoe County	Percent Change	State of Nevada	Percent Change
1980	193,623	--	800,493	--
1990	254,667	31.5%	1,201,833	50.1%
2000	339,486	33.3	1,998,257	66.3
2010	421,407	24.1	2,700,551	35.1
2020	486,492	15.4	3,104,614	15.0
2021	485,113	(0.3)	3,158,539	1.7
2022	501,635	3.4	3,204,105	1.4
2023	508,759	1.4	3,241,678	1.2
2024	513,854	1.0	3,282,911	1.3

Source: U.S. Bureau of Census (1980-2020 as of April 1st), and Nevada Department of Taxation, *Population Estimates of Nevada Counties* (2021-2024 as of July 1st).

Age Distribution. The following table sets forth a projected comparative age distribution profile for Washoe County, the State and the nation on January 1, 2025.

Age Distribution Projections

<u>Age</u>	<u>Washoe County</u>	<u>State of Nevada</u>	<u>United States</u>
0-17	19.9%	21.0%	14.9%
18-24	9.0	8.6	20.5
25-34	14.3	13.7	18.5
35-44	13.9	12.5	14.6
45-54	11.6	14.1	10.3
55-64	12.3	12.2	6.3
65-74	11.1	10.5	6.4
75 and Older	7.9	7.6	8.4

Source: © 2025 Claritas, LLC.

**Income**

The following two tables reflect the Median Household Effective Buying Income (“EBI”), and also the percentage of households by EBI groups. EBI is defined as “money income” (defined below) less personal tax and nontax payments. “Money income” is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as “disposable” or “after-tax” income.

<u>Year<sup>(2)</sup></u>	<u>Median Household Effective Buying Income Estimates<sup>(1)</sup></u>		
	<u>Washoe County</u>	<u>State of Nevada</u>	<u>United States</u>
2020	\$60,839	\$55,709	\$54,686
2021	61,903	56,292	56,093
2022	71,564	64,039	63,680
2023	71,591	63,314	64,600
2024	75,157	65,092	67,310
2025	75,951	67,905	69,245

(1) The difference between consecutive years is not an estimate of change from one year to the next; combinations of data are used each year to identify the estimated mean of income from which the median is computed.

(2) Annual estimates are snapshots of effective buying income on the date of January 1 of each year.

Source: © 2025 Claritas, LLC.

Percent of Households by Effective Buying Income Groups – 2025 Estimates<sup>(1)</sup>

<u>Effective Buying Income Group</u>	<u>Washoe County Households</u>	<u>State of Nevada Households</u>	<u>United States Households</u>
Under \$24,999	12.5%	14.5%	14.9%
\$25,000 - 49,999	19.0	21.4	20.5
\$50,000 - 74,999	17.9	19.1	18.5
\$75,000 - 99,999	15.7	15.1	14.6
\$100,000 - 124,999	12.3	11.0	10.3
\$125,000 - 149,999	6.4	5.8	6.3
\$150,000 - 199,999	7.8	6.8	6.4
\$200,000 or more	8.4	6.4	8.4

(1) Estimates are snapshots of income groups on January 1, 2025.

Source: © 2025 Claritas, LLC.

The following table sets forth the annual per capita personal income levels for the residents of the County, the State and the nation. Per capita personal income levels in the County have consistently exceeded state and national levels during the period shown.

<u>Year</u>	<u>Per Capita Personal Income</u>		
	<u>Washoe County</u>	<u>State of Nevada</u>	<u>United States</u>
2019	\$61,024	\$51,942	\$55,567
2020	65,020	54,684	59,121
2021	74,732	61,031	64,692
2022	76,485	62,726	66,298
2023	81,371	66,698	70,002
2024	n/a	69,805	73,204

(1) County figures posted February 2025; state and national figures posted September 2025. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

## Employment

The Washoe County average annual labor force summary as prepared by the State's Department of Employment, Training and Rehabilitation ("DETR") is as follows:

### Average Annual Labor Force Summary<sup>(1)</sup> Washoe County, Nevada

Calendar Year	2020	2021	2022	2023	2024	2025 <sup>(2)</sup>
Labor Force	247,852	251,733	256,072	263,489	267,591	273,249
Unemployment	20,225	10,313	8,869	10,728	12,659	12,306
Unemployment Rate <sup>(3)</sup>	8.2%	4.1%	3.5%	4.1%	4.7%	4.6%
Total Employment	227,627	241,420	247,203	252,761	254,932	260,938

(1) Figures for the County are not seasonally adjusted and are subject to change.

(2) Year-to-date averages through August 2025.

(3) The U.S. unemployment rates for the years 2020 through 2024 are 8.1%, 5.3%, 3.6%, 3.8%, 4.1%, 4.4% (as of September) respectively.

Sources: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation; and U.S. Department of Labor, Bureau of Statistics.

The following table sets forth the number of persons employed, by type of employment, in non-agricultural industrial employment in Reno, NV Metropolitan Statistical Area ("MSA") which includes the Counties of Storey and Washoe.

### Establishment Based Industrial Employment Reno MSA, Nevada<sup>(1)</sup> (Estimates in Thousands)

Calendar Year	2020	2021	2022	2023	2024	2025
Mining and Logging	0.3	0.3	0.4	0.4	0.4	0.8
Construction	18.3	20.0	21.7	21.5	22.2	23.2
Manufacturing	24.3	27.3	28.7	29.0	29.4	30.1
Trade (Wholesale and Retail)	32.8	34.3	35.0	34.3	34.7	36.1
Transportation, Warehousing and Utilities	20.3	22.1	23.8	24.3	24.8	24.2
Information	2.9	3.1	3.5	3.6	3.7	3.8
Financial Activities	11.0	11.3	11.8	11.7	11.1	11.8
Professional and Business Services	32.0	32.5	33.8	33.5	33.2	33.8
Education and Health Services	27.4	27.9	28.8	29.9	30.0	33.1
Leisure and Hospitality (casinos excluded)	20.8	23.1	26.2	27.6	27.1	29.3
Casino Hotels	9.6	9.9	10.9	11.0	11.4	10.6
Other Services	6.2	6.4	6.6	6.4	7.6	7.7
Government	<u>29.5</u>	<u>30.6</u>	<u>31.0</u>	<u>31.0</u>	<u>30.0</u>	<u>33.1</u>
Total <sup>(2)</sup>	<u>235.4</u>	<u>248.7</u>	<u>262.0</u>	<u>264.2</u>	<u>269.1</u>	<u>277.60</u>

(1) Reno, NV Metropolitan Statistical Area includes two counties: Storey and Washoe.

(2) Totals may not add due to rounding. All numbers are subject to periodic revision and are non-seasonally adjusted.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

The table below lists the largest employers in the County. No independent investigation has been made of and consequently no assurances can be given as to the financial condition or stability of the employers listed below or the likelihood that such entities will maintain their status as major employers in the County.

Largest Employers - Washoe County, Nevada

<u>Employer</u>	<u>Employees</u>	<u>Industry</u>
Washoe County School District	5,000-9,999	Public education
Renown Regional Medical Center	1,000-4,999	Health care management
Peppermill Inc.	1,000-4,999	Resort
Grand Sierra Resort and Casino	1,000-4,999	Casino
St. Mary's Regional Medical Center	1,000-4,999	Hospital
Eldorado Resort Casino	1,000-4,999	Casino
Silver Legacy Resort Casino	1,000-4,999	Casino
Nevada System of Higher Education	1,000-4,999	Education
U-Haul Holding	1,000-4,999	Slot machines – sales/service
Circus Circus Reno Hotel	1,000-4,999	Casino
Reno VA Medical Center	1,000-4,999	Hospital
Hamilton Company	1,000-4,999	Manufacturing

Source: City of Reno Annual Budget Fiscal Year 2026

The following table sets forth the firm employment size breakdown for the County.

Size Class of Industries<sup>(1)</sup>  
Washoe County, Nevada  
(Non-Government Worksites)

<u>CALENDAR YEAR</u>	<u>3<sup>rd</sup> Qtr 2025</u>	<u>3<sup>rd</sup> Qtr 2024</u>	<u>Percent Change 2024/2025</u>	<u>Employment Totals 3<sup>rd</sup> Qtr 2025</u>
<b>TOTAL NUMBER OF WORKSITES</b>	18,725	16,779	11.6%	210,152
Less Than 10 Employees	14,428	12,376	16.6	32,586
10-19 Employees	2,104	2,169	-3.0	28,759
20-49 Employees	1,459	1,500	-2.7	43,449
50-99 Employees	433	430	70.0	29,628
100-249 Employees	231	233	-0.9	34,145
250-499 Employees	50	51	-2.0	17,129
500-999 Employees	9	11	-18.2	6,244
1,000+ Employees	11	9	22.2	18,212

(1) Subject to revisions.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

## Retail Sales

The following table sets forth a record of taxable sales in the County and the State.

<u>Taxable Sales</u>						
<u>Fiscal Year</u> <sup>(1)</sup>	<u>County Total</u>		<u>Percent Change</u>	<u>State Total</u>		<u>Percent Change</u>
2020	\$9,250,415,486		--	\$61,365,683,690		--
2021	11,049,067,465		19.4%	67,704,797,544		10.3%
2022	12,267,765,904		11.0	81,787,630,231		20.8
2023	12,383,862,434		0.9	86,967,168,094		6.3
2024	12,117,540,409		-2.2	90,418,168,437		4.0
2025 <sup>(2)</sup>	12,551,997,965		3.6 <sup>(3)</sup>	29,384,686,977		-1.3 <sup>(3)</sup>

(1) Fiscal year runs from July 1 to the following June 30.

(2) Year-to-date total for current fiscal year.

(3) Percent change from same fiscal period in previous year.

Source: State of Nevada - Department of Taxation.

## Construction

The following table sets forth a history of the number of building permits issued in Reno, Sparks and the unincorporated County, and of their valuations.

### Building Permits (Value Amount in Thousands)

<u>Fiscal Year</u> <sup>(1)</sup>	<u>City of Reno</u> <sup>(2)</sup>		<u>City of Sparks</u> <sup>(3)</sup>		<u>Unincorporated Washoe County</u> <sup>(4)</sup>	
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>
2020	9,608	\$1,233,023	4,103	\$401,232	4,194	\$699,708
2021	10,513	1,696,466	4,616	314,139	4,323	559,887
2022	10,888	1,516,831	4,789	352,542	4,695	336,646
2023	9,589	1,490,853	4,890	241,584	5,000	466,715
2024	9,813	1,508,309	5,183	285,341	5,916	391,470
2025	9,407	1,302,399	n/a	n/a	5,283	305,161

(1) Data is for the fiscal year ended June 30th.

(2) Change of reporting methodology in 2022. Prior FY totals included all permits and were not limited to new & remodel construction.

(3) Data includes all types of permits; data not yet available for year.

(4) Data includes all types of permits; valuations rounded to the nearest thousands.

Sources: *Historical Statistics* (2020-2024), City of Reno Annual Budget Fiscal Year 2025; City of Sparks Building Department, and Washoe County Building Department.

## Gaming

The economy of the State is substantially dependent upon the tourist industry, which is based on legalized casino gambling and related forms of entertainment. The County's gross taxable 2025 gaming revenue represents 7.0% of the State's total 2025 gaming revenue. The following table sets forth a five-year history of gross taxable gaming revenues and total gaming taxes collected on a State-wide basis and in the County.

### Gross Taxable Gaming Revenue and Total Gaming Taxes<sup>(1)</sup>

#### Washoe County, Nevada

Fiscal Year Ended	Gross Taxable Gaming Revenue <sup>(2)</sup>		Percent Change	Gaming Collection <sup>(3)</sup>		Percent Change
	State Total	County Total	County	State Total	County Total	County
June 30						
2020	9,150,732,262	698,398,946	-18.27	617,451,077	44,552,244	-33.85
2021	10,351,167,624	921,956,353	32.01	885,683,152	83,889,596	88.29
2022	14,151,250,934	1,025,456,018	11.23	1,161,473,525	78,100,145	-6.90
2023	14,624,464,048	1,029,517,239	0.40	1,174,506,278	78,878,375	1.00
2024	14,947,481,027	1,045,103,370	1.51	1,230,306,147	78,950,026	0.09
2025	15,077,974,830	1,061,276,737	1.55	1,201,853,314	80,161,284	1.53
Jul-Oct 24	4,990,298,269	375,259,456	- -	367,380,072	28,898,406	- -
Jul-Oct 25	5,108,876,852	395,801,505	5.47%	386,145,567	27,585,612	-4.54%

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.

(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

(3) Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

(4) Due to the suspension of gaming operations earlier in calendar year 2020, this amount includes unused tax credits pursuant to NRS 463.370(12) that were collected in fiscal year 2020 and transferred at fiscal year-end.

(5) This amount includes unused tax credits pursuant to NRS 463.370(12) that were collected in fiscal year 2020 and transferred at fiscal year-end to Counties based on the location of the gaming licensees.

Source: State of Nevada, Gaming Control Board.

**Convention Activity**

The convention business is also an important factor in the area’s economy. The Reno-Sparks Convention & Visitors Authority (“RSCVA”) operates the Convention Center, the National Bowling Stadium (which is owned by the City of Reno and managed by RSCVA pursuant to an operating agreement), the Livestock Events Center and the Reno Events Center. The following table sets forth a historical summary of usage and attendance of events at these facilities.

Historical RSCVA Convention Facility Usage and Attendance

<u>Fiscal Year</u>	<u>Convention Center</u>		<u>Livestock Events Center</u>		<u>National Bowling Stadium</u>		<u>Reno Events Center</u>	
	<u>Number of Events<sup>(1)</sup></u>	<u>Estimated Attendance</u>	<u>Number of Events</u>	<u>Estimated Attendance</u>	<u>Number of Events</u>	<u>Estimated Attendance</u>	<u>Number of Events</u>	<u>Estimated Attendance</u>
2020	114	159,433	39	187,613	21	5,045	26	73,947
2021	195	162,079	50	229,125	40	33,977	18	60,086
2022	209	342,822	50	338,872	60	37,073	31	109,978
2023	225	285,189	56	94,941	40	25,326	43	131,899
2024	228	314,098	72	306,555	74	91,877	43	152,868

(1) Includes all show activity (conventions, trade shows, public consumer shows, concerts and meetings).

Source: Reno-Sparks Convention and Visitors Authority.

**Transportation**

The Reno/Sparks area is located at a transportation crossroads. Interstate 80, which runs east-west, and U.S. 395, running north-south, provide adequate routes for trucking and personal transportation. The Union Pacific Railroad operates major rail lines through the County and offers connections to other major rail networks, providing both freight and Amtrak passenger service. Intermodal yards and container freight facilities are located in Sparks. Over 65 motor freight companies serve the Reno/Sparks market and approximately 25 licensed common carriers with terminals are in the Reno/Sparks area.

The Reno-Tahoe International Airport (the “Airport”) is a medium hub airport owned and operated by the Reno-Tahoe Airport Authority (the “Airport Authority”). The geographical area served by the Airport primarily encompasses the seven Nevada counties of Churchill, Douglas, Humboldt, Lyon, Pershing, Storey, and Washoe and the major cities of Reno, Sparks, and Carson City. The total air trade area for the Airport also includes the Lake Tahoe area and several communities in northeastern California. The Airport supports \$3.6 billion per year in economic impact for the region based on a study conducted by EKAY Economic Consultants, Inc. in partnership with the Center for Regional Studies at the University of Nevada released in November 2023. In addition, the study found that the Airport and the Reno-Stead Airport, a general aviation facility, directly support 6,300 jobs and indirectly supports over 17,500 jobs, making the airports a major regional economic driver.

In calendar year 2019, the Airport served a total of 4,450,673 passengers, the fifth consecutive increase in year-over-year passenger growth. The COVID-19 pandemic in 2020 caused a historic decline in air travel and resulted in a 54.9% decrease of passengers served. In calendar year 2023 the Airport continued to recover, serving 4.6 million passengers, an increase of 6.1% versus 2022, and an increase of 2.8% versus 2019. The Airport saw another 6.0% increase in passengers in 2024 versus 2023. The Airport handled 102.4 million pounds of air cargo, a decrease of 10.5% from 2023. A history of passenger and cargo statistics is set forth in the following table.

#### Reno-Tahoe International Airport Passengers and Cargo Volume

Calendar Year	Passengers	Percent Change	Air Cargo (pounds)	Percent Change
2020	2,006,420	--	147,893,687	--
2021	3,623,458	80.6%	151,162,508	2.2%
2022	4,310,958	19.0	139,395,160	-7.8
2023	4,573,384	6.1	114,337,660	-18.0
2024	4,849,976	6.0	102,382,081	-10.5
2025 <sup>(1)</sup>	4,502,033	--	118,007,877	--

(1) Figures as of October 2025.

Source: Reno-Tahoe International Airport, *Passengers and Cargo Statistics Report*.

## **LEGAL MATTERS**

### **Litigation**

There are various suits pending in courts within the State to which the District is a party. In the opinion of the District’s general counsel, however, there is no litigation or controversy of any nature now pending, or to the knowledge of the District’s Office of the General Counsel, threatened: (i) restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or (ii) in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds. Further, the District’s Office of the General Counsel is of the opinion that current litigation facing the District will not materially affect the District’s ability to perform its obligations to the owners of the Bonds.

### **Approval of Certain Legal Proceedings**

The approving opinion of Taft Stettinius & Hollister LLP, as Bond Counsel, will be delivered with the Bonds. Forms of the bond counsel opinions are attached to this Official Statement as Appendix E. The opinion will include a statement that the obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the federal constitution, including bankruptcy. Taft Stettinius & Hollister LLP has also acted as Special Counsel to the District in connection with this Official Statement. Certain matters will be passed upon for the District by its general counsel.

## **Police Power**

The obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power and powers of taxation inherent in the sovereignty of the State, and to the exercise by the United States of the powers delegated to it by the federal constitution (including bankruptcy).

## **Sovereign Immunity**

Pursuant to State statute (NRS 41.035), an award for damages in an action sounding in tort against the District may not include any amount as exemplary or punitive damages and is limited to (a) \$100,000 per cause of action prior to June 30, 2020, (b) \$150,000 per cause of action on or after July 1, 2020 until June 30, 2022, and (c) \$200,000 per cause of action on or after July 1, 2022. The limitation does not apply to federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under The Americans with Disabilities Act of 1990 (P.L. 101-336), or to actions in other states.

## **TAX MATTERS**

### **Federal Tax Matters**

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. For purposes of this paragraph and the succeeding discussion, “interest” includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The District has covenanted and represented in the Bond Resolutions that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income under such federal income tax laws in effect when the Bonds are delivered. Bond Counsel’s opinion as to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the District and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 15% alternative minimum tax on the “adjusted financial statement income” of “applicable corporations” (as those terms are defined in Sections 56A and 59(k), respectively, of the Tax Code). “Applicable corporations” are generally corporations with average annual adjusted financial statement income over a three-year period of \$1 billion or more. “Adjusted financial statement income” generally means the net income or loss of a corporation (including interest on the Bonds) as set forth on the corporation’s applicable financial statement, adjusted as provided in Section 56A of the Tax Code. Corporations should consult their tax advisors about whether the corporation is an “applicable corporation” and if the corporation is such an applicable corporation, about the calculation of “adjusted financial statement income” and the alternative minimum tax for the corporation.

With respect to Bonds that are sold in the initial offering at a discount (the “Discount Bonds”), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as “original issue discount” for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on April 1 and October 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner’s basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount may be included in “adjusted financial statement income” of “applicable corporations” for the purpose of the corporate alternative minimum tax imposed under Section 55(b) of the Tax Code for taxable years beginning after December 31, 2022. For this purpose, accrued original issue discount on the Discount Bonds may be deemed to be received and included in adjusted financial statement income in the year of accrual even though there will not be a corresponding cash payment. Applicable corporations should consult their tax advisors with respect to the appropriate timing and amount of original issue discount to include in “adjusted financial statement income” in any particular tax year.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the provisions governing determination of state and local taxes, accrued original issue discount the Discount Bonds may be deemed to be received in the year of accrual even though there not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures the Service will treat the District as the taxpayer and the Bond owners may have no right to participate in such procedures. The District has covenanted in the Bond Resolutions not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the District, the Municipal Advisor, Bond Counsel or Special

Counsel is responsible for paying or reimbursing any Bond holder with respect to any audit or litigation costs relating to the Bonds.

### **State Tax Exemption**

In the opinion of Bond Counsel, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. RATINGS

S&P and Moody's have assigned ratings to all Bonds of "AA" and "Aa2," respectively. Such ratings reflect only the views of such rating agencies. Any explanation of the significance of such ratings should be obtained from S&P at 55 Water Street, New York, New York 10041, and from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007.

There is no assurance that any rating, once received, will continue for any given period of time or that either rating will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Except for its responsibilities under the Disclosure Certificate, the District has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings once received or to oppose any such proposed revision.

### **INDEPENDENT AUDITORS**

The audited basic financial statements of the District as of and for the year ended June 30, 2025, attached hereto as Appendix A, have been audited by Crowe LLP, Sacramento, California, independent certified public accountants, to the extent and for the period indicated in their report thereon.

The audited basic financial statements of the District, including the auditor's report thereon, are public documents and pursuant to State law, no consent from the auditors is required to be obtained prior to inclusion of the audited financial statements in this Official Statement. Accordingly, the District has not requested consent from its auditors. Crowe, LLP, the District's independent auditor, has not been engaged to perform and has not performed, since the date of the report included herein, any procedures on the financial statements addressed in that report. Crowe LLP has not performed any procedures relating to this Official Statement.

### **MUNICIPAL ADVISOR**

JNA Consulting Group, LLC, 410 Nevada Way, Suite 200, Boulder City, Nevada 89005, 702-294-5100 is serving as Municipal Advisor to the District in connection with the Bonds. The Municipal Advisor has not audited, authenticated, or otherwise verified the information set forth in this Official Statement, or any other related information set forth in this Official Statement, or any other information available to the District, with respect to the accuracy and completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

## **UNDERWRITING**

The 2026A Bonds are to be purchased by Truist Securities, Inc. at a price of \$54,845,782.50 (represents the aggregate principal amount of \$50,000,000.00), plus net original issue premium of \$4,983,282.50, less an aggregate underwriting discount of \$137,500.00.

The 2026B Bonds are to be purchased by TD Financial Products LLC at a price of \$75,774,662.85 (represents the aggregate principal amount of \$73,020,000.00), plus net original issue premium of \$3,181,645.25, less an aggregate underwriting discount of \$426,982.40.

## **OFFICIAL STATEMENT CERTIFICATION**

The undersigned official of the District hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the Bonds have been duly authorized by the Board.

WASHOE COUNTY SCHOOL DISTRICT, NEVADA

By: /s/ Mark Mathers  
Chief Financial Officer

## **APPENDIX A**

### **AUDITED BASIC FINANCIAL STATEMENTS OF WASHOE COUNTY SCHOOL DISTRICT, NEVADA FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE:** The audited basic financial statements of the District included in this Appendix A have been derived from the District's ACFR for the fiscal year ended June 30, 2025. The table of contents, introductory section, individual fund budgetary statements, and other items referred to in the auditor's report attached hereto has purposely been excluded from this Official Statement. Such information provides supporting details and is not necessary for a fair presentation of the basic financial statements of the District.

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Washoe County School District  
Reno, Nevada

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washoe County School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Washoe County School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washoe County School District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Washoe County School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matter***

As discussed in Note 13 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This resulted in a restatement of the beginning governmental activities net position of \$4,662,097. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Washoe County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Washoe County School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Washoe County School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions to Public Employees' Retirement System of the State of Nevada, the Schedule of Changes in the Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of District Contributions for Other Postemployment Benefits as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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(Continued)

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washoe County School District’s basic financial statements. The combining and individual fund statements and schedules for the year ended June 30, 2025 are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules for the year ended June 30, 2025 are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2025.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2025 on our consideration of Washoe County School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Washoe County School District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washoe County School District’s internal control over financial reporting and compliance.

Crowe LLP

Sacramento, California  
October 30, 2025

**Washoe County School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The management of the Washoe County School District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. This narrative should be read in conjunction with the transmittal letter presented in the introductory section of this report and the financial statements and notes following this section to enhance the understanding of the financial information presented.

