



CITY OF SPARKS
NEVADA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Year Ended June 30, 2021

City of Sparks, Nevada

Annual Comprehensive Financial Report

for the Fiscal Year Ended
June 30, 2021

Prepared by the Compliance Division of the Financial Services Department

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Special Thanks to the Budgeting and Operating Divisions

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November 30, 2021

Honorable Mayor, Members of the City Council,
City Manager and Citizens of Sparks, Nevada:

The Annual Comprehensive Financial Report (ACFR) of the City of Sparks, Nevada, for the fiscal year ended June 30, 2021, is hereby submitted in accordance with Nevada Revised Statutes 354.624. This report represents the City's compliance with state law, which requires that local governments provide for an annual audit by independent certified accountants of its financial statements in accordance with generally accepted accounting principles (GAAP).

Responsibility for both the accuracy of the data and fairness of the presentation, including all note disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City of Sparks, in accordance with generally accepted accounting principles.

Our auditors, Eide Bailly LLP, have also issued an unmodified ("clean") opinion that the financial statements enclosed within this ACFR fairly and materially represent the financial position and results of operations of the City of Sparks. Their report is located on page 10 of the financial section of this report.

The ACFR is presented in four sections:

1. **Introductory Section** - the Introductory Section is unaudited and includes this letter of transmittal, the City's organizational chart, list of principal officials and the GFOA Certificate of Achievement for fiscal year 2019-2020.
2. **Financial Section** - this section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements and related footnotes, combining and individual statements for major and nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found beginning on page 13, immediately following the Independent Auditor's Report.

3. **Statistical Section** - the Statistical Section is also unaudited and includes selected financial and demographic information, generally presented on a multi-year basis.
4. **Compliance Section** - the Compliance Section includes the annual Single Audit Report by the independent auditor on the City's compliance with the provisions of the Single Audit Act of 1984 (as amended in 1996) and the U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Also included are the Schedule of Expenditures of Federal Awards and the Schedule of Findings and Questioned Costs. Additionally, the auditor's report on the internal control structure and compliance with laws and regulations is included as required by Government Auditing Standards.

Profile of the Government

The City of Sparks, incorporated in 1905, with an estimated population of 102,543, is the fifth largest city in Nevada and is located in the extreme western part of the state sharing a border with the City of Reno.

Sparks operates under a mayor-council form of government. The Mayor is elected at-large in the City, serving as the non-voting chairman of the City Council. Five City Council members are elected ward-only as representatives of specific City Wards and serve as the legislative powers of the City. All legislative powers of the City as outlined in the municipal charter, Nevada Revised Statutes and State Constitution, are vested in the City Council.

The City provides a full range of municipal services including police services; fire protection and paramedic services; the construction and maintenance of streets, traffic engineering and infrastructure; recreational activities and cultural events; wastewater treatment; and planning and zoning for new development. The City does not operate hospitals, schools or libraries. Utilities, such as gas and electric services, are provided by a privately owned utility. The City, as a member of a joint powers authority called the Truckee Meadows Water Authority, acquired an interest in the water service division of Sierra Pacific Power Company (now called NV Energy) on June 11, 2001. Washoe County and the City of Reno are the other members of the Authority. Sewer service and wastewater treatment are provided by the Truckee Meadows Water Reclamation Facility, a joint venture between the Cities of Reno and Sparks which is not a component unit for financial reporting purposes in either entity in accordance with the pronouncements of the Governmental Accounting Standards Board.

This report includes all funds of the primary government (City of Sparks) as well as its blended component unit. A blended component unit is a legally separate entity but in substance, is part of the City's operations and is included as part of the governmental funds of the city. The Redevelopment Agency, Areas No. 1 and No. 2, of the City of Sparks is considered the City's blended component unit. The Redevelopment Agency is an organization for which the primary government is financially accountable, and whose governing body is substantially the same as the City's. All five City Council members comprise the governing body for the Agency. The Mayor, who cannot vote on City agenda items, is a voting Agency member.

The original redevelopment district, Redevelopment Agency Area No. 1, in downtown Sparks, whose distinctive main street venue has been developed as Victorian Square, was created January 23, 1978. The state's first redevelopment district was set to expire after 30 years under existing statutory limits. However, subsequent Legislative actions allowed for the extension of the district's term for fifteen additional years, an action taken by the Sparks Redevelopment Agency on May 8, 2000, thereby extending the duration of Sparks Redevelopment Area No. 1 until fiscal year 2022-2023.

On June 28, 1999, a second redevelopment district was created, Redevelopment Agency Area No. 2. The newer district is comprised of three noncontiguous areas - the Marina Park area, Oddie Boulevard area (an aging commercial/industrial strip along a state-controlled roadway with poor access) and the so-called Conductor Heights (south-west industrial) section, one of the oldest in Sparks, where very small residential lots have become interspersed with commercial uses. A special assessment district was formed in 2002 to construct infrastructure needed for new development to the Sparks Marina area. Redevelopment Agency Area No. 2 is set to expire in fiscal year 2028-2029.

The internal accounting controls employed by the City are designed to provide reasonable assurance that assets will be safeguarded against loss from unauthorized use or disposition, and that financial records will be reliable for use in preparing financial statements and determining accountability for assets. The City's accounting system provides controls to assure compliance with the budget. Budgetary control is maintained at the departmental service level in the General Fund, because the functional level identified in state statutes crosses departmental authorities and dilutes the responsibility for adhering to budget constraints. City management may transfer appropriations between functions in the General Fund and within individual funds, and must notify the City Council of such transfers. Any other increases in appropriations or transfers also require City Council approval. Budgetary control is further enhanced through the use of encumbrance accounting.

State statutes require the Chief Financial Officer to submit a tentative budget for the ensuing fiscal year to the Nevada Department of Taxation by April 15. The Department of Taxation notifies the City whether or not the budget is in compliance with the law and related regulations. The City is required to hold a public hearing to review public input on the tentative budget no sooner than the third Monday in May and not later than the last day in May. The City Council must adopt a final budget no later than June 1, which is then filed with the Department of Taxation. State statutes allow for the local government entities to file amended final budgets for a fiscal year which is impacted by actions approved by the Nevada State Legislature.

Local Economy

The region's economy has long relied on consumption-related activities such as construction, tourism, and gaming, and the area, known as the Truckee Meadows, offers an extensive array of hotel and casino options as well as vast recreational opportunities.

Since the Great Recession, which was driven by a historic collapse in property values, stabilization of the local economy has been fueled by a strong rebound in property values which have been a key driver of improved City revenues. However, revenues from the collection of Consolidated Taxes, which is comprised mostly of sales taxes, have shown even greater strength due to greater economic diversity in post-recession years.

The Reno-Sparks Metropolitan Statistical Area is attracting technology-driven companies and is now home to several large and influential companies including Apple, Google, Amazon, Tesla, Switch, and others. Prior to 2020, as a result of this greater economic diversity, the Northern Nevada region has experienced high employment growth since the Great Recession. The COVID-19 pandemic that began in 2020 has certainly caused great harm to Northern Nevada's public and economic health; however, we believe the revitalized and diversified regional economy has created an economic infrastructure that will allow the regional economy to rebound in relatively short order once the COVID-19 pandemic has run its course. Since the pandemic started, the City has seen unemployment rates as high as 20% but has subsequently comeback down to 4.2% as of August 2021, which is only 1% higher than the rate we experienced before the pandemic started.

The growth in companies locating to the area has improved the local economy and created a demand for housing which will have to be met in order to prevent the shifting of jobs to other more affordable areas. The population of Sparks has grown an additional 2.4% in the last year. To meet the growing population needs, housing permit activity in recent years within Sparks has generally shifted from single family homes to multi-family homes.

However, the resulting expected growth in existing property assessed value is expected to outpace the property tax growth that is allowed under Nevada property depreciation and tax cap laws.

The property tax cap laws that were implemented by the Nevada Legislature in 2005 (AB 489) resulted in unintended and unanticipated consequences. Specifically, the laws currently provide for a “ceiling” that limits property tax revenue growth to 8% for general property (essentially defined as all non-owner occupied property) and 3% for residential (owner occupied) property, yet does not provide for a similar “floor” limiting property tax revenue declines should property valuations dramatically decline (as they did during the Great Recession). Furthermore, the property tax cap formulas put limitations on tax revenue by way of a secondary calculation that is based on the greater of the 10-year rolling average of assessed value growth in the county or two times the Consumer Price Index (CPI).

Fiscal year 2020-2021 was the second year that assessed values have exceeded the pre-recession values of fiscal year 2008-2009. However, due to extremely low growth and inflation in the last 10 years, the secondary property tax cap calculation will result in property tax revenue growth of only 6.2% on general property rather than the 8% cap in fiscal year 2021-2022. Any assessed value increases for existing property that is above the cap of 3% for residential and 6.2% for general property will be abated. Additionally, depreciation is applied to land improvements at 1.5% each year up to 50 years, resulting in a maximum cumulative depreciation rate of 75%.

Thus, the combination of property tax caps and depreciation of land improvements, has led Nevada local governments to rely upon property tax revenue generated from new development (which is exempt from property tax cap laws and depreciation during the first year on the tax rolls) to help keep pace with the rising cost to provide services. The property tax laws in their current form have resulted in a situation whereby property tax revenues are not keeping pace with the overall economic recovery and are hindering the ability of local governments throughout Nevada to meet the growing service needs within their communities. A resulting consequence is that the City of Sparks must continually rely more on the less stable Consolidated Tax revenue source which is primarily derived from taxable sales.

In fiscal year 2015, the Sparks City Council approved an increase of the City’s operating property tax rate from \$.9161 to \$.9598 per \$100 of assessed value. Coupled with the rates in effect for jurisdictions which overlap with Sparks, the overall tax rate is at the statutory cap of \$3.66. This includes two cents that were added to the state tax rate for Capital projects and conservation of natural resources that are outside of the property tax rate cap of \$3.64.

On July 1, 2017 the State of Nevada legalized the purchase of recreational marijuana. The City of Sparks provides licenses to distributors whose renewal of business license fees are based on gross receipts. In addition to licensing revenue, the City receives a modest distribution from the State to help mitigate expenses expected to be incurred related to the legalization of recreational marijuana.

With the passage of the Coronavirus Aid, Relief, and Economic Security Act (or CARES Act) on March 27, 2020, and the American Rescue Plan Act (or ARPA Act) on March 11, 2021, the City of Sparks was allocated significant federal assistance to respond to the multitudinous effects of the COVID-19 pandemic. \$19.2 million was allocated to the City from the CARES Act, which was completely expended during

fiscal year 2020-2021. An additional \$16.2 million was allocated to the City from the ARPA and is planned to be fully expended or obligated by December 31, 2024, in accordance with provisions of the Act.

Long-Term Financial Planning

The City uses a multi-year financial forecasting model to assist with budget and capital planning. The City has also completed a comprehensive facilities plan, which will guide City capital spending priorities and help to formulate the five-year Capital Improvement Plan (CIP). The CIP is updated annually in conjunction with the budget process, and is integrated with the City's budget upon adoption of the plan.

Relevant Financial Policies

Cash Management

The City is authorized by statute to invest in bonds or other obligations of the United States Treasury, its agencies and instrumentalities; bonds of the State of Nevada; obligations of other local governments of the State of Nevada; certificates of deposit and bankers acceptances; notes, bonds and other unconditional obligations by corporations organized and operating in the United States; and obligations of other state and local governments if they are rated "A" or better by one of the nationally recognized credit rating agencies. The City may also invest in repurchase agreements for securities if, in lieu of possession of the securities, it obtains sole, fully perfected, first-priority security interest in those securities. State law also allows investment in money market mutual funds invested solely in treasury/agency securities.

The City, in effect, pools its cash for investment purposes and has invested primarily in certificates of deposit, money market instruments and agency securities. Due to the federal fiscal policies intended to keep interest rates low for an extended period of time, investment earnings have remained low. For fiscal year 2020-2021, the average interest rate earned on investments maturing during the year was 2.37 percent.

Risk Management

The City has three funds related to the administration of its self-funded insurance programs: general liability, group health, and workers' compensation. The Municipal Self-Insurance Fund covers general liability claims, and the City carries excess insurance coverage as well. In addition, the City has property insurance for buildings and contents, and a blanket bond policy for all City employees.

The Group Insurance Self-Insurance Fund provides all of the health benefits for City employees, retirees, and dependents. Employee premiums are paid by the City via interfund charges through the payroll system, and dependent premiums are paid by the City and the Employee via interfund charges and payroll deductions. Retiree and their dependent premiums are paid either from converted sick leave balances or from the retiree directly. The City carries a specific stop loss policy for individual claims.

The City's Workers' Compensation Insurance Fund has excess insurance coverage for each occurrence. The City has experienced several disability claims for public safety retirees related to heart, lung and cancer (HLC) benefits, all of which were presumed to be job-related under state law. The impact of legislation passed by the 2015 Nevada Legislature significantly decreased the projected HLC liability in 2014-2015. However, legislation passed in June 2019 increased the projected HLC liability, as well as including new benefits for post-traumatic stress disorders. We expect any significant changes to this liability in the future will continue to be primarily driven by legislation enacted by the Nevada Legislature.

Pension Information

Full-time and eligible part-time employees of the City are covered by the State of Nevada Public Employees' Retirement System (PERS). The cost-sharing, multiple-employer, defined benefit plan is administered by a seven member board appointed by the Governor, who has sole discretion over plan investments. The City reports a portion of the PERS net pension liability prorated by participating entity contributions.

Postemployment Benefits Other Than Pensions (OPEB)

The City provides a variety of post-retirement health care benefits to certain retirees and their dependents. The benefits are financed on a pay-as-you-go basis and are reported as a liability in the City's financial statements.

Additional information on the City's pension and OPEB benefits can be found in the notes to the financial statements.

Awards and Acknowledgments

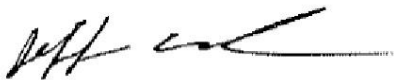
The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sparks, Nevada, for its Annual Comprehensive Financial Report (ACFR) for each fiscal year ended June 30, 1981 through 2020. Fiscal year 2019-2020 was the fortieth consecutive year in which the City of Sparks has received this prestigious award.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This award is valid for a period of one fiscal year only. We believe that fiscal year 2020-2021 ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another award.

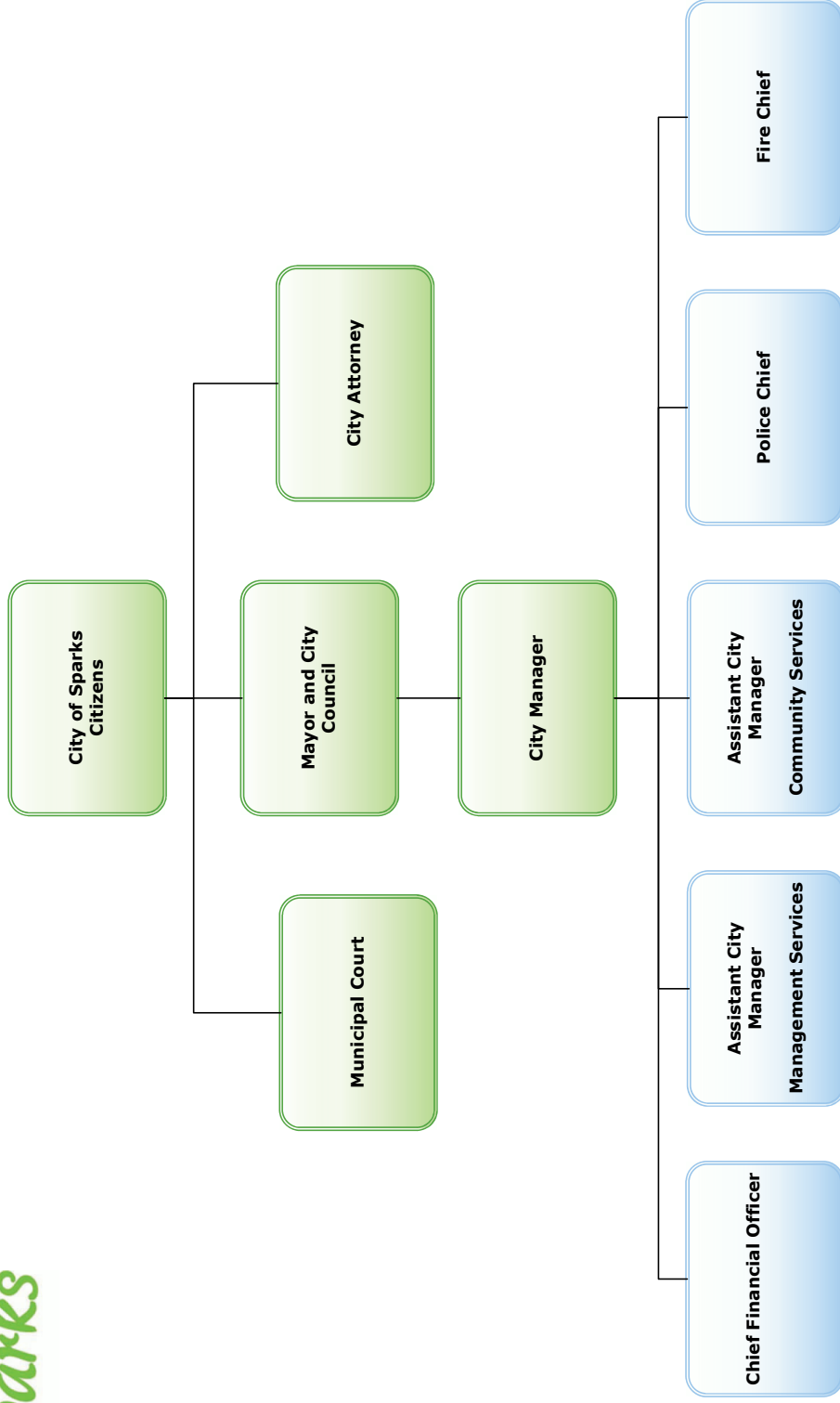
This report could not have been prepared without the diligent year-round efforts of the entire staff of the Financial Services Department and of the certified public accounting firm Eide Bailly LLP. We would like to acknowledge their expert support and guidance throughout the year not only to make this report possible, but also to help improve our overall financial reporting capabilities.

Finally, I would like to thank the Mayor, City Council members, and City Manager for their support and leadership regarding the fiscal affairs of the City of Sparks.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeff Cronk', followed by a horizontal line.

Jeff Cronk, CPA
Chief Financial Officer



<u>Office</u>	<u>Name</u>	<u>Term of Office</u>	<u>Term Expires</u>
Mayor	Ed Lawson	Partial Term	November 2022
Council Member Ward 1	Donald Abbott	4 years	November 2024
Council Member Ward 2	Dian VanderWell	Partial Term	November 2022
Council Member Ward 3	Paul Anderson	4 years	November 2024
Council Member Ward 4	Charlene Bybee	4 years	November 2022
Council Member Ward 5	Kristopher Dahir	4 years	November 2024
City Attorney	Chet Adams	4 years	November 2024
Municipal Judge, District 1	Barbara McCarthy	6 years	November 2026
Municipal Judge, District 2	Jim Spoo	6 years	November 2024
City Manager	Neil Krutz	Appointed	
Assistant City Manager	John Martini	Appointed	
Assistant City Manager	Alyson McCormick	Appointed	
Chief Financial Officer	Jeff Cronk	Appointed	
City Clerk	Lisa Hunderman	Appointed	
Fire Chief	Jim Reid	Appointed	
Acting Parks & Recreation Director	Tony Pehle	Appointed	
Police Chief	Chris Crawforth	Appointed	

INDEPENDENT AUDITORS

Eide Bailly, LLP



Government Finance Officers Association

**Certificate of
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Reporting**

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**City of Sparks
Nevada**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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Independent Auditor's Report

To the Honorable Mayor and City Council
City of Sparks, Nevada
Sparks, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sparks, Nevada, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Sparks, Nevada's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the 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 the City of Sparks, Nevada, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Sparks Grants and Donations Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 1 and 18 to the financial statements, the City of Sparks, Nevada, has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position/fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-25, the schedule of changes in the total other post-employment benefits liability and related ratios on pages 79-80, the schedule of the City's share of net pension liability on pages 81-82, and the schedule of the City's contributions on pages 83-84 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sparks, Nevada's basic financial statements. The introductory section, nonmajor combining and individual fund statements and schedules including budgetary comparisons, statistical section, and the schedule of fees imposed subject to the provisions of NRS 354.5989 – Limitation of Fees for Business Licenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules including budgetary comparisons, the schedule of expenditures of federal awards, and the schedule of fees imposed subject to the provisions of NRS 354.5989 – Limitation of Fees for Business Licenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare

the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 including budgetary comparisons, the schedule of expenditures of federal awards, and the schedule of fees imposed subject to the provisions of NRS 354.5989 – Limitation of Fees for Business Licenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Comparative Information

We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the basic financial statements of the City of Sparks, Nevada, as of and for the year ended June 30, 2020 and have issued our report thereon dated November 30, 2020, which expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2020, is consistent with the audited financial statements from which it has been derived.

The individual fund financial statements and schedules related to the 2020 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statements and schedules are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the City of Sparks, Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 the City of Sparks, Nevada's internal control over financial reporting and compliance.

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Reno, Nevada
November 30, 2021

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Management's Discussion and Analysis

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Introduction

The management of the City of Sparks offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the entity for the fiscal year ended June 30, 2021. This narrative should be read in conjunction with the transmittal letter at the beginning of the report and the financial statements following this section.

Financial Highlights

- The assets and deferred outflows of resources of the City of Sparks (government-wide) exceeded its liabilities and deferred inflows of resources on June 30, 2021 by \$559,351,682 (net position), an increase of 13.6 percent from the prior year net position. The net position is primarily represented by the City's net investment in capital assets.
- Net Pension liability of the City is \$91,507,090, an increase of \$2,067,870 from the prior year liability of \$89,439,220. Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires the City to report a proportionate share of the total Net Pension Liability reported by the Public Employee's Retirement System of Nevada (PERS). As a result of recording the increase in the City's portion of net pension liability (\$2,067,870), a decrease in deferred pension inflows (\$3,004,835), and a decrease in deferred pension outflows (\$889,498), net position was increased by \$47,467.
- Governmental activity revenues were \$161,572,841 as compared to \$120,694,245 for the year ended June 30, 2020. The increase of \$40,878,596 is primarily driven by; an increase in operating grants of \$20,751,881, mostly due to the Coronavirus Relief Fund, an increase in contributed capital of \$7,069,848, mostly due to an increase in contributions from developers, an increase in Consolidated tax revenues of \$5,470,124, and an increase in Ad Valorem taxes of \$2,313,904. Business-type activity revenues were \$50,847,246 in fiscal year 2020-2021, representing an increase of \$6,918,838 from the prior year revenues of \$43,928,408. The increase is primarily driven by an increase in residential sanitary sewer connection fees. Expenses of the business-type activities decreased by \$1,012,554, and was primarily related to a decrease in engineering professional services expense.
- Sparks' governmental funds reported combined ending fund balances of \$81,570,629 as of June 30, 2021 which is an increase of \$25,803,796 from fiscal year 2019-2020 ending fund balance total of \$55,766,833. The increase was primarily due to an increase in intergovernmental revenues, driven by the Coronavirus Relief Fund as well as the American Rescue Plan Act (ARPA).
- Governmental Accounting Standards Boards Statement No. 54 provides fund balance classifications for governmental funds. As of June 30, 2021, the unrestricted fund balance (which includes committed, assigned and unassigned balances) in the General Fund was \$20,507,892, which represents approximately 24.7 percent of General Fund expenditures (excluding capital). Of that amount, \$10,540,145 is assigned for next year's budget deficit, and open purchase orders and the remaining \$9,967,747 is an unassigned fund balance.
- The City's primary General Fund resources are consolidated taxes and property taxes. Combined, these resources accounted for 70.8 percent of total General Fund revenues and have increased by 13.1 percent from last year's results. Consolidated tax revenues increased 18.8 percent, and property taxes increased by 6.3 percent compared to the previous fiscal year.
- Unrestricted cash and investments of \$163,539,977 can cover current liabilities 3.7 times on a government-wide basis.
- The City's long-term liabilities outstanding decreased by \$18,306,983 in fiscal year 2020-2021. The decrease was primarily attributable to a reduction of \$31,025,005 of the City's bonds payable, offset by increases of \$8,694,916 in Total Other Postemployment Benefit (OPEB) liability, and \$2,067,870 in Net Pension liability.

Overview: Understanding the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Sparks' basic financial statements. The basic financial statements comprise three components: government-wide financial statements, fund financial statements and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a general overview of the City of Sparks' finances, not unlike financial statements issued by private sector businesses.

The Statement of Net Position presents all of Sparks' assets, deferred outflows of resources, liabilities and deferred inflows of resources. Deferred outflows of resources are a use of assets that is applicable to a future reporting period, such as prepaid items. Deferred inflows of resources are an acquisition of assets that is applicable to a future reporting period, such as advance collections. The difference between assets and deferred outflows less liabilities and deferred inflows is reported as "net position", which over time can provide an indication of improvement or decline in the City's financial position.

The purpose of the Statement of Activities is to present how the City's net position has changed during the fiscal year of the report. Changes in net position are reported as soon as the event that caused the change occurs, regardless of the timing of cash flows.

Both financial statements provided on a government-wide basis distinguish between functions that are governmental activities versus those that are business-type activities. The distinction is straightforward: governmental activities are typically supported by taxes and intergovernmental revenues, whereas business-type activities are those that depend on cost recovery through user fees or other charges that are generated by those who use or benefit from the service being provided.

Within the City of Sparks, governmental activities include general government, public safety, public works, sanitation, culture and recreation, and judicial. Governmental activities that occur within the Redevelopment Agency in its two distinct redevelopment areas are often reported in the community support function. Business-type activities in Sparks include sanitary sewer, storm drain and effluent services, and development and building services.

Fund Financial Statements

Funds are used in governmental accounting to rationally link and control resources that have been segregated to support certain functions or objectives. Fund accounting also helps local governments to demonstrate compliance with legal requirements. The City of Sparks' funds are categorized as governmental funds, proprietary funds or fiduciary funds.

Governmental Funds

The City uses governmental funds to account for essentially all the governmental activities that are reported in the government-wide financial statements. Unlike the government-wide statements, governmental fund statements focus on current or near-term spendable resources, including spendable resources available at fiscal year-end, which more closely coincides with Nevada statutory requirements related to annual city budgets. This information is useful in evaluating the City of Sparks' near-term financial position.

Long-term implications can be detected by comparing the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances are reconciled to the governmental activities statement of net position and statement of activities to facilitate the comparison between governmental funds and governmental activities.

Financial statements are provided separately for the major funds including the General Fund, Sparks Grants and Donations Fund, and the General Obligation Debt Service Fund. Financial results for the other non-major governmental funds are combined into a single segregated presentation and are also provided in the form of combining statements and individual fund schedules deeper into the report.

In accordance with state statutes, the City of Sparks adopts an annual budget for all of its governmental funds and makes amendments to that budget periodically. For the General Fund as well as the Sparks Grants and Donations Fund, a comparison of the original and final budget to actual results is provided, along with similar comparisons of final budget to actual results for the other governmental funds elsewhere in the report.

Proprietary Funds

Under current generally accepted accounting principles, the City of Sparks maintains two types of proprietary funds: enterprise funds and internal service funds. The business-type activities presented in the government-wide financial statements are those that are accounted for in enterprise funds. The major enterprise funds reported in this manner are the Sewer Operations Fund, and the Development Services Fund.

Internal service funds are commonly used as an accounting structure to accumulate and allocate costs of services provided internally between and amongst various City of Sparks funds and functions. The City uses such funds to account for its self-insurance activities and its central motor vehicle services. Since these services predominantly benefit governmental rather than business-type functions (although there is an element in these funds that provides services to enterprise/business-type activities) their financial data have been included in the governmental activities section of the government-wide financial statements. Financial information for the internal service funds is provided in the aggregate in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements and individual funds elsewhere in the report.

Fiduciary Funds

Resources held for the benefit of parties outside the government are accounted for in fiduciary funds, which are not reflected in the government-wide financial statements because resources of those funds are not available to support the City of Sparks' own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The combining nonmajor fund statements and individual fund schedules are presented immediately following the notes to the financial statements.

Government-Wide Analysis

Over time, values reported as “net position” can provide an indication of a government’s financial position. As noted previously, the City’s net position increased by 13.6 percent during fiscal year 2020-2021. This is primarily due to an increase in current and other assets, an increase in capital assets, and a decrease in long term liabilities outstanding.

	City of Sparks' Statement of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 122,821,757	\$ 89,512,846	\$ 117,389,076	\$ 116,735,664	\$ 240,210,833	\$ 206,248,510
Capital assets	429,124,168	419,876,432	181,916,130	178,275,674	611,040,298	598,152,106
Total assets	551,945,925	509,389,278	299,305,206	295,011,338	851,251,131	804,400,616
Deferred outflow bond refundings	1,090,556	1,368,711	-	-	1,090,556	1,368,711
Deferred outflows related to pensions	12,012,670	12,813,763	1,304,823	1,393,228	13,317,493	14,206,991
Deferred outflows related to OPEB	15,618,134	9,835,639	1,241,984	687,195	16,860,118	10,522,834
Total deferred outflow of resources	28,721,360	24,018,113	2,546,807	2,080,423	31,268,167	26,098,536
Total assets and deferred outflows	580,667,285	533,407,391	301,852,013	297,091,761	882,519,298	830,499,152
Long term liabilities outstanding	243,826,671	249,552,812	23,891,161	36,472,003	267,717,832	286,024,815
Other liabilities	37,385,288	30,262,623	7,294,623	8,947,400	44,679,911	39,210,023
Total liabilities	281,211,959	279,815,435	31,185,784	45,419,403	312,397,743	325,234,838
Deferred inflows related to pensions	5,162,847	7,851,577	354,968	671,073	5,517,815	8,522,650
Deferred inflows related to OPEB	4,893,005	4,064,365	359,053	241,294	5,252,058	4,305,659
Total deferred inflows of resources	10,055,852	11,915,942	714,021	912,367	10,769,873	12,828,309
Total liabilities and deferred inflows	291,267,811	291,731,377	31,899,805	46,331,770	323,167,616	338,063,147
Net investment in capital assets	413,601,581	401,168,954	167,767,880	151,475,847	581,369,461	552,644,801
Restricted	51,775,060	44,717,383	-	-	51,775,060	44,717,383
Unrestricted	(175,977,167)	(204,210,323)	102,184,328	99,284,144	(73,792,839)	(104,926,179)
Total net position	\$ 289,399,474	\$ 241,676,014	\$ 269,952,208	\$ 250,759,991	\$ 559,351,682	\$ 492,436,005

The largest portion of the City of Sparks’ net position reflects its investment in capital assets, including land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, intangible assets, storm drains and sewer lines. The value, \$581,369,461, is reported net of any related debt still outstanding which was used to acquire those assets. Capital assets are used by the City of Sparks to provide services to citizens and customers, and thus are not available for future spending, and cannot be liquidated to pay off related debt.

A portion of net position, in the amount of \$51,775,060, is restricted to specific uses. These restrictions are established by laws, regulations, creditors, grantors, or any external entity that can enforce spending compliance. For example, transient occupancy taxes collected in Sparks, which are recorded in the Victorian Square Room Tax Capital Projects Fund, are restricted to uses which benefit the City’s downtown core. The increase in restricted net position of \$7,057,677 is comprised of increases related to amounts restricted for capital projects, developer agreements, and self-insurance claims.

City of Sparks
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Unrestricted net position is the amount of funds available to meet the City's ongoing obligations. The negative unrestricted net position value of \$73,792,839 in fiscal year 2020-2021 is comprised primarily of a deficit of \$175,977,167 related to governmental activities. This deficit is largely comprised of three factors. Firstly, it is the result of the existing long-term debt issued for expenses related to the Legends at Sparks Marina development. The debt issued for expenses related to the Legends project did not increase assets of the City, but instead was issued to stimulate the economic development of the area. More information related to debt issued by the City and the City's Redevelopment Agency can be found in Note 9 of the financial statements. A second large component of the unrestricted deficit is related to the Public Employee's Retirement System (PERS) pension liability that is required to be reported by the City. More information related to the pension liability can be found in Note 11 of the financial statements. The third large component of the unrestricted deficit is related to the post-employment benefits other than pension (OPEB) liability that is required to be reported by the City. More information related to the OPEB liability can be found in Note 15 of the financial statements.

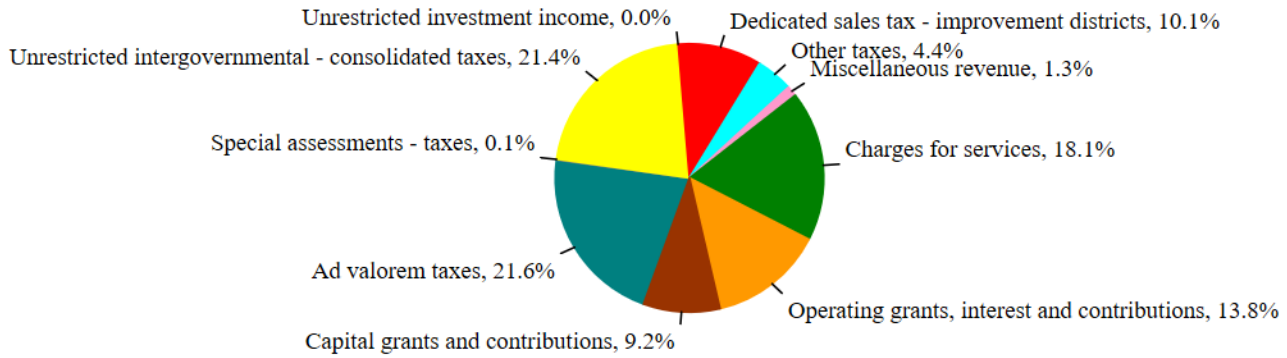
	City of Sparks' Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 29,254,037	\$ 27,736,626	\$ 34,655,736	\$ 33,622,672	\$ 63,909,773	\$ 61,359,298
Operating grants, interest and contributions	22,245,844	1,493,963	-	-	22,245,844	1,493,963
Capital grants and contributions	14,863,768	7,793,920	16,297,112	8,713,716	31,160,880	16,507,636
	<u>66,363,649</u>	<u>37,024,509</u>	<u>50,952,848</u>	<u>42,336,388</u>	<u>117,316,497</u>	<u>79,360,897</u>
General revenues:						
Ad valorem taxes	34,873,144	32,559,240	-	-	34,873,144	32,559,240
Special assessments - taxes	148,830	324,269	-	-	148,830	324,269
Unrestricted intergovernmental - consolidated taxes	34,501,113	29,030,989	-	-	34,501,113	29,030,989
Dedicated sales tax - improvement districts	16,266,141	13,019,211	-	-	16,266,141	13,019,211
Other taxes	7,349,168	6,517,222	-	-	7,349,168	6,517,222
Unrestricted investment income	43,842	1,350,566	(184,969)	1,510,252	(141,127)	2,860,818
Miscellaneous revenue	2,026,954	868,239	79,367	81,768	2,106,321	950,007
	<u>95,209,192</u>	<u>83,669,736</u>	<u>(105,602)</u>	<u>1,592,020</u>	<u>95,103,590</u>	<u>85,261,756</u>
Total revenues	<u>161,572,841</u>	<u>120,694,245</u>	<u>50,847,246</u>	<u>43,928,408</u>	<u>212,420,087</u>	<u>164,622,653</u>
Expenses:						
General government	21,773,154	15,441,627	-	-	21,773,154	15,441,627
Judicial	2,991,334	2,795,918	-	-	2,991,334	2,795,918
Public safety						
Police	34,457,131	32,772,357	-	-	34,457,131	32,772,357
Fire	21,151,054	20,937,959	-	-	21,151,054	20,937,959
Management Services	641,653	106,688	-	-	641,653	106,688
Community services	1,626,021	1,623,829	-	-	1,626,021	1,623,829
Public works	12,992,663	11,950,915	-	-	12,992,663	11,950,915
Culture and recreation	9,941,535	10,422,820	-	-	9,941,535	10,422,820
Community support	5,409,239	5,645,107	-	-	5,409,239	5,645,107
Interest and fiscal charges	3,523,685	6,545,310	-	-	3,523,685	6,545,310
Sewer	-	-	25,858,663	26,977,731	25,858,663	26,977,731
Development services	-	-	5,297,017	5,190,503	5,297,017	5,190,503
Total expenses	<u>114,507,469</u>	<u>108,242,530</u>	<u>31,155,680</u>	<u>32,168,234</u>	<u>145,663,149</u>	<u>140,410,764</u>
Increase (Decrease) in net position before transfers & special items	47,065,372	12,451,715	19,691,566	11,760,174	66,756,938	24,211,889
Transfers	499,349	280,773	(499,349)	(280,773)	-	-
Increase (Decrease) in net position	47,564,721	12,732,488	19,192,217	11,479,401	66,756,938	24,211,889
Net position, July 1	241,676,014	228,943,526	250,759,991	239,280,590	492,436,005	468,224,116
Prior period adjustments	158,739	-	-	-	158,739	-
Net position, July 1, as restated	<u>241,834,753</u>	<u>228,943,526</u>	<u>250,759,991</u>	<u>239,280,590</u>	<u>492,594,744</u>	<u>468,224,116</u>
Net position, June 30	<u>\$ 289,399,474</u>	<u>\$ 241,676,014</u>	<u>\$ 269,952,208</u>	<u>\$ 250,759,991</u>	<u>\$ 559,351,682</u>	<u>\$ 492,436,005</u>

Governmental Activities

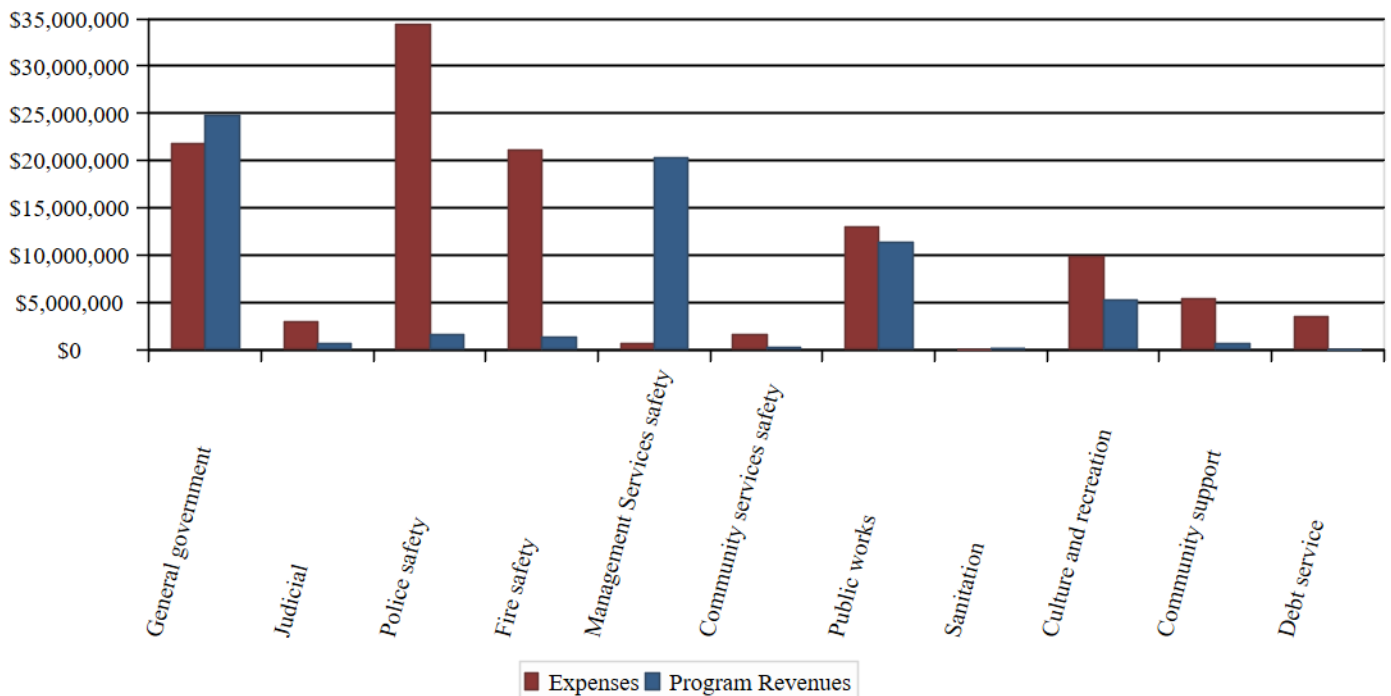
Governmental activities in fiscal year 2020-2021 including a prior period adjustment, increased the City's net position by \$47,723,460. Of the more significant results for governmental activities that contributed to this change the following was observed:

- In fiscal year 2020-2021, governmental program revenues increased by 79.2 percent, or \$29,339,140, from the prior year. The change is primarily attributed to an increase in operating grants due to the Coronavirus Relief Fund;
- Dedicated sales tax for improvement districts revenues increased by 24.9 percent, or \$3,246,930, from fiscal year 2019-2020. This increase is due to an increase in sales tax revenue from the Outlets at Legends at the Sparks Marina project;
- Consolidated taxes increased by 18.8 percent, or \$5,470,124, from fiscal year 2019-2020. Sales taxes consistently comprise over 80 percent of the consolidated tax, and the increase is representative of a variety of economic growth factors occurring in the area.

Revenues by Source - Governmental Activities



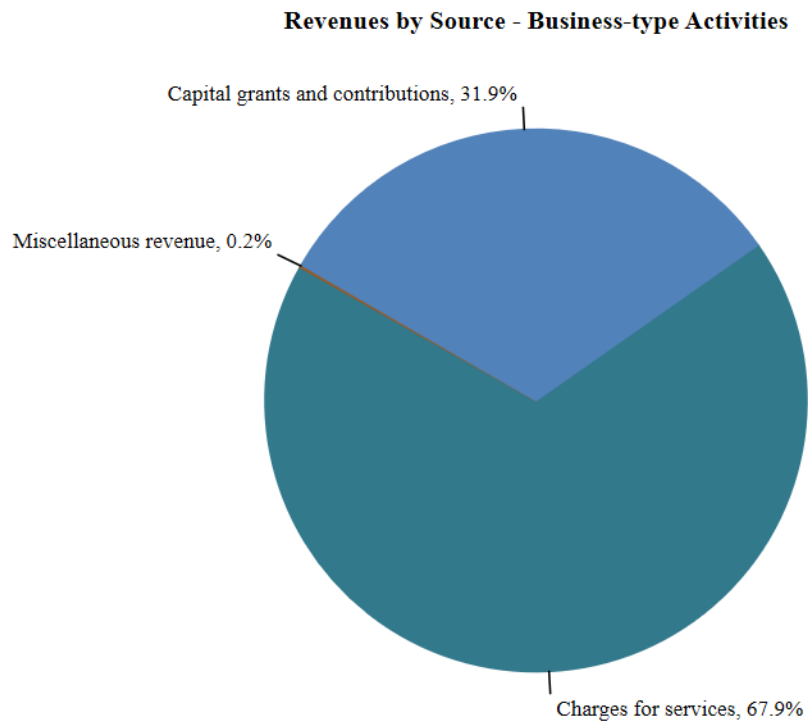
**Expenses and Program Revenues
Governmental Activities**

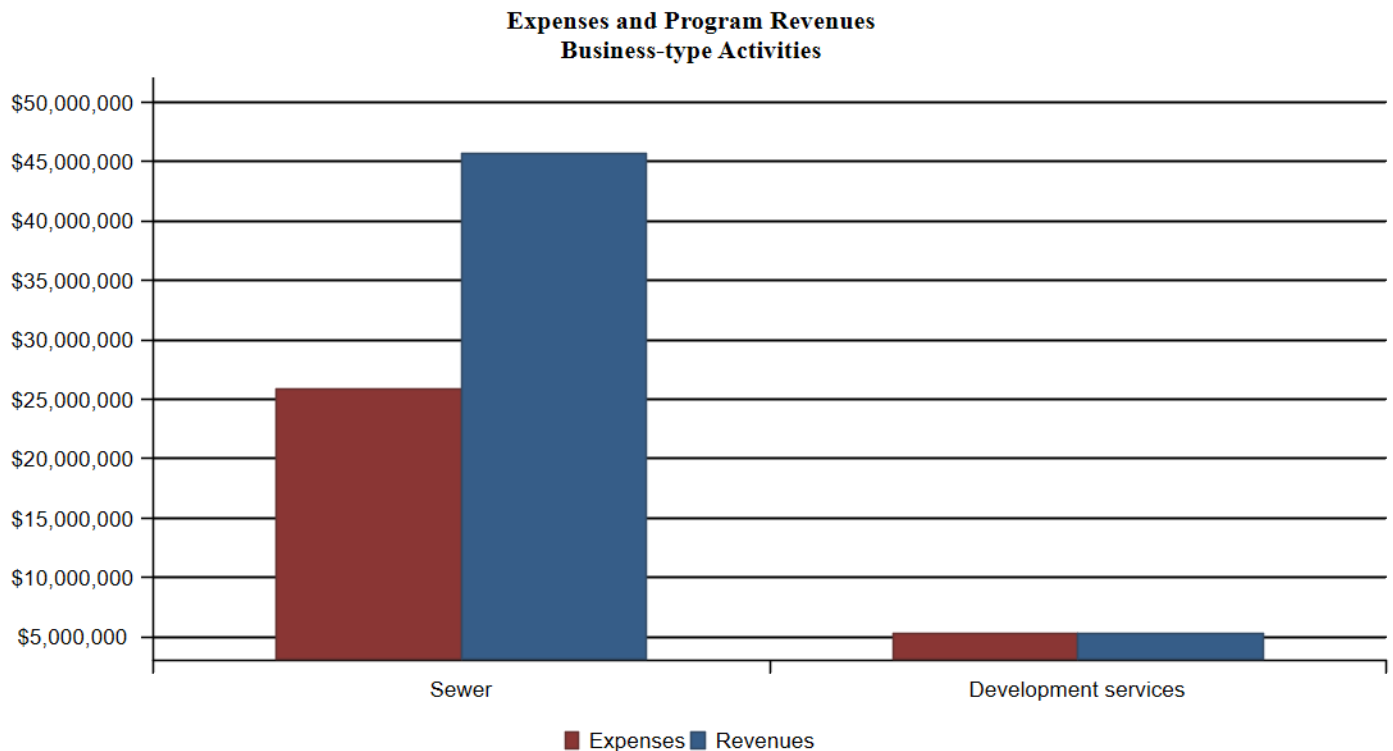


Business-type Activities

Business-type activities, in fiscal year 2020-2021 increased the City's net position by \$19,192,217. Significant results include:

- Total revenues increased by 15.8 percent, or \$6,918,838, which was driven primarily by an increase in revenues from developer contributions such as streets and right of ways, and residential sanitary connection fees;
- Expenses of business-type activities decreased from \$32,168,234 to \$31,155,680, a decrease of \$1,012,554, or 3.1 percent, and were related to a decrease in engineering professional services expense.