**FINANCIAL HIGHLIGHTS**

- The General Fund had a surplus of \$3,076,816, as the amount of revenues exceeded expenditures and other uses. This is the seventh consecutive year that the General Fund has ended the fiscal year with a surplus. The primary reason for this year's surplus is higher-than-expected revenues, primarily investment income and base per-pupil state funding.
- As a result, the General Fund's total ending fund balance as of June 30, 2025, was \$74.159 million. The unrestricted portion of the fund balance (\$72.326 million) represents 10.4% of total actual expenditures and transfers out, just shy of the District's fund balance target of 12.0%.
- The District has continued to invest in modernizing its older facilities in accordance with its Facilities Modernization Plan (FMP). Outstanding general obligation debt increased by a net of \$148.198 million. The additional debt issued in FY25 will be used to fund construction of a new Stead Elementary School, a rebuild of the District's Central Transportation Yard, the modernizations of Reed High School and Mathews Elementary School, and demolition of the old Vaughn Middle School.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and the notes to the basic financial statements. Additionally, supplemental information to the financial statements is contained in this report.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide an overview of the District's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions that are supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to

**Washoe County School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other government agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide statements described above. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. To provide a better understanding of the relationship between the fund statements and the government-wide statements, both the governmental funds balance sheet and governmental funds statement of revenues, expenditures and changes in fund balance provide reconciliations between the two statement types.

The focus of the governmental fund statements is on major funds. A fund may qualify as a major fund if the revenues or expenditures, assets or liabilities meet specific criteria when compared to similar funds or the government as a whole. In addition, the District may elect to report funds as major even when they do not meet the criteria, for purposes of public interest.

The District has 53 individual governmental funds, of which five qualify as major funds: the General Fund, Debt Service Fund, the 2024A Extended Bond Rollover Fund, the 2024B Extended Bond Rollover Fund, and the 2025A WC-1 Bond Fund. The District has also chosen to categorize two additional funds as major funds: the WC-1 Sales Tax Revenue Fund and Special Education Fund. These funds are disclosed separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balance. The remaining 48 non-major governmental funds are combined into a single aggregated presentation in these statements. Individual fund data for each of the non-major funds is reported in combining statements in the supplementary information section of this report.

In accordance with state statutes, the District adopts an annual appropriation budget for each of its governmental funds and makes amendments to that budget periodically. A budgetary comparison is provided for each of the District's governmental funds to demonstrate compliance with the budget and is included in the fund financial statements.

*Proprietary funds* are comprised of enterprise funds and internal service funds. Enterprise funds are used to report an activity where a fee is charged to external users. The District's sole enterprise fund, the Nutrition Services Enterprise Fund, is used to account for the nutrition services operation of the District. Internal service funds are used to accumulate and allocate costs internally among the District's various programs and functions. The District uses three internal service funds to account for its self-insurance of property and casualty, employees' health care and workers' compensation. Because internal service fund operations primarily benefit governmental funds, they are included in the governmental activities column in the government-wide statements.

The proprietary fund financial statements present all three internal service funds in a single, aggregated column along with the enterprise fund in a separate column. Individual fund data for

**Washoe County School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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the internal service funds and the enterprise fund is provided in the combining statements in the supplementary information section of this report.

*Fiduciary funds* account for resources held for other governments or individuals outside of the District. As their resources do not support District activities, they are not included in the government-wide statements. The District has two custodial funds: the Nevada Interscholastic Athletic Association Fund for all school districts in Nevada, and the Education Alliance 501(c) Fund, which was recategorized this year from a special revenue fund to be a fiduciary fund. Additionally, the District has two trust funds: the Private Purpose Scholarship Trust Fund and the Other Postemployment Benefits (OPEB) Trust Fund. Additional information on the OPEB Trust Fund can be found in the separate audited financial statements prepared for the OPEB Trust Fund.

### **Notes to the Financial Statements**

The notes provide descriptions of the accounting and finance-related policies underlying amounts in the financial statements, more details about or explanations of amounts in the financial statements, and additional information necessary to understand the District's activities.

### **Required Supplementary Information**

The required supplementary information provides four schedules related to pension liabilities, OPEB liabilities and District contributions towards each. These schedules are the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of the District Contributions to the Public Employees' Retirement System of the State of Nevada, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of District Contributions for Other Postemployment Benefits.

### **Other**

*Supplementary information*, including combining and individual fund statements and schedules providing budget to actual comparisons, is presented after the government-wide financial statements. These schedules test compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. In addition, unaudited statistical information is provided on a ten-year basis, as available, for trend analysis and to provide a historical perspective.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

To enhance analysis, comparative information is provided for assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses, a comparative summarized statement of net position is presented in the following table.

**Washoe County School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**WASHOE COUNTY SCHOOL DISTRICT'S NET POSITION**

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Assets</b>						
Current and other assets	\$ 864,964,630	\$ 791,126,952	\$ 16,192,739	\$ 19,941,648	\$ 881,157,369	\$ 811,068,600
Net capital assets	1,570,703,518	1,416,924,682	6,756,729	4,585,486	1,577,460,247	1,421,510,168
Total assets	2,435,668,148	2,208,051,634	22,949,468	24,527,134	2,458,617,616	2,232,578,768
<b>Deferred Outflows</b>						
Deferred pension outflows	370,589,848	264,785,480	5,191,004	3,005,031	375,780,852	267,790,511
Deferred OPEB outflows	43,157,831	50,752,819	1,818,616	2,089,112	44,976,447	52,841,931
Deferred debt charges	7,739,146	9,469,603	-	-	7,739,146	9,469,603
Total deferred outflows	421,486,825	325,007,902	7,009,620	5,094,143	428,496,445	330,102,045
<b>Liabilities</b>						
Current liabilities	250,184,038	231,115,375	1,371,682	2,913,700	251,555,720	234,029,075
Long-term liabilities	2,408,234,446	2,236,259,587	13,039,571	14,478,720	2,421,274,017	2,250,738,307
Total liabilities	2,658,418,484	2,467,374,962	14,411,253	17,392,420	2,672,829,737	2,484,767,382
<b>Deferred Inflows</b>						
Deferred pension inflows	115,090,525	39,991,420	770,638	581,113	115,861,163	40,572,533
Deferred OPEB inflows	110,261,441	122,818,806	4,646,278	5,055,526	114,907,719	127,874,332
Total deferred inflows	225,351,966	162,810,226	5,416,916	5,636,639	230,768,882	168,446,865
<b>Net Position</b>						
Net investment in capital assets	439,896,845	368,683,451	6,756,729	4,585,486	446,653,574	373,268,937
Restricted	257,929,802	255,502,416	-	-	257,929,802	255,502,416
Unrestricted	(724,442,124)	(721,311,519)	3,374,190	2,006,732	(721,067,934)	(719,304,787)
Total net position	\$ (26,615,477)	\$ (97,125,652)	\$ 10,130,919	\$ 6,592,218	\$ (16,484,558)	\$ (90,533,434)

For more detailed information see the government-wide statement of net position and the notes to the financial statements.

**Net position**

The District's total assets and deferred outflows are less than the total liabilities and deferred inflows by \$16.485 million as of June 30, 2025. The net position increased by \$74.049 million from the prior year. There are many changes within the funds that impact the net position, the most significant of which are noted below:

- The largest factor contributing to the increase of the net position is the District's capital assets, with a net value of \$1.577 billion, which increased by \$155.950 million over the prior year. These positive changes are partially offset by the \$148.198 million increase in General Obligation Debt.
- Cash and investments, a component of current and other assets, increased by \$119.499 million. This was offset by a \$51.687 million decrease in receivables from other governments, due to the timing of distributions from the state and federal government, so that total current assets increased by \$70.089 million.
- Long-term liabilities increased by \$170.535 million due primarily to an increase of \$145.880 million for bonds payable and an increase to net pension liabilities of \$34.395 million. These costs were partially offset by decreases of \$6.684 million of Other Post-Employment Benefits (OPEB) liability, \$1.856 million in long term claims, and other sundry changes.

Overall, the District's net position is -\$16.485 million, but this is due to the recording of \$948.630 million of long-term pension liabilities. Even though the District's pension costs will be paid over many years, Generally Accepted Accounting Principles (GAAP) require the computation and reporting of these liabilities. The same is true for the District's long-term debt of \$1.325 billion, which will be paid over the next 30 years.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**WASHOE COUNTY SCHOOL DISTRICT'S STATEMENT OF ACTIVITIES**

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 14,972,931	\$ 15,207,343	\$ 6,428,362	\$ 2,521,881	\$ 21,401,293	\$ 17,729,224
Operating grants and contributions	143,046,343	181,810,558	27,446,815	32,348,330	170,493,158	214,158,888
Capital grants and contributions	11,069,176	17,044,310	-	-	11,069,176	17,044,310
General revenues						
Property taxes	90,313,448	85,287,470	-	-	90,313,448	85,287,470
WC1 sales tax revenue	66,446,076	65,026,507	-	-	66,446,076	65,026,507
Government services taxes	6,307,885	5,996,779	-	-	6,307,885	5,996,779
Unrestricted investment earnings	35,733,211	28,716,187	-	-	35,733,211	28,716,187
State aid not restricted to specific purposes	638,872,629	618,917,807	-	-	638,872,629	618,917,807
Other	38,194,779	38,472,658	-	-	38,194,779	38,472,658
Total revenues	<u>\$ 1,044,956,477</u>	<u>\$ 1,056,479,619</u>	<u>\$ 33,875,177</u>	<u>\$ 34,870,211</u>	<u>\$ 1,078,831,655</u>	<u>\$ 1,091,349,830</u>
<b>Expenses</b>						
Instruction						
Regular instruction	\$ 291,818,177	\$ 299,183,651	-	-	\$ 291,818,177	\$ 299,183,651
Special instruction	135,137,985	129,707,966	-	-	135,137,985	129,707,966
Vocational instruction	9,213,046	9,483,359	-	-	9,213,046	9,483,359
Other instruction	116,465,471	137,195,312	-	-	116,465,471	137,195,312
Adult education instruction	1,281,566	1,359,390	-	-	1,281,566	1,359,390
Community services instruction	718,927	777,426	-	-	718,927	777,426
Co-curricular instruction	20,658,521	21,004,294	-	-	20,658,521	21,004,294
Support services						
Instruction	420,032	9,670,517	-	-	420,032	9,670,517
Student support	54,095,462	50,729,729	-	-	54,095,462	50,729,729
Instructional staff support	15,668,177	16,436,841	-	-	15,668,177	16,436,841
General administration	8,814,474	8,373,679	-	-	8,814,474	8,373,679
School administration	47,963,131	46,897,886	-	-	47,963,131	46,897,886
Central services	49,935,395	58,351,320	-	-	49,935,395	58,351,320
Operation and maintenance	69,978,329	81,206,911	-	-	69,978,329	81,206,911
Student transportation	30,840,375	28,083,030	-	-	30,840,375	28,083,030
Other support	2,658	16,269	-	-	2,658	16,269
Nutrition services	-	-	30,336,476	44,692,294	30,336,476	44,692,294
Facilities	67,413,518	48,142,096	-	-	67,413,518	48,142,096
Interest on long-term debt	47,810,887	43,522,748	-	-	47,810,887	43,522,748
Issuance costs on debt	1,548,072	1,548,072	-	-	1,548,072	1,548,072
Total expenses	<u>969,784,203</u>	<u>991,690,496</u>	<u>30,336,476</u>	<u>44,692,294</u>	<u>1,000,120,679</u>	<u>1,036,382,790</u>
Increase (decrease) in net position	75,172,274	64,789,123	3,538,701	(9,822,083)	78,710,976	54,967,040
Net position, beginning	(97,125,652)	(161,631,465)	6,592,218	16,414,301	(90,533,434)	(145,217,164)
Changes within financial reporting entity	(4,662,097)	(283,310)	-	-	(4,662,097)	(283,310)
Net position, ending (as restated)	<u>\$ (26,615,477)</u>	<u>\$ (97,125,652)</u>	<u>\$ 10,130,919</u>	<u>\$ 6,592,218</u>	<u>\$ (16,484,557)</u>	<u>\$ (90,533,434)</u>

*For more detailed information see the government-wide statement of net position and the notes to the financial statements.*

**Revenues and expenses** of the District are depicted by type of activity in the above table. Total revenues decreased by \$11.532 million. This was primarily due to a decrease of \$38.764 million in operating grants and contributions, which is largely a reflection of the District's drawdown on its allocation of pandemic-related federal stimulus funding. State aid, primarily base per-pupil funding from the State, increased by \$19.954 million.

Total expenses decreased by \$36.262 million. There are two primary drivers of this reduction. The first is a decrease of \$14.356 million in business-type activities, which reflects decreased costs for the nutrition services program, while governmental activities showed an decrease in expenses of \$21.906 million. These changes are explained in later sections.

**Washoe County School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**GOVERNMENTAL ACTIVITIES – REVENUES BY FUNCTION**

	Governmental activities			
	2025	2024	Change from 2024	% Change from 2024
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 14,972,931	\$ 15,207,343	\$ (234,412)	(1.5)
Operating grants and contributions	143,046,343	181,810,558	(38,764,215)	(21.3)
Capital grants and contributions	11,069,176	17,044,310	(5,975,134)	(35.1)
General revenues				
Property taxes	90,313,448	85,287,470	5,025,978	5.9
WC1 sales tax revenue	66,446,076	65,026,507	1,419,569	2.2
Government services taxes	6,307,885	5,996,779	311,106	5.2
Unrestricted investment earnings	35,733,211	28,716,187	7,017,024	24.4
State aid not restricted to specific purposes	638,872,629	618,917,807	19,954,822	3.2
Other	38,194,779	38,472,658	(277,879)	(0.7)
Total revenues	<u>\$ 1,044,956,478</u>	<u>\$ 1,056,479,619</u>	<u>\$ (11,523,141)</u>	<u>(1.1)</u>

**Revenues**

Overall, total revenues for Governmental Activities decreased \$11.523 million compared to last fiscal year. Operating grants and contributions decreased \$38.764 million, as the District has spent down almost all of its remaining allocation of federal stimulus funding, which is known as Elementary and Secondary School Emergency Relief (ESSER). The District's total allocation, which it began receiving in 2020-21, was \$121.577 million. In FY24, the District received \$42.347 million of ESSER funding as reimbursement of expenses, while in FY25, it received \$9.493 million.

At the same time, State aid to the District increased by \$19.955 million. This consists almost entirely of adjusted base per-pupil funding received by the District from the State Education Fund. Base per-pupil funding is recorded in the General Fund and is used to pay for the general education of all students. The District also receives "weighted funding" in the categories of English Learners, At-Risk, and Gifted and Talented to support additional programs for these students, as well as Special Education funding.

**Other major revenue sources consist of:**

- The District receives property tax revenues from the County Treasurer attributable to the \$0.3885 debt rate assessed in Washoe County. These revenues increased \$5.026 million, or 5.9%.
- WC-1 sales tax revenue increased by \$1.420 million, from \$65.027 to \$66.446 million or 2.2%. 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.
- Investment earnings of all governmental funds increased \$7.017 million, due to the investment of the District's cash in longer-term securities at higher yields.

**Washoe County School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**GOVERNMENTAL ACTIVITIES –EXPENSES BY FUNCTION**

Expenses	Governmental activities			
	2025	2024	Change from 2024	% Change from 2024
Instruction				
Regular instruction	\$ 291,818,177	\$ 299,183,651	\$ (7,365,474)	(2.5)
Special instruction	135,137,985	129,707,966	5,430,019	4.2
Vocational instruction	9,213,046	9,483,359	(270,313)	(2.9)
Other instruction	116,465,471	137,195,312	(20,729,841)	(15.1)
Adult education instruction	1,281,566	1,359,390	(77,824)	(5.7)
Community services instruction	718,927	777,426	(58,499)	(7.5)
Co-curricular instruction	20,658,521	21,004,294	(345,773)	(1.6)
Total instruction	<u>575,293,693</u>	<u>598,711,398</u>	<u>(23,417,705)</u>	<u>(3.9)</u>
Support services				
Instruction	420,032	9,670,517	(9,250,485)	(95.7)
Student support	54,095,462	50,729,729	3,365,733	6.6
Instructional staff support	15,668,177	16,436,841	(768,664)	(4.7)
General administration	8,814,474	8,373,679	440,795	5.3
School administration	47,963,131	46,897,886	1,065,245	2.3
Central services	49,935,395	58,351,320	(8,415,925)	(14.4)
Operation and maintenance	69,978,329	81,206,911	(11,228,582)	(13.8)
Student transportation	30,840,375	28,083,030	2,757,345	9.8
Other support	2,658	16,269	(13,611)	(83.7)
Facilities	67,413,518	48,142,096	19,271,422	40.0
Interest on long-term debt	47,810,887	43,522,748	4,288,139	9.9
Issuance costs on debt	1,548,072	1,548,072	-	-
Total support services	<u>394,490,510</u>	<u>392,979,098</u>	<u>1,511,412</u>	<u>0.4</u>
Total expenses	<u>\$ 969,784,203</u>	<u>\$ 991,690,496</u>	<u>\$ (21,906,293)</u>	<u>(2.2)</u>

**Expenses**

Total governmental expenses decreased from the prior fiscal year by \$21.906 million, or 2.2%.

Instruction expenses accounted for \$575.294 million, or 59.3% of all governmental expenses, with 74.2% of instruction dollars spent for regular and special instruction.

The remaining \$394.491 million, or 40.7%, 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 \$120.408 million, or 12.4% of all expenses; central services of \$51.973 million, or 5.4%; student support of \$54.546 million, or 5.6%; school administration totaling \$47.990 million, or 5.0%; and interest on long-term debt of \$47.811 million, or 4.9%.

**Business-type activities**

The Nutrition Services Enterprise Fund is the District's sole business-type activity. The fund's net position as of June 30, 2025, was \$10.131 million, an improvement of \$3.539 million over last fiscal year.

In FY25, the federal government discontinued funding of universal free meals at schools, which it had begun after the COVID-19 pandemic. This change, which necessitated going back to charging students for breakfast and lunch unless they met federal income levels to qualify for free

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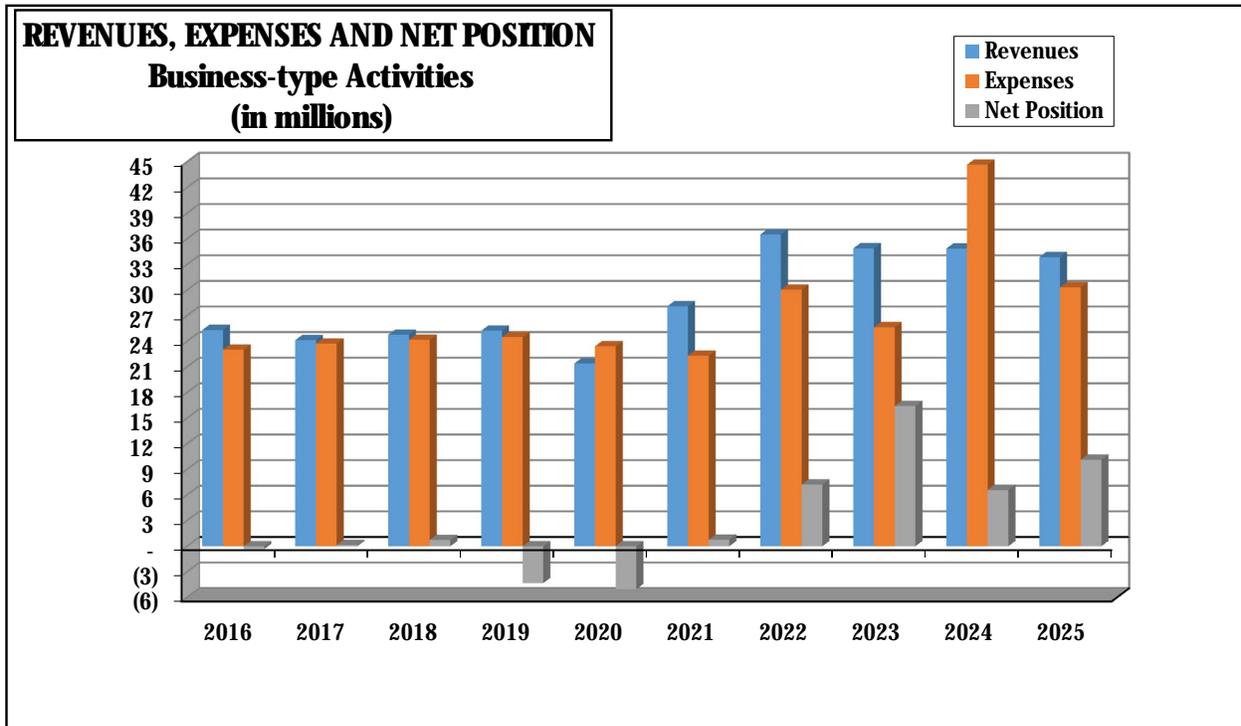
The Nutrition Services Enterprise Fund is the District's sole business-type activity. The fund's net position as of June 30, 2025, was \$10.131 million, an improvement of \$3.539 million over last fiscal year.

In FY25, the federal government discontinued funding of universal free meals at schools, which it had begun after the COVID-19 pandemic. This change, which necessitated going back to charging students for breakfast and lunch unless they met federal income levels to qualify for free or reduced meals, greatly impacted operations and financial performance. With the end of universal free meals, the District saw a decrease in the number of total meals served from 8.307 million meals in FY24 (46,931 daily average) to 7.238 million meals served in FY25 (38,917 daily average).

As a result of reduced federal meal subsidies and the overall decrease in meals served, total revenues for this fund decreased from the prior year by \$0.995 million. Meal charges (i.e., for meals to students not qualifying for free and reduced lunch) increased by \$3.906 million but that was offset partially by a decrease in federal reimbursements. A one-time state grant of \$1.917 million in FY24, which was not duplicated in FY25, also accounts for reduced enterprise fund revenues in FY25.

Total expenses of the fund decreased \$14.355 million in FY25. Costs for food and supplies decreased by \$2.376 million to \$14.460 million, which reflects a reduction in food quantities ordered due to lower meal participation in FY25. The other reason for the decrease in expenses relates to the calculation of the fund's proportionate share of the District's net pension liability. During the year ended June 30, 2024, the District calculated the Nutrition Services Fund's long-term pension liability to be \$13.094 million, an increase of \$9.166 million. After accounting for deferred outflows of resources and deferred inflows of resources, the fund's long-term pension expense for the year ended June 30, 2025 decreased \$3.197 million.

A ten-year history of fund activity follows:



**Washoe County School District  
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**FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS**

The Washoe County School District uses fund accounting and budgetary integration to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Washoe County School District's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's current funding requirements. Unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year.

The District's governmental funds reported combined ending fund balances of \$690.100 million, an increase of \$69.196 million from the prior year.

**General Fund.** As of June 30, 2025, the total fund balance was \$74.159 million, compared to \$71.082 million in the prior year; an increase of \$3.077 million. This is the seventh consecutive year the District has had a surplus, the result of effective multi-year budgeting efforts to prevent deficit spending. As a gauge of the General Fund's liquidity and level of reserves, the District measures the unrestricted portion of total fund balance to total fund expenditures and transfers out. This year's total unrestricted fund balance of \$72.326 million represents 11.2% of total fund expenditures and transfers out.

Listed below are the key factors in fund balance changes during the fiscal year.

- Total General Fund revenues increased from \$633.199 million to \$651.072 million, an increase of \$17.873 million, or 2.8%. While the District's base per-pupil amount increased 5.0% from \$9,243 to \$9,705 per pupil, this was offset by a decrease in enrollment of more than 800 students.
- Total expenditures of \$554.775 million increased from the prior year by \$21.100 million, or 3.95%. The increased expenditures were mainly due to cost of living increases and merit increases for employees, most of which were funded by the General Fund.
- The excess of revenues over expenditures was \$96.297 million. However, transfers out to other funds were \$93.300 million, including a transfer of \$80.661 million to the Special Education Fund.

**The Special Education Fund** accounts for resources (state-aid and transfers from the General Fund) used to provide special education to eligible students. In 1993, the Nevada State Legislature enacted legislation that requires the special education program (previously accounted for in the General Fund) to be accounted for in a separate special revenue fund. Although reported separately, any deficiencies of revenues under expenditures in the Special Education Fund are compensated for by transfer of monies from the General Fund. Resources and expenditures totaled \$118.138 million, an increase from the prior year of \$9.672 million, or 8.9%. Fund resources consisted of State funding of \$37.476 million and transfers from the General Fund of \$80.661 million. Transfers from the General Fund to cover special education expenditures increased by \$8.983 million, or 12.5%.

**The Debt Service Fund** has a total fund balance of \$88.533 million, all of which is restricted for the payment of debt service and capital projects. Pursuant to state law, the District must maintain a debt service fund balance of at least 25% of the amount of principal and interest payments due on all the outstanding general obligation debt within the next fiscal year. The statutorily required reserve amount for the fiscal year ended June 30, 2025, is \$30.241 million. The District's actual debt service fund balance is thus roughly 2.9 times the minimum amount required by law. The

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fund balance increased by \$8.485 million from the prior fiscal year. Total property taxes increased by \$5.026 million, and interest earnings increased by \$0.743 million.