Financial Analysis of the City's Funds

Governmental Funds

The focus of the City of Sparks' governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information may be useful in assessing the City's financing requirements. Governmental Accounting Standards Boards Statement 54 provides fund balance classifications for governmental funds. Unassigned fund balance, in particular, may be used as a measure of a government's net resources available for spending at the end of the fiscal year. Additional information on the City's fund balances can be found in Note 1 of the basic financial statements.

- As of June 30, 2021, Sparks' governmental funds reported combined ending fund balances of \$81,570,629, which is an increase of \$25,803,796 from fiscal year 2019-2020 ending fund balance of \$55,766,833. The increase was primarily driven by an increase in operating grants related to Coronavirus Relief Fund, as well as ARPA.
- The combined ending fund balance of \$81,570,629 is comprised of: \$43,208,385 which is restricted to specific purposes such as, but not limited to, capital projects, debt, and grants, and \$38,362,244 which is unrestricted (includes committed, assigned and unassigned balances).
- Approximately 47.0 percent of the combined ending fund balances, or \$38,362,244, is unrestricted. Of the unrestricted balance, \$2,530,762 has been committed by Council action for items such as road repairs and economic stabilization, and \$25,863,735 has been assigned by the Chief Financial Officer (a designee of Council) for budget deficits, encumbered purchase orders, or capital projects. The remaining \$9,967,747 is unassigned and is available for various purposes.

General Fund

The General Fund is the primary operating fund of the City of Sparks. As of June 30, 2021, the unrestricted fund balance (includes committed, assigned and unassigned balances) was \$20,507,892, which is 198.9 percent greater than the prior year's unrestricted balance of \$6,860,784. The increase is largely due to increased consolidated taxes, and transfers in related to the Coronavirus Relief Fund. For fiscal year 2020-2021 revenues and transfers in exceeded expenditures and transfers out which resulted in an increase of the City's unrestricted fund balance to 24.7 percent of departmental expenditures (excluding capital outlay), which remains above the established policy goal of 8.3 percent. The unrestricted fund balance is 23.9 percent of General Fund revenues, which is up from 9.0 percent of General Fund revenues from fiscal year 2019-2020.

Although the City's General Fund balance was \$20,507,892 at June 30, 2021, it should be noted that \$10,540,145 is considered assigned for next year's budget deficit, and open purchase orders. This leaves \$9,967,747 as an unassigned ending fund balance available for various purposes.

The primary impacts upon the General Fund include a \$24,946,739 (32.3 percent) increase in revenues and transfers in and a \$9,803,914 (12.5 percent) increase in expenditures and transfers out. The two largest areas of revenue changes were intergovernmental revenues increased \$7,103,897 (22.0 percent) most of which is related to increased Consolidated Tax revenue collected by the state, and property taxes increased \$1,563,843 (6.3 percent) (real and personal) mostly related to real property tax revenues. The increase in expenditures and transfers out was primarily related to a \$6,364,224 (273.5 percent) increase in services and supplies in management services, and a \$4,055,438 (8.1 percent) increase in public safety expenditures, most of which were related to increased costs directly related to the City's response to the COVID-19 pandemic. The cumulative result is that the ending fund balance within the General Fund increased by \$13,647,108, or 198.9 percent, from the prior year.

Sparks Grants and Donations Fund

This fund is used to account for monies from all governmental fund grant awards, donations and other designated use awards, except Community Development and Block Grant awards, received by the City of Sparks to be used in accordance with award documentation.

The Sparks Grants and Donations Fund is a new major fund for fiscal year 2020-2021, which is mainly due to the \$19.2 million of funds allocated to the City of Sparks from the Coronavirus Relief Fund as provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Total fund balance within the Sparks Grants and Donations Fund was \$491,885 compared to \$651,232 for the prior year, a decrease of 24.5 percent.

General Obligation Debt Service Fund

The existing debt in this fund is either backed by sales tax revenues (STAR bonds), local improvement district assessments, or consolidated tax revenues. Total fund balance within the General Obligation Debt Service Fund was \$18,617,263 compared to \$15,393,246 for the prior year, an increase of 20.9 percent. All revenue collected within this fund is pledged for debt service.

Proprietary Funds

The City of Sparks' proprietary funds provide the same type of information found in the government-wide financial statements, but contain more detail.

The net position of the Sewer Operations Enterprise Fund was \$264,821,071 as of June 30, 2021, an increase of \$18,506,581 or 7.5 percent, over the prior year's balance of \$246,314,490. The major changes include; a \$7,583,396 (87.0 percent) increase in capital contributions, and a \$1,472,281 (5.3 percent) increase in charges for services operating revenue related to sewer.

Net position of the Development Services Enterprise Fund decreased to \$4,320,392 from \$4,374,954, or 1.2 percent. Operating expenses increased by \$84,251, or 1.6 percent, and exceeded operating revenues which decreased by \$488,066, or 8.4 percent. Decreased operating revenues was primarily related to a decrease in building and planning fees.

General Fund Budgetary Highlights

Under state statutes, budgetary control is maintained at the function level. Although shifting between functions occurred, the original budget remained essentially the same as the final.

Actual revenues were \$4,966,091 more than budgeted, primarily due to increases in Consolidated Tax receipts, charges for services, and other local government shared revenues above budgeted expectations. The unexpected increases in these particular revenues were the direct result of the effects to the regional economy recovering from the COVID-19 global pandemic. Most local businesses were able to resume operations after being forced to temporarily close in mid-March of 2020 to reduce the spread of the contagion, the results of which led to a decrease in Consolidated Tax and business license revenues during the last quarter of the prior fiscal year.

Actual expenditures were 4.6 percent below final amended budget, which was primarily due to underspends related to position vacancies within the public safety area.

The following functions are highlighted:

- The General Government function achieved \$1,607,971, or 7.4 percent, in budgetary savings primarily from an underspend in professional services within the Management Services and Community Services departments;
- Spending within the Public Safety function was \$2,058,852, or 3.7 percent, less than budgeted primarily related to reduced salaries related to position vacancies;
- The Community Services Department achieved; \$246,051, or 10.8 percent, in budgetary savings within the Public Works function primarily from savings in budgeted professional services, and \$535,911, or 13.6 percent, in budgetary savings within the Culture and Recreation function primarily from reduced expenditures related to professional services, and landscape maintenance;
- Spending within the Community Support function was \$478,365, or 102.4 percent, more than budgeted mostly due to unexpected expenditures related to homeless services provided within the local community to which Sparks contributes financial resources.

Capital Assets and Debt Administration

Capital Assets

The City of Sparks' investment in capital assets, net of depreciation, for its governmental and business-type activities as of June 30, 2021, amounted to \$611,040,298, an increase of \$12,888,192 compared to \$598,152,106 from the prior year. Capital assets include tangible items such as land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, storm drains and sewer lines. Additionally, the City has intangible assets in the form of right of way easements, water rights, and software development. The total increase from fiscal year 2020-2021 operations for governmental activities was \$9,247,736, (from \$419,876,432 to \$429,124,168), while business-type activities increased by \$3,640,456 (from \$178,275,674 to \$181,916,130).

Significant capital asset activities that occurred during fiscal year 2020-2021 included:

- Assets under construction, Construction in Progress (CIP), increased by \$10,812,343. New projects were started in the amount of \$14,612,132, and completed projects amounted to \$3,799,789. A significant portion of the increase in CIP were related to the 15th street infrastructure project, and Prater Way to Howard drive infrastructure project both donated by the Regional Transportation Commission, and the East Prater Way storm drain project;
- Assets classified as infrastructure decreased by \$3,931,462, which was primarily due to the depreciation expense exceeding the acquisition of new assets;
- Land holdings increased by \$5,748,410 related to contributions from developers, primarily associated with rights of way.

City of Sparks' Capital Assets
Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 45,039,482	\$ 39,291,072	\$ 1,873,105	\$ 1,873,105	\$ 46,912,587	\$ 41,164,177
Intangibles	3,333,640	3,407,498	2,648	2,648	3,336,288	3,410,146
Buildings	14,864,364	15,414,564	508,725	537,015	15,373,089	15,951,579
Improvements other than buildings	30,838,675	32,297,733	565,721	646,289	31,404,396	32,944,022
Machinery and equipment	13,698,974	11,231,145	423,078	440,032	14,122,052	11,671,177
Infrastructure	311,350,286	313,477,554	165,079,410	166,883,604	476,429,696	480,361,158
Construction in progress	9,909,866	4,667,985	6,436,941	866,479	16,346,807	5,534,464
Water rights	88,881	88,881	7,026,502	7,026,502	7,115,383	7,115,383
Total	<u>\$ 429,124,168</u>	<u>\$ 419,876,432</u>	<u>\$ 181,916,130</u>	<u>\$ 178,275,674</u>	<u>\$ 611,040,298</u>	<u>\$ 598,152,106</u>

Additional information on the City of Sparks' capital assets can be found in Note 7 to the financial statements.

Debt Administration

As of June 30, 2021, the City of Sparks had a total of \$267,717,832 of long-term liabilities outstanding. Of this amount, \$91,507,090 is related to pension benefits, \$52,188,710 is related to Other Post-Employment Benefits (OPEB), \$50,000 is related to refundable deposits, and \$123,972,032 is outstanding for all other long-term liabilities.

Other noncurrent liabilities not related to pension, OPEB, and deposits, amounting to \$148,529,428 are comprised of \$130,324,228 of governmental activities and \$18,205,200 of business-type activities. Governmental activity includes: revenue bonds of \$80,031,847; private placement tax allocation bonds of \$18,257,042; a financial incentive agreement payable to Syuffy Enterprises of \$300,000; a financial assistance agreement payable to Marnell Gaming of \$142,080; and accrued compensated absences, sick leave conversion, and insurance claim liabilities totaling \$31,593,259. Business-type activity includes: Private placement bonds and notes payable totaling \$15,966,212; and accrued compensated absences, and sick leave conversion liabilities of \$2,238,988. The City of Sparks' outstanding liabilities, including debt of the Redevelopment Agency, decreased by \$31,055,917, or 17.3 percent, during the fiscal year ended June 30, 2021.

Additional information on the City of Sparks' outstanding long-term debt can be found in Note 9 to the financial statements.

Other Factors

- The unemployment rate in the Reno-Sparks area was 4.7 percent in June 30, 2021 compared to 8.7 percent as of June 30, 2020. The high unemployment rate during the prior year was due to a sharp increase during the final quarter from the negative economic effects created by the COVID-19 global pandemic. The significant improvement in the unemployment rate is indicative of the extent to which the regional economy has begun to recover. Unemployment continues to improve reflected in a rate of 4.2% in August 2021.
- Fiscal year 2015-2016 was the first post-recession year that Washoe County taxable sales surpassed the former peak of \$7.3 billion set in fiscal year 2005-2006. The amount of taxable sales within Washoe County was \$5.2 billion during fiscal year 2009-2010 during the nadir of the recession; however, since then, taxable sales within Washoe County have increased to \$11.0 billion in fiscal year 2020-2021, an increase of 108.3 percent during the past ten fiscal years. Although the recovery is into the 11th year, we expect taxable sales to continue to improve as regional growth continues assuming the effects of the COVID-19 pandemic also continue to improve.
- During the years subsequent to the Great Recession, the median home values within Sparks have seen a significant rise. After peaking at approximately \$332,000 prior to the recession, the median home value plummeted to about \$140,000 during the recession. In September 2021, median home values in Sparks were \$481,649.
- The City's ad valorem tax revenues increased by 7.1 percent in fiscal year 2020-2021. This was due to an increase of 11.1 percent in the assessed valuation and additional new revenue from housing and other development that is exempt from property tax caps, when comparing fiscal year 2020-2021 and fiscal year 2019-2020. We anticipate ad valorem revenues to increase over the next several years due to growth in the area. However, this increase in revenue will not necessarily match the more rapid growth in assessed valuation due to the limits on revenue growth resulting from the property tax caps put in place during the 2005 Legislative session.
- The City of Sparks' estimated population increased during fiscal year 2020-2021 by 2.4 percent and the Nevada State Demographer's office projects a population increase of 0.7 percent for fiscal year 2021-2022. In December 2018, the US Census Bureau data showed Nevada was the nation's fastest growing state and the Northern Nevada Regional Growth Forecast reported that Washoe County, which includes the city of Sparks, had seen a 13.5 percent increase in jobs and an 8 percent increase in the number of occupied households. The growth from several major companies moving their operations to the Tahoe Regional Industrial Center located east of Sparks on Interstate 80 is expected to continue to attract thousands of new residents to the City of Sparks over the next decade.
- In December of 2018, the City Council voted to increase sewer and storm drain user rates by 5% annually from July 1, 2019 through July 1, 2022, to set multi-family residential and mobile home user rates equal to single family rates on July 1, 2019 and to annually adjust sewer and storm drain connection fees per the Engineering New Record Construction Cost Index beginning on January 1.
- The federal American Rescue Plan Act (ARPA) was passed in March 2021, and is expected to provide \$16,230,272 of financial assistance directly to the City of Sparks in response to the COVID-19 pandemic. The City of Sparks is planning to spend or obligate all funds allocated by ARPA by December 31, 2024, and in accordance with provisions of the Act.

All of these factors and others were considered in preparing the City's budget for the upcoming 2021-2022 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Sparks' finances. Questions concerning any of the information contained herein should be addressed to the City of Sparks, Financial Services Department, 431 Prater Way, Sparks, Nevada, 89431.

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Basic Financial Statements

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City of Sparks
Statement of Net Position
June 30, 2021

(with Comparative Totals for June 30, 2020)

	Governmental Activities	Business-Type Activities	Total	2020
Assets				
Cash and investments	\$ 91,003,952	\$ 72,536,025	\$ 163,539,977	\$ 128,100,566
Accounts receivable, net	6,903,915	2,694,298	9,598,213	11,682,048
Internal balances	(810,745)	810,745	-	-
Due from other governments	12,798,490	190,589	12,989,079	10,514,221
Inventories	242,962	-	242,962	199,814
Deposits	19,072	-	19,072	19,072
Notes receivable, net	1,277,946	2,995,268	4,273,214	4,805,760
Restricted assets				
Cash and investments	11,386,165	-	11,386,165	11,388,319
Investment in the Truckee Meadows Water Reclamation Facility	-	38,162,151	38,162,151	39,538,710
Capital assets				
Land, construction in progress, intangible assets, and water rights	58,267,593	15,339,196	73,606,789	57,046,037
Other capital assets, net of depreciation	370,856,575	166,576,934	537,433,509	541,106,069
Total assets	551,945,925	299,305,206	851,251,131	804,400,616
Deferred Outflows of Resources				
Deferred outflow bond refundings	1,090,556	-	1,090,556	1,368,711
Deferred outflows related to pensions	12,012,670	1,304,823	13,317,493	14,206,991
Deferred outflows related to OPEB	15,618,134	1,241,984	16,860,118	10,522,834
Total deferred outflows of resources	28,721,360	2,546,807	31,268,167	26,098,536
Total assets and deferred outflows of resources	580,667,285	301,852,013	882,519,298	830,499,152
Liabilities				
Accounts payable and accrued expenses	2,808,402	409,399	3,217,801	4,964,971
Accrued interest payable	253,426	104,651	358,077	563,139
Contracts and retentions payable	2,124,324	1,241,616	3,365,940	2,919,216
Deposits	24,283	156,654	180,937	112,795
Due to other governments	3,195,173	765,393	3,960,566	3,334,202
Unearned revenue	8,693,121	346,073	9,039,194	772,156
Noncurrent liabilities, due within one year				
Bonds and notes payable	12,581,842	3,659,252	16,241,094	17,502,102
Compensated absences payable	3,766,002	495,289	4,261,291	5,043,341
Sick leave conversion payable	860,445	116,296	976,741	1,036,392
Claims liabilities	2,836,190	-	2,836,190	2,719,629
Financial incentive and interlocal agreements payable	242,080	-	242,080	242,080
Noncurrent liabilities, due in more than one year				
Bonds and notes payable	85,707,047	12,306,960	98,014,007	129,039,012
Compensated absences payable	11,259,011	1,440,827	12,699,838	10,818,422
Sick leave conversion payable	3,855,792	186,576	4,042,368	4,239,325
Claims liabilities	9,015,819	-	9,015,819	8,502,962
Financial incentive and interlocal agreements payable	200,000	-	200,000	442,080
Refundable deposits	-	50,000	50,000	50,000
Net pension liability	84,317,649	7,189,441	91,507,090	89,439,220
Total OPEB liability	49,471,353	2,717,357	52,188,710	43,493,794
Total liabilities	281,211,959	31,185,784	312,397,743	325,234,838
Deferred Inflows of Resources				
Deferred inflows related to pensions	5,162,847	354,968	5,517,815	8,522,650
Deferred inflows related to OPEB	4,893,005	359,053	5,252,058	4,305,659
Total deferred inflows of resources	10,055,852	714,021	10,769,873	12,828,309
Total liabilities and deferred inflows of resources	291,267,811	31,899,805	323,167,616	338,063,147
Net position				
Net investment in capital assets	413,601,581	167,767,880	581,369,461	552,644,801
Restricted for				
Court improvements	1,047,964	-	1,047,964	1,120,131
Road and street projects	1,914,269	-	1,914,269	1,361,011
Grants	1,682,617	-	1,682,617	1,862,719
Claims	8,986,415	-	8,986,415	7,994,928
Debt service	20,945,457	-	20,945,457	18,215,706
Capital projects	16,588,958	-	16,588,958	13,599,169
Promotion of special events	307,974	-	307,974	136,867
Public safety	301,406	-	301,406	426,852
Unrestricted	(175,977,167)	102,184,328	(73,792,839)	(104,926,179)
Total net position	\$ 289,399,474	\$ 269,952,208	\$ 559,351,682	\$ 492,436,005

See Notes to the Financial Statements

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 21,773,154	\$ 18,975,277	\$ 12	\$ 5,744,529
Judicial	2,991,334	662,624	-	-
Public safety				
Police	34,457,131	344,464	1,238,289	23,798
Fire	21,151,054	1,370,456	-	-
Management Services	641,653	-	20,321,063	-
Community services	1,626,021	240,242	-	-
Public works	12,992,663	3,452,679	-	7,892,198
Sanitation	-	181,329	-	-
Culture and recreation	9,941,535	4,011,966	60,766	1,203,243
Community support	5,409,239	15,000	625,714	-
Debt service				
Interest and fiscal charges	3,523,685	-	-	-
Total governmental activities	114,507,469	29,254,037	22,245,844	14,863,768
Business-type activities				
Sewer	25,858,663	29,365,070	-	16,297,112
Development services	5,297,017	5,290,666	-	-
Total business-type activities	31,155,680	34,655,736	-	16,297,112
Total primary government	\$ 145,663,149	\$ 63,909,773	\$ 22,245,844	\$ 31,160,880

General revenues:

Ad valorem taxes
Special assessments - taxes
Unrestricted intergovernmental - consolidated taxes
Dedicated sales tax - improvement districts
Unrestricted fair share distribution, state shared
Motor vehicle fuel taxes
Unrestricted gaming licenses, state shared
Marijuana revenue, state shared
Room taxes
Governmental services tax
Unrestricted investment income
Miscellaneous revenue

Transfers

Total general revenues and transfers

Change in Net Position

Net position - beginning of Year, as Originally Reported

Prior period adjustments

Net position - Beginning of Year, as restated

Net position - End of Year

City of Sparks
Statement of Activities
Year Ended June 30, 2021
(with Comparative Totals for the Year Ended June 30, 2020)

Net (Expenses) Revenues and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	2020
\$ 2,946,664	\$ -	\$ 2,946,664	\$ 4,876,817
(2,328,710)	-	(2,328,710)	(2,071,131)
(32,850,580)	-	(32,850,580)	(31,839,713)
(19,780,598)	-	(19,780,598)	(20,556,975)
19,679,410	-	19,679,410	(106,688)
(1,385,779)	-	(1,385,779)	(1,518,030)
(1,647,786)	-	(1,647,786)	(3,276,433)
181,329	-	181,329	94,195
(4,665,560)	-	(4,665,560)	(5,561,067)
(4,768,525)	-	(4,768,525)	(4,713,686)
(3,523,685)	-	(3,523,685)	(6,545,310)
(48,143,820)	-	(48,143,820)	(71,218,021)
-	19,803,519	19,803,519	9,576,597
-	(6,351)	(6,351)	591,557
-	19,797,168	19,797,168	10,168,154
(48,143,820)	19,797,168	(28,346,652)	(61,049,867)
34,873,144	-	34,873,144	32,559,240
148,830	-	148,830	324,269
34,501,113	-	34,501,113	29,030,989
16,266,141	-	16,266,141	13,019,211
2,693,559	-	2,693,559	2,179,912
2,645,354	-	2,645,354	2,526,092
333,016	-	333,016	281,505
123,047	-	123,047	122,991
1,376,620	-	1,376,620	1,229,150
177,572	-	177,572	177,572
43,842	(184,969)	(141,127)	2,860,818
2,026,954	79,367	2,106,321	950,007
499,349	(499,349)	-	-
95,708,541	(604,951)	95,103,590	85,261,756
47,564,721	19,192,217	66,756,938	24,211,889
241,676,014	250,759,991	492,436,005	468,224,116
158,739	-	158,739	-
241,834,753	250,759,991	492,594,744	468,224,116
\$ 289,399,474	\$ 269,952,208	\$ 559,351,682	\$ 492,436,005

City of Sparks
Balance Sheet
Governmental Funds
June 30, 2021

(with Comparative Totals for June 30, 2020)

	General Fund	Sparks Grants & Donations	General Obligation Debt Service	Nonmajor Governmental Funds	Total Governmental Funds	2020
Assets						
Cash and investments	\$ 16,326,826	\$ 8,548,911	\$ 6,939,872	\$ 39,718,382	\$ 71,533,991	\$ 40,559,583
Accounts receivable, net	1,615,197	-	4,104,022	1,180,480	6,899,699	8,933,706
Due from other funds	11,882	-	-	-	11,882	21,450
Due from other governments	7,741,676	474,846	3,198,478	1,383,490	12,798,490	10,185,815
Notes receivable, net	-	-	-	1,277,946	1,277,946	1,322,268
Restricted cash and investments	-	-	8,478,915	2,907,250	11,386,165	11,388,319
Total assets	\$ 25,695,581	\$ 9,023,757	\$ 22,721,287	\$ 46,467,548	\$ 103,908,173	\$ 72,411,141
Liabilities						
Accounts payable	\$ 1,024,740	\$ 34,805	\$ -	\$ 278,594	\$ 1,338,139	\$ 1,009,255
Accrued liabilities	1,095,207	3,115	-	114,493	1,212,815	2,401,190
Contracts payable	68,081	211,899	-	1,646,764	1,926,744	2,158,124
Contract retentions payable	-	-	-	159,868	159,868	251,553
Refundable deposits	22,983	-	-	1,300	24,283	21,975
Unearned revenues	216,963	8,115,136	-	361,022	8,693,121	537,635
Due to other funds	-	-	-	11,882	11,882	21,450
Due to other governments	2,567,651	3,209	-	573,397	3,144,257	2,421,414
Total liabilities	4,995,625	8,368,164	-	3,147,320	16,511,109	8,822,596
Deferred Inflows of Resources						
Unavailable revenue - grants	-	163,709	-	1,277,946	1,441,655	1,381,332
Unavailable revenue - property taxes and other	192,064	-	-	46,996	239,060	300,619
Unavailable revenue - special assessments	-	-	4,104,024	-	4,104,024	6,167,959
Unavailable revenue - other	-	-	-	41,696	41,696	130,541
Total deferred inflows of resources	192,064	163,709	4,104,024	1,366,638	5,826,435	7,980,451
Fund Balances						
Restricted for						
Grants and donations	-	190,478	-	41,494	231,972	224,380
Law enforcement	-	301,406	-	-	301,406	426,852
Promotion of special events	-	-	-	307,974	307,974	136,867
Various judicial uses	-	-	-	287,358	287,358	274,185
Municipal facilities construction	-	-	-	156,653	156,653	180,576
Court fee collection programs	-	-	-	603,954	603,954	665,371
Developer agreements	-	-	-	3,727,427	3,727,427	2,978,716
Debt service reserve	-	-	18,617,263	5,080,915	23,698,178	20,681,329
Parks and recreation	-	-	-	6,436,841	6,436,841	5,146,860
Street improvements & rehabilitation	-	-	-	1,521,135	1,521,135	355,507
Capital projects	-	-	-	661,268	661,268	579,701
Improvements to Victorian Square	-	-	-	5,274,219	5,274,219	4,838,017
Committed for						
Economic development	-	-	-	52,399	52,399	64,000
Parks and recreation	-	-	-	494,581	494,581	57,236
Road surface repairs	-	-	-	971,579	971,579	773,692
Economic Stabilization	-	-	-	1,012,203	1,012,203	812,101
Assigned for						
Purchases on order	519,162	-	-	-	519,162	510,439
Specific capital projects	-	-	-	3,198,909	3,198,909	2,447,903
Next year's budget deficit	10,020,983	-	-	47,725	10,068,708	-
Other capital projects	-	-	-	12,076,956	12,076,956	8,104,017
Unassigned	9,967,747	-	-	-	9,967,747	6,350,345
Total fund balances	20,507,892	491,884	18,617,263	41,953,590	81,570,629	55,608,094
Total liabilities, deferred inflows of resources, and fund balances	\$ 25,695,581	\$ 9,023,757	\$ 22,721,287	\$ 46,467,548	\$ 103,908,173	\$ 72,411,141

City of Sparks
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds	\$ 81,570,629
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental capital assets	615,333,146
Less accumulated depreciation	<u>(197,413,956)</u>
	417,919,190
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Revenue bonds payable	(80,031,847)
Tax allocation bonds payable	(18,257,042)
Compensated absences payable	(14,751,829)
Net pension liability	(83,244,211)
Total OPEB liability	(49,269,457)
Sick leave conversion payable	(4,689,287)
Financial incentive and interlocal agreements payable	<u>(442,080)</u>
	(250,685,753)
Interest payable	(253,426)
Unavailable revenue represents amounts that are not available to fund current expenditures and , therefore, are not reported in the governmental funds.	5,826,435
Deferred outflows and inflows of resources related to pensions and other post employment benefits (OPEB), are applicable to future periods and, therefore, are not reports in the governmental funds.	
Deferred outflows of resources related to pensions	11,834,243
Deferred outflows of resources related to OPEB	15,537,316
Deferred outflows of resources related to bond refundings	1,090,556
Deferred inflows of resources related to pensions	(5,098,218)
Deferred inflows of resources related to OPEB	<u>(4,857,041)</u>
	18,506,856
Internal service funds are used by management to charge the costs of certain activities of individual funds. Net position of the internal service funds are reported with governmental activities.	17,326,288
Internal balances is a receivable from/(payable to) business-type activities	<u>(810,745)</u>
Net position of governmental activities	<u><u>\$ 289,399,474</u></u>

City of Sparks
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021
(with Comparative Totals for Year Ended June 30, 2020)

	General Fund	Sparks Grants & Donations	General Obligation Debt Service	Nonmajor Governmental Funds	Total Governmental Funds	2020
Revenues						
Taxes	\$ 26,330,232	\$ -	\$ 2,212,765	\$ 10,817,228	\$ 39,360,225	\$ 35,176,088
Licenses and permits	15,054,694	-	-	5,547,475	20,602,169	19,910,793
Intergovernmental revenues	39,440,830	20,916,762	16,266,141	4,888,335	81,512,068	50,188,454
Charges for services	4,344,508	-	-	1,380,242	5,724,750	4,969,720
Fines and forfeits	505,488	-	-	-	505,488	586,214
Miscellaneous	254,123	90,472	1,071	455,377	801,043	1,807,644
Total revenues	85,929,875	21,007,234	18,479,977	23,088,657	148,505,743	112,638,913
Expenditures						
Current						
General government	20,130,103	-	-	213,341	20,343,444	14,477,331
Judicial	2,479,315	57,398	-	223,451	2,760,164	2,547,670
Public safety	54,085,623	1,175,704	-	118,791	55,380,118	50,827,457
Public works	2,025,163	-	-	4,855,462	6,880,625	5,787,155
Culture and recreation	3,358,535	44,736	-	3,722,221	7,125,492	7,565,828
Community support	945,302	2,887,043	-	1,201,081	5,033,426	6,190,832
Total current expenditures	83,024,041	4,164,881	-	10,334,347	97,523,269	87,396,273
Capital outlay						
General government	-	-	-	445,060	445,060	1,174,337
Public safety	20,668	250,114	-	898,526	1,169,308	291,457
Public works	-	-	-	855,404	855,404	2,544,525
Culture and recreation	39,220	462,368	-	916,505	1,418,093	1,655,927
Community support	-	-	-	572,975	572,975	1,774,996
Total capital outlay	59,888	712,482	-	3,688,470	4,460,840	7,441,242
Debt service						
Principal	-	-	13,497,235	3,199,000	16,696,235	14,124,988
Interest	-	-	2,792,339	521,497	3,313,836	5,558,055
Fiscal charges and other	-	-	2,850	3,200	6,050	3,200
Refunding bond issuance costs	-	-	-	-	-	1,066,498
Total debt service	-	-	16,292,424	3,723,697	20,016,121	20,752,741
Total expenditures	83,083,929	4,877,363	16,292,424	17,746,514	122,000,230	115,590,256
Excess (Deficiency) of Revenues over Expenditures	2,845,946	16,129,871	2,187,553	5,342,143	26,505,513	(2,951,343)
Other Financing Sources (Uses)						
Refunding bonds issued	-	-	-	-	-	96,609,347
Payments to refunded bond escrow agent	-	-	-	-	-	(93,513,935)
Transfers						
Transfers in	16,198,975	-	1,037,886	4,229,565	21,466,426	8,781,547
Transfers out	(5,397,813)	(16,289,218)	(1,422)	(479,689)	(22,168,142)	(10,248,706)
Total other financing sources (uses)	10,801,162	(16,289,218)	1,036,464	3,749,876	(701,716)	1,628,253
Net Change in Fund Balances	13,647,108	(159,347)	3,224,017	9,092,019	25,803,797	(1,323,090)
Fund Balances, Beginning of Year, as originally reported	6,860,784	651,232	15,393,246	32,702,832	55,608,094	56,931,184
Prior Period Adjustment	-	-	-	158,739	158,739	-
Fund Balances, Beginning of Year, as restated	6,860,784	651,232	15,393,246	32,861,571	55,766,833	56,931,184
Fund Balances, End of Year	\$ 20,507,892	\$ 491,885	\$ 18,617,263	\$ 41,953,590	\$ 81,570,630	\$ 55,608,094

City of Sparks

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds
to the Statement of Activities
Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	25,803,797
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Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when the assets are sold.

Expenditures for capital assets	4,460,840	
Sale/disposition of assets	(240,424)	
Less current year depreciation	<u>(10,275,554)</u>	(6,055,138)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Change in unavailable revenue-grants	60,323	
Change in unavailable revenue-property & other taxes	(61,559)	
Change in unavailable revenue-special assessments	(2,063,935)	
Change in unavailable revenue-other	(88,845)	
Donated capital assets	<u>14,343,165</u>	12,189,149

Bond and lease proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and lease principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	<u>16,696,235</u>	16,696,235
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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.

Amortization of current year bond discounts	(3,380)	
Amortization of bond refundings	(278,155)	
Change in financial incentive/assistance agreements	242,080	
Change in accrued interest	77,736	
Change in long-term compensated absences payable	(816,256)	
Change in OPEB liability related amounts	(3,130,169)	
Change in sick leave conversion payable	<u>121,633</u>	(3,786,511)

Governmental funds report City pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense.

City pension contributions	6,481,076	
City pension expense	<u>(6,440,248)</u>	40,828

Internal service funds are used by management to charge the costs of certain activities of individual funds. The change in net position of the internal service funds is reported with governmental activities.

Change in net position of governmental activities	\$	<u><u>47,564,721</u></u>
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City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund
Year Ended June 30, 2021
(with Comparative Actual Amounts for Year Ended June 30, 2020)

	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2020
Revenues					
Taxes					
Real property	\$ 24,500,000	\$ 24,500,000	\$ 24,549,745	\$ 49,745	\$ 23,187,925
Personal property	1,675,000	1,675,000	1,780,487	105,487	1,578,464
	26,175,000	26,175,000	26,330,232	155,232	24,766,389
Licenses and permits					
Business licenses and permits					
Business licenses	8,213,500	8,213,500	7,719,258	(494,242)	7,466,727
Business license penalties	109,950	109,950	288,428	178,478	124,068
Liquor licenses	290,000	290,000	310,128	20,128	307,129
City gaming licenses	507,725	507,725	400,817	(106,908)	459,580
Telecommunication licenses	955,000	955,000	926,277	(28,723)	995,392
Franchise fees					
Gas	614,326	614,326	502,060	(112,266)	597,665
Electric	1,532,938	1,532,938	1,355,807	(177,131)	1,431,145
Water	498,750	498,750	511,425	12,675	474,735
Sanitation	1,800,000	1,800,000	1,848,774	48,774	1,763,509
Other	922,000	922,000	863,444	(58,556)	916,202
Other licenses and permits	271,000	271,000	328,276	57,276	360,191
	15,715,189	15,715,189	15,054,694	(660,495)	14,896,343
Intergovernmental revenues					
State shared revenue					
Consolidated taxes payment	31,600,000	31,600,000	34,501,113	2,901,113	29,030,989
Fair share distribution	2,275,000	2,275,000	2,693,559	418,559	2,179,912
Marijuana shared revenue	120,000	120,000	123,047	3,047	122,991
Other local government shared revenues					
County gaming licenses (City's share)	368,200	368,200	333,016	(35,184)	281,505
Other	645,293	645,293	1,790,095	1,144,802	721,536
	35,008,493	35,008,493	39,440,830	4,432,337	32,336,933
Charges for services					
General government					
Building and zoning fees	2,500	2,500	635	(1,865)	60
Other	3,132,822	3,132,822	4,343,873	1,211,051	3,013,090
	3,135,322	3,135,322	4,344,508	1,209,186	3,013,150
Fines and forfeits					
Fines - Court	603,000	603,000	497,920	(105,080)	542,215
Forfeits - Bail	3,000	3,000	2,180	(820)	-
Forfeits - Other	10,000	10,000	5,388	(4,612)	31,999
	616,000	616,000	505,488	(110,512)	574,214
Miscellaneous					
Investment income	100,000	100,000	18,962	(81,038)	111,921
Rents and royalties	58,080	58,080	60,040	1,960	60,228
Other	155,700	155,700	175,121	19,421	311,353
	313,780	313,780	254,123	(59,657)	483,502
Total revenues	\$ 80,963,784	\$ 80,963,784	\$ 85,929,875	\$ 4,966,091	\$ 76,070,531

City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund
Year Ended June 30, 2021
(with Comparative Actual Amounts for Year Ended June 30, 2020)

	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2020
Expenditures					
General government					
Executive (Mayor)					
Salaries and wages	\$ 68,025	\$ 68,025	\$ 61,762	\$ 6,263	\$ 66,552
Employee benefits	46,596	46,596	39,391	7,205	45,539
Services and supplies	12,343	12,343	515	11,828	5,019
	126,964	126,964	101,668	25,296	117,110
Legislative (City Council)					
Salaries and wages	287,540	287,540	273,288	14,252	283,120
Employee benefits	200,442	200,442	201,153	(711)	200,306
Services and supplies	57,372	57,372	6,883	50,489	20,498
	545,354	545,354	481,324	64,030	503,924
Management services					
Salaries and wages	1,888,839	1,888,839	1,854,259	34,580	1,783,670
Employee benefits	2,099,384	2,099,384	1,899,384	200,000	1,991,626
Services and supplies	3,112,775	9,346,800	8,691,155	655,645	2,326,931
	7,100,998	13,335,023	12,444,798	890,225	6,102,227
Legal (City Attorney)					
Salaries and wages	1,229,341	1,229,341	1,324,701	(95,360)	1,184,823
Employee benefits	616,029	616,029	631,675	(15,646)	601,267
Services and supplies	81,819	81,819	66,349	15,470	90,718
	1,927,189	1,927,189	2,022,725	(95,536)	1,876,808
Finance					
Salaries and wages	2,381,188	2,381,188	2,344,657	36,531	2,199,625
Employee benefits	1,186,337	1,186,337	1,168,604	17,733	1,086,984
Services and supplies	1,128,639	1,127,440	901,602	225,838	803,010
	4,696,164	4,694,965	4,414,863	280,102	4,089,619
Community services					
Salaries and wages	459,551	459,551	411,470	48,081	451,444
Employee benefits	242,501	242,501	187,167	55,334	234,099
Services and supplies	406,527	406,527	66,088	340,439	99,824
	1,108,579	1,108,579	664,725	443,854	785,367
Total general government	15,505,248	21,738,074	20,130,103	1,607,971	13,475,055
Judicial					
Municipal Court					
Salaries and wages	1,421,205	1,421,205	1,441,158	(19,953)	1,352,762
Employee benefits	825,417	825,417	831,969	(6,552)	769,779
Services and supplies	234,660	234,660	206,188	28,472	210,982
Total judicial	2,481,282	2,481,282	2,479,315	1,967	2,333,523
Public safety					
Police department					
Salaries and wages	18,684,081	18,684,081	18,167,820	516,261	17,063,672
Employee benefits	11,241,044	11,241,044	10,273,745	967,299	9,631,557
Services and supplies	3,640,575	3,640,575	3,508,614	131,961	3,340,533
Capital outlay	189,000	189,000	-	189,000	122,064
	33,754,700	33,754,700	31,950,179	1,804,521	30,157,826

City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund
Year Ended June 30, 2021
(with Comparative Actual Amounts for Year Ended June 30, 2020)

	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2020
Fire department					
Salaries and wages	\$ 10,780,000	\$ 10,780,000	\$ 11,112,787	\$ (332,787)	\$ 10,175,910
Employee benefits	6,864,181	6,864,181	6,541,318	322,863	6,195,636
Services and supplies	2,371,513	2,371,513	2,339,049	32,464	2,166,751
Capital outlay	-	-	-	-	36,710
	<u>20,015,694</u>	<u>20,015,694</u>	<u>19,993,154</u>	<u>22,540</u>	<u>18,575,007</u>
Community services					
Salaries and wages	76,178	76,178	74,015	2,163	73,129
Employee benefits	51,588	51,588	51,133	455	50,496
Services and supplies	1,314,604	1,314,604	1,268,802	45,802	1,194,395
	<u>1,442,370</u>	<u>1,442,370</u>	<u>1,393,950</u>	<u>48,420</u>	<u>1,318,020</u>
Management services department					
Salaries and wages	-	-	2,117	(2,117)	-
Employee benefits	-	-	531	(531)	-
Services and supplies	-	936,071	745,692	190,379	-
Capital outlay	-	16,308	20,668	(4,360)	-
	<u>-</u>	<u>952,379</u>	<u>769,008</u>	<u>183,371</u>	<u>-</u>
Total public safety	<u>55,212,764</u>	<u>56,165,143</u>	<u>54,106,291</u>	<u>2,058,852</u>	<u>50,050,853</u>
Public works					
Community services					
Salaries and wages	552,158	552,158	550,915	1,243	528,429
Employee benefits	319,098	319,098	320,732	(1,634)	310,935
Services and supplies	1,402,926	1,399,958	1,153,516	246,442	1,043,533
Total public works	<u>2,274,182</u>	<u>2,271,214</u>	<u>2,025,163</u>	<u>246,051</u>	<u>1,882,897</u>
Culture and recreation					
Community services					
Salaries and wages	874,478	874,478	779,291	95,187	678,675
Employee benefits	624,352	624,352	522,527	101,825	458,610
Services and supplies	2,400,270	2,399,501	2,056,717	342,784	2,117,855
Capital outlay	35,335	35,335	39,220	(3,885)	25,073
Total culture and recreation	<u>3,934,435</u>	<u>3,933,666</u>	<u>3,397,755</u>	<u>535,911</u>	<u>3,280,213</u>
Community support					
Management services					
Services and supplies	466,937	466,937	945,302	(478,365)	439,446
Total expenditures	<u>79,874,848</u>	<u>87,056,316</u>	<u>83,083,929</u>	<u>3,972,387</u>	<u>71,461,987</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,088,936</u>	<u>(6,092,532)</u>	<u>2,845,946</u>	<u>8,938,478</u>	<u>4,608,544</u>
Other Financing Sources (Uses)					
Contingency	(1,000,000)	(1,000,000)	-	1,000,000	-
Transfers					
Transfers in	1,000,000	17,115,401	16,198,975	(916,426)	1,111,580
Transfers out	(4,591,247)	(4,591,247)	(5,397,813)	(806,566)	(7,215,841)
Total other financing sources (uses)	<u>(4,591,247)</u>	<u>11,524,154</u>	<u>10,801,162</u>	<u>(722,992)</u>	<u>(6,104,261)</u>
Net Change in Fund Balances	<u>(3,502,311)</u>	<u>5,431,622</u>	<u>13,647,108</u>	<u>8,215,486</u>	<u>(1,495,717)</u>
Fund Balances, Beginning of Year	<u>7,469,899</u>	<u>7,464,964</u>	<u>6,860,784</u>	<u>(604,180)</u>	<u>8,356,501</u>
Fund balances, End of Year	<u>\$ 3,967,588</u>	<u>\$ 12,896,586</u>	<u>\$ 20,507,892</u>	<u>\$ 7,611,306</u>	<u>\$ 6,860,784</u>

City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Sparks Grants and Donations Fund
 Sparks Grants & Donations
 Year Ended June 30, 2021
 (with Comparative Actual Amounts for Year Ended June 30, 2020)

	Budgeted Amounts		Variance with		
	Original	Final Budget	Actual	Final Budget	2020
Revenues					
Intergovernmental revenues					
Federal awards					
Department of the Treasury	\$ -	\$ 19,176,261	\$ 19,176,261	\$ -	\$ -
Department of Justice	-	374,118	147,711	(226,407)	31,296
Department of Transportation, Traffic Safety	-	502,412	436,086	(66,326)	73,584
Department of Homeland Security	-	-	-	-	9,447
Executive Office of the President	-	8,900	7,186	(1,714)	6,994
National Endowment for the Arts	-	2,550	2,550	-	49,507
State and County awards					
Council of the Arts	-	4,950	4,950	-	4,950
Washoe County	-	1,170,127	974,040	(196,087)	377,848
Other local government shared revenues					
Crime forfeitures	-	107,048	107,048	-	158,709
Other	-	83,270	60,930	(22,340)	70,292
Total intergovernmental revenues	-	21,429,636	20,916,762	(512,874)	782,627
Charges for services					
Recreation	-	-	-	-	4,002
Miscellaneous					
Investment income (loss)	-	113	145	32	5,435
Other	-	91,755	90,327	(1,428)	227,914
Total miscellaneous	-	91,868	90,472	(1,396)	233,349
Total revenues	-	21,521,504	21,007,234	(514,270)	1,019,978
Expenditures					
General government					
Services and supplies	-	30,411	-	30,411	50
Judicial					
Services and supplies	-	95,427	57,398	38,029	67,597
Public safety					
Salaries and wages	-	259,113	216,005	43,108	101,684
Employee benefits	-	47,978	42,990	4,988	37,364
Services and supplies	-	1,375,867	916,709	459,158	636,743
Capital outlay	-	532,861	250,114	282,747	5,185
Total public safety	-	2,215,819	1,425,818	790,001	780,976
Culture and recreation					
Services and supplies	-	108,958	44,736	64,222	29,177
Capital outlay	-	672,368	462,368	210,000	-
Total culture and recreation	-	781,326	507,104	274,222	29,177
Community support					
Services and supplies	-	2,970,617	2,887,043	83,574	-
Total expenditures	-	6,093,600	4,877,363	1,216,237	877,800
Excess (Deficiency) of Revenues over Expenditures	-	15,427,904	16,129,871	(700,571)	142,178
Other Financing Sources (Uses)					
Transfers					
Transfers out	-	(16,205,644)	(16,289,218)	83,574	-
Total other financing sources (uses)	-	22,299,244	21,166,581	1,132,663	877,800
Net Change in Fund Balances	-	(777,740)	(159,347)	619,789	142,178
Fund Balances, Beginning of Year	941,756	1,697,520	651,232	(1,046,288)	509,054
Fund Balances, End of Year	\$ 941,756	\$ 919,780	\$ 491,885	\$ (427,895)	\$ 651,232

City of Sparks
Statement of Net Position - Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Operations	Development Services	Total Enterprise Funds	Internal Service Funds
Assets				
Current assets				
Cash and investments	\$ 64,553,437	\$ 7,982,588	\$ 72,536,025	\$ 19,469,961
Accounts receivable, net	2,687,868	6,430	2,694,298	4,216
Notes receivable	503,531	-	503,531	-
Due from other governments	190,589	-	190,589	-
Deposits	-	-	-	19,072
Inventory of supplies	-	-	-	242,962
Total current assets	67,935,425	7,989,018	75,924,443	19,736,211
Noncurrent assets				
Capital assets				
Land	1,873,105	-	1,873,105	-
Construction in progress	6,340,828	96,113	6,436,941	389,583
Intangible assets	2,648	-	2,648	-
Buildings	982,424	-	982,424	475,005
Site improvements	3,657,382	70,045	3,727,427	245,445
Machinery and equipment	844,769	77,839	922,608	33,199,518
Water rights	7,026,502	-	7,026,502	-
Roads and streets	11,202,489	-	11,202,489	-
Storm drains	132,316,351	-	132,316,351	-
Sewer lines	151,856,359	-	151,856,359	-
	316,102,857	243,997	316,346,854	34,309,551
Less accumulated depreciation	(134,371,811)	(58,913)	(134,430,724)	(23,104,569)
Capital assets, net	181,731,046	185,084	181,916,130	11,204,982
Other noncurrent assets				
Investment - Truckee Meadows Water Reclamation Facility	38,162,151	-	38,162,151	-
Notes receivable	2,491,737	-	2,491,737	-
Total other noncurrent assets	40,653,888	-	40,653,888	-
Total noncurrent assets	222,384,934	185,084	222,570,018	11,204,982
Total assets	290,320,359	8,174,102	298,494,461	30,941,193
Deferred outflows of resources				
Deferred outflows related to pension	862,776	442,047	1,304,823	178,427
Deferred outflows related to OPEB	617,458	624,526	1,241,984	80,818
Total deferred outflows of resources	1,480,234	1,066,573	2,546,807	259,245
Total Assets and Deferred Outflows of Resources	291,800,593	9,240,675	301,041,268	31,200,438