**The WC-1 Sales Tax Revenue Fund** is used to account for capital projects paid for with funds generated by the November 2016 WC-1 ballot measure imposing a sales and use tax of 0.54% to fund capital projects for the acquisition, construction, repair, and renovation of school facilities. Monies received that exceed the amount needed for payment of debt service may be used for pay-as-you-go projects. Sales tax revenues from this source totaled \$69.610 million, a very small increase over the prior year. Expenditures of approximately \$51.851 million included partial funding of construction of the new Debbie Smith Career and Technical Education (CTE) High School, modernization of the Central Transportation Yard and design of a new elementary school at the current Pine Middle School site. The fund also transferred \$35.331 million for debt service payments to the Debt Service WC-1 Fund. The ending fund balance decreased by \$17.571 million, from \$75.469 million to \$57.898 million.

**The 2024A Extended Bond Rollover Fund** is used to account for bond proceeds of a \$130 million general obligation bond issued in May 2024. During FY25, expenditures of \$70.413 million included \$59.960 million for the rebuild of E. Otis Vaughn Middle School, \$4.381 million for information technology infrastructure projects at schools, and \$3.890 million of carpentry projects. The ending fund balance of \$72.805 million consists of unspent bond funds and investment income, which will be needed for completion of the above project in future years.

**The 2024B Extended Bond Rollover Fund** is used to account for bond proceeds of a general obligation bond issued in October 2024 in the amount of \$115.515 million. Projects to be funded by this bond include the construction of the new Stead Elementary School, improvements to the Getto Central Transportation Yard, the demolition of the old E. Otis Vaughn Middle School and furnishings and equipment for the new E. Otis Vaughn Middle School. During FY25, expenditures of approximately \$17.415 million included \$0.552 million to pay for underwriting fees and other costs of issuance and \$14.508 million for the construction of the new Stead Elementary School. The ending fund balance of \$97.839 million consists of unspent bond funds and investment income, which will be needed for completion of the above project in future years.

**The 2025A WC-1 Bond Fund** is used to account for bond proceeds of a general obligation bond that pledges future sales taxes for payment of debt service. This bond was issued in March 2025 in the amount of \$100.0 million. The proceeds of the bonds will be used primarily to finance the construction of the modernizations of Reed High School and Mathews Elementary School, and the design of various future modernization projects. During FY25, expenditures of approximately \$2.166 million consisted of \$1.076 million for payment of underwriting fees and other costs of issuance and \$1.090 million for construction of the modernization of Reed High School. The ending fund balance of \$101.358 million consists of unspent bond funds and investment income, which will be needed for completion of the above project in future years.

**Proprietary funds.** The proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

The District's self-insured Property and Casualty, Health Insurance, and Workers' Compensation Internal Service Funds have a combined net position balance of \$38.1 million, an increase of \$2.6 million from the prior fiscal year.

The Property and Casualty Fund had an ending net position of \$6.564 million compared to \$4.281 million in the prior fiscal year. The \$2.283 million increase in the net position in the Property and

**Washoe County School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Casualty Fund is primarily due to \$1.110 million of decreased claims and other costs and \$1.479 million of increased revenues.

The Health Insurance Fund had an ending net position of \$25.091 million compared to \$31.564 million in the prior fiscal year. The \$6.473 million decrease in net position for the Health Insurance Fund is attributable to a \$19.904 million increase of premiums and claims costs, which reflects increased utilization of services by active and retired members of the plan and rising medical costs. This was partially offset by increased revenues of \$12.181 million due to an increase in both the number of participants in the plan and health insurance rates.

The Workers' Compensation Fund had an ending net position of \$2.837 million compared to \$2.207 million in the prior year. The \$0.630 million increase in net position in the Workers' Compensation fund is primarily due to operating revenues exceeding budget by \$0.274 million, a reduction in claims and administrative costs of \$0.126 million compared to last fiscal year, and \$0.249 of investment earnings above budget.

The District's net position in both the Property and Casualty Fund and Workers Compensation funds provides for an actuarially sound level of reserves at more than a 75% confidence level.

### **GENERAL FUND COMPARISON TO ACTUAL RESULTS**

In accordance with State statutes, the District adopts its original budget on or before June 8 of the prior fiscal year. During a legislative year, the District is allowed to adopt an amended final budget within 30 days of the legislative adjournment, which then becomes the original budget. The District is also required to amend the budget by January 1 of the fiscal year to reflect the first quarter average daily enrollment count. During the fiscal year, the Chief Financial Officer is authorized to transfer appropriations between accounts and funds, subject to subsequent approval by the Board of Trustees. The District may also augment the budget by a majority vote of the Board if anticipated additional resources become available during the fiscal year.

#### **Original Budget Compared to Final Budget**

The District augmented the FY25 General Fund budget on December 10, 2024 by \$10.397 million, to reflect an unbudgeted increase in beginning fund balance of \$4.059 million and an increase of \$6.338 million in anticipated per-pupil funding.

The District also adjusted the FY25 General Fund budget on June 6, 2025. There was a net increase to total expenditures of \$3.0 million from available beginning fund balance. This augmentation was to ensure compliance with relevant Nevada Revised Statutes and was approved by the Board of Trustees.

#### **Final Budget Compared to Actual Results**

Total actual revenues in the year ended on June 30, 2025 exceeded the Final Budget by \$6,624,539, or 1.0%. Within the category of local sources, investment earnings and unrealized investment gains exceeded the budget by \$4.260 million. State sources, consisting of State Education Fund revenues, were \$1.662 million greater than budgeted, as enrollment declines throughout the fiscal year were less than projected.

Total actual expenditures were 98.8% of budgeted revenues, resulting in a positive variance (expenditures were less than budgeted) of \$6.795 million. Actual salary and benefits were \$8.586 million less than budgeted. The District achieved salary savings during the fiscal year due

**Washoe County School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

to vacancies and turnover of personnel, but most District employees received cost-of-living salary increases of 2.0%, as well as receiving annual merit increases. Significant savings were achieved in purchased services (\$0.749 million) and supplies (\$4.724 million).

However, transfers out to other funds were \$5.382 million greater than budgeted, due to transfers to capital project funds for future textbook adoptions, bus purchases, and a new Enterprise Resource Planning (ERP) system for the District.

Overall, the General Fund's total sources exceeded uses by \$3.077 million, compared to a budgeted shortfall of \$4.990 million. The \$3.077 million surplus represents a relatively modest variance of 0.5% to total budgeted uses (combined expenditures and transfers out).

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounts to \$1.571 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. Net capital assets increased during the current fiscal year by \$153.779 million.

	<u>2025</u>		<u>2024</u>		<u>Change</u>
<b>Governmental Activities</b>					
Land	\$ 108,168,562	\$	108,868,435	\$	(699,873)
Construction in progress	123,366,331		147,886,930		(24,520,599)
Buildings	1,286,316,544		1,113,713,323		172,603,221
Improvements other than buildings	27,937,577		26,873,954		1,063,623
Machinery and equipment	24,914,504		19,582,041		5,332,463
Total	<u>\$ 1,570,703,518</u>	\$	<u>1,416,924,683</u>	\$	<u>153,778,835</u>
<b>Business-type Activities</b>					
Construction in progress	\$ 2,076,426	\$	-	\$	2,076,426
Buildings	886,006		1,355,773		(469,767)
Machinery and equipment	3,794,297		3,229,713		564,584
Total	<u>\$ 6,756,729</u>	\$	<u>4,585,486</u>	\$	<u>2,171,243</u>

**DEBT ADMINISTRATION**

The District's outstanding debt increased by a net amount of \$148.198 million during the current fiscal year. This is attributable to the issuance of \$210.515 million in long-term general obligation bond debt. Decreases resulted from \$62.317 million in debt principal payments.

**WASHOE COUNTY SCHOOL DISTRICT OUTSTANDING DEBT**

	<u>2025</u>	<u>2024</u>
General obligation bonds	\$ 1,390,020,000	\$ 1,239,740,000
Medium-term debt	<u>2,630,000</u>	<u>4,712,000</u>
Total	<u>\$ 1,392,650,000</u>	<u>\$ 1,244,452,000</u>

**Washoe County School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

fund balances of the two debt service funds were \$109.029 million, which as noted previously is well in excess of the statutorily required level of reserves of \$30.241 million.

In February 2025, Standard & Poor's and Moody's Investors Service affirmed their ratings of AA and Aa3, respectively, of the District's general obligation bonds.

Additional information on the District's long-term debt can be found in Note 6 of this report.

**FUTURE CONSIDERATIONS AND NEXT YEAR'S BUDGET**

The District's Board of Trustees approved an amended final budget for Fiscal Year 2025-26 on June 24, 2025. The District's combined budget, less interfund transfers, totaled \$1.408 billion. Due to flat increases in base per-pupil funding in FY26, combined with falling enrollment, the preliminary deficit of the General Fund at the start of the budget process was estimated to be \$9.67 million. The Board approved many budget reductions during the FY26 budget process, but at the end of the budget process, there remained a \$2.09 million shortfall between ongoing revenues and ongoing expenditures within the General Fund budget. This was covered by drawing down on the General Fund's fund balance.

The District continues to address falling enrollment in the District, which is caused by both demographic factors such as falling birth rates and construction of additional charter schools in the county. In September 2025, the Board of Trustees received a presentation on preliminary budget trends for the 2026-27 budget. Due both to decreasing enrollment and nominal increases in State funding in 2026-27, a preliminary deficit in the General Fund was projected at \$8.30 million. Additional measures to reduce this deficit will be presented later in the budget process.

**REQUESTS FOR INFORMATION**

This report is designed to provide a general overview of the Washoe County School District's finances for all interested parties. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

Washoe County School District  
C/O Chief Financial Officer  
P.O. Box 30425  
Reno, NV 89520-3425

By November 30, 2025, this report will be available at [www.washoeschools.net](http://www.washoeschools.net).

# BASIC FINANCIAL SECTION

## GOVERNMENT-WIDE FINANCIAL STATEMENTS FUND FINANCIAL STATEMENTS

Governmental Funds

Proprietary Funds

Fiduciary Funds



*Washoe County  
School District*

**WASHOE COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 817,606,974	\$ 6,256,896	\$ 823,863,870
Receivables			
Property taxes	1,613,116	-	1,613,116
Grants	20,613,281	-	20,613,281
Miscellaneous	1,895,894	8,802,306	10,698,200
Due from other governments	20,484,829	-	20,484,829
Prepaid expenses	1,000	10	1,010
Inventories	<u>2,749,536</u>	<u>1,133,527</u>	<u>3,883,063</u>
Total current assets	<u>864,964,630</u>	<u>16,192,739</u>	<u>881,157,369</u>
Noncurrent assets			
Capital assets			
Land and construction in progress	231,534,893	2,076,426	233,611,319
Other capital assets, net of depreciation	<u>1,339,168,625</u>	<u>4,680,303</u>	<u>1,343,848,928</u>
Total noncurrent assets	<u>1,570,703,518</u>	<u>6,756,729</u>	<u>1,577,460,247</u>
Total assets	<u>2,435,668,148</u>	<u>22,949,468</u>	<u>2,458,617,616</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pension	370,589,848	5,191,004	375,780,852
Deferred outflows of resources related to OPEB	43,157,831	1,818,616	44,976,447
Deferred debt retirement charges	<u>7,739,146</u>	-	<u>7,739,146</u>
Total deferred outflows of resources	<u>421,486,825</u>	<u>7,009,620</u>	<u>428,496,445</u>
Total assets and deferred outflows of resources	<u>\$ 2,857,154,973</u>	<u>\$ 29,959,088</u>	<u>\$ 2,887,114,061</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 43,813,251	\$ 162,456	\$ 43,975,707
Construction contracts payable	7,954,048	-	7,954,048
Accrued liabilities	60,149,685	494,939	60,644,624
Interest payable	9,793,476	-	9,793,476
Due to other governments	383,301	-	383,301
Unearned revenue	6,822,423	714,287	7,536,710
Current portion long term debt	<u>121,267,854</u>	-	<u>121,267,854</u>
Total current liabilities	<u>250,184,038</u>	<u>1,371,682</u>	<u>251,555,720</u>
Noncurrent liabilities			
General obligation bonds payable	1,325,385,000	-	1,325,385,000
Premiums on long term debt	96,636,220	-	96,636,220
Other long-term debt payable	900,000	-	900,000
Accrued compensated absences	11,647,875	-	11,647,875
Net pension liability	936,736,091	11,894,057	948,630,148
Net OPEB liability	27,184,357	1,145,514	28,329,871
Long term claims	<u>9,744,903</u>	-	<u>9,744,903</u>
Total noncurrent liabilities	<u>2,408,234,446</u>	<u>13,039,571</u>	<u>2,421,274,017</u>
Total liabilities	<u>2,658,418,484</u>	<u>14,411,253</u>	<u>2,672,829,737</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pension	115,090,525	770,638	115,861,163
Deferred inflows of resources related to OPEB	<u>110,261,441</u>	<u>4,646,278</u>	<u>114,907,719</u>
Total deferred inflows of resources	<u>225,351,966</u>	<u>5,416,916</u>	<u>230,768,882</u>
Total liabilities and deferred inflows of resources	<u>2,883,770,450</u>	<u>19,828,169</u>	<u>2,903,598,619</u>
<b>NET POSITION</b>			
Net investment in capital assets	439,896,845	6,756,729	446,653,574
Restricted for			
Debt service	109,028,714	-	109,028,714
Capital projects	97,390,763	-	97,390,763
Special revenue	51,510,325	-	51,510,325
Unrestricted	<u>(724,442,124)</u>	<u>3,374,190</u>	<u>(721,067,934)</u>
Total net position	<u>\$ (26,615,477)</u>	<u>\$ 10,130,919</u>	<u>\$ (16,484,558)</u>

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDING JUNE 30, 2025**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			PROGRAM REVENUES	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Governmental activities</b>							
Instruction							
Regular instruction	\$ 291,818,177	\$ -	\$ 11,522,568	\$ -	(280,295,609)	\$ -	(280,295,609)
Special instruction	135,137,985	-	53,599,795	-	(81,538,190)	-	(81,538,190)
Vocational instruction	9,213,046	-	1,649,298	-	(7,563,748)	-	(7,563,748)
Other instruction	116,465,471	505,909	70,909,382	11,069,176	(33,981,004)	-	(33,981,004)
Adult education instruction	1,281,566	-	1,280,471	-	(1,095)	-	(1,095)
Community services instruction	718,927	-	718,198	-	(729)	-	(729)
Co-curricular instruction	20,658,521	14,467,022	-	-	(6,191,499)	-	(6,191,499)
Total instruction	575,293,693	14,972,931	139,679,712	11,069,176	(409,571,874)	-	(409,571,874)
Support services							
Instruction	420,032	-	1,543,840	-	1,123,808	-	1,123,808
Student support	54,095,462	-	198,343	-	(53,897,119)	-	(53,897,119)
Instructional staff support	15,668,177	-	72,879	-	(15,595,298)	-	(15,595,298)
General administration	8,814,474	-	597,039	-	(8,217,435)	-	(8,217,435)
School administration	47,963,131	-	-	-	(47,963,131)	-	(47,963,131)
Central services	49,935,395	-	-	-	(49,935,395)	-	(49,935,395)
Operation and maintenance	69,978,329	-	7,255	-	(69,971,074)	-	(69,971,074)
Student transportation	30,840,375	-	947,275	-	(29,893,100)	-	(29,893,100)
Other support	2,658	-	-	-	(2,658)	-	(2,658)
Facilities	67,413,518	-	-	-	(67,413,518)	-	(67,413,518)
Interest on long-term debt	49,358,959	-	-	-	(49,358,959)	-	(49,358,959)
Total support services	394,490,510	-	3,366,631	-	(391,123,879)	-	(391,123,879)
Total governmental activities	969,784,203	14,972,931	143,046,343	11,069,176	(800,695,753)	-	(800,695,753)
<b>Business-type activities</b>							
Nutrition services	30,336,476	6,428,362	27,446,815	-	-	3,538,701	3,538,701
Total school district	\$ 1,000,120,679	\$ 21,401,293	\$ 170,493,158	\$ 11,069,176	(800,695,753)	3,538,701	(797,157,052)
<b>General revenues</b>							
Property taxes, levied for debt service					90,313,448	-	90,313,448
WC-1 sales tax revenues					66,446,076	-	66,446,076
Government service taxes for capital purposes					6,307,885	-	6,307,885
Unrestricted investment earnings					35,733,211	-	35,733,211
State aid not restricted to specific purposes					638,872,629	-	638,872,629
Other local sources					37,523,421	-	37,523,421
Federal aid not restricted to specific purposes					671,358	-	671,358
Total general revenues and transfers					875,868,028	-	875,868,028
Change in net position					75,172,275	3,538,701	78,710,976
<b>NET POSITION, July 1</b>					(97,125,655)	6,592,218	(90,533,437)
<b>Restatement due to implementation of GASB 101 (note 13)</b>					(4,662,097)	-	(4,662,097)
<b>NET POSITION, July 1</b>					(101,787,752)	6,592,218	(95,195,534)
<b>NET POSITION, June 30</b>					\$ (26,615,477)	\$ 10,130,919	\$ (16,484,558)

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2025**

	GENERAL FUND	2025A WC-1 G.O. BONDS FUND	WC1 SALES TAX REVENUE FUND FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	2024A EXTENDED BOND ROLLOVER FUND	2024B EXTENDED BOND ROLLOVER FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>									
Cash and investments	\$ 112,671,230	\$ 102,447,615	\$ 45,093,398	\$ 8,492,214	\$ 86,898,418	\$ 86,618,055	\$ 103,314,458	\$ 215,033,108	\$ 760,568,496
Receivables									
Property taxes	72,364	-	-	2,788	1,537,420	-	-	544	1,613,116
Grants	(96)	-	-	-	-	-	-	20,613,377	20,613,281
Miscellaneous	1,397,567	-	-	59,318	-	-	-	420,495	1,877,380
Due from other funds	10,368,433	-	-	-	-	-	-	-	10,368,433
Due from other governments	1,148	-	19,815,049	-	97,562	-	-	571,070	20,484,829
Prepaid expenditures	-	-	-	-	-	-	-	1,000	1,000
Inventories	1,833,559	-	-	-	-	-	-	915,977	2,749,536
Total assets	<u>\$ 126,344,205</u>	<u>\$ 102,447,615</u>	<u>\$ 64,908,447</u>	<u>\$ 8,554,320</u>	<u>\$ 88,533,400</u>	<u>\$ 86,618,055</u>	<u>\$ 103,314,458</u>	<u>\$ 237,555,571</u>	<u>\$ 818,276,071</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 9,859,155	\$ 1,035,107	\$ 3,922,716	\$ 209,705	\$ 700	\$ 12,093,809	\$ 4,357,909	\$ 11,077,499	\$ 42,556,600
Construction contracts payable	-	54,479	3,043,924	-	-	1,718,879	1,117,298	2,019,468	7,954,048
Accrued liabilities	41,933,100	-	44,012	8,344,615	-	-	-	9,769,874	60,091,601
Due to other funds	-	-	-	-	-	-	-	10,368,433	10,368,433
Due to other governments	383,301	-	-	-	-	-	-	-	383,301
Funds received in advance	9,151	-	-	-	-	-	-	6,813,272	6,822,423
Total liabilities	<u>52,184,707</u>	<u>1,089,586</u>	<u>7,010,652</u>	<u>8,554,320</u>	<u>700</u>	<u>13,812,688</u>	<u>5,475,207</u>	<u>40,048,546</u>	<u>128,176,406</u>
<b>FUND BALANCE</b>									
Nonspendable	1,833,559	-	-	-	-	-	-	916,977	2,750,536
Restricted	-	101,358,029	57,897,795	-	88,532,700	72,805,367	97,839,251	183,727,009	602,160,151
Assigned	4,763,329	-	-	-	-	-	-	12,863,039	17,626,368
Unassigned	67,562,610	-	-	-	-	-	-	-	67,562,610
Total fund balance	<u>74,159,498</u>	<u>101,358,029</u>	<u>57,897,795</u>	<u>-</u>	<u>88,532,700</u>	<u>72,805,367</u>	<u>97,839,251</u>	<u>197,507,025</u>	<u>690,099,665</u>
Total liabilities and fund balance	<u>\$ 126,344,205</u>	<u>\$ 102,447,615</u>	<u>\$ 64,908,447</u>	<u>\$ 8,554,320</u>	<u>\$ 88,533,400</u>	<u>\$ 86,618,055</u>	<u>\$ 103,314,458</u>	<u>\$ 237,555,571</u>	<u>\$ 818,276,071</u>

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

Total fund balances for governmental funds		\$ 690,099,665
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Land and construction in progress	\$ 231,534,893	
Capital assets subject to depreciation	2,001,958,597	
Less accumulated depreciation	<u>(662,789,972)</u>	
Other deferred outflows used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		1,570,703,518
Deferred debt charges	26,773,084	
Less accumulated amortization	<u>(19,033,938)</u>	
Deferred inflows and outflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.		7,739,146
Deferred outflows of resources related to pension	369,959,921	
Deferred inflows of resources related to pension	<u>(114,912,395)</u>	
Deferred inflows and outflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds.		255,047,526
Deferred outflows of resources related to OPEB	43,079,895	
Deferred inflows of resources related to OPEB	<u>(110,062,327)</u>	
Long-term liabilities, including bonds payable and net pension liability are not due and payable in the current period and therefore are not reported in the governmental funds.		(66,982,432)
General obligation bonds payable	(1,390,020,000)	
Premium	(154,644,729)	
Less accumulated amortization	50,738,545	
Other long-term debt payable	(2,630,000)	
Net pension liability	(935,337,650)	
Net OPEB liability	(27,135,267)	
Compensated absences	<u>(48,942,549)</u>	
		(2,507,971,650)
Interest payable		(9,793,476)
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net position of the internal service funds are reported with governmental activities.		34,542,226
Total net position of governmental activities		<u>\$ (26,615,477)</u>

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEAR ENDING JUNE 30, 2025**

	GENERAL FUND	2025A WC-1 G.O. BONDS FUND	WC1 SALES TAX REVENUE FUND FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	2024A EXTENDED BOND ROLLOVER FUND	2024B EXTENDED BOND ROLLOVER FUND	(Formerly Major) FOUNDATIONS -NON GOVT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>										
Local sources	\$ 12,494,628	\$ 1,160,831	\$ 69,610,709	\$ -	\$ 97,185,715	\$ 6,241,618	\$ 3,461,494		50,380,549	\$ 240,535,544
State sources	638,234,390	-	-	37,476,070	-	-	-		75,703,236	751,413,696
Federal sources	343,621	-	-	-	-	-	-		52,663,616	53,007,237
Total revenues	<u>651,072,639</u>	<u>1,160,831</u>	<u>69,610,709</u>	<u>37,476,070</u>	<u>97,185,715</u>	<u>6,241,618</u>	<u>3,461,494</u>		<u>178,747,401</u>	<u>1,044,956,477</u>
<b>EXPENDITURES</b>										
Current										
Regular programs	287,830,892	-	-	-	-	-	-		4,391,980	292,222,872
Special programs	-	-	-	118,137,549	-	-	-		16,955,136	135,092,685
Vocational programs	7,568,042	-	-	-	-	-	-		1,649,298	9,217,340
Other instructional programs	45,297	-	-	-	-	-	-		116,353,805	116,399,102
Adult education programs	-	-	-	-	-	-	-		1,280,471	1,280,471
Community service programs	-	-	-	-	-	-	-		718,198	718,198
Co-curricular programs	6,124,856	-	-	-	-	-	-		14,379,070	20,503,926
Undistributed expenditures										
Instruction	-	-	-	-	-	-	-		63,965	63,965
Student support	53,914,185	-	-	-	-	-	-		198,343	54,112,528
Instructional staff support	15,559,883	-	-	-	-	-	-		72,879	15,632,762
General administration	8,209,142	-	-	-	-	-	-		597,039	8,806,181
School administration	47,992,642	-	-	-	-	-	-		-	47,992,642
Central services	40,006,947	1,076,476	-	-	-	478,888	551,905		7,528,074	49,642,290
Operation and maintenance	64,123,770	-	-	-	-	-	-		956,495	65,080,265
Student transportation	23,399,601	-	-	-	-	-	-		4,839,339	28,238,940
Capital outlay	-	1,089,586	51,851,004	-	-	69,934,217	16,863,733		89,507,370	229,245,910
Debt service										
Principal	-	-	-	-	49,467,000	-	-		12,850,000	62,317,000
Interest and debt service expenditures	-	-	-	-	31,090,896	-	-		22,480,800	53,571,696
Dues & fees	-	-	-	-	9,100	-	-		-	9,100
Total expenditures	<u>554,775,257</u>	<u>2,166,062</u>	<u>51,851,004</u>	<u>118,137,549</u>	<u>80,566,996</u>	<u>70,413,105</u>	<u>17,415,638</u>		<u>294,822,262</u>	<u>1,190,147,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>96,297,382</u>	<u>(1,005,231)</u>	<u>17,759,705</u>	<u>(80,661,479)</u>	<u>16,618,719</u>	<u>(64,171,487)</u>	<u>(13,954,144)</u>		<u>(116,074,861)</u>	<u>(145,191,396)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Bonds issued	-	100,000,000	-	-	-	-	110,515,000		-	210,515,000
Bond premium	-	2,363,260	-	-	-	-	1,278,395		-	3,641,655
Proceeds from sale of property	79,494	-	-	-	-	-	-		150,971	230,465
Transfers in	-	-	-	80,661,479	2,208,023	-	-		69,379,943	152,249,445
Transfers out	(93,300,060)	-	(35,330,800)	-	(10,341,386)	-	-		(13,277,199)	(152,249,445)
Total other financing sources (uses)	<u>(93,220,566)</u>	<u>102,363,260</u>	<u>(35,330,800)</u>	<u>80,661,479</u>	<u>(8,133,363)</u>	<u>-</u>	<u>111,793,395</u>		<u>56,253,715</u>	<u>214,387,120</u>
Net change in fund balance	3,076,816	101,358,029	(17,571,095)	-	8,485,356	(64,171,487)	97,839,251		(59,821,146)	69,195,724
<b>FUND BALANCE, July 1</b>	<u>71,082,682</u>	<u>-</u>	<u>75,468,890</u>	<u>-</u>	<u>80,047,344</u>	<u>136,976,854</u>	<u>-</u>	<u>-</u>	<u>257,328,171</u>	<u>620,903,941</u>
<b>FUND BALANCE, June 30</b>	\$ <u>74,159,498</u>	\$ <u>101,358,029</u>	\$ <u>57,897,795</u>	\$ <u>-</u>	\$ <u>88,532,700</u>	\$ <u>72,805,367</u>	\$ <u>97,839,251</u>	\$ <u>-</u>	\$ <u>197,507,025</u>	\$ <u>690,099,665</u>

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
YEAR ENDING JUNE 30, 2025**

Net change in fund balances - governmental funds	\$	69,195,724
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
Expenditures for capital assets	\$ 219,785,813	
Less current year depreciation	<u>(65,776,510)</u>	154,009,303
Loss on disposal of assets reported on Statement of Activities differs from the amount reported in the governmental funds due to capital assets not being reported in governmental funds.		(230,465)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(3,100,408)
Issuance of long-term debt (e.g. refunding debt) provides current financial resources to the governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds.		
Bonds issued	(210,515,000)	
Bond premium issued Bond premium amortization	(3,641,655) 7,313,145	
Payment of principal	<u>62,317,000</u>	(144,526,508)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Conversely, some expenses reported in the Statement of Activities last year are reported as expenditures in the governmental funds this year.		
Change in long-term compensated absences Change in other postemployment benefits net liability	(3,425,274) <u>11,458,590</u>	8,033,316
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Pension expense	<u>(4,699,298)</u>	(4,699,298)
Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.		<u>(3,509,391)</u>
Change in net position of governmental activities	\$	<u><u>75,172,275</u></u>

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDING JUNE 30, 2025**

	<u>BUDGET</u>			<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Local sources	\$ 7,516,011	\$ 7,516,011	\$ 12,494,628	\$ 4,978,617
State sources	630,233,850	636,572,089	638,234,390	1,662,301
Federal sources	360,000	360,000	343,621	(16,379)
Total revenues	<u>638,109,861</u>	<u>644,448,100</u>	<u>651,072,639</u>	<u>6,624,539</u>
<b>EXPENDITURES</b>				
Current				
Regular programs	279,593,606	288,224,488	287,830,892	393,596
Vocational programs Other	7,620,032	7,585,217	7,568,042	17,175
instructional programs Co-	263,504	150,000	45,297	104,703
curricular programs	5,694,752	6,394,801	6,124,856	269,945
Undistributed expenditures				
Student support	53,405,263	54,261,679	53,914,185	347,494
Instructional staff support	16,728,917	16,240,513	15,559,883	680,630
General administration	8,818,463	9,002,110	8,209,142	792,968
School administration	46,311,916	48,049,911	47,992,642	57,269
Central services Operation	40,886,368	40,412,049	40,006,947	405,102
and maintenance Student	71,653,197	66,847,871	64,123,770	2,724,101
transportation	24,004,699	24,401,995	23,399,601	1,002,394
Total expenditures	<u>554,980,717</u>	<u>561,570,634</u>	<u>554,775,257</u>	<u>6,795,377</u>
Excess of revenues over expenditures	<u>83,129,144</u>	<u>82,877,466</u>	<u>96,297,382</u>	<u>13,419,916</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	50,000	50,000	79,494	29,494
Contingency	(6,339,451)	-	-	-
Transfers out	(76,839,693)	(87,917,818)	(93,300,060)	(5,382,242)
Total other financing sources (uses)	<u>(83,129,144)</u>	<u>(87,867,818)</u>	<u>(93,220,566)</u>	<u>(5,352,748)</u>
Net change in fund balance	-	(4,990,352)	3,076,816	8,067,168
<b>FUND BALANCE, July 1</b>	<u>62,752,862</u>	<u>67,743,214</u>	<u>71,082,682</u>	<u>3,339,468</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 62,752,862</u>	<u>\$ 62,752,862</u>	<u>\$ 74,159,498</u>	<u>\$ 11,406,636</u>

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
SPECIAL EDUCATION FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDING JUNE 30, 2025**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
State sources:				
State Special Education	\$ 37,614,778	\$ 37,614,778	\$ 37,476,070	\$ (138,708)
Total state sources:	<u>37,614,778</u>	<u>37,614,778</u>	<u>37,476,070</u>	<u>(138,708)</u>
Total sources:	<u>37,614,778</u>	<u>37,614,778</u>	<u>37,476,070</u>	<u>(138,708)</u>
<b>EXPENDITURES</b>				
Special programs				
Instruction				
Salaries	44,534,347	54,240,582	52,582,023	1,658,559
Benefits	21,696,937	22,157,791	23,400,580	(1,242,789)
Purchased services	128,602	128,602	58,013	70,589
Supplies	124,097	131,763	117,356	14,407
Other	1,174,713	1,179,562	1,172,017	7,545
Total instruction	<u>67,658,696</u>	<u>77,838,300</u>	<u>77,329,989</u>	<u>508,311</u>
Student support				
Salaries	11,843,299	11,452,472	11,526,642	(74,170)
Benefits	5,763,204	5,194,461	5,242,051	(47,590)
Purchased services	820,554	1,381,398	1,243,337	138,061
Supplies	470,667	471,496	437,240	34,256
Other	12,000	12,000	3,616	8,384
Total student support	<u>18,909,724</u>	<u>18,511,827</u>	<u>18,452,886</u>	<u>58,941</u>
Instructional support				
Salaries	4,107,301	4,285,676	4,307,754	(22,078)
Benefits	1,810,170	1,826,368	1,852,441	(26,073)
Purchased services	238,250	478,753	406,558	72,195
Supplies	37,500	37,500	59,141	(21,641)
Other	5,000	5,000	200	4,800
Total instructional support	<u>6,198,221</u>	<u>6,633,297</u>	<u>6,626,094</u>	<u>7,203</u>
General administration				
Salaries	468,818	460,617	495,198	(34,581)
Benefits	207,540	201,155	205,183	(4,028)
Purchased services	206,040	280,280	189,621	90,659
Other	300,005	300,005	245,308	54,697
Total general administration	<u>1,182,403</u>	<u>1,242,057</u>	<u>1,135,310</u>	<u>106,747</u>
School administration				
Salaries	489,728	481,993	470,135	11,858
Benefits	213,220	179,615	180,082	(467)
Purchased services	1,000	1,000	-	1,000
Total school administration	<u>703,948</u>	<u>662,608</u>	<u>650,217</u>	<u>12,391</u>

**(CONTINUED)**

**WASHOE COUNTY SCHOOL DISTRICT  
SPECIAL EDUCATION FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDING JUNE 30, 2025**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
Central services				
Salaries	\$ 379,633	\$ 363,758	\$ 354,805	\$ 8,953
Benefits	133,516	129,656	137,214	(7,558)
Total central services	<u>513,149</u>	<u>493,414</u>	<u>492,019</u>	<u>1,395</u>
Operations and maintenance				
Salaries	67,579	73,942	68,174	5,768
Benefits	34,050	33,575	34,342	(767)
Total operations and maintenance	<u>101,629</u>	<u>107,517</u>	<u>102,516</u>	<u>5,001</u>
Transportation student				
Salaries	7,000,113	8,048,460	7,941,474	106,986
Benefits	3,381,765	3,340,410	3,487,160	(146,750)
Purchased services	283,150	283,150	33,039	250,111
Supplies	1,526,958	1,676,958	1,886,845	(209,887)
Total transportation student	<u>12,191,986</u>	<u>13,348,978</u>	<u>13,348,518</u>	<u>460</u>
Total special programs	<u>107,459,756</u>	<u>118,837,998</u>	<u>118,137,549</u>	<u>700,449</u>
Total expenditures	<u>107,459,756</u>	<u>118,837,998</u>	<u>118,137,549</u>	<u>700,449</u>
Excess of revenues over expenditures	<u>(69,844,978)</u>	<u>(81,223,220)</u>	<u>(80,661,479)</u>	<u>561,741</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>69,844,978</u>	<u>81,223,220</u>	<u>80,661,479</u>	<u>(561,741)</u>
Total other financial sources (uses)	<u>69,844,978</u>	<u>81,223,220</u>	<u>80,661,479</u>	<u>(561,741)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2025**

	<b>BUSINESS-TYPE ACTIVITIES NUTRITION SERVICES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 6,256,896	\$ 57,038,478
Accounts receivable	8,802,306	18,514
Inventories	1,133,527	-
Prepaid expenses	<u>10</u>	<u>-</u>
Total current assets	<u>16,192,739</u>	<u>57,056,992</u>
Capital assets		
Construction in progress	2,076,426	-
Buildings and improvements	1,355,773	-
Machinery and equipment	7,765,746	-
Less: Accumulated depreciation	<u>(4,441,216)</u>	<u>-</u>
Total capital assets	<u>6,756,729</u>	<u>-</u>
Total assets	<u>22,949,468</u>	<u>57,056,992</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pension	5,191,004	629,927
Deferred outflows of resources related to OPEB	<u>1,818,616</u>	<u>77,936</u>
Total deferred outflow of resources	<u>7,009,620</u>	<u>707,863</u>
Total assets and deferred outflows of resources	<u>29,959,088</u>	<u>57,764,855</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	162,456	1,256,651
Accrued liabilities	494,939	58,084
Pending claims	-	10,338,216
Unearned revenues	<u>714,287</u>	<u>-</u>
Total current liabilities	<u>1,371,682</u>	<u>11,652,951</u>
Noncurrent liabilities		
Net pension liability	11,894,057	1,398,441
Net OPEB liability	1,145,514	49,090
Long term claims	<u>-</u>	<u>9,744,903</u>
Total noncurrent liabilities	<u>13,039,571</u>	<u>11,192,434</u>
Total liabilities	<u>14,411,253</u>	<u>22,845,385</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pension	770,638	178,130
Deferred inflows of resources related to OPEB	<u>4,646,278</u>	<u>199,114</u>
Total deferred inflows of resources	<u>5,416,916</u>	<u>377,244</u>
Total liabilities and deferred inflows of resources	<u>19,828,169</u>	<u>23,222,629</u>
<b>NET POSITION</b>		
Net investment in capital assets	6,756,729	-
Unrestricted	<u>3,374,190</u>	<u>34,542,226</u>
Total net position	<u>\$ 10,130,919</u>	<u>\$ 34,542,226</u>

The notes to the financial statements are an integral part of this statement.



**WASHOE COUNTY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDING JUNE 30, 2025**

	<b>BUSINESS-TYPE ACTIVITIES NUTRITION SERVICES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
Cash flows from operating activities		
Cash received for services	\$ 2,309,158	\$ 113,639,709
Cash paid for salaries and benefits	(16,662,292)	(4,167,938)
Cash payments for claims and services	-	(114,592,547)
Cash paid for food and supplies	(16,732,861)	-
Cash payments for purchased services	(1,519,029)	-
Net cash (used in) operations	(32,605,024)	(5,120,776)
Cash flows from capital and related financing activities		
Purchase of equipment	(2,743,888)	-
Cash flows from noncapital financing activities		
Federal reimbursements	26,712,131	-
State grant funds	63,494	-
Net cash provided by noncapital financing activities	26,775,625	-
Cash flows from investing activities		
Interest received on investments	671,190	2,356,338
Net (decrease) in cash and cash equivalents	(7,902,097)	(2,764,438)
<b>Cash and investments, beginning of year</b>	<b>14,158,993</b>	<b>59,802,916</b>
<b>Cash and investments, end of year</b>	<b>\$ 6,256,896</b>	<b>\$ 57,038,478</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED) IN OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (23,908,114)	\$ (5,865,729)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities		
Depreciation	572,645	-
Non-cash net pension liability adjustment	(1,200,371)	470,982
Non-cash deferred outflows of resources related to pension adjustment	(2,185,973)	(417,085)
Non-cash deferred inflows of resources related to pension adjustment	189,525	166,232
Non-cash net OPEB liability adjustment	(238,778)	11,025
Non-cash deferred outflows of resources related to OPEB adjustment	270,496	(20,489)
Non-cash deferred inflows of resources related to OPEB adjustment	(409,248)	30,835
Changes in assets and liabilities		
Accounts receivable	(4,116,499)	90,174
Inventories	(53,384)	-
Prepaid Expenses	16,695	-
Accounts payable	(1,547,220)	375,721
Accrued liabilities	7,907	20,362
Pending claims	-	17,196
Unearned revenues	(2,705)	-
Total adjustments	(8,696,910)	744,953
Net cash (used in) provided by operations	\$ (32,605,024)	\$ (5,120,776)

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2025**

	<b>OTHER POST- EMPLOYMENT BENEFITS TRUST FUND</b>	<b>PRIVATE- PURPOSE SCHOLARSHIP TRUST FUND</b>	<b>COMBINED CUSTODIAL FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,217,020	\$ 445	\$ 174,037	\$ 3,391,502
Receivables		-	297,527	297,527
Investments				
U.S. Treasuries	69,631,988	1,209,477	-	70,841,465
Nevada Retirement Benefits Investment Fund	20,933,133			20,933,133
Total Investments	<u>90,565,121</u>	<u>1,209,477</u>	<u>-</u>	<u>91,774,598</u>
Total assets	<u>93,782,141</u>	<u>1,209,922</u>	<u>471,564</u>	<u>95,463,627</u>
<b>LIABILITIES</b>				
Accounts Payable	-	-	159,974	159,974
Accrued liabilities	-	-	93,093	93,093
Total liabilities	<u>-</u>	<u>-</u>	<u>253,067</u>	<u>253,067</u>
<b>NET POSITION RESTRICTED FOR:</b>				
Postemployment benefits other than pensions	93,782,141	-	-	93,782,141
Scholarship beneficiaries	-	1,209,922	-	1,209,922
Student athletic activities	-	-	44,581	44,581
Educational assistance	-	-	173,916	173,916
Total net position	<u>\$ 93,782,141</u>	<u>\$ 1,209,922</u>	<u>\$ 218,497</u>	<u>\$ 95,210,560</u>

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDING JUNE 30, 2025**

	<b>OTHER POST- EMPLOYMENT BENEFITS TRUST FUND</b>	<b>PRIVATE- PURPOSE SCHOLARSHIP TRUST FUND</b>	<b>COMBINED CUSTODIAL FUNDS</b>	<b>TOTAL</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 6,775,424	\$ -	\$ -	\$ 6,775,424
Donations	-	500	-	500
Miscellaneous	-	-	604,124	604,124
Total contributions	<u>6,775,424</u>	<u>500</u>	<u>604,124</u>	<u>7,380,048</u>
Investment earnings				
Earnings on investments	2,187,134	52,755	-	2,239,889
Net increase (decrease) in fair value of investments	<u>937,343</u>	<u>14,103</u>	<u>-</u>	<u>951,446</u>
Total investment earnings	<u>3,124,477</u>	<u>66,858</u>	<u>-</u>	<u>3,191,335</u>
Less investment expense	<u>36,539</u>	<u>-</u>	<u>-</u>	<u>36,539</u>
Net investment earnings	<u>3,087,938</u>	<u>66,858</u>	<u>-</u>	<u>3,154,796</u>
Total additions	<u>9,863,362</u>	<u>67,358</u>	<u>604,124</u>	<u>10,534,844</u>
<b>DEDUCTIONS</b>				
Benefit payments	8,273,392	-	-	8,273,392
Administrative expense	43,685	-	-	43,685
Other	<u>-</u>	<u>64,850</u>	<u>724,587</u>	<u>789,437</u>
Total deductions	<u>8,317,077</u>	<u>64,850</u>	<u>724,587</u>	<u>9,106,514</u>
Change in net position	<u>1,546,285</u>	<u>2,508</u>	<u>(120,463)</u>	<u>1,428,330</u>
<b>FIDUCIARY NET POSITION, July 1</b>	<u>92,235,856</u>	<u>1,207,414</u>	<u>338,960</u>	<u>93,782,230</u>
<b>FIDUCIARY NET POSITION, June 30</b>	<u>\$ 93,782,141</u>	<u>\$ 1,209,922</u>	<u>\$ 218,497</u>	<u>\$ 95,210,560</u>

The notes to the financial statements are an integral part of this statement.

# NOTES TO FINANCIAL SECTION

The notes provide required disclosures and information necessary to understand the District's activities.

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**Washoe County  
School District**

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – Summary of Significant Accounting Policies:**

The accompanying financial statements of the Washoe County School District, Washoe County, Nevada (the "District") have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of existing Government and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Reporting Entity:

The District is organized under terms of legislation enacted in 1956 creating the countywide school districts. The governing board consists of seven members elected by the voters in the district for four-year terms and has authority to adopt and administer budgets. The District receives funding from Local, State, and Federal government sources and must comply with the related requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity," since trustees are elected by the public, it is a legally separate government and it is fiscally independent of any other governmental entity. In addition, the District is not financially accountable for any other entity.

Basic Financial Statements – Government-Wide Statements:

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The reporting focus is on either the District as a whole or major individual funds and nonmajor funds in the aggregate (within the fund financial statements).

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the most part, the effect of interfund activity has been removed from these statements. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

In the government-wide Statement of Net Position, the consolidated financial position of the District is presented at year-end, in separate columns, for both governmental and business-type activities, and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities, then unrestricted resources, as they are needed.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by the general revenues (Ad Valorem taxes, State Education Fund revenues, Sales Tax, Government Services Tax and interest income not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues include charges for services, operating grants and contributions,

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

capital grants and contributions, and investment earnings legally restricted to support a specific program. Program revenue must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs (by function) are normally covered by general revenue.

Basic Financial Statements – Fund Financial Statements:

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows of resources, deferred inflows of resources, fund equity, revenues and expenditures/expenses. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are intended and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The emphasis in the fund financial statements is on the major funds in the governmental and business-type activity categories. Nonmajor governmental funds are summarized into a single column. GASB Statement No. 34 *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* sets forth criteria for the determination of major funds. District management may electively add funds as major funds when it is determined the funds have specific community or management focus. Major individual governmental and business-type funds are reported as separate columns in the fund financial statements.

The focus of the governmental funds' measurement in the fund statements is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The focus for proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The District's internal service funds are presented in the proprietary fund's financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type. Since, by definition, these assets are held for the benefit of third parties and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

The District uses the following funds:

Major Funds:

**Governmental Funds:**

- **General Fund** – The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.
- **2025A WC-1 G.O. Bonds Fund** – The 2025A WC-1 G.O. Bonds Fund is a capital projects fund which accounts for the proceeds of this related bond issuance. The proceeds are being used for school design, site acquisitions planning and school construction.
- **WC-1 Sales Tax Revenue Fund** – The WC-1 Sales Tax Revenue Capital Projects Fund accounts for the resources accumulated from the sales tax increase approved by the voters of Washoe County in 2016 to be used for school construction and improvement.
- **Special Education Fund** – The Special Education Fund is a special revenue fund which accounts for transactions of the District relating to educational services provided to children with special needs supported by state and local sources. The revenues of the fund consist of distributions from the State Education Fund. Expenses not covered by the State are covered by a transfer from the General Fund.
- **Debt Service Fund** – The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt and other debt of governmental activities other than those reported in the Debt Service – WC1 Fund.
- **2024A Extended Bond Rollover Fund** – The 2024A Extended Bond Rollover Fund is a capital projects fund which accounts for the proceeds of this related bond issuance. The proceeds are being used for school design, site acquisitions planning and school construction.
- **2024B Extended Bond Rollover Fund** – The 2024B Extended Bond Rollover Fund is a capital projects fund which accounts for the proceeds of this related bond issuance. The proceeds are being used for school design, site acquisitions planning and school construction.

**Proprietary Funds:**

- **Enterprise Fund** – The District's sole enterprise fund, the Nutrition Services Enterprise Fund, is used to account for the nutrition services operation of the District.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

Additionally, the District reports the following fund types:

**Internal Service Funds:**

- The Internal Service Funds account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. Currently, there are three District Internal Service Funds:

**Property and Casualty** – accounts for self-insurance claims and fees to provide property and liability insurance.

**Health Insurance** – accounts for the self-funded health plan and other contractual insurance plans such as vision, dental and life insurance.

**Workers' Compensation** – accounts for the self-insurance claims and fees to provide workers' compensation.

**Fiduciary Funds:**

- **Private Purpose Scholarship Trust Fund** – accounts for resources legally held in trust for use for scholarships.
- **Other Post-employment Benefits Trust Fund** – accounts for investments held in an irrevocable trust, to be used for providing the benefits agreed to in connection with the District's Other Post-employment Benefits plan.
- **Custodial Funds** – account for funds held in custody by the District for the Nevada Interscholastic Athletic Association or the Education Alliance 501(c)3.

Measurement Focus/Basis of Accounting:

The measurement focus describes the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period, all grant and remaining non-grant revenues to be available if they are collected within 80 days of the

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

end of the current fiscal period. When revenues are due but will not be collected within the availability period, the receivable is recorded and an offsetting deferred inflow of resources account is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Most major sources of revenue reported in governmental funds are susceptible to accrual under the modified accrual basis of accounting. Below is a summary of revenue recognition policies for all major revenue sources.

Type of Revenue	Accrued When Measurable and Available	Recognized When Received	Accrued When Earned
AD VALOREM TAXES	X		
GOVERNMENT SERVICES TAXES	X		
WC-1 SALES TAX REVENUES	X		
PUPIL-CENTERED FUNDING PLAN (STATE REVENUE)	X		
INTEREST			X
GRANTS-IN-AID	X		
MISCELLANEOUS REVENUE		X	

Proprietary Funds:

Proprietary Funds are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Accrued liabilities include provisions for claims reported and claims incurred, but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid. The provision for claims incurred but not yet reported is estimated based on District experience since the inception of the program.

Fiduciary Funds:

The accounting records for the Other Post-employment Benefits Trust Fund, Private Purpose Scholarship Trust Fund, and Custodial Funds, and they are maintained on the economic resources measurement focus and accrual basis of accounting.

Budgets and Budgetary Accounting:

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to April 15, the Superintendent submits to the Board of Trustees and to both the Nevada Department of Taxation and Department of Education, a tentative budget for the fiscal year commencing the following July 1. The tentative budget includes proposed expenditures and the means of financing them.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

- (2) Prior to the third Wednesday in May, a minimum of seven days' notice of public hearing on the final budget is published in a local newspaper. Public hearings are conducted prior to the adoption of the budget to obtain taxpayer comments.
- (3) On or before June 8, the budget is legally adopted by a majority vote of the Board of Trustees.
- (4) On or before January 1, the Board of Trustees adopts an amended final budget reflecting any adjustments necessary as a result of the complete count of students.
- (5) NRS provides that the Board of Trustees may augment the budget for a fund that receives property tax revenues at any time by a majority vote of the Board provided the Board publishes notice of intention to act, in a newspaper of general circulation in the county at least three days before the date set for adoption of the resolution. Augmentations of other funds require that the governing body adopt a resolution by majority vote at a regular meeting and submit the resolution to the Nevada Department of Taxation.
- (6) The legal level of budgetary control is at the function level for the General Fund, Special Revenue Funds and Capital Projects Funds, and the sum of operating and non-operating expenses in the Enterprise and Internal Service Funds. State statute does not require that debt service payments be limited by the budget.
- (7) The Chief Financial Officer is authorized to transfer appropriations within functions without Board of Trustee's approval and between functions or programs within a fund if amounts do not exceed the original budget. The Board of Trustees is advised of the transfer and the transfer is recorded in the minutes. The Board of Trustees' approval is required for transfers of appropriations between funds or from the contingency account.
- (8) Formal budgetary integration is employed as a management control device for the General Fund, Special Revenue Funds, Debt Service Fund, Enterprise Fund, Internal Service Funds and Capital Projects Funds. Such funds have legally adopted annual budgets which lapse at year-end. The ensuing year's budget is augmented to provide for the payment of prior year encumbrances. The prior year encumbrances, where applicable, have been included in the Original Budget column of the financial statements.
- (9) All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all funds except for the Private Purpose Scholarship Trust Fund and Custodial Funds, which do not require budgets.