City of Sparks
Statement of Net Position - Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Operations	Development Services	Total Enterprise Funds	Internal Service Funds
Liabilities				
Current liabilities				
Accounts payable	\$ 171,310	\$ 73,042	\$ 244,352	\$ 237,007
Accrued liabilities	100,938	64,109	165,047	20,445
Contracts payable	1,052,121	52,226	1,104,347	37,712
Contract retentions payable	134,793	2,476	137,269	-
Refundable deposits	-	156,654	156,654	-
Unearned revenues	346,073	-	346,073	-
Due to other governments	654,370	111,023	765,393	50,916
Interest payable	104,651	-	104,651	-
Compensated absences payable (current maturities)	267,854	227,435	495,289	66,195
Sick leave conversion payable (current maturities)	75,281	41,015	116,296	-
Claims liabilities (current maturities)	-	-	-	2,836,190
Matured principal payable	3,659,252	-	3,659,252	-
Total current liabilities	6,566,643	727,980	7,294,623	3,248,465
Noncurrent liabilities				
Refundable deposits (net of current maturities)	-	50,000	50,000	-
Compensated absences payable (net of current maturities)	756,473	684,354	1,440,827	206,989
Total OPEB liability	1,341,199	1,376,158	2,717,357	201,896
Net pension liability	5,274,111	1,915,330	7,189,441	1,073,438
Sick leave conversion payable (net of current maturities)	152,199	34,377	186,576	26,950
Claims liabilities (net of current maturities)	-	-	-	9,015,819
General obligation bonds & notes (net of current)	12,306,960	-	12,306,960	-
Total noncurrent liabilities	19,830,942	4,060,219	23,891,161	10,525,092
Total liabilities	26,397,585	4,788,199	31,185,784	13,773,557
Deferred Inflows of Resources				
Deferred inflows related to pensions	329,510	25,458	354,968	64,629
Deferred inflows related to OPEB	252,427	106,626	359,053	35,964
Total deferred inflows of resources	581,937	132,084	714,021	100,593
Total liabilities and deferred inflows of resources	26,979,522	4,920,283	31,899,805	13,874,150
Net Position				
Net investment in capital assets	167,588,857	179,023	167,767,880	11,204,980
Restricted for claims	-	-	-	8,986,416
Unrestricted	97,232,214	4,141,369	101,373,583	(2,865,108)
Total net position	\$ 264,821,071	\$ 4,320,392	269,141,463	\$ 17,326,288
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			810,745	
Net Position of Business-Type Activities			\$ 269,952,208	

City of Sparks
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Operations	Development Services	Total Enterprise Funds	Internal Service Funds
Operating revenues				
Licenses and permits	\$ 179,440	\$ 2,639,263	\$ 2,818,703	\$ -
Charges for services	29,185,629	2,651,405	31,837,034	21,064,449
Miscellaneous	75,217	3,323	78,540	405,481
Total operating revenues	29,440,286	5,293,991	34,734,277	21,469,930
Operating Expenses				
Salaries and wages	3,391,008	2,224,294	5,615,302	607,615
Employee benefits	1,937,632	1,200,346	3,137,978	389,115
Services and supplies	11,854,760	1,906,755	13,761,515	16,451,832
Depreciation	6,650,491	12,125	6,662,616	2,074,849
Net loss from Truckee Meadows Water Reclamation Facility	2,448,142	-	2,448,142	-
Total operating expenses	26,282,033	5,343,520	31,625,553	19,523,411
Operating Income (Loss)	3,158,253	(49,529)	3,108,724	1,946,519
Non-operating Revenues (Expenses)				
Investment income	(200,390)	15,421	(184,969)	(9,123)
Interest expense	(270,326)	-	(270,326)	-
Miscellaneous/Other	(63)	891	828	-
Gain (loss) on disposition of assets	-	-	-	70,455
Total nonoperating revenues (expenses)	(470,779)	16,312	(454,467)	61,332
Income (Loss) Before Capital Contributions and Transfers	2,687,474	(33,217)	2,654,257	2,007,851
Capital Contributions				
Vehicles	-	-	-	207,642
Sewer connection fees	12,623,596	-	12,623,596	-
Sewer lines and storm drains	3,673,516	-	3,673,516	-
Total capital contributions	16,297,112	-	16,297,112	207,642
Transfers				
Transfers in	238,467	9,234	247,701	1,201,066
Transfers out	(716,472)	(30,579)	(747,051)	-
Total transfers	(478,005)	(21,345)	(499,350)	1,201,066
Change in Net Position	18,506,581	(54,562)	18,452,019	3,416,559
Net Position, Beginning of Year	246,314,490	4,374,954		13,909,729
Net Position, End of Year	\$ 264,821,071	\$ 4,320,392		\$ 17,326,288
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			740,198	
Change in net position of business-type activities			\$ 19,192,217	

City of Sparks
Statement of Cash Flows - Proprietary Funds - Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer Operations	Development Services	Total Enterprise Funds	
Operating activities				
Cash received from customers and users	\$ 29,287,948	\$ 5,369,542	\$ 34,657,490	\$ 4,926,943
Cash received from interfund services provided	-	-	-	16,709,624
Cash received from reimbursements of insurance claims	-	-	-	296,578
Cash paid to employees	(5,289,725)	(3,333,155)	(8,622,880)	(975,563)
Cash paid to suppliers	(11,395,645)	(1,848,878)	(13,244,523)	(16,453,640)
Cash paid to Truckee Meadows Water Reclamation Facility	(1,071,583)	-	(1,071,583)	-
Miscellaneous cash receipts (expenses)	(63)	-	(63)	-
Net cash from operating activities	11,530,932	187,509	11,718,441	4,503,942
Noncapital financing activities				
Transfers in	238,467	9,234	247,701	482,022
Transfers out	(4,001)	(24,006)	(28,007)	-
Net cash from (used for) noncapital financing activities	234,466	(14,772)	219,694	482,022
Capital and related financing activities				
Bond and capital lease obligation principal payments	(15,593,158)	-	(15,593,158)	-
Bond and capital lease interest expense paid	(397,652)	-	(397,652)	-
Proceeds from sale of capital assets	-	-	-	84,987
Acquisition of capital assets	(7,264,365)	(84,236)	(7,348,601)	(2,122,401)
Cash contributions - sewer connection fees	12,623,596	-	12,623,596	-
Net cash used for capital and related financing activities	(10,631,579)	(84,236)	(10,715,815)	(2,037,414)
Investing activities				
Investment income (loss)	(200,390)	15,421	(184,969)	(9,122)
Principal received on notes receivable	488,224	-	488,224	-
Net cash from (used for) investing activities	287,834	15,421	303,255	(9,122)
Net change in cash and cash equivalents	1,421,653	103,922	1,525,575	2,939,428
Cash and cash equivalents, Beginning of Year	63,131,784	7,878,666	71,010,450	16,530,533
Cash and cash equivalents, End of Year	\$ 64,553,437	\$ 7,982,588	\$ 72,536,025	\$ 19,469,961

City of Sparks
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer Operations	Development Services	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 3,158,255	\$ (49,530)	\$ 3,108,725	\$ 1,946,520
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	6,650,491	12,125	6,662,616	2,074,849
Miscellaneous cash receipts/payments	(63)	891	828	-
Changes in				
Accounts receivable	(345,182)	9,369	(335,813)	385,640
Due from other governments	83,391	-	83,391	77,575
Inventory of supplies	-	-	-	(43,146)
Investment in Truckee Meadows Water Reclamation Facility	1,376,559	-	1,376,559	-
Pension related amounts	3,689	(13,852)	(10,163)	3,524
OPEB related amounts	71,443	95,997	167,440	6,422
Accounts payable	(169,969)	32,143	(137,826)	(586,065)
Accrued liabilities	(86,229)	(58,421)	(144,650)	(19,143)
Contracts payable	745,633	24,544	770,177	(388)
Unearned revenue	111,552	-	111,552	-
Due to other governments	(118,650)	648	(118,002)	(1,627)
Refundable deposits	-	65,834	65,834	-
Compensated absences	118,819	133,929	252,748	30,363
Sick leave conversion payable	(68,807)	(66,168)	(134,975)	-
Claims liabilities	-	-	-	629,418
Total adjustments	8,372,677	237,039	8,609,716	2,557,422
Net cash from operating activities	\$ 11,530,932	\$ 187,509	\$ 11,718,441	\$ 4,503,942
Noncash investing and capital and related financing activities:				
Contributions of capital assets from (to) other funds	\$ (712,471)	\$ (6,573)	\$ (719,044)	\$ 926,686
Contributions of capital assets from developers	\$ 3,673,516	\$ -	\$ 3,673,516	\$ -

City of Sparks
Statement of Fiduciary Net Position
June 30, 2021

	<u>TMWRF Investment Pool</u>	<u>Other Custodial Funds</u>	<u>Total Custodial Funds</u>
Assets			
Cash and investments	\$ 2,993,990	\$ 269,513	\$ 3,263,503
Net Position			
Restricted for:			
Individuals, organizations and other governments	2,993,990	269,513	3,263,503
Total liabilities and net position	<u>\$ 2,993,990</u>	<u>\$ 269,513</u>	<u>\$ 3,263,503</u>

City of Sparks
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021

	TMWRF Investment Pool	Other Custodial Funds	Total Custodial Funds
Additions:			
Contributions			
Dependent co-pay contributions	\$ -	\$ 235,026	\$ 235,026
Joint Venture owner contributions	18,543,900	-	18,543,900
Police Evidence Additions	-	281,328	281,328
Total contributions	<u>18,543,900</u>	<u>516,354</u>	<u>19,060,254</u>
Other income			
Interest, dividends, and other	2,284	110	2,394
Receipts from TMWRF sales and services	957,895	-	957,895
Total other income	<u>960,179</u>	<u>110</u>	<u>960,289</u>
Total additions	<u>19,504,079</u>	<u>516,464</u>	<u>20,020,543</u>
Deductions:			
Medical, dental, and life insurance - retirees	-	304,914	304,914
Disbursements for operating costs of joint venture	19,687,634	-	19,687,634
Disbursements for capital costs of joint venture	213,984	-	213,984
Police Evidence Deductions	-	179,733	179,733
Total deductions	<u>19,901,618</u>	<u>484,647</u>	<u>20,386,265</u>
Change in Net Position	<u>(397,539)</u>	<u>31,817</u>	<u>(365,722)</u>
Net position, beginning of year	-	-	-
Prior period adjustment	3,391,529	237,696	3,629,225
Net position, beginning of year as restated	<u>3,391,529</u>	<u>237,696</u>	<u>3,629,225</u>
Net position, end of year	<u>\$ 2,993,990</u>	<u>\$ 269,513</u>	<u>\$ 3,263,503</u>

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Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Sparks, Nevada was incorporated March 15, 1905. The City operates under a city council/manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets and alleys, sanitary sewer, recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Sparks, including the Redevelopment Agency Areas of the City of Sparks, conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

The financial statements present the reporting entity, which consists of the City and its blended component units, entities for which the City is considered to be financially accountable. The blended component units are, in substance, part of the City's operations, even though they are legally separate entities. Thus, the following blended component units are appropriately presented as funds of the primary government.

Redevelopment Agency (Areas No. 1 and No. 2) of the City of Sparks

Although legally separate from the City, the Redevelopment Agency Areas are governed by a Board comprised of City Council Members and Mayor, the Areas are dependent upon the City's taxing authority, and the City has operational responsibility for the Areas. Separate financial statements for the Redevelopment Agency Areas are not available.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. 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. Eliminations have been made to minimize the double counting of internal activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are specifically associated with a function or business-type activity. *Program revenues* include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes, and other items properly not included among program revenues, are reported as *general revenues*.

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—*governmental, proprietary and fiduciary*—are presented, even though the latter is excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which are displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from an exchange transaction such as providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonoperating revenues and nonoperating expenses result from nonexchange transactions or ancillary services.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements and the proprietary fund financial statements are reported using the *economic resources* measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as 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 as soon as they are both measurable and available. Revenues are considered to be *measurable* when the amount of the transaction can be determined and *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When revenues are due, but will not be collected within this 60 day period, the receivable is recorded and an offsetting deferred inflow of resources account is established. Thus in subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed and revenue is recognized. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, postemployment benefits, and claims and judgments are recorded only when payment is due.

Property taxes, consolidated tax revenue [comprised of six tax components: sales taxes (which are comprised of Supplemental City/County Relief Tax - SCCRT and the Basic City/County Relief Tax - BCCRT), cigarette taxes, government services taxes, real property transfer taxes, and liquor taxes], room taxes, gaming taxes, gasoline taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash.

The fiduciary fund financial statements are reported using the economic resource measurement focus and the accrual basis of accounting and are custodial in nature. Additions are recorded when earned and deductions are recorded when liabilities are incurred regardless of the timing of related cash flows.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used and other charges between the City's business-type activities and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The City reports the following major governmental funds:

The *General Fund* is the City's general operating fund and is used to account for all financial resources except those required to be accounted for in other funds.

The *Sparks Grants and Donations Fund* is used to account for all governmental fund grant awards, donations and other designated use awards, except Community Development and Block Grant awards, received by the City of Sparks.

The *General Obligation Debt Service Fund* accumulates monies for the payment of the City's general obligation bonds and notes, revenue bonds and tax allocation bonds and notes, excluding those bonds and notes of the Redevelopment Agencies.

The City reports the following major enterprise fund:

The *Sewer Operations Fund* accounts for the City's sewer services to its residents and some residents of Washoe County.

The *Development Services Fund* accounts for the City's issuance of building permits and other fees designated to finance building and development of the City.

Additionally, the City reports the following fund types:

Special revenue funds account for specific revenue resources which by legislative enactments are not required to be accounted for as general revenue, including federal funds.

Debt service funds account for funds designated in the Bond Ordinance and designed to provide for the payment of the principal of and interest on the respective Series of Bonds issued thereunder, as the same respectively fall due, and as established by the provisions of the Bond Ordinance.

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by resources from proprietary type activities which are accounted for in enterprise funds or those financed with funds held by the City in a trustee capacity.

Internal service funds account for motor vehicle maintenance, group insurance, workers' compensation insurance and municipal insurance services to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

Fiduciary funds account for cash held by the City of Sparks for others in a custodial capacity prior to allocation to various individuals and governmental agencies.

Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity

Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and investments, which is managed by the City's Chief Financial Officer. Investments consist primarily of money market mutual funds, negotiable certificates of deposits, corporate notes and obligations of agencies of the United States. 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. Investment income earned is distributed to the appropriate funds based on each fund's equity in the investment. Pursuant to Section 1 of NRS 355 and NRS 355.170, the City of Sparks may only invest in the following types of securities:

- Certain "A" rated notes and bonds purchased by a registered broker-dealer that are issued by corporations organized and operating in the United States (U.S.) and that mature within five (5) years from the date of purchase; asset-backed securities and collateralized mortgage obligations rated "AAA" or higher by a nationally recognized rating service. These investments must not, in the aggregate, exceed 20 percent of the total portfolio at the time of purchase, nor include notes and bonds issued by any one corporation in excess of 25 percent of such investments.
- U.S. bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds and debentures.
- Bills and notes of the U.S. Treasury maturing within ten (10) years from the date of purchase.
- Obligations of an agency of the U.S., or a corporation sponsored by the government, maturing within ten (10) years from the date of purchase.
- Obligations of state and local governments if, (1) the interest is exempt for federal income tax purposes, and (2) the obligation has been rated "A" or higher by a nationally recognized bond credit rating agency.
- Negotiable and nonnegotiable certificates of deposit from commercial banks and insured savings and loan associations.

- State of Nevada Local Government Pooled Investment Fund.
- Certain securities issued by local governments of the State of Nevada.
- Certain bankers' acceptances.
- Certain short-term paper issued by a corporation organized and operating in the U.S.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain "AAA" rated mutual funds that invest in; (1) securities issued by the Federal Government or agencies of the Federal Government, (2) Master, bank notes or other short-term commercial paper rated as "A-1" or "P-1" issued by a corporation or depository institution organized, licensed and operating in the United States and/or (3) Repurchase agreements that are fully collateralized by (1) and (2) above.

Cash Equivalents

Cash equivalents include short-term highly liquid investments (with maturities of 3 months or less when purchased) that are both readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk in changes of value. Based on the nature of the investment policies, all amounts are available on demand and are, therefore, classified as cash equivalents on the Statements of Cash Flows.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Real property taxes result in a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied. Taxes may be paid in four installments payable on the third Monday in August, and the first Mondays in October, January and March to the Treasurer of Washoe County in which the City of Sparks is located. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest and costs before sale. As such, real property taxes receivable reflect only those taxes receivable from the delinquent roll years, and current taxes collected within 60 days of year end. No provision for uncollectible accounts has been established, as management does not anticipate any material collection losses with respect to the remaining balances.

Personal property taxes are billed and collected by the County Treasurer and are considered delinquent 30 days after billing. Amounts allocated to the City of Sparks that have been billed but not remitted to the City are reported as a current receivable. The County performs seizure and sales of property when there is an ongoing delinquency.

Receivables are shown net of an allowance for uncollectible accounts, if applicable.

Inventories and Prepaids

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds in the fund financial statements are considered consumable supplies and as such are recorded as expenditures at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Bond covenants and other third party restrictions require a portion of the debt proceeds, as well as other resources, to be set aside for various purposes in the General Obligation Debt Service Fund, Redevelopment Agency Area No. 1 Tax Revenue Debt Service Fund, and Redevelopment Agency Area No. 2 Debt Service Fund. These amounts are reported as restricted assets.

Capital Assets

Capital assets, which include land, construction in progress, intangible assets, water rights, property, plant, equipment and infrastructure, are capitalized and reported in the applicable governmental activities and business-type activities columns of the government-wide financial statements. For governmental fund types, outlays for capital assets are expensed during the current period. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Capital assets are recorded at cost for purchased or constructed assets. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Donated capital assets are recorded at acquisition value at the date of donation, with the exception of road infrastructure donations constructed by the Regional Transportation Commission which are recorded at the start of the year of notification as either construction in progress for uncompleted projects or in their respective categories for completed projects.

Depreciation and amortization is computed using the straight-line method over the following estimated useful lives:

Buildings	10-40 years
Improvements other than buildings	5-50 years
Machinery and equipment	3-20 years
Sewer lines	10-50 years
Storm drains	40-50 years
Infrastructure, including roads and streets	15-40 years
Intangibles	10 years

Long-Term Liabilities

Government-wide and proprietary fund type financial statements:

Long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for compensated absences is calculated under the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. In the government-wide and proprietary fund statements, all vacation and sick pay is accrued as earned by employees to the extent it is likely that those benefits will be paid. Sick leave payment and conversion benefits vary by bargaining unit or resolution and range from ten percent to one hundred percent depending on years of service, which ranges from five to twenty-five years.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized during the current period. For current refundings resulting in a defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as either a deferred outflow or inflow of resources and amortized as a component of interest expense using the straight-line method.

Governmental fund type financial statements:

A liability for compensated absences is reported in the governmental funds, primarily the General Fund, only if they have matured, as a result of employee resignations, terminations and retirements. Bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of bonds is reported as other financing sources, as are bond premiums. Bond discounts are recorded as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position/Governmental Funds Balance Sheet may report a separate section for deferred outflows of resources. This financial statement element represents the consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reflects deferred outflow of resources in the Statement of Net Position for items related to pensions and other postemployment benefits, and the deferred amount on bond refundings under the accrual basis of accounting.

In addition to liabilities, the Statement of Net Position/Governmental Funds Balance Sheet may report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reflects deferred inflows of resources which are unavailable revenue in the governmental funds balance sheet for revenues not received within 60 days of year end, delinquent property and other taxes, grants, and special assessments that arise under the modified accrual basis of accounting. The City recognizes deferred inflows of resources related to pensions and other postemployment benefits in the Statement of Net Position under the accrual basis of accounting.

Equity Classifications

In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted Net Position – Consists of equity with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – All other equity that does not meet the definition of "net investment in capital assets" or "restricted."

In the fund financial statements, governmental fund equity is reported as fund balances and is classified into a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in fund financial statements are as follows:

- **Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- **Restricted Fund Balance** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution, in which either are equally binding) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned Fund Balance** – This classification includes amounts that are constrained by the City’s intent to be used for a specific purpose but are neither restricted nor committed. Amounts may be assigned by the City Council; or the City Council through resolution, has authorized the Chief Financial Officer to assign fund balance.
- **Unassigned Fund Balance** – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds, as needed, but reserves the right to selectively spend unassigned balances first to defer the use of these other classified funds.

The City Council adopted a minimum fund balance policy for the General Fund. The policy requires the unrestricted fund balance (the sum of the committed, assigned, and unassigned fund balance categories) at fiscal year-end to be at least equal to 8.3 percent of total General Fund expenditures.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Data

Comparative data shown for the prior year has been extracted from the 2019-2020 financial statements and reclassified where necessary and practical to afford better comparability between the years. It has been provided to add comparability, but is not considered full disclosure of transactions for 2019-2020. Such information can only be obtained by referring to the audited financial statements for that year.

Implementation of GASB Accounting Standards

As of July 1, 2020, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which resulted in a significant accounting change. Please see Note 18 for more information regarding the impact of implementing GASB Statement No. 84. The City also adopted GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Lastly, the City adopted GASB Statement No. 98, *the Annual Comprehensive Financial Report*. The City has elected to delay implementation of GASB Statement No. 87, *Leases*.

Rounding

The preparation of the financial statements represent accurate numerical values by using rounding which may cause differences in the statements due to rounding. Rounding a numerical value means replacing it by another value that is approximately equal but shorter, simpler, or more explicit.

Note 2 - Stewardship, Compliance and Accountability

Budgetary Information

The City of Sparks adheres to the Local Government Budget and Finance Act (Act) incorporated within the Statutes of the State of Nevada, in which annual budgets are legally adopted for all funds except Fiduciary funds. The Act and City policy include the following procedures to establish the budgetary data, which is reflected in these financial statements:

- On or before April 15, the Chief Financial Officer files with the Nevada Department of Taxation a tentative budget for the fiscal year commencing the following July 1.
- A public hearing to obtain taxpayer comments on the tentative budget must be held not sooner than the third Monday in May and not later than the last day in May.
- Prior to June 1, the Council indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Council. The final budget is then submitted to the Nevada Department of Taxation.
- All budget amounts presented in these financial statements and schedules reflect the budget as amended by legally authorized revisions during the year. Original budgets are provided for the General Fund in compliance with reporting requirements. The Chief Financial Officer or designee may approve budget adjustments within a function. Budget adjustments between functions may be approved by the Chief Financial Officer with City Council notification. Adjustments that increase the original budget and therefore affect fund balance, or affect the contingency account, require City Council approval.
- Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Appropriations lapse at year-end. Encumbered appropriations are re-appropriated in the ensuing year.
- In accordance with State statute, actual expenditures may not exceed budgeted appropriations of the various governmental functions (excluding the debt service function) of the General, Special Revenue, and Capital Projects Funds. Per NRS 354.626, expenditures over budgeted appropriations are allowed for bond repayments, medium term obligation repayments, and other long-term contracts expressly authorized by law. The sum of operating and non-operating expenses in Proprietary Funds also may not exceed total appropriations.
- Budgets are adopted for all governmental fund types and for all proprietary fund types. Additional control over spending activities of these funds is achieved through required approval of all purchases over \$50,000 by the City Council and certain expenditures are restricted by bond indenture provisions.

The budget reflected in the financial statements has been amended from the original budget amounts in accordance with State statute. Such amendments included augmentations for prior obligations, as well as supplemental appropriations needed for grants, contingencies, and other uses.