All budgets presented in the accompanying supplementary information reflect the original budget and final budget (which has been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

Cash and Investments:

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law. The District uses a registered investment advisor to invest pooled monies on a discretionary basis. The District also has deposited a portion of the Workers Compensation cash balance in the State of Nevada Local Government Investment Pool (LGIP). Interest earned on investments is allocated to certain funds pursuant to Nevada Revised Statutes.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurements and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Pursuant to NRS 355.170, 355.171 and 355.175, the District may invest in the following types of securities:

- United States bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Securities of the United States Treasury, United States Postal Service, or the Federal National Mortgage Association maturing within ten (10) years from the date of purchase.
- Negotiable certificates of deposit from commercial banks and insured savings and loan associations, and credit unions.
- Certain securities issued by local governments of the State of Nevada.
- Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States, and money market mutual funds.
- Certain obligations of state and local governments.
- State of Nevada Local Government Investment Pool.
- Certain "AAA" rated mutual funds that invest in federal securities.
- Corporate notes or bonds maturing within five (5) years from the date of purchase.
- Collateralized mortgage obligations.
- Asset-backed securities.
- Other securities expressly provided by other statutes, including repurchase agreements and collateralized investment contracts.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

Statements of Cash Flows:

For purposes of the statements of cash flows, the District considers all short-term highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Inventories:

Inventories for the General Fund, the Government Tax Services Fund, and the Nutrition Services Enterprise Fund are maintained on a consumption basis of accounting, where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories are stated at cost for the General Fund and Government Tax Services Fund, and the lower of cost or market for the Nutrition Services Enterprise Fund, except for inventories of commodities which are stated at fair value, using the first-in, first-out (FIFO) method of valuation.

Capital Assets:

Capital assets, including land, buildings, machinery and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. If purchased or constructed, all capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are valued at their acquisition value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building/Land Improvements	7 - 50
Vehicles/Buses	8 - 10
Machinery and Equipment	5 - 20

Receivables:

Receivables represent amounts due to the District at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the District within approximately 80 days after year-end) are recorded as revenue; the remainder is recorded as deferred inflows of resources, unavailable revenue. Receivables in proprietary fund types have arisen in the ordinary course of business.

Allowance for Uncollectible Receivables:

The District has not established an allowance for uncollectible receivables since prior experience has shown that uncollectible receivables are not significant.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

Accrued Liabilities:

Accrued liabilities consist principally of teacher, administrator, and other District employee salaries and benefits relating to the school program year ended June 30, 2025, but not yet paid.

Pensions:

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB):

The District provides other post-employment benefits (OPEB) for eligible employees through the Washoe County School District Retiree Health Benefits Plan (WCSDRHP), the State of Nevada's Public Employees' Benefits Plan (NPEBP), and the Washoe County School District Retiree Life Insurance Plan. All three plans are single-employer defined benefit OPEB plans. The plans are administered through the Washoe County School District OPEB Trust Fund. The District's net OPEB liability is measured as of June 30, 2025, and the total OPEB liabilities used to calculate the net OPEB liability are determined by an actuarial valuation as of June 30, 2025.

Deferred Outflows and Deferred Inflows of Resources:

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports amounts related to pensions, other post-employment benefits, and deferred debt retirement charges on the government-wide Statement of Net Position and amounts related to pensions and other post-employment benefits on the proprietary funds' Statement of Net Position as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and Balance Sheets report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District reports amounts related to pensions, other post-employment benefits, and deferred revenues on the Government-wide Statement of Net Position and unavailable revenues on the Governmental Funds Balance Sheet as deferred inflows of resources. The District reports amounts related to pensions and other post-employment benefits on the proprietary funds' Statement of Net Position as deferred outflows and inflows of resources.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

Expenditures:

Expenditure data is characterized by major program classifications pursuant to the provisions of the National Center for Education Statistics handbook entitled *Financial Accounting for Local and State School Systems* as modified by the State of Nevada. Below is a brief description of these program classifications.

**Regular programs** are activities that provide students in pre-kindergarten through grade 12 with learning experiences to prepare them for further education or training and for responsibilities as citizens, family members, and workers.

**Special programs** include activities for elementary and secondary students (pre-kindergarten through grade 12) receiving special education and related services. These services are related to mental retardation, orthopedic impairment, emotional disturbance, developmental delay, specific learning disabilities, multiple disabilities, hearing impairment, other health impairments, visual impairments including blindness, autism, deaf-blindness, traumatic brain injury, and speech or language impairments. Special programs include students receiving services related to gifted and talented programs.

**Vocational programs** are activities delivered through traditional comprehensive and vocational-technical high schools or recognized charter schools that prepare students to meet challenging academic standards as well as industry skill standards while preparing students for broad-based careers and further education beyond high school.

**Other instructional programs** are activities that provide students in pre-kindergarten through grade 12 with learning experiences in English for speakers of other languages, alternative and at risk education programs, remedial programs, summer school programs, and other instructional programs.

**Adult education programs** are activities that develop knowledge and skills to meet immediate and long-range educational objectives of adults who, having not completed or having interrupted formal schooling, have accepted adult roles and responsibilities. Programs include activities to foster the development of fundamental tools of learning; prepare students for a postsecondary career; prepare students for postsecondary education programs; upgrade occupational competence; prepare students for a new or different career; develop skills and appreciation for special interests; or enrich the aesthetic qualities of life.

**Community services programs** are activities not directly related to the provision of educational services in the District. These include services such as community recreation programs, civic activities, public libraries, programs of custody and care of children and community welfare activities provided by the District for the community as a whole or some segment of the community.

**Co-curricular programs** are activities that add to a student's educational experience but are not related to educational activities. These include events and activities that take place outside the traditional classroom such as student government, athletics, band, choir, clubs, and honors societies.

**Undistributed expenditures** are those which are not allocated to any single program. Student and instructional staff support and overall general and administrative costs are classified as undistributed expenditures. Also included are costs of operating, maintaining, and constructing the physical facilities of the District.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

Compensated Absences:

Teachers and certain hourly employees do not receive vacation leave. For other District employees, vacation leave is earned at rates dependent on length of employment and can be accumulated to specific maximum days/hours. The District pays limited accumulated sick leave benefits to certain employees upon separation. In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as a payroll expenditure only if it has matured as a result of employees who have terminated as of June 30. The current portion is defined as those benefits expected to be paid in the subsequent twelve months. The estimated liability for compensated absences is accounted for in the government-wide financial statements.

Self-Insurance:

The District is self-insured for losses and liabilities related primarily to general liability, worker's compensation and employee medical coverage. The District's maximum self-insurance exposure is subject to certain limits per claim with certain maximum aggregate policy limits per claim year. Although management believes it has the ability to adequately project and record estimated claim payments, it is possible that actual results could differ from the recorded liabilities.

**NOTE 2 – Compliance with Applicable Nevada Revised Statutes:**

The District conformed to the statutory constraints on financial administration as required by NRS 354.626, which note that the District may not expend or contract to expend amounts which have not been appropriated for that function, other than bond repayments, medium-term obligation repayments and any other long-term contract expressly authorized by law.

**NOTE 3 – Cash and Investments:**

The District maintains a cash and investment pool that is available for use by all funds. At June 30, 2025 this pool is displayed by major and other governmental funds on the Governmental Funds Balance Sheet and on the Proprietary Fund Statement of Net Position as "Cash and Investments."

As of June 30, 2025, the District had the following amounts reported as cash and investments:

	Government- Wide	Fiduciary Funds	Totals
Cash and Cash Equivalents	\$ 5,489,686	\$ 174,482	\$ 5,664,168
Investments	818,374,184	94,991,618	913,365,802
	\$ 823,863,870	\$ 95,166,100	\$ 919,029,970

Except for financial reporting purposes, the cash and investments balances in the Fiduciary Funds are not normally considered part of the District's pooled cash and investments. These amounts represent cash and investments held in a fiduciary or custodial capacity by the District and cannot be used in the District's normal operations.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

As of June 30, 2025, the District had the following recurring fair value measurements, except those measured at cost as identified below:

Government-Wide Balances:

	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments:				
U.S. Treasuries	\$ 238,185,287	\$ 238,185,287	\$ -	\$ -
U.S. Agencies	303,654,887	-	303,654,887	-
Asset Backed Securities	76,697,347	-	76,697,347	-
Collateralized Mortgage Obligations	31,383,674	-	31,383,674	-
Money Market Fund	94,939,688	94,939,688	-	-
Municipal Securities	506,907	-	506,907	-
Commercial Paper	27,721,028	-	27,721,028	-
Corporate Notes	42,531,822	-	42,531,822	-
	815,620,640	\$ 333,124,975	\$ 482,495,665	\$ -
Investments not Classified by Level:				
State of Nevada Retirement Benefits Investment Fund	2,753,544			
Total Government-Wide Investments	\$ 818,374,184			

Fiduciary Fund Balances:

Investments not Classified by Level:	
OPEB Trust Fund:	
State of Nevada Retirement Benefits Investment Fund	\$ 20,933,133
U.S. Treasuries	69,631,988
Money Market Fund	3,217,020
Scholarship Fund investments	1,209,477
Total Fiduciary Fund investments	\$ 94,991,618

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP) which has regulatory oversight from the Board of Finance of the State of Nevada. The District's investment in the LGIP is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The District's investment in the LGIP is reported at fair value. Fair value is determined on a daily basis. Nevada Revised Statutes (NRS 355.170 et. seq.) set forth acceptable investments for Nevada local governments.

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The District is also authorized to participate in the State of Nevada Retirement Benefits Investment Fund (RBIF) for its long-term investments associated with the Other Post Employment Benefits (OPEB) Trust. The Nevada Legislature established the RBIF with an effective date of July 17, 2007 with the purpose of investing contributions made by participating public entities, as defined in NRS 355.220, to enable such entities to support financing of OPEB. Monies received by the RBIF are held for investment purposes only and not in any fiduciary capacity. Each participating entity acts as fiduciary for its particular share of the RBIF.

As of June 30, 2025, the District had the following investments and maturities:

	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
<b>Government-Wide Investments:</b>					
U.S. Treasuries	\$ 238,185,287	\$ 173,705,220	\$ 63,450,500	\$ 1,029,567	\$ -
U.S. Agencies	303,654,887	125,417,077	165,628,746	12,609,064	-
State of Nevada Retirement Benefits Investment Fund	2,753,544	2,753,544	-	-	-
Asset Backed Securities	76,697,347	3,612,018	48,620,203	17,876,776	6,588,350
Collateralized Mortgage Obligations	31,383,674	-	-	1,688,221	29,695,453
Money Market Fund	94,939,688	94,939,688	-	-	-
Municipal Securities	506,907	506,907	-	-	-
Commercial Paper	27,721,028	27,721,028	-	-	-
Corporate Notes	42,531,822	6,108,552	36,423,270	-	-
<b>Total Government-Wide Investments</b>	<b>\$ 818,374,184</b>	<b>\$ 434,764,034</b>	<b>\$ 314,122,719</b>	<b>\$ 33,203,628</b>	<b>\$ 36,283,803</b>
<b>Fiduciary Fund Investments:</b>					
<b>OPEB Trust Fund:</b>					
<b>State of Nevada Retirement Benefits Investment Fund</b>					
U.S. Treasuries	\$ 20,933,133	\$ 20,933,133	\$ -	\$ -	\$ -
U.S. Agencies	69,631,988	6,928,398	20,919,902	19,723,678	22,060,011
Money Market Fund	3,217,020	3,217,020	-	-	-
<b>Scholarship Trust Fund:</b>					
U.S. Treasuries	1,209,477	1,209,477	-	-	-
<b>Total Fiduciary Funds Investments</b>	<b>\$ 94,991,618</b>	<b>\$ 32,288,028</b>	<b>\$ 20,919,902</b>	<b>\$ 19,723,678</b>	<b>\$ 22,060,011</b>

**Interest Rate Risk.** Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. To limit exposure to interest rate risk, Nevada Revised Statutes and the District's investment policy limits bankers' acceptances to 180 days maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturities. The District's investment in U.S. Agencies consists of securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and Federal Home Loan Bank. Since investments in these agencies are in many cases backed by assets such as mortgages, they are subject to prepayment risk. The District's investments in all other mortgage-backed securities are also subject to prepayment risk.

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*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The State of Nevada Local Government Investment Pool (LGIP), is an unrated external investment pool. Nevada Revised Statutes and the District's investment policy limit investment in money market mutual funds, collateralized mortgage obligations, and asset-backed securities to the "AAA" rating (or equivalent) by a nationally recognized statistical rating organization. In addition, Nevada Revised Statutes and the District's investment policy limit investments in commercial paper to a short-term rating of "A1", "P1", or its equivalent, and corporate notes to a long-term rating of "A" or equivalent by a nationally recognized statistical rating organization. All of the District's money market mutual funds, collateralized mortgage obligations, asset-backed securities, commercial paper, and corporate note investments meet these minimum rating criteria.

*Concentration of Credit Risk.* To limit exposure to concentrations of credit risk, the District's investment policy limits investment in collateralized mortgage obligations, asset backed securities, repurchase agreements, negotiable certificates of deposit and non-negotiable certificates of deposit each to 20%; commercial paper, municipal securities, and corporate notes each to 25%, and Federal Agency securities to 50% of the entire portfolio on the date of purchase. The investment policy also sets per-issuer limits to minimize concentration to a single entity. At June 30, 2025, there were no investments in a single issuer greater than 5% of total investments other than US Treasury, Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA) securities.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's bank deposits are generally covered by FDIC insurance and are collateralized by the Office of the State Treasurer/ Nevada Collateral Pool.

The State of Nevada Local Government Investment Pool (LGIP) and the State of Nevada Retirement Benefits Investment Fund (RBIF) are unrated external investment pools which are administered by the Office of the State Treasurer, with oversight by the State of Nevada Board of Finance. Investments in LGIP and RBIF are carried at fair value, which is the same as the value of the pool shares and determined monthly by Bank of New York Mellon.

**WASHOE COUNTY SCHOOL DISTRICT  
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**NOTE 4 – Interfund Balances and Transfers:**

Interfund receivable/payable balances at June 30, 2025 are as follows:

Fund	Interfund Receivables	Interfund Payables
Major Fund:		
General Fund	\$ 10,368,433	\$ -
Other Governmental Funds:		
Title I Fund		2,240,127
Federal, Other Agencies Fund		173,119
Direct Federal Grants Fund		357,215
Special Ed IDEA Fund		157,941
Vocational Education Fund		43,792
Federal, NV DOE Flow Thru Fund		829,166
Family Resource Center Grants Fund		84,000
Adult Education Fund		57,861
Early Childhood Fund		698,605
NV DOE Grants Fund		3,995,773
21st Century Grants Fund		485,752
Title II Part A Teacher Training Fund		424,593
Title III English Language Fund		42,625
RPDP Fund		394,493
Federal, Other State Agencies Fund		259,963
Federal ESSER Fund		123,408
Totals	\$ 10,368,433	\$ 10,368,433

The purpose of the interfund balance listed above is to address nonmajor Special Revenue Funds which are reimbursement-type funds that would otherwise have negative cash balances at the end of the year.

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Interfund transfers are reported as other financing sources or uses, as appropriate, in all funds other than Proprietary Funds, where they are reported as transfers. Transfers between funds during the year ended June 30, 2025, are as follows:

Transfers In:									
Transfers Out:	Special Education Fund	Debt Service WC-1 Fund	Debt Service Fund	Medicaid Fund	Erate Proceeds Fund	Property Tax Capital Projects Fund	Gifted & Talented Wtd. Funding Fund	Government Services Tax Fund	Total
General Fund	\$80,661,479	\$ -	\$ -	\$831,411	\$5,000,000	\$ -	\$ 4,807,170	\$ 2,000,000	\$ 93,300,060
Government Services Tax Fund	-	-	2,208,023	-	-	-	-	-	2,208,023
Debt Service Fund	-	-	-	-	-	10,341,386	-	-	10,341,386
Foundations- Non Govt	-	-	-	-	-	-	-	11,069,176	11,069,176
WC-1 Sales Tax Revenue Fund	-	35,330,800	-	-	-	-	-	-	35,330,800
	<u>\$80,661,479</u>	<u>\$35,330,800</u>	<u>\$2,208,023</u>	<u>\$831,411</u>	<u>\$5,000,000</u>	<u>\$10,341,386</u>	<u>\$ 4,807,170</u>	<u>\$13,069,176</u>	<u>\$ 152,249,445</u>

Special Education Fund – The transfer to the Special Education Fund from the General Fund is to supplement State funds received for Special Education.

Debt Service WC-1 Fund – The transfer to the Debt Service WC-1 Fund from the WC-1 Sales Tax Revenue Fund is to provide for principal and interest payments on the WC-1 general obligation bonds.

Debt Service Fund – The transfers to the Debt Service Fund from the Government Services Tax Fund are to provide for repayment of principal and interest on general obligation medium-term debt.

Medicaid Reimbursement Fund – The transfer to the Medicaid Reimbursement Fund from the General Fund is to provide operational support for the Medicaid program.

ERATE Proceeds Fund – The transfer to the ERATE Proceeds Fund from the General Fund is to provide operational support for the ERATE programs.

Property Tax Capital Projects Fund – The transfer to the Property Tax Capital Projects Fund from the Debt Service Fund is to provide for pay-as-you go technology refresh projects and for the acquisition of a new Enterprise Resource Planning (ERP) system.

Gifted & Talented Weighted Funding Fund – The transfer to the Gifted & Talented Weighted Funding Fund from the General Fund is to supplement State funds received for Gifted and Talented (GATE) program services.

Government Services Tax Fund – The transfer to the Government Services Tax Fund from the General Fund is to provide reserves for the future purchase of textbooks and District vehicles. Transfers from the Foundations Non-Govt fund are for the Incline Village High School Expansion project.

**WASHOE COUNTY SCHOOL DISTRICT  
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**NOTE 5 – Capital Assets:**

Capital asset activity for the year ended June 30, 2025 was as follows:

	July 1, 2024		June 30, 2025	
	Balance	Increases	Decreases	Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land	\$ 108,868,435	\$ 2,596,619	\$ (3,296,491)	\$ 108,168,563
Construction in progress	147,886,930	201,968,138	(226,488,738)	123,366,330
Total capital assets not being depreciated	<u>256,755,365</u>	<u>204,564,757</u>	<u>(229,785,229)</u>	<u>231,534,893</u>
Other capital assets				
Buildings	1,642,476,231	229,710,627	(29,662,111)	1,842,524,747
Improvements other than buildings	53,143,079	3,666,914	(664,100)	56,145,893
Machinery and equipment	102,574,090	11,398,276	(10,684,409)	103,287,957
Total capital assets being depreciated	<u>1,798,193,400</u>	<u>244,775,817</u>	<u>(41,010,620)</u>	<u>2,001,958,597</u>
Total capital assets	<u>2,054,948,765</u>	<u>449,340,574</u>	<u>(270,795,849)</u>	<u>2,233,493,490</u>
Less accumulated depreciation for				
Buildings	(528,762,908)	(57,107,406)	29,662,111	(556,208,203)
Improvements other than buildings	(26,269,125)	(2,603,291)	664,100	(28,208,316)
Machinery and equipment	(82,992,049)	(6,065,813)	10,684,409	(78,373,453)
Total accumulated depreciation	<u>(638,024,082)</u>	<u>(65,776,510)</u>	<u>41,010,620</u>	<u>(662,789,972)</u>
Governmental Activities capital assets, net	<u>\$ 1,416,924,683</u>	<u>383,564,064</u>	<u>(229,785,229)</u>	<u>\$ 1,570,703,518</u>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 2,743,888	\$ (667,462)	\$ 2,076,426
Total capital assets not being depreciated	<u>-</u>	<u>2,743,888</u>	<u>(667,462)</u>	<u>2,076,426</u>
Other capital assets				
Buildings	1,355,773	-	-	1,355,773
Machinery and equipment	7,193,864	667,462	(95,580)	7,765,746
Total capital assets being depreciated	<u>8,549,637</u>	<u>667,462</u>	<u>(95,580)</u>	<u>9,121,519</u>
Total capital assets	<u>8,549,637</u>	<u>3,411,350</u>	<u>(763,042)</u>	<u>11,197,945</u>
Less accumulated depreciation for				
Buildings	(416,484)	(53,283)	-	(469,767)
Machinery and equipment	(3,547,667)	(519,362)	95,580	(3,971,449)
Total accumulated depreciation	<u>(3,964,151)</u>	<u>(572,645)</u>	<u>95,580</u>	<u>(4,441,216)</u>
Business-Type Activities capital assets, net	<u>\$ 4,585,486</u>	<u>2,838,705</u>	<u>(667,462)</u>	<u>\$ 6,756,729</u>

**WASHOE COUNTY SCHOOL DISTRICT  
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Depreciation was charged to the functions/programs of the District as follows:

Governmental activities:	
Instruction	\$ 356,055
Student support	39,245
Instructional staff support	27,014
General administration	11,828
School administration	2,315
Central support	198,823
Operation/maintenance	4,690,053
Student transportation	2,495,100
Other support	505
Community services operations	2,153
Facilities	<u>57,953,420</u>
Total governmental activities depreciation expense	<u>\$ 65,776,511</u>
Business-Type Activities:	
Nutrition services operations	<u>\$ 572,645</u>
Total business-type activities depreciation expense	<u>\$ 572,645</u>

**NOTE 6 – General Long-Term Obligations:**

**Bonds and Refunding Bonds Issued:**

On October 23, 2024, the District issued \$110,515,000 in General Obligation School Improvement Bonds, Series 2024B. The term is twenty years with an interest rate of 3.0% to 5.0%. Interest payments began in June of 2025. Principal payments begin in June of 2026. The proceeds will be used for school improvement projects.

On March 18, 2025, the District issued \$100,000,000 in General Obligation School Improvement Bonds, Series 2025A. The term is thirty years with an interest rate of 3.0% to 5.0%. Interest payments begin in October of 2025. Principal payments begin in April of 2027. The proceeds will be used for school improvement projects.

**WASHOE COUNTY SCHOOL DISTRICT  
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General long-term debt which is only related to governmental activities consists of the following at June 30, 2025:

General Obligation Bonds					
Series	Date Issued	Date of Maturity	Interest Rate (%)	Amount Issued	Balance June 30, 2025
2010D	05/26/10	05/01/27	6.00%	3,550,000	2,800,000
2010E	10/06/10	06/01/27	5.20%	5,415,000	4,415,000
2014A	07/15/14	06/01/26	5.00%	40,000,000	5,130,000
2015A	03/31/15	06/01/29	3.00-5.00%	45,375,000	25,860,000
2016A	12/31/15	06/01/36	2.00-5.00%	59,215,000	22,235,000
2016B	11/10/16	05/01/37	3.00-5.00%	15,000,000	10,960,000
2017A	02/09/17	06/01/37	4.00-5.00%	55,000,000	50,315,000
2017B	04/05/17	04/01/37	3.25-5.00%	26,885,000	23,130,000
2017C	11/21/17	04/01/48	3.13-5.00%	200,000,000	179,525,000
2017D	11/21/17	06/01/31	4.00-5.00%	58,320,000	33,615,000
2018	12/05/18	04/01/49	4.00-5.00%	85,000,000	78,530,000
2019A	09/26/19	06/01/44	3.00-5.00%	69,020,000	62,435,000
2019B	12/19/19	10/01/49	3.00-5.00%	100,000,000	94,175,000
2020A	05/07/20	10/01/50	3.00-5.00%	165,780,000	159,785,000
2021	01/28/21	06/01/46	2.00-5.00%	130,480,000	121,755,000
2022A	03/09/22	10/01/47	3.00-5.00%	49,220,000	46,940,000
2022B	03/09/22	04/01/33	5.00%	64,900,000	31,865,000
2022C	09/29/22	06/01/42	4.00-5.00%	40,000,000	37,315,000
2023A	09/26/23	06/01/43	4.00-5.00%	60,000,000	58,720,000
2024A	05/16/24	06/01/44	4.00-5.00%	130,000,000	130,000,000
2024B	10/23/24	06/01/44	3.00-5.00%	110,515,000	110,515,000
2025A	03/18/25	10/01/55	3.00-5.00%	100,000,000	100,000,000
Total					<u><u>\$ 1,390,020,000</u></u> *

Notes Payable from Direct Borrowings					
Series	Date Issued	Date of Maturity	Interest Rate (%)	Amount Issued	Balance June 30, 2025
2021B	12/17/21	02/01/26	1.09%	3,400,000	864,000
2022	12/27/22	02/01/27	3.94%	3,400,000	1,766,000
					<u><u>\$ 2,630,000</u></u>

**WASHOE COUNTY SCHOOL DISTRICT  
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Summary of general long-term debt service requirements to maturity:

Year(s) Ending June 30,	General Obligation Bonds		Direct Placement Notes Payable	
	Principal	Interest	Principal	Interest
2026	\$ 64,635,000	\$ 56,330,350	\$ 1,730,000	\$ 78,998
2027	67,420,000	52,885,171	900,000	35,460
2028	58,810,000	49,467,881	-	-
2029	56,945,000	46,669,106	-	-
2030	56,495,000	43,903,806	-	-
2031-2035	279,055,000	179,846,725	-	-
2036-2040	302,455,000	120,698,366	-	-
2041-2045	311,565,000	64,207,975	-	-
2046-2050	165,150,000	18,809,153	-	-
2051-2056	27,490,000	2,848,000	-	-
<b>Total</b>	<b>\$ 1,390,020,000 *</b>	<b>\$ 635,666,533</b>	<b>\$ 2,630,000</b>	<b>\$ 114,458</b>

\* Principal amounts shown exclude bond premiums.

**Changes in Government-Wide General Long-Term Obligations:**

	Restated** Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
<b>Governmental Activities:</b>					
<i>Debt:</i>					
General obligation bonds	\$ 1,239,740,000	\$ 210,515,000	\$ 60,235,000	\$ 1,390,020,000	\$ 64,635,000
Bond premiums	107,577,674	3,641,655	7,313,145	103,906,184	7,269,964
Direct placement notes	4,712,000	-	2,082,000	2,630,000	1,730,000
<i>Other long-term liabilities:</i>					
Pending claims	20,065,923	17,196	-	20,083,119	10,338,216
Net Pension liability	901,140,661	35,595,430	-	936,736,091	-
Net OPEB liability	33,629,939	-	6,445,582	27,184,357	-
Compensated absences	45,517,275	3,425,274	-	48,942,549	37,294,674
<b>Subtotal Governmental Activities</b>	<b>2,352,383,472</b>	<b>253,194,555</b>	<b>76,075,727</b>	<b>2,529,502,300</b>	<b>121,267,854</b>
<b>Business Type Activities:</b>					
Net Pension liability	13,094,428	-	1,200,371	11,894,057	-
Net OPEB liability	1,384,292	-	238,778	1,145,514	-
<b>Subtotal Business- Type Activities</b>	<b>14,478,720</b>	<b>-</b>	<b>1,439,149</b>	<b>13,039,571</b>	<b>-</b>
<b>Totals</b>	<b>\$ 2,366,862,192</b>	<b>\$ 253,194,555</b>	<b>\$ 77,514,876</b>	<b>\$ 2,542,541,871</b>	<b>\$ 121,267,854</b>

\*\* Compensated absences were restated due to the implementation of GASB 101.  
See Note 13.

The liabilities for general obligation bonds and direct placement notes are typically liquidated through the various debt service funds of the District. The liabilities for the net pension liability and net OPEB liability are typically liquidated through the funds for which the related employee worked.

The District was, in accordance with Nevada Revised Statute 387.400, within the legal debt limit at June 30, 2025.

**WASHOE COUNTY SCHOOL DISTRICT  
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**NOTE 7 – Fund Balance/Net Position:**

Government-Wide Financial Statements/Net Position:

The government-wide Statement of Net Position utilizes a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. The net investment in capital assets is capital assets less accumulated depreciation and related debt outstanding that relates to the acquisition, construction, or improvement of capital assets.

Amounts restricted have third-party (statutory, bond covenant or granting agency) limitation on their use. Restricted net position is classified by function, debt service, capital projects, or self-insurance claims.

The amount restricted for debt service consists of debt service reserve. Net position restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restrictions for use on specific projects or programs. Net position restricted for self-insurance activities represents the net position of the self-insurance funds, which are legally restricted for the purposes for which the funds were established.

Unrestricted net position represents available financial resources of the District.

Fund Financial Statements/Fund Balance:

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the governmental fund financial statements report the following classifications of fund balance:

Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – Amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Trustees, the District's highest level of decision making authority. A similar action is required to remove or modify committed fund balance and authorized expenditures reduce committed fund balance. At June 30, 2025 the District had no committed fund balances.

Assigned – Amounts that the District intends to use for a specific purpose, but do not meet the definitions of restricted or committed fund balance. Under the District's policy, adopted by the Board of Trustees, the District has delegated the authority to assign fund balance to the Chief Financial Officer or Superintendent.

Unassigned – All other spendable amounts in the General Fund or deficits in other governmental funds.

**WASHOE COUNTY SCHOOL DISTRICT  
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A minimum ending fund balance policy has been adopted by the Board of Trustees for the General Fund. A minimum unrestricted (committed, assigned, unassigned) ending fund balance of 12% of total expenditures (including transfers out), less capital outlay, shall be maintained.

It is the desire of the District to maintain adequate General Fund balance to maintain liquidity for unanticipated needs. The Board of Trustees has adopted a policy to establish a contingency account with a minimum fund balance of .25% of total appropriations (including transfers out) that shall not exceed 3% of the total appropriations (excluding transfers out).

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

As of June 30, 2025, fund balances are composed of the following.

	General Fund	Major Debt Service Funds	Major Capital Projects Funds	Other Governmental Funds	Total
Fund balances					
Nonspendable					
Inventory	\$ 1,833,559	\$ -	\$ -	\$ 915,977	\$ 2,749,536
Prepaid expenditures	-			1,000	1,000
Total nonspendable	<u>1,833,559</u>	<u>-</u>	<u>-</u>	<u>916,977</u>	<u>2,750,536</u>
Restricted for					
Restricted for Special Revenues	-	-	-	38,646,286	38,646,286
Restricted for Debt Service	-	88,532,700	-	20,496,014	109,028,714
Restricted for Capital Projects	-	-	329,900,442	124,584,709	454,485,151
Total restricted	<u>-</u>	<u>88,532,700</u>	<u>329,900,442</u>	<u>183,727,009</u>	<u>602,160,151</u>
Assigned to					
Encumbrances	352,473	-	-	-	352,473
Carryover of general supply appropriations	237,826	-	-	-	237,826
Future salary and benefit increases	4,173,030	-	-	-	4,173,030
Medicaid fund	-	-	-	159,446	159,446
E-Rate proceeds	-	-	-	12,703,593	12,703,593
Total assigned	<u>4,763,329</u>	<u>-</u>	<u>-</u>	<u>12,863,039</u>	<u>17,626,368</u>
Unassigned	<u>67,562,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,562,610</u>
Total fund balances	<u>\$ 74,159,498</u>	<u>\$ 88,532,700</u>	<u>\$ 329,900,442</u>	<u>\$ 197,507,025</u>	<u>\$ 690,099,665</u>

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 – Defined Benefit Pension Plan:**

Plan Description:

The District contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided:

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% service time factor, and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting:

Regular members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

Police/Fire members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as police/fire accredited service.

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The normal ceiling limitation on monthly benefits allowances is 75% of average compensation over the employee's highest 36 consecutive months. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both regular and police/fire members become fully vested as to benefits upon completion of five years of service.

**Contributions:**

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was selected, the member cannot convert to the Employee/Employer Contribution plan.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Actual contributions are made in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2025 the Statutory Employer/employee matching rate was 19.25% for Regular members; and 36.75% for Police/Fire. For the fiscal year ended June 30, 2025, the Employer-pay contribution (EPC) rate was 30.00% for Regular members and 58.75% for Police/Fire.

The District's contributions were \$81,227,032 for the year ended June 30, 2025.

PERS Investment Policy:

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	34%
International Equity	14%
U.S. Bonds	28%
Private Markets	12%
Short-term Investments	12%

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Net Pension Liability:

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2025, the District's proportion was 5.2504%, which was an increase of .2417% from its proportion as of June 30, 2024.

Pension Liability Discount Rate Sensitivity:

The following presents the net pension liability of the District as of June 30, 2025, calculated using the discount rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	1,481,241,974	948,630,148	458,978,661

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the PERS Annual Comprehensive Financial Report, available on the PERS website.

Actuarial Assumptions:

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.50%
Investment Rate of Return	7.25%
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Other Assumptions	Same as those used in the June 30, 2024 funding actuarial valuation

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Mortality Rates: For regular healthy members it is Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020. The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, PERS smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, PERS used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the Internal Revenue Service (IRS) to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

For police/fire healthy members it is Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020. The above listed mortality tables only provide rates for ages 45 and older. To develop mortality rates for ages 35 through 45, PERS smoothed the difference between the rates at age 35 from the Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, PERS used the pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the Internal Revenue Service (IRS) to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

For disabled regular members it is the Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

For disabled police/fire members: Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 30% for males and 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

For regular and police/fire current beneficiaries in pay status it is Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 15% for males and 30% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020. The above listed mortality table only provides rates for ages 45 and older. To develop mortality rates for ages 35 through 45, the Plan have smoothed the difference between the rates at age 35 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub 2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, PERS used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer

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defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

For regular and police/fire contingent beneficiaries it is Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020. The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, PERS smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount -Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, PERS used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

For the mortality table applicable to contingent beneficiaries, "Approach 1" from the Society of Actuaries "Pub-2010 Public Retirement Plans Mortality Tables Report" was utilized. In particular, the mortality basis for contingent beneficiaries has been assumed to be the same mortality basis as the Healthy Regular retiree table listed above (except using rates applicable to the beneficiary's gender) for both when the primary retiree is alive and is no longer alive. The Pub-210 Amount-Weighted Mortality Tables (with loading factors as described above) reasonably reflect the projected mortality experience of the Plan as of the measurement date. The generational projection is a provision made for future mortality improvement.

For pre-retirement regular members it is the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.

For pre-retirement police/fire members it is the Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table separate tables for males and females). Projected generationally with the two dimensional mortality improvement scale MP-2020.

The Pub-2010 Amount-Weighted Mortality Tables reasonably reflect the projected mortality experience of the plan as of the measurement date.

Actuarial assumptions used in the June 30, 2024 valuation were based on the results of the experience study for the period from July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2024 was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

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Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended June 30, 2025, the District recognized pension expense of \$100,439,065. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 201,248,500	\$ -
Changes in assumptions or other inputs	61,211,566	-
Net difference between projected and actual earnings on pension plan investments	-	93,452,288
Changes in proportion	32,093,754	22,408,875
District contributions subsequent to the measurement date	81,227,032	-
	<u>\$ 375,780,852</u>	<u>\$ 115,861,163</u>

The \$81,227,032 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 5.64 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	26,392,405
2027	121,646,196
2028	10,585,644
2029	1,481,219
2030	16,973,180
Thereafter	1,614,013

Additional Information:

Additional information is located in the PERS Annual Comprehensive Financial Report (ACFR) available on the PERS website at [www.nvpers.org](http://www.nvpers.org) under Quick Links – Publications.

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**NOTE 9 – Post-employment Benefits Other Than Pensions:**

Plan Descriptions:

The District contributes to a single-employer defined benefit healthcare plan, Washoe County School District Retiree Health Benefits Plan (WCSDRHP). The WCSDRHP is administered through the Washoe County School District OPEB Trust Fund (Trust). The measurement focus of this plan is its net OPEB liability.

The District also provides OPEB for certain former employees through the Nevada Public Employees' Benefits Plan (NPEBP), a single-employer defined benefit plan. The NPEBP is administered through the Washoe County School District OPEB Trust Fund (Trust). The measurement focus of this plan is its net OPEB liability associated with participating former District employees.

The District also sponsors a single-employer defined benefit life insurance plan, WCSD Retiree Life Insurance Plan, which makes available various levels of life insurance to eligible retired employees at a reduced blended rate cost. The WCSD Retiree Life Insurance Plan is administered through the Washoe County School District OPEB Trust Fund (Trust). The measurement focus of this plan is its net OPEB liability.

Washoe County School District Retiree Health Benefits Plan (WCSDRHP):

Benefit provisions for the WCSDRHP is established pursuant to NRS 287.023 and amended through negotiations between the District and the respective employee associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees.

The WCSDRHP explicitly subsidizes medical insurance premiums, pursuant to the contracts negotiated with various employee associations, for employees who retire from the District with at least 15 years of service. However, classified employees hired after June 30, 1999, certified employees who retire after August 31, 2006, and administrative employees who retire after June 30, 2006 are not eligible for explicit premium subsidies. The District's cost for providing explicit subsidies is capped for the different groups at various percentages of General Fund property tax revenues, which is projected to grow 3.0% and was \$1.6 million for fiscal year 2020. However, under NRS 287.023, eligible retirees may participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees contribute up to \$10,183 per year for medical, dental and vision coverage, based on their number of years since their retirement and the number of years of service with the District. The District reimburses up to 100% of the amount of validated claims for medical and dental costs incurred by pre-Medicare retirees. The District serves as a secondary carrier for retirees eligible for Medicare. Expenditures for post-employment health care benefits are recognized as retirees report claims.

For WCSDRHP, contribution requirements of the plan members and the District are established and may be amended through negotiations between the District and the employee associations. The contribution to the OPEB Trust Fund is determined by the District and based on projected pay-as-you-go financing requirements and actuarial studies contracted for by the District. For fiscal year 2025, the District contributed \$ 6,775,424 to the OPEB trust to benefit WCSDRHP. During the year, benefits totaling \$4,447,107 were paid out for WCSDRHP retirees.

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The number of participants as of June 30, 2025, the most recent full actuarial valuation date, are as follows:

	WCSDRHP
Active Employees	6,529
Retirees and surviving spouses	754
Total participants	7,283

Nevada Public Employees' Benefits Plan (NPEBP):

Benefit provisions for NPEBP are established pursuant to NRS 287.023 and subject to amendment by the State of Nevada, each biannual legislative session.

In prior fiscal years, under the NPEBP plan, pursuant to NRS 287.023, retirees had the option to participate in the District's program for post-employment health care benefits or to join the Public Employees' Benefit Program (NPEBP) offered by the State of Nevada. District retirees not receiving NPEBP benefits as of November 30, 2008 are no longer allowed to participate in NPEBP. For the remaining eligible retirees, local governments are required to pay the same portion of the cost of coverage for those persons participating in NPEBP that the State of Nevada pays for those persons retired from state service who have continued to participate in the plan. As of June 30, 2025, 962 retirees were utilizing this benefit. The subsidy paid to PEPB for this coverage for the year ended June 30, 2025 was \$2,612,190. Amounts paid per retiree ranged from \$2 to \$1,559. Amounts contributed by retirees are paid directly to the State of Nevada and, as such, are not available.

For NPEBP, benefit requirements of the plan members and the District are established and may be amended by the state legislature. The contribution is determined by the District and based on projected pay-as-you-go financing requirements and actuarial studies contracted for by the District. NRS 287.023 sunsetted the option to join NPEBP for District employees who were not receiving NPEPB benefits by November 30, 2008. Because no additional retirees are eligible to receive benefits, the NPEBP has no future obligations to retirees or others, and the District has elected to not contribute any further money to this Plan.

WCSD Retiree Life Insurance Plan:

Benefit provisions for the WCSD Retiree Life Insurance Plan are established pursuant to NRS 287.023 and amended through negotiations between the District and the respective employee associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees.

Any employee who has Basic Life and Accidental Death and Disability (AD&D) insurance while active and retires from the District while drawing PERS at the time of his/her retirement is eligible to continue this insurance at retirement regardless of the number of years of service with the District, as long as the retiree pays the premium. All future eligible retirees (not available to spouses of retirees) can obtain the following Basic Life and AD&D coverage:

- Administrative - \$200,000
- Certified - \$40,000
- Classified - \$40,000
- Confidential Classified (as defined by the District) - \$50,000

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This coverage is reduced 50% at age 70. The amount of the benefit is dependent on when an employee retired and is subject to coverage adjustments based on bargaining results.

For WCSD Retiree Life Insurance Plan, contribution requirements of the plan members and the District are established and may be amended through negotiations between the District and the employee associations. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. For actuarial valuation purposes, the District's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the District. Because retirees pay 100% of the pay-as-you-go premiums for their insurance coverage and the District has no future obligations to retirees or others with respect to this Plan, the District has elected, beginning in fiscal year 2011-12, to not contribute any further money to this Plan.

The number of participants as of June 30, 2025, the most recent full actuarial valuation date, are as follows:

	WCSD Retiree Life Insurance Plan
Active Employees	6,529
Retirees and surviving spouses	2,469
Total participants	8,998

Actuarial Methods and Assumptions:

The District's net OPEB liability was measured as of June 30, 2025, and the total OPEB liabilities used to calculate their respective net OPEB liability were determined by actuarial valuations for each plan as of June 30, 2025.

The total OPEB liability in the actuarial valuation for each plan was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

	WCSDRHP	NPEBP	WCSD Retiree Life Insurance Plan
Salary increases	3.00%	n/a	3.00%
Discount rate	6.72%	6.72%	6.72%
Investment rate of return	7.50%	7.50%	7.50%
Healthcare cost trend rates			
Pre-65 retirees	6.75% initial	6.75% initial, 4.25% ultimate	n/a
Post-65 retirees	5.75% initial	6.75% initial, 4.25% ultimate	n/a
Medicare subsidy	n/a	Medicare subsidy level (once eligible) is approximately 40% on non-Medicare subsidy level	n/a

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Mortality rates were based on the Pub-2010 generational tables using Scale MP-2020 applied on a gender specific basis, specific to occupation category (teacher, safety, general).

The June 30, 2025 actuarial valuation used the Nevada Public Employees Retirement System (PERS) termination rates from PERS' 2024 actuarial valuation.

*Investment rate of return.* A long-term investment rate of return of 7.50%, net of investment expenses, was selected by the plans. This rate is based on the long-term rate of return from the State of Nevada's Retiree Benefits Investment Fund (RBIF), where the plans and the County invest their assets to fund their OPEB liabilities. This rate is derived from RBIF's investment policy (shown in the table below).

<u>Asset Class</u>	<u>Asset Allocation</u>
Foreign Developed Equity	17.5%
Short-term Investments	12.0%
U.S. Fixed Income	28.0%
U.S. Large Cap Equity	42.5%

The annual money-weighted rate of return on OPEB plan investments was 3.30% during the year ended June 30, 2025.

*Discount Rate.* The discount rate should be the single rate that reflects the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that plan assets are projected to cover the benefit payments. The discount rate used to measure the total OPEB liability was 6.72% for all plans. This is based on a blend of the Bond Buyer 20-Bond GO index of 5.20% as of the measurement date and the long-term rate of return from the State of Nevada's Retiree Benefits Investment Fund (RBIF) of 7.50%. The District invests OPEB assets for all plans in the RBIF and Securities of the United States Treasury to fund their OPEB liabilities.

The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the blended rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Changes in assumptions.* The changes in assumptions for all plans in the June 30, 2025 measurement, from the previous measurement as of June 30, 2024 were as follows:

- The discount rate was updated from 6.42% to 6.72%.
- The trend rates were updated to an initial rate of 8.50% (7.50% for Post-65) grading down to an ultimate rate of 4.00%. The Select trend rates are updated to reflect the higher than anticipated rising healthcare costs environment.

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*Changes in the Net OPEB Liability.*

	WCSDRHP		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at July 1, 2024	\$ 74,118,370	\$ 57,053,096	\$ 17,065,274
Changes for the year			
Service cost	788,110	-	788,110
Interest cost	4,666,244	-	4,666,244
Differences between expected and actual experience	1,901,028	-	1,901,028
Changes in assumptions	(6,458,268)	-	(6,458,268)
Contributions - employer	-	6,775,424	(6,775,424)
Net investment income	-	(1,664,996)	1,664,996
Benefit payments	(4,447,107)	(4,447,107)	-
Administrative expense	-	(43,683)	43,683
Net changes	(3,549,993)	619,638	(4,169,631)
Balances at June 30, 2025	\$ 70,568,377	\$ 57,672,734	\$ 12,895,643

	NPEBP		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at July 1, 2024	\$ 33,308,155	\$ 35,006,828	\$ (1,698,673)
Changes for the year			
Service cost	-	-	-
Interest cost	2,054,533	-	2,054,533
Differences between expected and actual experience	(3,731,604)	-	(3,731,604)
Changes in assumptions	4,283,865	-	4,283,865
Contributions - employer	-	-	-
Net investment income	-	6,073,892	(6,073,892)
Benefit payments	(2,612,190)	(2,612,190)	-
Net changes	(5,396)	3,461,702	(3,467,098)
Balances at June 30, 2025	\$ 33,302,759	\$ 38,468,530	\$ (5,165,771)

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	WCSD Retiree Life Insurance Plan		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at July 1, 2024	\$ 19,823,561	\$ 175,931	\$ 19,647,630
Changes for the year			
Service cost	350,674	-	350,674
Interest cost	1,256,213	-	1,256,213
Differences between expected and actual experience	-	-	-
Changes in assumptions	(1,073,729)	-	(1,073,729)
Contributions - employer	-	-	-
Net investment income	-	(1,320,958)	1,320,958
Benefit payments	(1,214,095)	(1,214,095)	-
Administrative expense	-	-	-
Net changes	(1,582,684)	(2,535,053)	952,369
Balances at June 30, 2025	<u>\$ 18,240,877</u>	<u>\$ (2,359,122)</u>	<u>\$ 20,599,999</u>

*Sensitivity of the OPEB liabilities to changes in the discount rate.* The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.72 percent) or 1-percentage-point higher (7.72 percent) than the current discount rate rounded to the nearest thousand:

	1% Decrease in Discount Rate 5.72%	Current Discount Rate 6.72%	1% Increase in Discount Rate 7.72%
WCSDRHP - Net OPEB Liability	\$ 19,097,000	\$ 12,896,000	\$ 7,553,000
NPEBP - Net OPEB Liability	(2,486,000)	(5,166,000)	(7,525,000)
WCSD Retiree Life Insurance Plan - Net OPEB Liability	23,906,000	20,600,000	18,020,000
	<u>\$ 40,517,000</u>	<u>\$ 28,330,000</u>	<u>\$ 18,048,000</u>

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*Sensitivity of the OPEB liabilities to changes in the healthcare cost trend rates.* The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates rounded to the nearest thousand:

	1% Decrease in Healthcare Costs Trend Rate (7.50%)	Current Healthcare Costs Trend Rate (8.50%)	1% Increase in Healthcare Costs Trend Rate (9.50%)
WCSDRHP - Net OPEB Liability	\$ 7,490,000	\$ 12,896,000	\$ 19,287,000
NPEBP - Net OPEB Liability	(7,696,000)	(5,166,000)	(2,335,000)
WCSD Retiree Life Insurance Plan - Net OPEB Liability *	n/a	n/a	n/a

\* The WCSD Retiree Life Insurance Plan does not take into account health care cost trends in the net OPEB liability and therefore no trend data is available in the above table.

*OPEB plan fiduciary net position.* Detailed information about the OPEB plans' fiduciary net position is available in the separately issued Washoe County School District OPEB Trust financial report, which can be obtained by contacting management of the District.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2025, the District recognized OPEB expense of (\$3,311,179) for the WCSDRHP, (\$3,444,259) for the NPEBP, and \$1,745,374 for the WCSD Retiree Life Insurance Plan. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources, for each plan:

	<u>WCSDRHP</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 14,560,237	\$ (25,001,172)
Changes of assumptions/inputs	8,822,065	(30,684,640)
Net difference between projected and actual investments	1,906,433	-
Total	<u>\$ 25,288,735</u>	<u>\$ (55,685,812)</u>

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

	NPEBP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,416,798	\$ (24,076,609)
Changes of assumptions	10,680,198	(7,481,332)
Net difference between projected and actual earnings	-	(3,557,276)
Total	\$ 12,096,996	\$ (35,115,217)

	WCSD Retiree Life Insurance Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,096,510	\$ (8,217,175)
Changes of assumptions	4,100,800	(19,446,792)
Net difference between projected and actual earnings	1,950,683	-
Total	\$ 11,147,993	\$ (27,663,967)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	WCS DRHP	NPEBP	WCSD Retiree Life Insurance Plan
2026	\$ (2,229,433)	\$ (1,702,377)	\$ (453,479)
2027	(1,810,197)	(3,128,254)	(2,419,828)
2028	(2,777,245)	(3,308,648)	(2,086,262)
2029	(4,532,533)	(4,120,884)	(2,102,285)
2030	(6,599,673)	(4,097,885)	(2,605,000)
Thereafter	(12,447,996)	(6,660,173)	(6,849,120)
Total	\$ (30,397,077)	\$ (23,018,221)	\$ (16,515,974)

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – Risk Management:**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District reports all of its risk management activities in the Internal Service Funds in accordance with GASB Statements No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and No. 30, *Risk Financing Omnibus an amendment of GASB Statement No. 10*.

Claims expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated annually by an outside actuary who takes into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using the expected future investment yield of 2.0 percent.

At June 30, 2025, the amount of this liability was \$20,083,119. This liability is determined by actuaries using all available information.