Compliance with Nevada Revised Statutes and Administrative Code

The City conformed to all significant statutory constraints in its financial administration during the year, with the following exceptions for apparent violations of NRS 354.626 and/or NAC 354.410:

- Actual expenditures exceeded those budgeted for the year in the community support function of the General Fund by \$478,365, and in the public works function of the Capital Projects Fund by \$23,327;
- Resources used for the augmentation of the Court Administrative Assessment Fund and Recreation and Parks District 1 Funds exceeded the actual opening balance.

Deficit Fund Equity

The Workers' Compensation Insurance Internal Service Fund has a deficit net position of \$8,321,878 at June 30, 2021.

Note 3 - Cash and Investments

Deposits

At June 30, 2021, the City's carrying amount of deposits was \$6,074,979 and the bank balance was \$7,972,568. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the banks' records. Bank balances were greater than the City's carrying amount by \$1,897,589.

Investments

At June 30, 2021, the City had the following investments and maturities:

	Investment Maturities in Years			
	Fair Value	Less Than 1	1-5	6-10
Investments				
U.S. agencies	\$ 29,731,820	\$ 2,008,480	\$ 6,959,110	\$ 20,764,230
Negotiable certificates of deposit	10,370,367	1,489,216	8,387,679	493,472
Money market mutual funds	132,012,479	132,012,479	-	-
	<u>\$ 172,114,666</u>	<u>\$ 135,510,175</u>	<u>\$ 15,346,789</u>	<u>\$ 21,257,702</u>

Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada governments (see Note 1). The City does not have a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below.

Custodial Credit Risk - Deposits - All deposits are subject to custodial credit risk, which is the risk that the City's deposits may not be returned to it in the event of a bank failure. The City's bank balances were covered by the Federal Depository Insurance Corporation and by collateral held by depositories in the Nevada Collateral Pool, and were not exposed to custodial credit risk.

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. This risk can be mitigated by diversification of durations of fixed rate investments held in the investment portfolio. State statute limits investment in bills and notes of the U.S. Treasury, along with obligations of an agency of the U.S. or a corporation sponsored by the U.S. government to those maturing within ten years from the date of purchase. The weighted average maturity of the city's investments is less than three years.

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations and is a function of the credit quality ratings of investments. The City follows State statute for reducing exposure to investment credit risk by investing in U.S. Treasury and U.S. Agency securities, AAA rated money market mutual funds that invest in securities issued by the U.S. Government, agencies of the U.S. Government or agencies of the U.S. Government, and corporate notes if they are A rated notes issued by corporations organized and operating in the United States that mature within five years and do not exceed 20 percent of the total portfolio or exceed any one corporation by 25 percent of such investments. The City's investments in U.S. Agency securities are rated no lower than A- by Standard and Poor's and A1 by Moody's Investor Services. The City's investments in corporate notes are rated no lower than A- by Standard and Poor's and A1 by Moody's Investor Services.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Securities held by the City or by the City's custodians are diversified to eliminate risk of loss from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. At June 30, 2021, the following investments in a single issuer exceeded 5% of the City's total investments:

U.S. Agency security - Federal Farm Credit Bank	6.30 %
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External Investment Pool - In addition to the cash and investments of the City of Sparks, the City administers the cash deposits and investments of the Redevelopment Agency Areas and the Truckee Meadows Water Reclamation Facility (TMWRF). The deposits and investments of these entities are pooled with those of the City. As the Redevelopment Agency Areas are blended component units, and the investment activity by the City on behalf of TMWRF is de minimus, the cash and investments pooled by the City for these agency areas do not constitute an external investment pool.

Fair Value Measurements – The City 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 City does not have any investments that are measured using Level 3 inputs.

As of June 30, 2021, the City had the following recurring fair value measurements:

	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Instruments by fair value level				
U.S. agencies	\$ 29,731,820	\$ -	\$ 29,731,820	\$ -
Negotiable certificates of deposit	10,370,367	-	10,370,367	-
Money market mutual funds	132,012,479	132,012,479	-	-
Total investment measured at fair value	<u>\$ 172,114,666</u>	<u>\$ 132,012,479</u>	<u>\$ 40,102,187</u>	<u>\$ -</u>

The following is a description of the valuation methodologies used by the City for its Level 2 assets:

U.S. agencies – Valued using matrix pricing and market corroborated pricing models.

Negotiable certificates of deposit – Valued using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions.

Summary of Deposit and Investment Balances

A reconciliation of the City's deposits and investment balances as of June 30, 2021 follows:

Deposits	\$ 6,074,979
Investments	<u>172,114,666</u>
	<u>\$ 178,189,645</u>
Governmental activities	
Cash and investments	\$ 91,003,952
Cash and investments - restricted	11,386,165
Business-type activities	
Cash and investments	72,536,025
Fiduciary Funds	<u>3,263,503</u>
	<u>\$ 178,189,645</u>

Note 4 - Accounts Receivable and Notes Receivable

Governmental Activities

	General Fund	General Obligation Debt Service	NonMajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts receivable, net						
Miscellaneous	\$ 1,615,197	\$ -	\$ 1,180,480	\$ 2,795,677	\$ 4,216	\$ 2,799,893
Special Assessments	-	4,104,022	-	4,104,022	-	4,104,022
Total accounts receivable	<u>\$ 1,615,197</u>	<u>\$ 4,104,022</u>	<u>\$ 1,180,480</u>	<u>\$ 6,899,699</u>	<u>\$ 4,216</u>	<u>\$ 6,903,915</u>

Accounts receivable not expected to be collected within one year are \$3,307,958 of special assessments reported in the General Obligation Debt Service Fund.

	NonMajor Governmental Funds
Notes receivable, net	
Housing Rehab Notes	\$ 1,318,858
Housing Rehab Notes - allowance for doubtful	(40,912)
Total notes receivable	<u>\$ 1,277,946</u>

Notes receivable related to housing rehabilitation loans of \$1,318,858 less the allowance of \$40,912 are reported in the Community Development Block Grant Special Revenue Fund (Nonmajor Governmental Fund).

Business-type Activities

	Sewer Operations	Development Services	Total Business-Type Activities
Accounts receivable, net			
Sewer services	\$ 2,687,868	\$ -	\$ 2,687,868
Miscellaneous	-	6,430	6,430
Total accounts receivable	<u>\$ 2,687,868</u>	<u>\$ 6,430</u>	<u>\$ 2,694,298</u>
Notes receivable			
Effluent connection fees	\$ 528,266	\$ -	\$ 528,266
Sun Valley GID	2,467,002	-	2,467,002
Total notes receivable	<u>\$ 2,995,268</u>	<u>\$ -</u>	<u>\$ 2,995,268</u>

The current portion of notes receivable was \$503,531 as of June 30, 2021. These notes receivable include Sun Valley GID note with interest rate of 1.25%, principal and interest payable semi-annually through January 2027. Also included are effluent connection fees, which generally include a 4.5% interest rate and various maturity dates depending on the customer.

Note 5 - Interfund Balances and Activity

Due To/From Other Funds

The composition of amounts due to/from other funds reported on the fund financial statements at June 30, 2021 is as follows:

Due From	Due To		
	General Fund	Internal Service Funds	Total
Nonmajor Governmental Funds	\$ 11,882	\$ -	\$ 11,882
Total	\$ 11,882	\$ -	\$ 11,882

Balance results from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers

Transfers reported on the fund financial statements at June 30, 2021 are as follows:

Transfers Out	Transfers In							
	General Fund	General Obligation Debt Service	Nonmajor Governmental	Total Governmental	Sewer	Development Services	Internal Service	Total
General Fund	\$ -	\$ 711,599	\$ 4,213,100	\$ 4,924,699	\$ -	\$ -	\$ 473,114	\$ 5,397,813
Sparks Grants and Donations	16,198,975	-	15,043	16,214,018	57,058	9,234	8,908	16,289,218
General Obligation Debt Service	-	-	1,422	1,422	-	-	-	1,422
Nonmajor Governmental	-	298,280	-	298,280	181,409	-	-	479,689
Total governmental	16,198,975	1,009,879	4,229,565	21,438,419	238,467	9,234	482,022	22,168,142
Sewer	-	4,001	-	4,001	-	-	712,471	716,472
Development Services	-	24,006	-	24,006	-	-	6,573	30,579
Total business-type	-	28,007	-	28,007	-	-	719,044	747,051
Total	\$ 16,198,975	\$ 1,037,886	\$ 4,229,565	\$ 21,466,426	\$ 238,467	\$ 9,234	\$ 1,201,066	\$ 22,915,193

Transfers are used to move (1) revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) Transfers Out from the Sparks Grants and Donations Fund were related to Coronavirus Aid, Relief and Economic Security Act (CARES Act.) are restricted to eligible expenditures under the CARES Act.

Note 6 - Joint Ventures

Truckee Meadows Water Reclamation Facility

Pursuant to an agreement dated March 24, 1980, the cities of Reno and Sparks jointly own and operate the wastewater treatment facility commonly known as the Truckee Meadows Water Reclamation Facility (TMWRF).

The City of Sparks is responsible for administration and daily operation of TMWRF, and TMWRF's budget is included in the City of Sparks budget document. The costs of operating and maintaining TMWRF are divided in proportion to the volume of sewage entering TMWRF from each city. During the year ended June 30, 2021, the City of Sparks' share of TMWRF's net loss, recorded in the Sewer Operations Enterprise Fund, was \$2,448,142.

The City of Sparks uses the equity method to account for its investment in TMWRF in the Sewer Operations Enterprise Fund, which, as of June 30, 2021, is \$38,162,151.

Summary June 30, 2021 financial information for TMWRF is as follows:

Assets	
Current assets	\$ 6,576,703
Capital assets, net of accumulated depreciation	<u>129,091,413</u>
Total assets	<u>135,668,116</u>
Deferred Outflows of Resources	
Deferred outflows related to pension	1,224,729
Deferred outflows related to OPEB	<u>1,111,471</u>
Total deferred outflows of resources	<u>2,336,200</u>
Total assets and deferred outflows of resources	<u>138,004,316</u>
Liabilities	
Current liabilities	1,873,028
Noncurrent liabilities	<u>10,185,236</u>
Total liabilities	<u>12,058,264</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	342,163
Deferred inflows related to OPEB	<u>771,516</u>
Total liabilities and deferred inflows of resources	<u>13,171,943</u>
Net Position	
Net investment in capital assets	129,091,413
Unrestricted	<u>(4,259,040)</u>
Total net position	<u>\$ 124,832,373</u>
Operating revenues	\$ 20,728,069
Operating expenses before depreciation	(20,737,342)
Depreciation	(8,011,576)
Non-operating revenues (expenses)	(17,879)
Capital contributions	<u>3,415,949</u>
Change in net position	<u>\$ (4,622,779)</u>

Commitments outstanding for construction projects at TMWRF at June 30, 2021 totaled approximately \$4,804,183 million. These commitments will be shared by the City of Reno and the City of Sparks at approximately 69% and 31%, respectively.

The City of Reno obtained a loan from the State of Nevada Revolving Loan Fund to finance an expansion project at TMWRF. At June 30, 2021, the City of Sparks has recorded \$2,701,341 as a long-term liability to the City of Reno (see Note 9) for the City of Sparks' share of the amount drawn on the loan. The City of Sparks' payments on the liability to the City of Reno, including interest coincide with the City of Reno's payment to the State of Nevada on the loan.

Separate financial statements and information for TMWRF are available by contacting TMWRF or the Chief Financial Officer of the City of Sparks at 431 Prater Way, P.O. Box 857, Sparks, NV 89432-0857.

Local Government Oversight Committee Joint Venture (Truckee River Water Quality Settlement Agreement)

On October 10, 1996, the City of Sparks entered into a joint venture with Washoe County and the City of Reno to purchase water rights pursuant to the Truckee River Water Quality Settlement Agreement. The entities have agreed to expend \$12 million to purchase Truckee River water rights, with each entity owning an undivided and equal interest in water rights. The purchase of the water rights will be financed under the State of Nevada Water Pollution Control Revolving Fund and Washoe County will finance the purchase on behalf of all the entities. As of June 30, 2021, all amounts owed by the City of Sparks have been contributed and the cumulative amount of water rights purchased and attributable to the City of Sparks of \$3,951,604 is recorded in the Sewer Operations Enterprise Fund. Separate financial statements and information for this joint venture are available by contacting the Washoe County Department of Water Resources, 4930 Energy Way, Reno, NV 89502.

Truckee Meadows Water Authority

In November 2000, the City of Sparks, in a joint venture with the City of Reno and Washoe County, formed the Truckee Meadows Water Authority (Authority). The Authority was formed to purchase the water assets, to undertake the water utility operations of NV Energy, Inc. (formerly Sierra Pacific Power Company), a Nevada corporation, and to develop, manage and maintain supplies of water for the benefit of the Truckee Meadows community. The Authority has issued bonds that do not constitute an obligation of the Cities of Sparks, Reno or Washoe County. There is no equity interest recorded on the City of Sparks' balance sheet as of June 30, 2021, because no explicit and measurable equity interest is deemed to exist. Separate financial statements and information for this joint venture are available by contacting the Authority at P.O. Box 30013, Reno, NV 89520-3013.

Truckee River Flood Management Authority

The Truckee River Flood Management Authority (TRFMA) is a joint powers authority formed in March 2011, pursuant to a Cooperative Agreement among the Cities of Reno and Sparks and Washoe County (members). The governing body of each Member appoints two directors who must be elected officials of the Member's governing body. The TRFMA was formed in order to regulate and control waters of the Truckee River that flow through their territories to reduce or mitigate flooding for the ongoing benefit of the Truckee Meadows community and is authorized to issue bonds that do not constitute an obligation of the City of Reno, City of Sparks, Washoe County, or State of Nevada.

Under the terms of the Cooperative Agreement, the TRFMA Board of Directors has the power to periodically impose, assess, levy, collect, and enforce fees, rates, and charges in an amount sufficient for services or facilities, or both services or facilities and also to discharge any debt instruments or financial agreements. No such assessments have been made since the TRFMA's formation. The arrangement is considered a joint venture with no equity interest recorded on the City of Sparks' balance sheet as of June 30, 2021, because no explicit and measurable equity interest is deemed to exist. Separate financial statements and information for this joint venture are available by contacting the Truckee River Flood Management Authority's Finance Department at 9390 Gateway Drive, Suite 230, Reno, NV 89521.

Note 7 - Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

Governmental Activities

	Balance June 30, 2020	Additions or Transfers In	Deletions or Transfers Out	Completed Construction	Balance June 30, 2021
Capital assets, not being depreciated					
Land	\$ 39,291,072	\$ 5,748,410	\$ -	\$ -	\$ 45,039,482
Construction in progress	4,667,985	8,739,365	-	(3,497,484)	9,909,866
Intangible assets	3,229,365	-	-	-	3,229,365
Water rights	88,881	-	-	-	88,881
Total capital assets, not being depreciated	<u>47,277,303</u>	<u>14,487,775</u>	<u>-</u>	<u>(3,497,484)</u>	<u>58,267,594</u>
Capital assets, being depreciated					
Intangible assets	729,364	-	-	-	729,364
Buildings	39,339,800	126,772	(27,294)	378,352	39,817,630
Improvements other than buildings	101,552,424	1,556,482	-	674,310	103,783,216
Machinery and equipment	38,164,127	3,266,584	(1,284,628)	1,973,971	42,120,054
Infrastructure	402,246,144	2,207,840	-	470,851	404,924,835
Total capital assets, being depreciated	<u>582,031,859</u>	<u>7,157,678</u>	<u>(1,311,922)</u>	<u>3,497,484</u>	<u>591,375,099</u>
Less accumulated depreciation for					
Intangible assets	(551,231)	(73,858)	-	-	(625,089)
Buildings	(23,925,236)	(1,042,254)	14,224	-	(24,953,266)
Improvements other than buildings	(69,254,691)	(3,689,850)	-	-	(72,944,541)
Machinery and equipment	(26,932,982)	(2,738,482)	1,250,384	-	(28,421,080)
Infrastructure	(88,768,590)	(4,805,959)	-	-	(93,574,549)
Total accumulated depreciation	<u>(209,432,730)</u>	<u>(12,350,403)</u>	<u>1,264,608</u>	<u>-</u>	<u>(220,518,525)</u>
Total capital assets, being depreciated, net	<u>372,599,129</u>	<u>(5,192,725)</u>	<u>(47,314)</u>	<u>3,497,484</u>	<u>370,856,574</u>
Governmental activities capital assets, net	<u>\$ 419,876,432</u>	<u>\$ 9,295,050</u>	<u>\$ (47,314)</u>	<u>\$ -</u>	<u>\$ 429,124,168</u>

Business-type Activities

	Balance June 30, 2020	Additions or Transfers In	Deletions or Transfers Out	Completed Construction	Balance June 30, 2021
Capital assets, not being depreciated					
Construction in progress	\$ 866,479	\$ 5,872,767	\$ -	\$ (302,305)	\$ 6,436,941
Water rights	7,026,502	-	-	-	7,026,502
Land	1,873,105	-	-	-	1,873,105
Intangible assets	2,648	-	-	-	2,648
Total capital assets, not being depreciated	9,768,734	5,872,767	-	(302,305)	15,339,196
Capital assets, being depreciated					
Buildings	982,424	-	-	-	982,424
Improvements other than buildings	3,727,427	-	-	-	3,727,427
Machinery and equipment	974,943	43,002	(95,338)	-	922,607
Roads and streets	10,448,547	753,942	-	-	11,202,489
Storm drains	130,568,415	1,529,214	-	218,722	132,316,351
Sewer lines	149,668,628	2,104,148	-	83,583	151,856,359
Total capital assets, being depreciated	296,370,384	4,430,306	(95,338)	302,305	301,007,657
Less accumulated depreciation for					
Buildings	(445,409)	(28,290)	-	-	(473,699)
Improvements other than buildings	(3,081,138)	(80,568)	-	-	(3,161,706)
Machinery and equipment	(534,911)	(59,955)	95,337	-	(499,529)
Roads and streets	(2,510,204)	(687,386)	-	-	(3,197,590)
Storm drains	(46,908,236)	(2,816,967)	-	-	(49,725,203)
Sewer lines	(74,383,546)	(2,989,450)	-	-	(77,372,996)
Total accumulated depreciation	(127,863,444)	(6,662,616)	95,337	-	(134,430,723)
Total capital assets, being depreciated, net	168,506,940	(2,232,310)	(1)	302,305	166,576,934
Business-type activities capital assets, net	\$ 178,275,674	\$ 3,640,457	\$ (1)	\$ -	\$ 181,916,130

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental Activities	
General Government	\$ 342,921
Judicial	93,927
Public Safety	807,808
Public works	5,527,780
Culture and recreation	2,892,119
Community support	610,999
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	2,074,849
Total depreciation expenses - governmental activities	<u>\$ 12,350,403</u>
Business-type Activities	
Sewer	\$ 6,650,491
Development Services	12,125
Total depreciation expenses - business-type activities	<u>\$ 6,662,616</u>

Note 8 - Leases

Operating Lease

The City has a non-cancelable operating lease for an office building with total costs for this lease of \$50,724 for the year ended June 30, 2021. The future minimum lease payments for the operating lease expiring June 30, 2023 are as follows based upon the amended lease agreement:

Fiscal Year Ended June 30,

2022	\$ 52,246
2023	<u>44,620</u>
	<u><u>\$ 96,866</u></u>

Note 9 - Long-Term Liabilities

Changes to Long-Term Liabilities as of June 30, 2021, are as follows:

	Issue Date	Interest Rate	Final Maturity Date
Governmental Activities			
Governmental Long-Term Debt			
Revenue Bonds Payable			
Supported by Tourism Improvement District 1 sales tax revenue			
Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A	12/19/2019	2.50-2.75%	6/15/2028
Supported by Tourism Improvement District 1 sales tax revenue			
Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019B (Tax-Exempt)	12/19/2019	3.5%	6/15/2028
Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019C (Taxable)	12/19/2019	5.25%	6/15/2028
Supported by consolidated tax revenues			
Consolidated Tax Revenue Refunding Bonds, Series 2014	5/29/2014	3.09%	5/1/2026
 Direct Placement Tax Allocation Bonds			
Supported by Special Assessments within the LID 3			
2016 Limited Obligation Improvement Refunding Bonds	12/22/2016	3.83%	9/1/2027
Supported by incremental property tax revenues within R/A2			
2016 Tax Increment Obligation Refunding Bonds (Redevelopment Agency)	10/1/2016	2.33%	6/1/2028
Supported by incremental property tax revenues within R/A1:			
2010 Tax Increment Refunding Revenue Bonds (Redevelopment Agency)	5/11/2010	4.0-5.13%	1/15/2023
Supported by incremental property tax revenues within R/A2:			
2014 Subordinate Lien Tax Increment Revenue Refunding Bonds	8/14/2014	3.25%	6/1/2029
 Less deferred amounts for issuance discounts			
 Total governmental long-term debt			
 Other Long-Term Liabilities			
Financial Incentive Agreement - Syufy			
Financial Assistance Agreement - Nugget Event Center			
Compensated Absences Payable			
Sick Leave Conversion Payable			
Claims Liabilities			
 Total other governmental long-term liabilities			
 Total governmental debt and long-term liabilities			

For governmental activities, compensated absences and sick leave conversion payables are liquidated by those funds with salaries and related benefits; resulting in the majority of these obligations being liquidated by the General Fund. Claims liabilities are liquidated by the respective Internal Service Fund to which the claim relates (see Note 14).

Authorized	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due in 2021-2022
\$ 79,905,000	\$ 76,440,000	\$ -	\$ 7,090,000	\$ 69,350,000	\$ 7,595,000
8,926,847	8,926,847	-	2,975,000	5,951,847	-
3,886,437	1,831,437	-	1,831,437	-	-
<u>7,330,000</u>	<u>5,595,000</u>	<u>-</u>	<u>865,000</u>	<u>4,730,000</u>	<u>892,000</u>
<u>100,048,284</u>	<u>92,793,284</u>	<u>-</u>	<u>12,761,437</u>	<u>80,031,847</u>	<u>8,487,000</u>
13,498,290	6,374,679	-	735,798	5,638,881	760,842
9,660,000	6,907,000	-	794,000	6,113,000	814,000
22,165,000	4,050,000	-	1,975,000	2,075,000	2,075,000
<u>7,285,000</u>	<u>4,865,000</u>	<u>-</u>	<u>430,000</u>	<u>4,435,000</u>	<u>445,000</u>
<u>52,608,290</u>	<u>22,196,679</u>	<u>-</u>	<u>3,934,798</u>	<u>18,261,881</u>	<u>4,094,842</u>
<u>-</u>	<u>8,219</u>	<u>-</u>	<u>3,380</u>	<u>4,839</u>	<u>-</u>
<u>52,608,290</u>	<u>22,188,460</u>	<u>-</u>	<u>3,931,418</u>	<u>18,257,042</u>	<u>4,094,842</u>
<u>152,656,574</u>	<u>114,981,744</u>	<u>-</u>	<u>16,692,855</u>	<u>98,288,889</u>	<u>12,581,842</u>
1,500,000	400,000	-	100,000	300,000	100,000
1,280,000	284,160	-	142,080	142,080	142,080
-	14,178,395	3,823,454	2,976,836	15,025,013	3,766,002
-	4,837,870	851,087	972,720	4,716,237	860,445
-	11,222,591	12,591,574	11,962,156	11,852,009	2,836,190
<u>2,780,000</u>	<u>30,923,016</u>	<u>17,266,115</u>	<u>16,153,792</u>	<u>32,035,339</u>	<u>7,704,717</u>
<u>\$ 155,436,574</u>	<u>\$ 145,904,760</u>	<u>\$ 17,266,115</u>	<u>\$ 32,846,647</u>	<u>\$ 130,324,228</u>	<u>\$ 20,286,559</u>

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
Business-type Activities			
Business-type Long-Term Debt			
Sewer Utility General Obligation Bond Payable			
Supported by Sewer Fund revenues			
2016 Riverflood Bonds	02/18/2016	2.0-5.0%	3/1/2026
Plus deferred amounts for issuance premiums			
 Private Placement Bond and Note from Direct Borrowing			
2016 Sewer Refunding Bond	9/1/2016	1.25%	7/1/2029
Note Payable to City of Reno - TMWRF Expansion Refunding	12/1/2016	1.61%	7/1/2025
 Total business-type long-term debt			
 Other Long-Term Liabilities			
Compensated Absences Payable			
Sick Leave Conversion Payable			
Total business-type other long-term liabilities			
Total business-type long-term liabilities			
 Total long-term liabilities			

City of Sparks
Notes to the Financial Statements
June 30, 2021

Authorized	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due in 2021-2022
\$ 18,010,000	\$ 11,620,000	\$ -	\$ 11,620,000	\$ -	\$ -
-	155,856	-	155,856	-	-
18,010,000	11,775,856	-	11,775,856	-	-
27,099,691	16,312,885	-	3,048,014	13,264,871	2,867,990
5,998,790	3,470,629	-	769,288	2,701,341	791,262
33,098,481	19,783,514	-	3,817,302	15,966,212	3,659,252
51,108,481	31,559,370	-	15,593,158	15,966,212	3,659,252
-	1,683,368	735,500	482,752	1,936,116	495,289
-	437,847	38,636	173,611	302,872	116,296
-	2,121,215	774,136	656,363	2,238,988	611,585
51,108,481	33,680,585	774,136	16,249,521	18,205,200	4,270,837
<u>\$ 206,545,055</u>	<u>\$ 179,585,345</u>	<u>\$ 18,040,251</u>	<u>\$ 49,096,168</u>	<u>\$ 148,529,428</u>	<u>\$ 24,557,396</u>

Payment Requirements for Debt Service

The annual requirements to pay principal and interest on all bonds, notes and financial incentive agreements outstanding at June 30, 2021 are as follows:

Year Ending June 30	Governmental Activities					
	Revenue Bonds		Direct Placement Tax Allocation Bonds		Financial Incentive and Interlocal Agreements	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 8,487,000	\$ 2,201,709	\$ 4,094,842	\$ 591,675	\$ 242,080	\$ -
2023	8,918,000	1,984,271	2,072,063	424,973	100,000	-
2024	9,304,000	1,755,905	2,126,961	360,332	100,000	-
2025	9,703,000	1,517,736	2,196,302	293,867	-	-
2026	10,138,000	1,247,595	2,251,241	225,262	-	-
2027-2031	33,481,847	1,668,017	5,520,472	273,059	-	-
Total	<u>\$ 80,031,847</u>	<u>\$ 10,375,233</u>	<u>\$ 18,261,881</u>	<u>\$ 2,169,168</u>	<u>\$ 442,080</u>	<u>\$ -</u>

Year Ending June 30	Business-Type Activities*	
	Private Placement Bond and Note from Direct Borrowing	
	Principal	Interest
2022	\$ 3,659,252	\$ 172,114
2023	3,288,466	127,763
2024	3,069,151	84,747
2025	2,194,809	53,630
2026	1,602,575	31,248
2027-2030	2,151,959	32,010
Total	<u>\$ 15,966,212</u>	<u>\$ 501,512</u>

*Full accrual basis of accounting.

Compliance

For the fiscal year ending June 30, 2021, the City's outstanding debt obligations were within the limitations established by the Nevada Revised Statutes, and the City was in compliance with all covenants, limitations and restrictions as outlined within existing bond indentures and agreements. The statutory debt limit is 20% of assessed value of all taxable property in the City of Sparks, as set forth in City Charter Article VII, Section 7.010. For the fiscal year ended June 30, 2021, the legal debt margin is \$652,746,677.

Financial Agreements

In February 2017, the City of Sparks entered into a Financial Incentive Agreement with Syufy Enterprise to provide \$1,500,000 of room tax revenues held in the Victorian Square Room Tax Capital Projects Fund for the renovation and re-opening of the Victorian Square cinema property. The agreement was extended in October 2017 to provide for performance by September 2018. Per the agreement, the City of Sparks provided \$1,000,000 upon opening the cinema to the public and \$100,000 per year for five years. During fiscal year 2021, a payment of \$100,000 was made and \$300,000 of the \$1,500,000 commitment remains outstanding.

In January 2019, the City of Sparks entered into a Financial Assistance Agreement with Marnell Gaming to provide \$1,280,000 of room tax revenues held in the Victorian Square Room Tax Capital Projects Fund for the demolition of the former Bourbon Square Casino and the construction of an outdoor amphitheater, the Nugget Events Arena. Per the agreement, the City of Sparks provided \$853,760 once Marnell Gaming met their financial obligation and opened the amphitheater to the public, and will provide \$142,080 per year for three years. During fiscal year 2021, a payment of \$142,080 was made and \$142,080 of the

\$1,280,000 commitment remains outstanding.

Redemption Options, Default Impacts, and Pledged Revenues

There may be a financial impact if the City redeems debt early or fails to perform agreed upon obligations. Information regarding these financial impacts and the availability of pledged revenues to repay bonds in governmental and business-type activities is as follows:

Governmental activities

The City issued the *Consolidated Tax Revenue Refunding Bonds, Series 2014* during fiscal year 2013-2014. Proceeds from the bonds were used to extinguish the principal owed on the *Consolidated Tax Revenue Bonds, Series 2007*. On or after May 21, 2021, the City may prepay the bonds at a redemption price equal to the principal and accrued interest without paying a premium. There are no acceleration clauses upon default, however, the Trustee, on behalf of the bond holders, may pursue legal remedies to enforce payment. The City has pledged up to 15% of the Consolidated Tax revenues for the repayment of the bonds. The total principal and interest remaining to be paid on the bonds is \$5,177,030 payable through fiscal year 2026. During fiscal year 2021 principal and interest paid for the bonds totaled \$1,037,886 and pledged revenues totaled \$5,175,167.

In fiscal year 2020, the City issued Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A, Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series B (Tax-Exempt), and Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series C (Taxable), (2019AB&C Bonds) to refund the existing Senior Sales Tax Anticipation Revenue Bonds, Series A, and Subordinate Sales Tax Anticipation Revenue Bonds, Series A that were issued in 2008 (2008 Bonds). The proceeds of the 2008 Bonds were used to acquire, improve, and equip certain real and personal properties at the Legends at Sparks Marina. The City may prepay the bonds prior to their maturity date at a redemption price equal to the principal and accrued interest without paying a premium. The City has pledged 75% of the State Sales & Use Taxes (less a State collection fee), the Local School Support Sales & Use Taxes, and the City-County Relief Taxes, that are collected in the Tourism Improvement District, for the repayment of the bonds. Sales tax revenues collected after the Sales Tax Pledge Termination Date of June 30, 2028 will not be available to pay debt service on the 2019AB&C Bonds, even if debt service on the 2019AB&C Bonds are delinquent at that time. The bonds are secured and payable solely from pledged revenues and the City has no obligation to pay the debt from any other source. Nonpayment of principal and interest due to insufficient pledged Net Sales Tax Revenues is not considered a default under the indenture. There are no acceleration clauses upon default, however, the Trustee may pursue legal remedies to enforce payment from pledged revenues. The total principal and interest remaining to be paid on the bonds is \$85,230,050 payable through fiscal year 2028. During fiscal year 2021, principal and interest due on the bonds totaled \$14,285,831, which included a \$1,831,437 turbo payment on the 2019 Series C bonds and a \$2,975,000 turbo payment on the 2019 Series B bonds. Pledged revenues totaled \$16,266,141 at June 30, 2021.

On May 11, 2010, the Redevelopment Agency of the City of Sparks issued the *Tax Increment Refunding Revenue Bonds, Series 2010*. Proceeds from the bonds were used to refund all of the Redevelopment Agency's *Tax Allocation Refunding Revenue Bonds, Series 2000A*. On or after January 15, 2021, the City may prepay the bonds at a redemption price equal to the principal and accrued interest without paying a premium. There are no acceleration clauses upon default, however, the Trustee, on behalf of the bond holders, may pursue legal remedies to enforce payment. The City has pledged revenues comprised of the incremental property tax revenues, governmental services tax revenues, and all income from the investment and reinvestment of any debt service and reserve accounts collected within the Redevelopment Area No. 1. The pledged property taxes are derived by applying applicable ad valorem tax rates to the portion of the assessed value of all taxable property that is in excess of a base value established in the year the area was created. The bond is a limited obligation of the Redevelopment Agency and the Redevelopment Agency is not obligated to pay for them except from pledged revenues. The total principal and interest remaining to be paid on the bonds is \$2,178,750, payable through fiscal year 2022. During fiscal year 2021, principal and interest paid for the bonds totaled \$2,177,500. Current year pledged revenues totaled \$3,788,856.

The Redevelopment Agency of the City of Sparks issued the *Tax Increment Revenue Refunding Bonds, Series 2016* (2016 Bonds) during fiscal year 2016-2017, and the *Subordinate Lien Tax Increment Refunding Bonds, Series 2014* (2014 Bonds) during fiscal year 2014-2015. Proceeds from the bonds were used for certain redevelopment projects within the Marina District of Redevelopment Area No. 2. The City may prepay the 2016 Bonds prior to their maturity by paying a redemption price equal to the principal and accrued interest plus the following premiums: 3% through May 31, 2020, 2% through May 31, 2022, and 1% through May 31, 2023, with no premium after May 31, 2023. After June 1, 2024, the City may prepay the 2014 Bonds by paying the redemption price equal to the principal and accrued interest without paying a premium. If the City defaults on the

2016 Bonds interest will accrue at the default rate of 5.33% and the Trustee, on behalf of the bond holders, may pursue legal remedies to enforce payment. If the City defaults on the 2014 Bonds, interest will accrue at the default rate of 6.249%. There are no payment acceleration clauses should the City default on either of the bond agreements. The bonds are a special, limited obligation of the Redevelopment Agency and are payable solely from incremental property tax revenues and all income from the investment and reinvestment of any debt service and reserve accounts collected within the Redevelopment Area No. 2. The pledged property taxes are derived by applying applicable ad valorem tax rates to the portion of the assessed value of all taxable property that is in excess of a base value established in the year the area was created. The total principal and interest remaining to be paid on the bonds is \$11,851,779, payable through fiscal year 2029. During fiscal year 2021, principal and interest paid for the two bonds totaled \$1,542,997 and pledged revenues totaled \$4,756,008.

Special Assessment Debt

Special assessment bonds are issued to finance improvements that benefit property owners in the defined area. Bonds are repaid from assessments levied against these property owners, and are secured by their real property and are also secured by moneys and securities from time to time held in certain funds and accounts by the trustee. The bonds constitute limited obligations of the City and the City will not be liable thereon except from the trust estate which includes (a) the proceeds of the special assessments, prepayments thereof, interest and penalties therefore, and proceeds of the sale of property sold, (b) all moneys held by the trustee for the bond reserves and assessments, and (c) any pledged real or personal property or security. In case of deficiencies, the City may use the reserve moneys held by the trustee (to the extent funds are available therein) to make payments.

During fiscal year 2016-2017, the City issued *Local Improvement District No. 3 Limited Obligation, Series 2016* bonds (2016 LID Bonds). Proceeds from the 2016 LID Bonds were used to extinguish the principal owed on the *Local Improvement District No. 3, Series 2008* (2008 Bonds) in an amount of \$13,440,000. Proceeds from the 2008 Bonds were used to provide financing for acquisition, construction and improvements benefiting the Legends at Sparks Marina. On or after September 1, 2026, at the option of the City, the bonds may be prepaid at a redemption price equal to the principal and accrued interest without paying a premium. If property owners prepay their assessment at least 61 days prior to payment due date, the City is mandated to redeem bonds of equal value on the upcoming payment date. If the City defaults on the bond agreement the Trustee may start a foreclosure action, begin litigation, and appoint receivers to represent the best interest of the bond holders. There are no payment acceleration clauses should the City default on the bonds. The City has pledged future assessment revenues levied on the Local Improvement District No. 3 (Legends at Sparks Marina) to repay the bonds. The bonds are intended to be paid solely from assessment revenues and are payable through fiscal year 2028. The total principal and interest remaining to be paid on the bonds is \$6,400,520. During fiscal year 2021, principal and interest paid for the bonds totaled \$965,858 and pledged revenues totaled \$2,212,765.

Business-type activities

On February 18, 2016, the City issued the *Medium-Term Flood Control Bonds, Series 2016*. These bonds were prepaid in full in fiscal year 2020-2021 at a redemption price equal to the outstanding principal and accrued interest without paying a premium.

Through the Nevada State Revolving Fund, the City issued the *General Obligation Sewer Refunding Bonds, Series 2016* during fiscal year 2016-2017. Proceeds from the bonds provided financing for expansion of, and improvements to, the utility system. The City may prepay the bonds prior to their maturity date with the approval of the Nevada State Treasurer at a redemption price equal to the principal and accrued interest without paying a premium. If the City defaults on the bonds a penalty of one-tenth of one percent of the defaulted payment will be due for each day of nonpayment beyond the 10-day grace period. There are no payment acceleration clauses should the City default on the bond agreement. The City has pledged future sewer utility customer revenues and connection fees, net of specified operating expenses, to repay the sewer utility general obligation bonds through fiscal year 2030. The total principal and interest to be paid on the bonds is \$13,785,820. During fiscal year 2021, principal and interest paid for the bonds totaled \$3,242,469. Net pledged revenues totaled \$24,805,267.

Note 10 - Stabilization Arrangements

In June 2011, the City Council adopted a Financial Stabilization Fund Policy, under which a portion of the revenue received from business licenses and/or interest income allocated to the fund is committed to be the primary sources of revenue for the Stabilization Special Revenue Fund. Each year during the budget process Council reaffirms this policy. At June 30, 2021, the Stabilization Special Revenue Fund has a committed fund balance of \$1,012,203.

The Stabilization Special Revenue Fund balance may only be used if the following conditions exist:

- Expenditures incurred from a natural disaster upon formal declaration by the City Council; or
- If the total actual General Fund revenues decrease by 4 percent or more from the previous year.

Note 11 - Defined Benefit Pension Plan

Plan Description - The City contributes to the Public Employees' Retirement System of the State of Nevada (PERS) for pension coverage of its employees. 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% multiplier for all years of service. Regular members entering PERS on or after July 1, 2015, have a 2.25% multiplier. 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 ten 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 ten years of service, or at any age with thirty years of service. Regular members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, at age 55 with thirty years of service, or at any age with thirty-three and a third 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 and prior to July 1, 2015, are eligible for retirement at age 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. Police/Fire members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of service and at any age with thirty-three and a third 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.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. 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. The City contributes under the employer-pay contribution (EPC) option.

Under the Employer-Pay provisions, the contributions made by employers on behalf of employees are not credited to the member's PERS account and are not refunded upon termination; however, they are reported as plan member contributions. For employees covered by the Employer-Pay provisions, average compensation is increased by an employer pay factor to assure contributions are not less than they would have been if the contributions had been made by the member and the employer separately.

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.

Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis, contributions actually made are 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.

For the fiscal years ended June 30, 2021, the statutory employer-pay contribution (EPC) rate was 29.25% for Regular members and 42.50% for Police/Fire. For the fiscal year ended June 30, 2020, the statutory EPC rate was 29.25% for Regular members and 42.50% for Police/Fire.

The City's contributions were \$14,718,894 for the year ended June 30, 2021. Of this amount, \$7,359,447 was classified as Employer contributions and \$7,359,447 was classified as Member contributions.

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 PERS.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2020:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%

As of June 30, 2020, PERS' long-term inflation assumption was 2.75%.

Net Pension Liability - At June 30, 2021, the City reported a liability for its proportionate share of the net pension liability of \$91,507,090. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers. At June 30, 2020, the City's proportion was 0.65699 percent, which was an increase of 0.00108 from its proportion measured as of June 30, 2019.

Pension Liability Discount Rate Sensitivity - The following presents the net pension liability of the City as of June 30, 2021, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net Pension Liability	\$ 142,715,706	\$ 91,507,090	\$ 48,930,932

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the PERS Annual Comprehensive Financial Report (ACFR), available on the PERS website www.nvpers.org.

Actuarial Assumptions - The City's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Payroll Growth	5.00%
Investment Rate of Return	7.50%, including inflation
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.25% to 9.15% depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include inflation and productivity increases
Other Assumptions	Same as those used in the June 30, 2020 funding actuarial valuation

Mortality rates for all non-disabled members (Regular and Police/Fire) age 50 and over were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For all non-disabled members under the age of 50, mortality rates were based on the Headcount-Weighted RP-2014 Employee Mortality Tables adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables used for age 50 and over. The mortality rates for ages less than 50 are then projected to 2020 with Scale MP-2016. The mortality table used in the actuarial valuation to project mortality rates for all disabled members (Regular and Police/Fire) is the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016.

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

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. 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, 2020, 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, 2020.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Based on the City's proportionate share of PERS net pension liability, for the year ended June 30, 2021, the City recognized pension expense of \$7,310,121. At June 30, 2021, the City 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	\$ 2,788,603	\$ (1,194,009)
Changes of assumptions or other inputs	2,521,101	-
Net difference between projected and actual earnings on pension plan investments	-	(3,493,117)
Changes in the employer's proportion and differences between contributions and the employer's proportionate contributions	648,342	(830,689)
City contributions subsequent to the measurement date	7,359,447	-
	<u>\$ 13,317,493</u>	<u>\$ (5,517,815)</u>

Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date in the amount of \$7,359,447 will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

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

<u>Year Ending June 30, 2021</u>	
2022	\$ (1,341,979)
2023	460,707
2024	694,788
2025	523,082
2026	96,631
Thereafter	7,002

The average of the expected remaining service lives of active employees that will be provided with pensions through PERS as determined at June 30, 2020 is 6.13 years.

Additional Information – The PERS Annual Comprehensive Financial Report (ACFR) is available on the PERS website at www.nvpers.org under Quick Links – Publications.

Note 12 - Contingent Liabilities

There are lawsuits pending against the City of Sparks. The financial impact of remaining actions is not determinable at June 30, 2021, but in the opinion of management and legal counsel, any resulting liability will not materially affect the financial position or results of operations of the City.

The City of Sparks also has contingent liabilities due to developers. Infrastructure development in the Spanish Springs Sphere of Influence is being accomplished through development agreements. The purpose of the agreements is to establish a system of regulation for the allocation and payment of costs to assure that new development contributes its proportionate share to the cost of the required infrastructure. The agreements stipulate that should a developer provide land and/or capital improvements for dedication to the City, the costs incurred through dedication and/or construction of capital improvements by the owner will be credited against fees due. Such provisions in the agreements result in a liability of the City in the amount of the dedicated capital assets in excess of the fees due from the developers for future development. The liability is contingent on the pending receipt of infrastructure and future development permits issued. The contingent liability estimate of these credits due to developers at June 30, 2021 is \$2,947,074.

Note 13 - Commitments

As of June 30, 2021, the City entered into an interlocal agreement with Washoe County to help fund the construction and infrastructure of the Washoe County P25 Radio System, a regional emergency response system. On September 16, 2020 Washoe County issued debt in the amount of \$9,135,000 related to the project. The amount allocated to Sparks was estimated to be \$1,382,780 payable over fifteen years and is subject to change annually based on the participation and usage levels of other regional partners. As of June 30, 2021 the City has a remaining estimated amount of \$1,285,888.

Significant commitments include the encumbrances outstanding in the General Fund, which have been included in the appropriate classifications, are shown below.

	<u>Encumbrances</u>
General fund	\$ <u>519,162</u>

See Note 6 for further information on the City's commitments related to the Truckee Meadows Water Reclamation Facility.

Note 14 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City reports its material risk management activities in the Internal Service Funds in accordance with GASB Statements No. 10 and No. 30. The Group Insurance Self-Insurance Fund accounts for life, medical, prescription, dental and vision insurance programs. The Worker's Compensation Insurance Fund accounts for worker's compensation claims, including long-term benefits such as wage replacement. The Municipal Self-Insurance Fund accounts for the costs related to general, auto and property liabilities.

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 reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal Year Ended June 30, 2021			
	Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year
Group Insurance Self-Insurance Fund	\$ 842,206	\$ 10,437,737	\$ (10,209,022)	\$ 1,070,921
Municipal Self-Insurance Fund	40,876	393,005	(427,881)	6,000
Workers' Compensation Fund	10,339,509	1,760,832	(1,325,253)	10,775,088
	<u>\$ 11,222,591</u>	<u>\$ 12,591,574</u>	<u>\$ (11,962,156)</u>	<u>\$ 11,852,009</u>

	Fiscal Year Ended June 30, 2020			
Group Insurance Self-Insurance Fund	\$ 1,199,619	\$ 8,521,765	\$ (8,879,178)	\$ 842,206
Municipal Self-Insurance Fund	170,000	336,560	(465,684)	40,876
Workers' Compensation Fund	8,941,926	3,901,969	(2,504,386)	10,339,509
	<u>\$ 10,311,545</u>	<u>\$ 12,760,294</u>	<u>\$ (11,849,248)</u>	<u>\$ 11,222,591</u>

The City combines both self-insurance and commercial insurance to protect against loss. Settled claims resulting from these risks did not exceed commercial coverage over the past three fiscal years. The following is a detail of the coverage's for the City's self-insured funds:

Group Insurance Self-Insurance – This fund charges the City's insured funds a fixed monthly premium per employee. Employee claims in excess of \$300,000 per occurrence are covered by excess insurance.

Workers' Compensation Insurance – The City is self-insured for individual worker's compensation claims up to \$3,000,000 for City police and firefighters and \$1,500,000 for all other City employees, per occurrence. Claims in excess of this limit are covered by excess insurance up to State statutory limits. This fund charges the City's insured funds an annual premium per employee, which may vary by employee type.

Municipal Self-Insurance – The City is self-insured for property and liability claims in amounts from \$10,000 to \$300,000 for each occurrence (depending on the type of claim or damage), after which claims are covered by excess insurance. This fund charges other funds maintained by the City a premium derived from prior year actual claims and administrative costs allocated based on the number of employees in each fund.

Note 15 - Post-Employment Benefits

Accumulated Sick Leave

Upon retirement, qualified employees have the option of foregoing cash payment of their accumulated sick leave balances, by opting for conversion of the balance to fund their post-employment group health insurance premiums. The converted balances are reported as liabilities on the City's government-wide financial statements. The City pays the retirees' group health insurance premiums until exhaustion of the respective retirees' balances. Increases in premiums are to be passed along to retirees participating in the aforementioned program. However, those qualified employees who retired prior to or on December 10, 2001, will receive "premium credits" to partially offset their portion of the cost of the insurance premiums. The premium credits are calculated and awarded based upon length of service.

For the year ended June 30, 2021, the City paid \$1,146,331 in health insurance premiums on behalf of 130 retirees who opted for the conversion of their accumulated sick leave.

Post-employment Benefits Other than Pensions (OPEB)

Plan Descriptions - The City of Sparks contributes to the Sparks Medical and Dental Benefit Plan (Sparks Plan), a single-employer defined benefit healthcare plan administered by Hometown Health, and to a plan administered by the Nevada Public Employees' Benefits Program (NPEBP) which is treated as a single-employer defined benefit plan for financial reporting

purposes.