Changes in the reported liability since July 1, 2023 are as follows:

	<u>Property &amp; Casualty</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Claims liability, July 1, 2023	\$ 4,742,000	\$ 9,118,620	\$ 5,804,000	\$ 19,664,620
Current year claims and changes in estimates	8,283,306	62,310,864	3,983,007	74,577,177
Claims payments	<u>(8,053,306)</u>	<u>(62,710,561)</u>	<u>(3,412,007)</u>	<u>(74,175,874)</u>
Claims liability, June 30, 2024	<u>\$ 4,972,000</u>	<u>\$ 8,718,923</u>	<u>\$ 6,375,000</u>	<u>\$ 20,065,923</u>
Current year claims and changes in estimates	(402,796)	89,410,229	2,626,025	91,633,458
Claims payments	<u>(799,204)</u>	<u>(88,198,033)</u>	<u>(2,619,025)</u>	<u>(91,616,262)</u>
Claims liability, June 30, 2025	<u>\$ 3,770,000</u>	<u>\$ 9,931,119</u>	<u>\$ 6,382,000</u>	<u>\$ 20,083,119</u>

At June 30, 2025, the Internal Service Funds held \$57,038,478 in cash and investments available for payment of these claims.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

The District combines both self-insurance and commercial insurance to protect against risks. There was no significant reduction in those insurance coverages purchased by the District from the previous year. Settled claims have not exceeded the commercial coverage in any of the past three years. The following is a detail of coverage:

Property, General Liability, and Casualty Insurance – The District maintains a per occurrence coverage with deductible of \$500,000 for damage to real and personal property, including flood losses, and a 2% per unit of insurance (based on the value of the property at the time of loss) subject to a minimum per occurrence deductible of \$100,000 for covered earthquake losses. The District is self-insured in the amount of \$400,000 for general liability and automobile incidents resulting in bodily injury and/or property damage liability claims. Maximum annual coverage is \$1,000,000,000 per occurrence for property coverage, subject to sub-limits for Flood and Earthquake losses, and coverage of \$5,000,000 per occurrence for crime with a \$50,000 deductible. Further, the District maintains \$15,000,000 per occurrence limits for wrongful acts of the Board of Trustees and general and automobile liability.

Health Insurance – The District is self-insured for health insurance claims up to \$425,000 per calendar year per employee.

Workers' Compensation Insurance – The District is self-insured for workers' compensation claims up to \$600,000 for each occurrence. Losses in excess of \$600,000 are covered by excess insurance up to State statutory limits. Also covered under this program is employer's liability coverage for \$1,000,000 for each accident, \$1,000,000 for each employee for disease, \$1,000,000 aggregate, and is subject to the \$600,000 self-insurance retention. The District maintains an account with a fair value of \$2,753,544 as of June 30, 2025 to meet its State of Nevada's Local Government Investment Pool (LGIP) security deposit requirement.

The Property and Casualty, Health Insurance and Workers' Compensation Funds charge the District's insured funds monthly premiums.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 11 – Commitments and Contingencies:**

Construction Commitments:

As of June 30, 2025, the District had the following commitments, which represent the District's significant encumbrances, with respect to unfinished capital projects:

	Remaining Construction Commitment	Expected Date of Completion
2025A WC-1 G.O. Bonds		
Infrastructure Projects	\$ 67,607,627	6/30/2027
WC-1 Sales Tax Revenue Fund		
Infrastructure Projects	12,848,901	6/30/2026
School Design	1,708,161	6/30/2026
	14,557,062	
2024A Extended Bond Rollover		
Athletic Surfaces Projects	2,600	12/31/2025
Building access upgrades	33,510	12/31/2025
HVAC/Plumbing Projects	973,245	12/31/2025
Infrastructure Projects	36,171,852	6/30/2026
Roofing Projects	3,658,855	9/30/2025
	40,840,062	
2024B Extended Bond Rollover		
Infrastructure Projects	49,963,743	6/30/2026
Pavement Projects	630,855	9/30/2025
School Design	1,022,424	6/30/2026
	51,617,022	
Nonmajor Funds		
Athletic Surfaces Projects	294,726	12/31/2025
Building access upgrades	95,573	12/31/2025
Fire Alarm Update Projects	6,618	12/31/2025
HVAC/Plumbing Projects	902,119	12/31/2025
Infrastructure Projects	13,698,843	6/30/2026
Roofing Projects	97,881	9/30/2025
Safety Projects	166,625	12/31/2025
School Design	5,771,373	6/30/2027
Seismic Upgrade Projects	34,551	9/30/2025
Technology upgrades	16,498	9/30/2025
	21,084,807	
	\$ 195,706,580	

Currently, no additional financing is required to complete construction on the projects above.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

Litigation:

The District is a defendant in various legal actions. The amount of liability or loss, if any, arising from such legal actions cannot be reasonably estimated at the present time. It is the opinion of management and legal counsel of the District that none of these cases would have a material impact upon the financial condition of the District.

**NOTE 12 – State of Nevada Tax Abatements:**

For the fiscal year ended June 30, 2025, the District's revenues were reduced by a total amount of \$1,840,490 under agreements entered into by the State of Nevada.

Aviation Tax Abatement (NRS 360.753) – Partial abatements from personal property and sales & use taxes are available to companies that locate or expand their business in Nevada. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales & use tax abatement reduces the applicable tax rate to 2% for a similar 20-year period, a near 75% reduction. For fiscal year ending June 30, 2025, the total amount abated for the District was \$412,259.

Data Centers Abatement (NRS 360.754) – Partial abatements from personal property and sales & use taxes are available to companies that establish or expand data centers. The personal property tax abatements can be up to 20 years. For fiscal year ending June 30, 2025, the total amount abated for the District was \$1,428,008.

Renewable Energy (NRS 701A.370) – Partial abatements from personal property and sales & use taxes are available to renewable energy facilities. For fiscal year ending June 30, 2025, the total amount abated for the District was \$223.

**NOTE 13 – New Accounting Pronouncements:**

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for the District's fiscal year ended June 30, 2025. Based on the implementation of GASB Statement No. 101, the District restated its beginning net position of governmental activities and beginning long-term liabilities for a total of \$4,662,097.

In December of 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentration or constraints. The requirements of this Statement are effective for the District's fiscal year ended June 30, 2025. Management determined that this statement did not have an impact on the District's financial statements.

# REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO PUBLIC  
EMPLOYEE'S RETIREMENT SYSTEM OF THE STATE OF NV

SCHEDULE OF CHANGES IN NET OTHER POST-EMPLOYMENT  
BENEFITS LIABILITY AND RELATED RATIOS

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR OTHER  
POST-EMPLOYMENT BENEFITS



*Washoe County  
School District*

**WASHOE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**Schedule of the District's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021
District's proportion of the net pension liability	5.25037%	5.00871%	5.15020%	5.26378%	5.26246%
District's proportionate share of the net pension liability	\$ 948,630,148	\$ 914,235,089	\$ 929,863,050	\$ 480,019,715	\$ 732,973,503
District's covered payroll	\$ 410,065,920	\$ 367,853,790	\$ 395,263,350	\$ 389,715,660	\$ 387,961,440
District's proportionate share of the net pension liability as a percentage of its covered payroll	231.34%	248.53%	235.25%	123.17%	188.93%
Plan fiduciary net position as a percentage of the total pension liability	65.99%	76.16%	86.50%	77.00%	77.00%
	2020	2019	2018	2017	2016
District's proportion of the net pension liability	5.25219%	5.33784%	5.51966%	5.56934%	5.44943%
District's proportionate share of the net pension liability	\$ 716,187,044	\$ 727,960,977	\$ 734,106,661	\$ 749,473,531	\$ 624,474,359
District's covered payroll	\$ 357,580,845	\$ 350,264,576	\$ 350,448,613	\$ 334,502,049	\$ 323,606,402
District's proportionate share of the net pension liability as a percentage of its covered payroll	200.29%	207.83%	209.48%	224.06%	192.97%
Plan fiduciary net position as a percentage of the total pension liability	76.46%	75.24%	74.42%	72.23%	75.13%

**Schedule of District Contributions to  
Public Employees' Retirement System of the State of Nevada  
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 81,226,837	\$ 57,983,321	\$ 52,014,526	\$ 55,890,237	\$ 55,105,795
Contributions in relation to the statutorily require contribution	\$ 81,226,837	\$ 57,983,321	\$ 52,014,526	\$ 55,890,237	\$ 55,105,795
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 574,447,220	\$ 410,065,920	\$ 367,853,790	\$ 395,263,350	\$ 389,715,660
Contributions as a percentage of covered payroll	14.14%	14.14%	14.14%	14.14%	14.14%
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 54,857,748	\$ 50,566,551	\$ 49,527,541	\$ 49,544,071	\$ 47,219,803
Contributions in relation to the statutorily require contribution	\$ 54,857,748	\$ 50,566,551	\$ 49,527,541	\$ 49,544,071	\$ 47,219,803
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 387,961,440	\$ 357,580,845	\$ 350,264,576	\$ 350,448,613	\$ 334,502,049
Contributions as a percentage of covered payroll	14.14%	14.14%	14.14%	14.14%	14.12%

The notes to required supplementary information are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**Schedule of Changes in Net Other Post-employment Benefits Liability and Related Ratios  
Last Ten Fiscal Years\***

	WCSDRHP							
	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>								
Service cost	\$ 788,110	\$ 1,082,452	\$ 535,367	\$ 668,559	\$ 3,629,455	\$ 2,100,022	\$ 1,568,633	\$ 1,596,000
Interest	4,666,244	4,369,182	3,693,162	3,215,890	3,332,964	4,241,296	3,631,329	3,834,850
Differences between actual and expected experience	1,901,028	(2,779,147)	9,401,316	-	(40,312,584)	-	-	-
Changes in assumptions	(6,458,268)	(11,832,888)	(4,958,415)	(11,658,610)	(5,849,440)	21,219,686	32,283,063	(2,395,102)
Benefit payments	(4,447,107)	(2,618,010)	(3,324,268)	(2,177,293)	(2,127,138)	(7,782,394)	(6,650,669)	(6,640,019)
Net change in total OPEB liability	(3,549,993)	(11,778,411)	5,347,162	(9,951,454)	(41,326,743)	19,778,610	30,832,356	(3,604,271)
Total OPEB liability - beginning	74,118,370	85,896,781	80,549,619	90,501,073	131,827,816	112,049,206	81,216,850	84,821,121
<b>Total OPEB liability - ending (a)</b>	<b>\$ 70,568,377</b>	<b>\$ 74,118,370</b>	<b>\$ 85,896,781</b>	<b>\$ 80,549,619</b>	<b>\$ 90,501,073</b>	<b>\$ 131,827,816</b>	<b>\$ 112,049,206</b>	<b>\$ 81,216,850</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 6,775,424	\$ 4,795,710	\$ 4,174,327	\$ 2,177,293	\$ 4,267,157	\$ 7,933,012	\$ -	\$ -
Net investment income	(1,664,996)	7,057,204	15,391,083	(2,758,924)	12,266,492	1,277,021	5,202,518	1,670,294
Benefit payments	(4,447,107)	(2,618,010)	(3,324,268)	(2,177,293)	(2,127,138)	(7,782,394)	(6,650,670)	(5,000,000)
Administrative expense	(43,684)	-	-	-	-	-	-	-
Net change in plan fiduciary net position	619,637	9,234,904	16,241,142	(2,758,924)	14,406,511	1,427,639	(1,448,152)	(3,329,706)
Plan fiduciary net position - beginning	57,053,096	47,818,192	31,577,050	34,335,974	19,929,463	18,501,824	19,949,976	23,279,682
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 57,672,733</b>	<b>\$ 57,053,096</b>	<b>\$ 47,818,192</b>	<b>\$ 31,577,050</b>	<b>\$ 34,335,974</b>	<b>\$ 19,929,463</b>	<b>\$ 18,501,824</b>	<b>\$ 19,949,976</b>
<b>District's net OPEB liability - ending (a) - (b)</b>	<b>\$ 12,895,644</b>	<b>\$ 17,065,274</b>	<b>\$ 38,078,589</b>	<b>\$ 48,972,569</b>	<b>\$ 56,165,099</b>	<b>\$ 111,898,353</b>	<b>\$ 93,547,382</b>	<b>\$ 61,266,874</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	81.73%	76.98%	55.67%	39.20%	37.94%	15.12%	16.51%	24.56%
<b>Covered payroll</b>	<b>\$ 367,263,687</b>	<b>\$ 338,754,000</b>	<b>\$ 328,887,745</b>	<b>\$ 341,789,427</b>	<b>\$ 331,834,395</b>	<b>\$ 316,375,000</b>	<b>\$ 305,676,420</b>	<b>\$ 307,473,000</b>
<b>District's net OPEB liability as a percentage of covered payroll</b>	3.51%	5.04%	11.58%	14.33%	16.93%	35.37%	30.60%	19.93%

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

**WASHOE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**Schedule of Changes in Net Other Post-employment Benefits Liability and Related Ratios  
Last Ten Fiscal Years\***

WCSD Retiree Life Insurance Plan		2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>									
Service cost	\$	350,674	\$ 481,643	\$ 731,407	\$ 1,006,563	\$ 1,080,411	\$ 1,315,813	\$ 982,860	\$ 1,000,007
Interest		1,256,213	1,216,869	1,489,794	1,436,164	1,055,989	1,379,288	1,758,059	1,735,198
Differences between actual and expected experience		(1,073,729)	24,997	(6,686,783)	-	9,306,341	-	-	-
Changes in assumptions		(901,747)	(4,707,094)	(2,343,714)	(9,289,772)	(12,701,216)	5,703,494	(4,156,519)	(1,616,169)
Benefit payments		(1,214,095)	(1,142,793)	(1,095,875)	(1,039,904)	(998,326)	(2,097,352)	(746,973)	(714,758)
Net change in total OPEB liability		<del>(1,582,684)</del>	<del>(4,126,378)</del>	<del>(7,095,171)</del>	<del>(7,986,049)</del>	<del>(2,266,801)</del>	<del>6,301,243</del>	<del>(2,162,673)</del>	<del>404,278</del>
Total OPEB liability - beginning		19,823,561	23,949,939	31,855,110	39,742,059	41,998,860	35,697,617	37,860,190	37,455,912
Total OPEB liability - ending (a)	\$	<del>18,240,877</del>	<del>19,823,561</del>	<del>23,040,939</del>	<del>31,855,110</del>	<del>39,742,059</del>	<del>41,998,860</del>	<del>35,697,617</del>	<del>37,860,190</del>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$	-	\$ -	\$ -	\$ 1,938,218	\$ -	\$ 1,295,741	\$ -	\$ -
Net investment income		(1,320,958)	211,614	(247,419)	(1,112,408)	150,141	238,601	769,001	434,008
Benefit payments		(1,214,095)	(1,142,793)	(1,095,875)	(1,039,904)	(998,326)	(2,097,352)	(746,973)	(714,758)
Administrative expense		-	-	-	-	-	-	-	-
Net change in plan fiduciary net position		<del>(2,525,063)</del>	<del>(931,179)</del>	<del>(1,343,294)</del>	<del>(214,094)</del>	<del>(848,185)</del>	<del>(563,010)</del>	<del>22,028</del>	<del>(280,750)</del>
Plan fiduciary net position - beginning		175,931	1,107,110	2,450,404	2,664,498	3,512,683	4,075,693	4,053,665	4,334,415
Plan fiduciary net position - ending (b)	\$	<del>(2,369,122)</del>	<del>175,931</del>	<del>1,107,110</del>	<del>2,450,404</del>	<del>2,664,498</del>	<del>3,512,683</del>	<del>4,075,693</del>	<del>4,053,665</del>
District's net OPEB liability - ending (a) - (b)	\$	20,599,999	\$ 19,647,630	\$ 22,842,829	\$ 29,404,706	\$ 37,077,561	\$ 38,486,177	\$ 31,621,924	\$ 33,806,525
Plan fiduciary net position as a percentage of the total OPEB liability		-12.93%	0.89%	4.62%	7.69%	6.70%	8.36%	11.42%	10.71%
Covered payroll	\$	367,263,687	\$ 338,754,000	\$ 328,887,745	\$ 341,789,427	\$ 331,834,395	\$ 316,375,000	\$ 305,676,420	\$ 307,473,000
District's net OPEB liability as a percentage of covered payroll		5.61%	5.80%	6.95%	8.60%	11.17%	12.16%	10.34%	10.99%

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

**WASHOE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**Schedule of Changes in Net Other Post-employment Benefits Liability and Related Ratios  
Last Ten Fiscal Years\***

	NPEBP							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,054,533	1,868,257	2,135,733	1,842,062	1,998,733	2,575,333	2,728,920	2,823,405
Differences between actual and expected experience	(3,731,604)	(195,575)	(7,383,551)	-	(27,449,663)	-	-	-
Changes in assumptions	4,283,865	(3,664,083)	(1,329,554)	(4,653,345)	(572,152)	16,336,339	8,945,712	(1,632,541)
Benefit payments	(2,612,190)	(2,665,881)	(2,773,864)	(2,940,824)	(3,004,458)	(6,594,460)	(3,218,633)	(3,370,903)
Net change in total OPEB liability	(5,396)	(4,657,282)	(9,351,236)	(5,752,107)	(29,027,540)	12,317,212	8,455,999	(2,180,039)
Total OPEB liability - beginning	33,308,155	37,965,437	47,316,673	53,068,780	82,096,320	69,779,108	61,323,109	63,503,148
Total OPEB liability - ending (a)	<u>\$ 33,302,759</u>	<u>\$ 33,308,155</u>	<u>\$ 37,965,437</u>	<u>\$ 47,316,673</u>	<u>\$ 53,068,780</u>	<u>\$ 82,096,320</u>	<u>\$ 69,779,108</u>	<u>\$ 61,323,109</u>
Plan fiduciary net position								
Contributions - employer	\$ -	\$ -	\$ -	\$ 2,940,824	\$ 3,004,458	\$ 3,297,230	\$ -	\$ -
Net investment income	6,073,892	4,687,988	(5,819,282)	(3,632,708)	9,425,534	1,809,619	6,212,101	2,868,783
Benefit payments	(2,612,190)	(2,665,881)	(2,773,864)	(2,940,824)	(3,004,458)	(6,594,460)	(3,218,633)	(3,370,903)
Net change in plan fiduciary net position	3,461,702	2,022,107	(8,593,146)	(3,632,708)	9,425,534	(1,487,611)	2,993,468	(502,120)
Plan fiduciary net position - beginning	35,006,828	32,984,721	41,577,867	45,210,575	35,785,041	37,272,652	34,279,184	34,781,304
Plan fiduciary net position - ending (b)	<u>\$ 38,468,530</u>	<u>\$ 35,006,828</u>	<u>\$ 32,984,721</u>	<u>\$ 41,577,867</u>	<u>\$ 45,210,575</u>	<u>\$ 35,785,041</u>	<u>\$ 37,272,652</u>	<u>\$ 34,279,184</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ (5,165,771)</u>	<u>\$ (1,698,673)</u>	<u>\$ 4,980,716</u>	<u>\$ 5,738,806</u>	<u>\$ 7,858,205</u>	<u>\$ 46,311,279</u>	<u>\$ 32,506,456</u>	<u>\$ 27,043,925</u>
Plan fiduciary net position as a percentage of the total OPEB liability	115.51%	105.10%	86.88%	87.87%	85.19%	43.59%	53.42%	55.90%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

**WASHOE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**Schedule of District Contributions for Other Post-employment Benefits  
Last Ten Fiscal Years\***

	WCSDRHP							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 4,879,740	\$ 6,824,148	\$ 6,142,312	\$ 5,273,523	\$ 7,166,000	\$ 8,273,188	\$ 7,462,977	\$ 5,439,527
Contributions in relation to the actuarially determined contribution	6,775,424	4,795,710	4,174,327	2,177,293	4,267,157	7,933,012	6,650,669	5,000,000
Contribution deficiency (excess)	<u>\$ (1,895,684)</u>	<u>\$ 2,028,438</u>	<u>\$ 1,967,985</u>	<u>\$ 3,096,230</u>	<u>\$ 2,898,843</u>	<u>\$ 340,176</u>	<u>\$ 812,308</u>	<u>\$ 439,527</u>
Covered payroll	\$ 367,263,687	\$ 338,754,000	\$ 328,887,745	\$ 341,789,427	\$ 331,834,395	\$ 316,375,000	\$ 305,676,420	\$ 307,473,000
Contributions as a percentage of covered payroll	1.84%	1.42%	1.27%	0.64%	1.29%	2.51%	2.18%	1.63%

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

	WCSD Retiree Life Insurance Plan							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 3,023,659	\$ 3,382,000	\$ 3,321,276	\$ 2,996,016	\$ 3,068,289
Contributions in relation to the actuarially determined contribution	-	-	-	1,938,218	-	1,295,741	746,973	714,758
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,085,441</u>	<u>\$ 3,382,000</u>	<u>\$ 2,025,535</u>	<u>\$ 2,249,043</u>	<u>\$ 2,353,531</u>
Covered payroll	\$ 367,263,687	\$ 338,754,000	\$ 328,887,745	\$ 341,789,427	\$ 331,834,395	\$ 316,375,000	\$ 305,676,420	\$ 307,473,000
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.57%	0.00%	0.41%	0.24%	0.23%

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

	NPEBP							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 455,000	\$ 482,000	\$ 2,242,952	\$ 2,023,295	\$ 1,795,369
Contributions in relation to the actuarially determined contribution	-	-	-	2,940,824	3,004,458	3,297,230	3,218,633	3,370,903
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,485,824)</u>	<u>\$ (2,522,458)</u>	<u>\$ (1,054,278)</u>	<u>\$ (1,195,338)</u>	<u>\$ (1,575,534)</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 1 - Purpose of Schedules**

A – Schedule of the District's Proportionate Share of the Net Pension Liability

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's share of the net pension liability administered by the Public Employees' Retirement System of the State of Nevada.

B – Schedule of the District's Contributions to Public Employees' Retirement System of the State of Nevada (NPEBP)

The Schedule of the District's Contributions to NPEBP is presented to illustrate the District's required contributions relating to the NPEBP pension plan.

C - Schedules of Changes in Net Other Postemployment Benefits Liability and Related Ratios - WCSDRHP, WCSD Retiree Life Insurance Plan, and NPEBP

The Schedules of Changes in Net OPEB Liability and Related Ratios for the WCSDRHP, WCSD Retiree Life Insurance Plan, and NPEBP are presented to illustrate the elements of the District's net OPEB liabilities associated with the respective plans offered by the District. The District has accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's total OPEB liability associated with all plans.

D – Schedule of the District's Contributions for Other Postemployment Benefits

The Schedule of District Contributions - OPEB is presented to illustrate the District's required contributions relating to the District's OPEB plans.

## APPENDIX B

### SUMMARY OF CERTAIN PROVISIONS OF THE 2026B BOND RESOLUTION

The following is a brief summary of certain provisions of the 2026B Bond Resolution and is qualified in its entirety by the provisions of the 2026B Bond Resolution itself.

#### Definitions

As used in the 2026B Bond Resolution, the following terms shall, for all purposes, have the following meanings unless the context clearly requires otherwise.

“2026B Bond Resolution” means the bond resolution authorizing the issuance of the Bonds.

“Annual Principal and Interest Requirements” means the sum of the principal of and interest on the Outstanding Bonds and any other Outstanding designated securities payable from the Pledged Revenues having a lien thereon superior to or on a parity with the lien thereon of the Bonds, to be paid during any Bond Year, but excluding any reserve requirements to secure such payments unless otherwise expressly provided and excluding any amount payable from capitalized interest. In calculating this amount, the principal amount of bonds required to be redeemed prior to maturity pursuant to a mandatory redemption schedule contained in the resolution or other instrument authorizing the issuance of such bonds (e.g., the schedule, if any, set forth in the Certificate of the Chief Financial Officer) shall be treated as maturing in the Bond Year in which such bonds are so required to be redeemed, rather than in the Bond Year in which the stated maturity of such bonds occurs.

“Board” means the Washoe County School District Board of Trustees, including any successor of the District.

“Bond Act” means NRS 350.500 through 350.720, and all laws amendatory thereof, designated in NRS 350.500 as the Local Government Securities Law.

“Bond Fund” or “2026B Bond Fund” means the special account designated as the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2026B, Pledged Revenues Interest and Principal Retirement Fund,” created in the 2026B Bond Resolution.

“Bond Requirements” means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds and any additional bonds or other additional securities payable from the Pledged Revenues and hereafter issued, or such part of such securities or such other securities as may be designated, as such principal, premiums and interest become due at maturity or on a Redemption Date designated in a mandatory redemption schedule, in a notice of prior redemption, or otherwise.

“Bonds” means the securities issued pursuant to the 2026B Bond Resolution and designated as the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2026B.”

“2017C Bonds” means the securities designated as the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2017C.”

“2018 Bonds” means the securities designated as the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2018.”

“2019B Bonds” means the securities designated as the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2019B.”

“2020A Bonds” means the securities designated as the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2020A.”

“2022A Bonds” means the securities designated as the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2022A.”

“2025A Bonds” means the securities designated as the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2025A.”

“Bond Year” means the 12 months commencing on April 2 of any calendar year and ending on April 1 of the next succeeding calendar year.

“Capital Projects Fund” means the special account created by the Board pursuant to NRS 387.328 for the purposes set forth therein.

“Certificate of the Chief Financial Officer” means a certificate dated on or before the date of delivery of the Bonds executed by the Chief Financial Officer, or in such officer’s absence, the Superintendent and specifying certain terms of the Bonds.

“Chief Financial Officer” means the de jure or de facto Chief Financial Officer of the District and designated as such by the District.

“Combined Maximum Annual Principal and Interest Requirements” means the greatest of the Annual Principal and Interest Requirements to be paid during any Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any bond last becomes due at maturity or on a Redemption Date on which any bond thereafter maturing is called for prior redemption. If any outstanding bonds are subject to variable interest rates, for the purpose of such computation, such interest rates shall be determined by an Independent Accountant, an independent feasibility consultant or the District’s Chief Financial Officer. Any such computation shall be adjusted as provided in Section 803C of the 2026B Bond Resolution, and shall be made by an Independent Accountant, an independent feasibility consultant or the District’s Chief Financial Officer, if expressly so required.

“Cost of the Project” means all or any part designated by the District of the cost of the Project, which cost, at the option of the District, except as limited by law, may include all or any part of the incidental costs relating to the Project, including, without limitation:

(a) Preliminary expenses advanced by the District from funds available for use therefor or from any other source, or advanced with the approval of the District from funds available therefor or from any other source by the State, the Federal Government, or by any other Person with the approval of the District (or any combination thereof);

(b) The costs in the making of surveys, audits, preliminary plans, other plans, specifications, estimates of costs, and other preliminaries;

(c) The costs of premiums on builders’ risk insurance and performance bonds, or a reasonably allocable share thereof,

(d) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Bonds and any other securities relating to the Project, and bank fees and expenses;

(e) The costs of contingencies;

(f) The costs of any discount on the bonds or other securities, and of any reserves for the payment of the principal of and interest on the Bonds or other securities, of any replacement expenses, and of any other cost of the issuance of the Bonds or other securities relating to the Project;

(g) The costs of amending any resolution or other instrument authorizing the issuance of or otherwise relating to the Outstanding Bonds or other securities relating to the Project;

(h) All other expenses necessary or desirable and relating to the Project, as estimated or otherwise ascertained by the District.

“District” means the Washoe County School District of Washoe County in the State, and constituting a political subdivision, or any successor thereof.

“Events of Default” means the events stated in Section 1104 of the 2026B Bond Resolution.

“Federal Securities” means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

“Fiscal Year” means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the Nevada legislature changes the statutory fiscal year relating to the District, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such modification, if any.

“General Tax Interest Account” means the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2026B, General Tax Interest Account,” created in Section 501 of the 2026B Bond Resolution.

“General Tax Principal Account” means the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2026B, General Tax Principal Account,” created in Section 501 of the 2026B Bond Resolution.

“General Taxes” or “Taxes” means general (ad valorem) taxes levied by the District against all taxable property within the boundaries of the District (unless otherwise qualified).

“Income Fund” means the special account designated as the “Washoe County School District, Nevada, Pledged Revenues Income Fund” continued in Section 602 of the 2026B Bond Resolution.

“Independent Accountant” means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State, as from time to time appointed and compensated by the District:

(a) Who or which is, in fact, independent and not under the domination of the District;

(b) Who or which does not have any substantial interest, direct or indirect, with the District, and

(c) Who or which is not connected with the District as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the District.

“Outstanding” when used with reference to the Bonds or any other designated securities and as of any particular date means all the Bonds or any such other securities payable from the Pledged Revenues, as the case may be, in any manner theretofore and thereupon being executed and delivered:

(a) Except any Bond or other security canceled by the District, by the Paying Agent or otherwise on the District’s behalf, at or before such date;

(b) Except any Bond or other security the payment of which is then due or past due and moneys fully sufficient to pay the same are on deposit with the Paying Agent;

(c) Except any Bond or other security for the payment or the redemption of which moneys at least equal to the District’s Bond Requirements to the date of maturity or to any Redemption Date, shall have heretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 1001 of the 2026B Bond Resolution; and

(d) Except any Bond or other security in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to Sections 306 or 1209 of the 2026B Bond Resolution.

“Owner” or any similar term, when used in conjunction with any Bonds, or any other designated securities, means the registered owner of any Bonds or other security which is registrable for payment if it shall at the time be registered for payment otherwise than to bearer.

“Parity Securities” means bonds or securities, including the 2017C Bonds, the 2018 Bonds, the 2019B Bonds, the 2020A Bonds, the 2022A Bonds and the 2025A Bonds, which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds authorized by the 2026B Bond Resolution.

“Paying Agent” means Zions Bancorporation, National Association or any successor which may be appointed from time to time as paying agent for the Bonds.

“Pledged Revenues” means all income and revenue derived by the District from the collection of the Sales and Use Taxes and deposited in the Capital Projects Fund. “Pledged Revenues” includes additional income derived from any supplemental or additional excise taxes received by the District if the Board is authorized to include and elects to include the additional excise taxes in “Pledged Revenues” for the remaining term of the Bonds.

“Project” means the acquisition, construction, repair and renovation of school facilities in the District and the costs of issuance related thereto.

“Project Act” means NRS 387.335, as amended.

“Rebate Account” means the “Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2026B, Rebate Account” created in the 2026B Bond Resolution.

“Redemption Date” means a date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from any Pledged Revenues in any mandatory redemption schedules, or in any notice of prior redemption or otherwise fixed and designated by the District.

“Redemption Price” means, when used with respect to a Bond or other designated security payable from any Pledged Revenues, the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of such Bond or other security on a Redemption Date in the manner contemplated in accordance with the security’s terms.

“Registrar” means Zions Bancorporation, National Association or any successor which may be appointed from time to time as registrar for the Bonds.

“Regular Record Date” means the fifteenth day of the calendar month preceding each interest payment date.

“Sales and Use Taxes” means the sales tax of 0.54% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the County and an excise tax of 0.54% upon the storage, use or other consumption in the County of tangible personal property purchased from any retailer for the storage, use or other consumption in the County.

“Special Record Date” means a special date fixed by the Paying Agent to determine the names and addresses of Owners of the Bonds for the payment of any defaulted interest on any of the Bonds, as further provided in Section 302 of the 2026B Bond Resolution. At least 10 days’ notice will be given by the Paying Agent by first class regular or electronic mail to each Owner of a Bond as stated on the Registrar’s registration list at the close of business on a date fixed by the Paying Agent, stating the date of the Special Record Date and the due date fixed for the payment of such defaulted interest.

“State” means the State of Nevada, in the United States.

“Subordinate Securities” means bonds or securities which have a lien on the Pledged Revenues that is subordinate and junior to the lien thereon of the Bonds herein authorized.

“Superior Securities” means special obligation bonds or securities which have a lien on the Pledged Revenues that is superior to the lien thereon of the Bonds.

“Tax Code” means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds.

“Taxes” means General Taxes.

### **Application of Proceeds**

First, there shall be credited to the Bond Fund all moneys, if any, received as accrued interest on the Bonds from their sale by the District from the date of the Bonds to the date of their delivery to the purchaser, to apply to the payment of interest on the Bonds as the same becomes due after their delivery. Second, the remaining proceeds (together with any other legally available funds) shall be credited to the Construction Account to be used to pay the incidental costs of the Project. The unexpended proceeds derived from the sale of the Bonds (or, unless otherwise required by law, any other moneys) remaining in the Construction Account after completion of the Project shall be deposited into the Bond Fund for the respective payment of the principal of or interest on the Bonds as the same become due.

### **Flow of Funds**

So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the entire Pledged Revenues shall be set aside and credited immediately to the Income Fund.

So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the Income Fund shall be administered, and the moneys on deposit therein shall be applied in the following order of priority:

(a) First, from the Pledged Revenues, there will be credited to any bond fund created to pay the principal of, interest on and prior redemption premiums due on any Superior Securities issued in accordance with the provisions of the 2026B Bond Resolution:

(1) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Superior Securities.

(2) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Superior Securities coming due at maturity, and an amount sufficient to pay the principal of, interest on and any prior redemption premiums due on the Outstanding Superior Securities.

(b) Second, the following transfers will be concurrently credited to the Bond Fund concurrently with the transfers to the bond funds for any Parity Securities hereafter issued, in accordance with the provisions of bond resolutions authorizing the issuance of any such Parity Securities:

(1) Monthly, commencing on the fifteenth of the month following the date of delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys available therefor, to pay the next maturing installment of interest on the Bonds, then Outstanding, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary together with any other monies available therefor and on deposit therein, to pay the next maturing installment of interest on the Bonds then Outstanding.

(2) Monthly, commencing on the later of the fifteenth of the month following the date of delivery of the Bonds or 12 months prior to the first principal payment on the Bonds, an amount in equal monthly installments necessary, together with any other monies available therefor, to pay the next installment of principal of the Bonds, coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other monies from time to time available therefor and on deposit therein, to pay the next installment of principal of the Bonds coming due at maturity, or pursuant to mandatory sinking fund requirements, if any.

No payment need be made into the Bond Fund, if the amounts in the Bond Fund, total a sum at least equal to the entire amount of the Bond Requirements of Outstanding Bonds, both accrued and not accrued, to their respective maturities, in which case moneys in that account in an amount at least equal to such Bond Requirements will be used solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof in the Bond Fund, and any other moneys derived from the Pledged Revenues will be applied as provided in the 2026B Bond Resolution.

(c) Third, either concurrently with or subsequent to the payments required above, any moneys remaining in the Income Fund may be used by the District for the payment of Bond Requirements of additional bonds or other additional securities payable from the Pledged

Revenues and hereafter authorized to be issued. The lien of such additional bonds or other additional securities on the Pledged Revenues and the pledge thereof for the payment of such additional securities will be superior to, on a parity with or subordinate to the lien and pledge of the Bonds. Payments for bond and reserve funds for any Superior Securities will be made concurrently with the payments for Superior Securities required above. Payments for bond and reserve funds for additional Parity Securities will be made concurrently with the payments for the Bonds required above, but payments for bond and reserve funds for additional Subordinate Securities will be made after the payments required above for Superior or Parity Securities.

(d) Fourth, and subject to the above provisions but prior to the transfer of any Pledged Revenues to the payment of Subordinate Securities, there will be transferred into the Rebate Account such amounts as are required to be deposited therein to meet the District's obligations under "Tax Covenant" below with respect to the Bonds and any Superior or Parity Securities issued in accordance with the provisions of the 2026B Bond Resolution, in accordance with Section 148(f) of the Tax Code. Amounts in the Rebate Account will be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein by such covenant and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose.

(e) Fifth, any Pledged Revenues thereafter remaining in the Income Fund may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to Bond Fund, to the Rebate Account and to each other bond fund and reserve fund, if any, for the payment of any other securities payable from the Pledged Revenues, all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, for any one or any combination of lawful purposes, or otherwise, as the District may from time to time determine.

### **Lien of the Bonds**

The Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues on a parity with the any Parity Securities hereafter issued, subject to and after any superior liens upon such Pledged Revenues of any Superior Securities hereafter issued.

The Bonds and any Parity Securities hereafter authorized to be issued and from time to time Outstanding are equally and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of the issuance of the Bonds and any such securities, it being the intention of the District that there shall be no priority among the Bonds and any such Parity Securities, regardless of the fact that they may be actually issued and delivered at different times.

### **Superior or Parity Securities**

The District may issue additional securities payable from the Pledged Revenues and constituting a lien thereon superior to or on a parity with, the lien thereon of the Bonds. The District may issue securities refunding all or a part of the Bonds (or funding or refunding any other

then Outstanding securities payable from Pledged Revenues), as provided in “Refunding Securities” below; but before any such additional Superior or Parity Securities are authorized or actually issued (excluding any superior or parity refunding securities other than any securities refunding Subordinate Securities):

(a) At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the District shall not be in default in making any required payments described at subsections (a), (b), (c), or (d) of the section entitled “Flow of Funds” above, with respect to any Superior or Parity Securities.

(b) Except as hereinafter otherwise provided, (1) the Pledged Revenues derived in the Fiscal Year immediately preceding the date of the issuance of the additional Superior or Parity Securities shall have been at least sufficient to pay an amount equal to the Combined Maximum Annual Principal and Interest Requirements (to be paid during any one Bond Year, commencing with the Bond Year in which the additional Superior or Parity Securities are issued and ending on the fifteenth day of June of the year in which any then Outstanding Bonds last mature) of the Outstanding Bonds and any other Outstanding Superior or Parity Securities of the District and the bonds or other securities proposed to be issued (excluding the reserves therefor); or, (2) the Pledged Revenues estimated by the Chief Financial Officer, independent feasibility consultant or an Independent Accountant shall be at least equal to such Combined Maximum Annual Principal and Interest Requirements in each Fiscal Year of the Bonds, any Outstanding Superior or Parity Securities and such additional Superior or Parity Securities proposed to be issued. (the “Earnings Test”).

(c) In the computation of the Earnings Test, the amount of the Pledged Revenues must be decreased and may be increased by the amount of any loss or gain conservatively estimated by the Chief Financial Officer, independent feasibility consultant or Independent Accountant making the computation, which loss or gain results from any change in the rate of the taxes deposited in the Capital Projects Fund or otherwise constituting a part of the Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such Superior or Parity Securities, as if such modified rate shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made before the computation of the designated Earnings Test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year.

Additional Superior Securities may not be issued as general obligations of the District.

### **Subordinate Securities**

Nothing in the 2026B Bond Resolution prevents the District from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

## **Refunding Securities**

Refunding bonds or other refunding securities issued, unless issued as Subordinate Securities, will enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any; and the Owner or Owners of the refunding securities will be subrogated to all of the rights and privileges enjoyed by the Owner or Owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

If only a part of the Outstanding Bonds and other Outstanding securities of any issue or issues payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the Owner or Owners of the unrefunded portion of such securities:

(a) Unless the refunding securities do not increase for any Bond Year the annual principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Redemption Date, if any, whichever is later, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Pledged Revenues is not raised to a higher priority than the lien thereon of the bonds or other securities thereby refunded; or

(b) Unless the lien on any Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

(c) Unless the refunding bonds or other refunding securities are issued in compliance with the requirements listed above under "Superior or Parity Securities."

## **Application of Pledged Revenues Covenant**

The District covenants in the 2026B Bond Resolution to cause the taxes received by the District pursuant to the Project Act and NRS 387.328, to be collected deposited and expended in the manner required by law and the 2026B Bond Resolution.

## **Bondowner's Remedies**

Each Owner of any Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as provided in Sections 207 through 210 of the 2026B Bond Resolution, through but subject to the provisions in the 2026B Bond Resolution concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

## **Events of Default**

Each of the following events is an "event of default" under the 2026B Bond Resolution:

(a) Payment of the principal of any of the Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and

payable, at maturity, on the mandatory redemption dates specified in the 2026B Bond Resolution, or by proceedings for optional prior redemption, or otherwise;

(b) Payment of any installment of interest on the Bonds is not made when the same becomes due and payable;

(c) The District fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Pledged Revenues, or otherwise, including, without limitation, the 2026B Bond Resolution, and such failure continues for 60 days after receipt of notice from the Owners of a majority in principal amount of the Bonds then Outstanding;

(d) An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the District appointing a receiver or receivers for the Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the District and a request to vacate or discharge such order is not made within 60 days or is not vacated or discharged or stayed on appeal within 60 days after entry; and

(e) The District makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in the 2026B Bond Resolution on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the District by the Owners of a majority in principal amount of the Bonds then Outstanding.

### **Remedies for Default**

Upon the happening and continuance of any of the events of default described in (a) through (e) above, then and in every case the Owner or Owners or not less than a majority in principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the District and its agents, officers and employees to protect and to enforce the rights of any Owner of Bonds under the 2026B Bond Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in the 2026B Bond Resolution or in an award of execution of any power granted in the 2026B Bond Resolution for the enforcement of any proper, legal or equitable remedy as the Owner or Owners may deem most effectual to protect and to enforce the rights, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Bond, or to require the District to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the Bonds and any Parity Securities then Outstanding.

### **Amendment of the 2026B Bond Resolution**

The 2026B Bond Resolution may be amended or supplemented by instruments adopted by the District in accordance with the laws of the State, without receipt by the District of

any additional consideration and without the written consent of the insurer of the Bonds, if any, or the Owners of the Bonds, for the purpose of curing any ambiguity or formal defect or omission herein or if the amendment does not adversely and materially affect the interests of the Owners of the Bonds, and otherwise with the written consent of the insurer of the Bonds, if any, or the Owners of a majority in aggregate principal amount of the Bonds authorized by the 2026B Bond Resolution and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding any Bonds which may then be held or owned for the account of the District, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the District. No such instrument shall permit without the written consent of the insurer of the Bonds, if any, and all Owners of the Bonds adversely and materially affected thereby:

- (a) A change in the maturity or in the terms of redemption of the principal of any Outstanding Bond or any installment of interest thereon; or
- (b) A reduction in the principal amount of any Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith; or
- (c) A reduction of the percentages or otherwise affecting the description of Bonds the consent of the Owners of which is required for any modification or amendment; or
- (d) The establishment of priorities as between Bonds issued and Outstanding under the provisions of the 2026B Bond Resolution; or
- (e) The modifications of or otherwise materially and prejudicially affecting the rights or privileges of the Owners of less than all of the Bonds then Outstanding.

Whenever the District proposes to amend or modify the 2026B Bond Resolution, it will cause notice of the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing, by U.S. mail, electronic mail or otherwise, to each of the insurer of the Bonds, if any, the Paying Agent, the Registrar, and the Owner of each of the Bonds Outstanding. The notice will briefly set forth the nature of the proposed amendment and will state that a copy of the proposed amendatory instrument is on file in the office of the Clerk for public inspection.

Whenever at any time within one year from the date of the electronic mailing or otherwise of such notice, there shall be filed in the office of the Clerk an instrument or instruments executed by the insurer of the Bonds, if any, or the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument; thereupon, but not otherwise, the District may adopt the amendatory instrument and the instrument shall become effective.

If the insurer of the Bonds, if any, or the Owners of at least a majority in aggregate principal amount of the Bonds Outstanding, at the time of the adoption of the amendatory instrument, or the predecessors in title of such Owners shall have consented to and approved the adoption thereof as herein provided, no Owner of any Bond, whether or not the Owner shall have consented to or shall have revoked any consent as provided in the 2026B Bond Resolution, shall

have any right or interest to object to the adoption of the amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin the District from taking any action pursuant to the provisions thereof.

Any consent to an amendment to the 2026B Bond Resolution given by the Owner of a Bond shall be irrevocable for a period of 6 months from the date of the notice as described above, and shall be conclusive and binding upon all future Owners of the same Bond during that period. The consent may be revoked at any time after 6 months from the date of the above-described notice by the Owner who gave the consent or by a successor in title by filing notice of the revocation with the Clerk, but the revocation shall not be effective if the Owners of a majority in aggregate principal amount of the Bonds Outstanding, before the attempted revocation, consented to and approved the amendatory instrument referred to in the revocation.

If the insurer of the Bonds, if any, or the Owners of all the then Outstanding Bonds consent, the terms and the provisions of the 2026B Bond Resolution or of any instrument amendatory thereof or supplemental thereto and the rights and the obligations of the District and of the Owners of the Bonds thereunder may be modified or amended in any respect upon the adoption by the District and upon the filing with the Clerk of an instrument to that effect, and no notice to the insurer of the Bonds, if any, or the Owners of Bonds shall be required, nor shall the time of consent be limited except as may be provided in the consent.

### **Tax Covenant**

The District covenants in the 2026B Bond Resolution for the benefit of the registered Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code have been met. The District makes no covenant with respect to taxation of interest on the Bonds as a result of the inclusion of that interest in the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code).

## APPENDIX C

### BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name

as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar and Paying Agent. Under

such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.*

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Washoe County School District, Nevada (the “Issuer”) in connection with the issuance of the Issuer’s Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2026A, in the aggregate principal amount of \$50,000,000 and Washoe County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2026B, in the aggregate principal amount of \$73,020,000 (collectively, the “Bonds”). The Bonds are being issued pursuant to the bond resolutions of the Issuer adopted on June 24, 2025 and December 9, 2025, respectively (collectively, the “Bond Resolutions”). The Issuer covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Bond Resolutions or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with the Rule.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. The MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**SECTION 3. Provision of Annual Reports.**

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer’s fiscal year of each year, commencing nine (9) months following the end of the Issuer’s fiscal year ending June 30, 2026, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send or cause to be sent a notice in substantially the form attached as Exhibit A to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

**SECTION 4. Content of Annual Reports.** The Issuer’s Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement with respect to the Bonds (excluding projections, forecasts and budgeted information which are not required to be updated).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall provide or cause to be provided, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, to the MSRB:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) Modifications to rights of bondholders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds,  
if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the obligated  
person\*;
- (m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

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\* For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a Financial Obligation of the obligated person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event,

in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Bond Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE January 29, 2026.

WASHOE COUNTY SCHOOL DISTRICT, NEVADA

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Chief Financial Officer

**EXHIBIT A**

**NOTICE TO MSRB  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Washoe County School District, Nevada

Name of Bond Issue: General Obligation (Limited Tax) School Improvement Bonds, Series 2026A and  
General Obligation (Limited Tax) School Improvement Bonds  
(Additionally Secured by Pledged Revenues), Series 2026B

CUSIP:

Date of Issuance: January 29, 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolutions adopted on June 24, 2025 and December 9, 2025, respectively, and the Continuing Disclosure Certificate executed on January 29, 2026 by the Issuer. The Issuer anticipates that the Annual Report will be filed by

\_\_\_\_\_.

Dated: \_\_\_\_\_

WASHOE COUNTY SCHOOL DISTRICT, NEVADA

By: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

(see page iv of the Official Statement)

## APPENDIX E

### FORM OF APPROVING OPINIONS OF BOND COUNSEL

[Closing Date]

Washoe County School District, Nevada  
425 East Ninth Street  
Reno, Nevada 89512

**\$50,000,000**  
**Washoe County School District, Nevada**  
**General Obligation (Limited Tax) School Improvement Bonds**  
**Series 2026A**

Ladies and Gentlemen:

We have acted as bond counsel to the Washoe County School District (the ‘District’), Nevada (the ‘State’), in connection with the issuance of its General Obligation (Limited Tax) School Improvement Bonds, Series 2026A, in the aggregate principal amount of \$50,000,000 (the ‘Bonds’) pursuant to an authorizing resolution of the Board of Trustees of the District adopted and approved on June 24, 2025 (the ‘Bond Resolution’). In such capacity, we have examined the District’s certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the District’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the District.
2. All of the taxable property in the District is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the Constitution and laws of the State.
3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the District (i.e., the State, District, and any other political subdivision in the District) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State and the District) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Tax Code”), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District’s certified proceedings and in certain other documents and certain other certifications furnished to us.

5. Under the laws of the State in effect on the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District pursuant to the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in laws that may hereafter occur.

Respectfully submitted,

[Closing Date]

Washoe County School District, Nevada  
425 East Ninth Street  
Reno, Nevada 89512

**\$73,020,000**  
**Washoe County School District, Nevada**  
**General Obligation (Limited Tax) School Improvement Bonds**  
**(Additionally Secured by Pledged Revenues)**  
**Series 2026B**

Ladies and Gentlemen:

We have acted as bond counsel to the Washoe County School District (the ‘District’), Nevada (the ‘State’), in connection with the issuance of its General Obligation (Limited Tax) School Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2026B, in the aggregate principal amount of \$73,020,000 (the “Bonds”) pursuant to an authorizing resolution of the Board of Trustees of the District adopted and approved on December 9, 2025 (the “Bond Resolution”). In such capacity, we have examined the District’s certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the District’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the District.
2. All of the taxable property in the District is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the Constitution and laws of the State.
3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the District (i.e., the State, District, and any other political subdivision in the District) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State and the District) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.
4. The Bonds are additionally secured by and payable from the Pledged Revenues. The Bond Resolution creates a valid lien on the Pledged Revenues on a parity with the

lien thereon of any Parity Securities outstanding and hereafter issued and subordinate to the lien thereon of any Superior Securities hereafter issued. The Bond Resolution also creates a valid lien on the Bond Fund. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Pledged Revenues or on the Bond Fund created by the Bond Resolution.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

6. Under the laws of the State in effect on the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District pursuant to the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in laws that may hereafter occur.

Respectfully submitted