Benefit provisions for the Sparks Plan are established pursuant to NRS 287.023 and amended through negotiations between the City and the Group Health Plan Benefits Committee whose voting membership consists of representatives of employee bargaining groups. Benefit provisions for NPEBP are established pursuant to NRS 287.023 and subject to amendment through legislation by the State of Nevada each biennium and are administered by a ten member governing board appointed by the governor.

Pursuant to NRS 287.023 (as amended during the 2007 session of the Nevada Legislature), through November 29, 2008, retirees had the option to participate in the Sparks Plan for postemployment health care benefits or to join the NPEBP offered by the State of Nevada. However, subsequent to November 29, 2008, new retirees no longer have the option of joining the NPEBP, yet still retain the option to participate in the Sparks Plan.

Neither plan has assets accumulated in a qualifying trust and therefore report an unreduced OPEB liability in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - Each plan provides medical, dental, vision, long-term disability, accidental death and dismemberment, and life insurance benefits to eligible retired City employees and beneficiaries.

Local governments are required to pay the same portion of cost of coverage for those persons joining NPEBP that the State of Nevada pays for those persons retired from state service who have continued to participate in the NPEBP. NPEBP employer paid subsidy, adjusted for years of credited service, may be allocated to more than one public employer based on retiree employment history. Subsidies paid during fiscal year 2021 by the City to NPEBP range from \$4.16 to \$1,981.63. The NPEBP Master Plan Document can be obtained by writing to the Nevada Public Employees Medical Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Retirees in the Sparks Plan receive no direct subsidy from the City, with the following exceptions. City firefighters and fire chief officers who retired after July 1, 2005 receive a subsidy equal to 60% of retiree and dependent health insurance premiums up to age 65, and 50% of retiree premiums after age 65. City employees who retired prior to the adoption of the 1991-92 employee resolutions and contracts, receive a subsidy equal to the difference between current premium rates and the premium rates agreed to in their retirement agreement, which vary by year and bargaining unit of retirement. Also, employees retiring after 1992 and before December 2001 receive a subsidy equal to a \$5 credit towards health insurance premiums for each year of service. These subsidies range from \$30.00 to \$1,348.14 per month. In addition, under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the City.

The premium rates in the Sparks Plan applicable to retirees not yet eligible for Medicare are the same as those for active employees; reduced rates apply to those retirees covered by Medicare.

A summary of the premium rates for the Sparks plan, as of June 30, 2021, is shown below:

	Employee or Surviving Spouse only	Employee & Spouse	Employee & Child	Employee & Family
Active employees	\$ 862.06	\$ 1,583.38	\$ 1,508.54	\$ 2,250.74
Retiree, No Medicare	857.46	1,577.82	1,503.02	2,245.26
Spouse, with Medicare	684.50	1,408.89	-	2,076.29
Retiree, Medicare	688.40	1,256.22	1,334.07	1,923.61
Spouse, No Medicare	853.56	1,408.89	-	2,076.29

At June 30, 2021, the following employees were covered by the benefit terms:

	Sparks Plan	NPEBP	Totals
Inactive employees or beneficiaries currently receiving benefits	154	90	244
Active employees	446	-	446
	<u>600</u>	<u>90</u>	<u>690</u>

Total OPEB Liability - The City's total OPEB liability of \$52,188,710, of which \$44,569,269 is related to the Sparks Plan and \$7,619,441 is related to NPEBP, was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial assumptions and other inputs - The total OPEB liability in the actuarial valuation determined on July 1, 2020 for both plans was based on the following actuarial assumptions and other inputs:

	Sparks Plan	NPEBP
Inflation	2.50%	2.50%
Salary increases, based on years of service	Range from 4.25% to 9.15% for regular employees and from 4.55% to 13.90% for police and fire	N/A
Discount rate	2.16%	2.16%
Healthcare cost trend rate	5.7% for 2020 to 2021, decreasing to an ultimate rate of 4.04% by 2075	5.7% for 2020 to 2021, decreasing to an ultimate rate of 4.04% by 2075
Retiree share of benefit costs	Range from \$170.11 to \$2,245.26	Range from \$0 to \$1,667.99

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality rates for employees were based on the Pub-2010 Headcount-Weighted employee (Public Safety for police and fire and General for all others) projected fully-generationally using MP-2020, and for retirees were based on the Pub-2010 Headcount-Weighted Retiree table (Public Safety for police and fire and General for all others) projected fully generationally using MP-2020.

The demographic and payroll growth actuarial assumptions used in the July 1, 2020 valuation are based on the same assumptions used in the Public Employees' Retirement System of Nevada (PERS) actuarial valuation as of June 30, 2020, which was first adopted in the June 30, 2019 valuation.

Changes in the Total OPEB Liability

	Sparks Plan	NPEBP	Total
Balance at June 30, 2020	\$ 35,685,573	\$ 7,808,221	\$ 43,493,794
Changes for the year:			
Service Costs	1,605,582	-	1,605,582
Interest	811,824	169,161	980,985
Differences between expected and actual experience	(1,288,824)	(565,766)	(1,854,590)
Changes in assumptions or other inputs	8,875,217	517,350	9,392,567
Benefit payments	(1,120,103)	(309,525)	(1,429,628)
Net changes	8,883,696	(188,780)	8,694,916
Balance at June 30, 2021	\$ 44,569,269	\$ 7,619,441	\$ 52,188,710

Significant changes of assumptions and other inputs since the measurement date of June 30, 2020 are noted below:

- Mortality assumption has been updated from RP-2014 Total Dataset Mortality Table projected fully-generationally using MP-2016 mortality improvement scale to Pub-2010 headcount-weighted projected fully-generationally using MP-2020. Separate tables are used for general employees and police and fire employees and retirees. This change caused an increase in liability.
- Healthcare trend rates which are based on Long-Run Medical Cost Trend Model have been updated from 2019 to 2020 version with an initial rate of 5.70% for 2020 decreasing gradually to an ultimate rate of 4.04% in 2075. This will cause and increase in the liability.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the City, calculated using a discount rate of 2.16%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Sparks Plan	\$ 53,055,950	\$ 44,569,269	\$ 37,928,000
NPEBP	9,070,301	7,619,441	6,484,068
Total OPEB Liability	\$ 62,126,251	\$ 52,188,710	\$ 44,412,068

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the City, calculated using healthcare cost trend rates of 5.70% for 2020 to 2021, decreasing to an ultimate rate of 4.04% by 2075, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.7% decreasing to 3.04%) or 1-percentage-point higher (6.7% decreasing to 5.04%) than the current healthcare cost trend rates:

	1% Decrease (4.7% decreasing to 3.04% by 2075)	Healthcare Cost Trend Rates (5.7% decreasing to 4.04% by 2075)	1% Increase (6.7% decreasing to 5.04% by 2075)
Sparks Plan	\$ 36,820,495	\$ 44,569,269	\$ 54,770,535
NPEBP	6,294,732	7,619,441	9,363,422
Total OPEB Liability	<u>\$ 43,115,227</u>	<u>\$ 52,188,710</u>	<u>\$ 64,133,957</u>

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - For the year ended June 30, 2021 the City recognized an OPEB expense of \$4,733,659, of which \$4,434,857 is related to the Sparks Plan and \$298,802 is related to NPEBP. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to both OPEB plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Sparks Plan		
Differences between expected and actual experience	\$ 163,973	\$ (4,192,507)
Differences between changes of economic and demographic assumptions or of other inputs	14,973,638	
NPEBP		
Differences between expected and actual experience	27,051	(1,059,551)
Differences between changes of economic and demographic assumptions or of other inputs	1,695,456	-
Total	<u>\$ 16,860,118</u>	<u>\$ (5,252,058)</u>

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

<u>Year ended June 30</u>	Sparks Plan	NPEBP
2022	\$ 2,017,451	\$ 129,641
2023	2,017,451	129,641
2024	2,017,451	129,641
2025	1,960,721	117,596
2026	1,848,251	163,357
Thereafter	1,083,779	(6,920)

Note 16 - Tax Abatements

Consolidated sales taxes collected in Nevada are partially allocated to local governments in accordance with the distribution formulas established by Nevada Revised Statutes (NRS). The State of Nevada has entered into various tax abatement agreements which have reduced fiscal year 2021 intergovernmental revenues of the City by \$1,434,199.

State of Nevada Tax Abatements

Aviation Tax Abatement (NRS 360.753)	\$ 27,510
Data Centers Abatement (NRS 360.754)	29,030
Local Sales and Use Tax Abatement*	1,095,017
Renewable Energy Abatement (NRS 701A.370)	282,642

*Local Sales and Use Tax is a component of the State's Standard Tax Abatement (NRS 360.750)

Note 17 - Capital Facilities Fund

Pursuant to NRS 354.598155, the Capital Facilities Fund, a nonmajor governmental fund, expended \$167,038 on the following:

Maint. Admin Restroom Remodel	\$ 11,640
Maint. Garage Lean-to Building	6,456
Citywide Re-Keying/Security Infrastructure	39,596
Fire Station 3 Carpet Replacement	23,456
Fire Station 5 Apparatus Bay Door Replacement	21,782
Rec Center Building Facilities Access Control Upgrade	44,058
Deer Pool Boiler & Water Heater Replacement	20,050
	<u>\$ 167,038</u>

Note 18 - Restatement

As of July 1, 2020, the City adopted GASB Statement No. 84, *Fiduciary Activities*. The implementation of this standard required the City to reclassify three landscape maintenance funds which were reported as fiduciary funds in the prior fiscal year. The three landscape maintenance funds that were previously reported as fiduciary funds were combined into a new Special Revenue Fund titled the Landscape Maintenance Fund. This also required the City to consolidate the RTC Road Impact Fund with the Road Fund. The remaining fiduciary funds have been classified as Custodial Funds as required by GASB Statement No. 84.

The impact of the adoption of GASB Statement No. 84 is as follows:

Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net position at June 30, 2020, as previously reported	\$ 241,676,014	\$ 250,759,991	\$ 492,436,005
Effects of adopting GASB Statement No. 84	158,739	-	158,739
Net position at July 1, 2020, as restated	<u>\$ 241,834,753</u>	<u>\$ 250,759,991</u>	<u>\$ 492,594,744</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances -- Governmental Funds	General Fund	Sparks Grants & Donations Fund	General Obligation Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances at June 30, 2020, as previously reported	\$ 6,860,784	\$ 651,232	\$ 15,393,246	\$ 32,702,832	\$ 55,608,094
Effects of adopting GASB Statement No. 84	-	-	-	158,739	158,739
Fund balances at July 1, 2020, as restated	<u>\$ 6,860,784</u>	<u>\$ 651,232</u>	<u>\$ 15,393,246</u>	<u>\$ 32,861,571</u>	<u>\$ 55,766,833</u>

Statement of Changes in Fiduciary Net Position	TMWRF Investment Pool	Other Custodial Funds	Total Custodial Funds
Net position at June 30, 2020, as previously reported	\$ -	\$ -	\$ -
Effects of adopting GASB Statement No. 84	3,391,529	237,696	3,629,225
Net position at July 1, 2020, as restated	<u>\$ 3,391,529</u>	<u>\$ 237,696</u>	<u>\$ 3,629,225</u>

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Required Supplementary Information

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	2021		2020	
	Sparks Plan	NPEBP	Sparks Plan	NPEBP
Total OPEB Liability				
Service Cost	\$ 1,605,582	\$ -	\$ 1,134,315	\$ -
Interest	811,824	169,161	1,045,020	230,094
Differences between expected and actual experience	(1,288,824)	(565,766)	(1,091,105)	28,399
Changes of assumptions or other inputs	8,875,217	517,350	6,442,521	1,163,476
Benefit payments	(1,120,103)	(309,525)	(958,760)	(335,380)
Net change in total OPEB liability	8,883,696	(188,780)	6,571,991	1,086,589
Total OPEB liability-beginning	35,685,573	7,808,221	29,113,582	6,721,632
Total OPEB liability-ending	<u>\$ 44,569,269</u>	<u>\$ 7,619,441</u>	<u>\$ 35,685,573</u>	<u>\$ 7,808,221</u>
Covered-employee payroll	46,353,419	-	44,517,475	-
Total OPEB liability as a percentage of covered-employee payroll	96.15 %	-	80.16 %	-

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the City will present information only for those years for which information is available.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes of benefit terms: There were no changes to benefits terms.

Changes of assumptions: The Sparks Plan and the NPEBP changes in actuarial assumptions are noted in italics:

	2021	2020
Discount rate	2.16%	2.21%
Payroll growth	Ranges from 4.25% to 9.15% for regular employees and from 4.55% to 13.9% for Police and Fire, based on years of service	Ranges from 4.25% to 9.15% for regular employees and from 4.55% to 13.9% for Police and Fire, based on years of service
Healthcare cost trend rate	5.7% for 2020 to 2021, Initial rate of 1.5% followed by decreasing to an ultimate rate of 4.04% by 2075	5.4% declining gradually to an ultimate rate of 3.94% by 2075
Mortality Table - Employee's	Pub-2010 Headcount-Weighted Employee (Public Safety for police and fire and General for all others) projected fully generationally using MP-2020	RP-2014 Headcount-Weighted Employee Table, projected to 2020 with Scale MP-2016
Mortality Table - Retiree's	Pub-2010 Headcount-Weighted Retiree table (Public Safety for police and fire and General for all others) projected fully generationally using MP-2020	RP-2014 Headcount-Weighted Healthy Annuitant Table, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries

City of Sparks
Required Supplementary Information

Schedule of Changes in the City's Total Other Postemployment Benefits Liability and Other Related Ratios
Last Ten Fiscal Years*

2019		2018	
Sparks Plan	NPEBP	Sparks Plan	NPEBP
\$ 784,223	\$ -	\$ 785,174	\$ -
1,077,848	269,030	1,019,654	274,311
(3,752,815)	(993,729)	-	-
4,415,457	646,898	539,508	114,654
(947,571)	(301,682)	(598,390)	(291,307)
1,577,142	(379,483)	1,745,946	97,658
27,536,440	7,101,115	25,790,494	7,003,457
\$ 29,113,582	\$ 6,721,632	\$ 27,536,440	\$ 7,101,115
42,302,486	-	40,116,014	-
68.82 %	-	68.64 %	-

2019	2018
3.51%	3.87%
<i>Ranges from 4.25% to 9.15% for regular employees & from 4.55% to 13.9% for Police and Fire, based on years of service</i>	4.5%
<i>5.4% declining gradually to an ultimate rate of 3.94% by 2075</i>	<i>5.9% declining gradually over 60 years to an ultimate rate of 3.94%</i>
<i>RP-2014 Headcount-Weighted Employee Table, projected to 2020 with Scale MP-2016</i>	<i>RP-2000 Combined Healthy Mortality Tables, projected to 2014 with Scale AA, set back 1 year for regular females , and set forward 1 year for all Police</i>
<i>RP-2014 Headcount-Weighted Healthy Annuitant Table, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries</i>	<i>RP-2000 Combined Healthy Mortality Tables, projected to 2014 with Scale AA, set back 1 year for regular females , and set forward 1 year for all Police</i>

	2020	2019	2018	2017
City's portion of the net pension liability	0.65699 %	0.65591 %	0.65035 %	0.65133 %
City's proportionate share of the net pension liability	\$ 91,507,090	\$ 89,439,220	\$ 88,692,434	\$ 86,625,696
City's covered payroll	\$ 37,976,678	\$ 36,201,228	\$ 34,483,164	\$ 34,821,590
City's proportional share of the net pension liability as a percentage of its covered payroll	240.96 %	247.06 %	257.21 %	248.77 %
Plan fiduciary net position as a percentage of the total pension liability	77.00 %	76.50 %	75.20 %	74.40 %

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the City will present information only for those years for which information is available.

City of Sparks
Schedule of City's Share of Net Pension Liability
Public Employees' Retirement System of Nevada (PERS)
Last Ten Fiscal Years*

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.63750 %	0.66963 %	0.68240 %
\$ 87,624,211	\$ 77,407,621	\$ 71,650,806
\$ 32,837,554	\$ 31,672,326	\$ 31,931,910
266.84 %	244.40 %	224.39 %
72.20 %	75.10 %	76.30 %

	2021	2020	2019	2018
Statutorily required contribution	\$ 7,359,447	\$ 6,729,996	\$ 6,194,100	\$ 5,901,799
Contributions in relation to the statutorily required contribution	\$ 7,359,447	\$ 6,729,996	\$ 6,194,100	\$ 5,901,799
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 41,214,127	\$ 37,976,678	\$ 36,201,228	\$ 34,483,164
Contributions as a percentage of covered payroll	17.86 %	17.72 %	17.11 %	17.12 %

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the City will present information only for those years for which information is available.

City of Sparks
Schedule of City's Contributions
Public Employees' Retirement System of Nevada (PERS)
Last Ten Fiscal Years*

2017	2016	2015
\$ 5,718,019	\$ 5,405,048	\$ 5,168,048
\$ 5,718,019	\$ 5,405,048	\$ 5,168,048
\$ -	\$ -	\$ -
\$ 34,821,590	\$ 32,837,554	\$ 31,672,326
16.42 %	16.46 %	16.32 %

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Supplementary Information

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City of Sparks
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 7,864,383	\$ 2,144,070	\$ 29,709,929	\$ 39,718,382
Accounts receivable, net	275,621	-	904,859	1,180,480
Due from other governments	126,008	29,595	1,227,887	1,383,490
Notes receivable, net	1,277,946	-	-	1,277,946
Restricted cash and investments	-	2,907,250	-	2,907,250
Total assets	\$ 9,543,958	\$ 5,080,915	\$ 31,842,675	\$ 46,467,548
Liabilities				
Accounts payable	\$ 128,958	\$ -	\$ 149,636	\$ 278,594
Accrued liabilities	70,314	-	44,179	114,493
Contracts payable	107,094	-	1,539,670	1,646,764
Contract retentions payable	21,130	-	138,738	159,868
Refundable deposits	300	-	1,000	1,300
Unearned revenues	361,022	-	-	361,022
Due to other funds	11,882	-	-	11,882
Due to other governments	178,615	-	394,782	573,397
Total liabilities	879,315	-	2,268,005	3,147,320
Deferred Inflows of Resources				
Unavailable revenue - grants	1,277,946	-	-	1,277,946
Unavailable revenue - property taxes and other	-	-	46,996	46,996
Unavailable revenue - other	41,696	-	-	41,696
Total deferred inflows of resources	1,319,642	-	46,996	1,366,638
Fund Balances				
Restricted for				
Grants and donations	41,494	-	-	41,494
Promotion of special events	307,974	-	-	307,974
Various judicial uses	287,358	-	-	287,358
Municipal facilities construction	156,653	-	-	156,653
Court fee collection programs	603,954	-	-	603,954
Developer agreements	3,243,089	-	484,338	3,727,427
Debt service reserve	-	5,080,915	-	5,080,915
Parks and recreation	173,717	-	6,263,124	6,436,841
Street improvements & rehabilitation	-	-	1,521,135	1,521,135
Capital projects	-	-	661,268	661,268
Improvements to Victorian Square	-	-	5,274,219	5,274,219
Committed for				
Economic development	52,399	-	-	52,399
Parks and recreation	494,581	-	-	494,581
Road surface repairs	971,579	-	-	971,579
Economic Stabilization	1,012,203	-	-	1,012,203
Assigned for				
Specific capital projects	-	-	3,198,909	3,198,909
Next year's budget deficit	-	-	47,725	47,725
Other capital projects	-	-	12,076,956	12,076,956
Total fund balances	7,345,001	5,080,915	29,527,674	41,953,590
Total liabilities, deferred inflow of resources, and fund balances	\$ 9,543,958	\$ 5,080,915	\$ 31,842,675	\$ 46,467,548

City of Sparks
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
NonMajor Governmental Funds
Year Ended June 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Revenues				
Taxes	\$ 196,000	\$ 3,340,528	\$ 7,280,700	\$ 10,817,228
Licenses and permits	1,897,489	-	3,649,986	5,547,475
Intergovernmental revenues	769,135	177,572	3,941,628	4,888,335
Charges for services	1,298,909	-	81,333	1,380,242
Miscellaneous	5,449	(1,571)	451,499	455,377
Total revenues	4,166,982	3,516,529	15,405,146	23,088,657
Expenditures				
Current				
General government	-	-	213,341	213,341
Judicial	223,451	-	-	223,451
Public safety	-	-	118,791	118,791
Public works	419,980	-	4,435,482	4,855,462
Culture and recreation	3,060,474	-	661,747	3,722,221
Community support	653,542	-	547,539	1,201,081
Total current expenditures	4,357,447	-	5,976,900	10,334,347
Capital outlay				
General government	-	-	445,060	445,060
Public safety	-	-	898,526	898,526
Public works	-	-	855,404	855,404
Culture and recreation	113,941	-	802,564	916,505
Community support	-	-	572,975	572,975
Total capital outlay	113,941	-	3,574,529	3,688,470
Debt service				
Principal	-	3,199,000	-	3,199,000
Interest	-	521,497	-	521,497
Fiscal charges and other	-	3,200	-	3,200
Total debt service	-	3,723,697	-	3,723,697
Total expenditures	4,471,388	3,723,697	9,551,429	17,746,514
Excess (Deficiency) of Revenues over Expenditures	(304,406)	(207,168)	5,853,717	5,342,143
Other Financing Sources (Uses)				
Transfers				
Transfers in	2,213,779	-	2,015,786	4,229,565
Transfers out	(181,409)	-	(298,280)	(479,689)
Total other financing sources (uses)	2,032,370	-	1,717,506	3,749,876
Net Change in Fund Balances	1,727,964	(207,168)	7,571,223	9,092,019
Fund Balances, Beginning of Year, as originally reported	5,458,298	5,288,083	21,956,451	32,702,832
Prior Period Adjustment	158,739	-	-	158,739
Fund Balances, Beginning of Year, as restated	5,617,037	5,288,083	21,956,451	32,861,571
Fund Balances, End of Year	\$ 7,345,001	\$ 5,080,915	\$ 29,527,674	\$ 41,953,590

Nonmajor Special Revenue Funds

Community Development Block Grant Fund

To account for monies received by the City as a grantee in the Federal Community Development Small Cities Discretionary Grant Program, which must be used for qualifying projects.

Community Development Entitlement Grant Fund

To account for monies received by the City as a grantee in the Federal Community Development Entitlement Grant Program, which must be used for qualifying programs.

Tourism and Marketing Fund

To account for resources received pursuant to the Washoe County Taxes on Transient Lodging Act of 1999.

Parks and Recreation Program Fund

To account for monies received from recreation program registration fees to finance those recreation programs administered by the Recreation Department.

Court Administrative Assessment Fund

To account for monies received from the Municipal Court administrative fees to finance Municipal Court related improvements.

Street Cut Fund

To account for resources received principally from private utility companies to repair City streets after they have been cut to perform underground utility work.

Impact Fee Service Area No. 1 Fund

To account for impact fees collected in the Impact Fee Service Area No. 1.

Tourism Improvement District 1 Fund

To account for monies deposited into the fund, from proceeds of Sales Tax Anticipation Revenue Bonds, to be used to acquire, improve, and equip certain real and personal property within the City of Sparks, Nevada Tourism Improvement District No. 1 (Legends at Sparks Marina).

Stabilization Fund

To account for resources committed by the City Council for fiscal emergencies.

Landscape Maintenance Fund

To account for resources restricted for landscape maintenance fees for Promontory, Mesa Meadows, and Triple Crown subdivisions.

	Community Development Block Grant	Community Development Entitlement Grant	Tourism and Marketing
Assets			
Cash and investments	\$ 41,494	\$ (862)	\$ 503,974
Accounts receivable, net	-	-	-
Due from other governments	-	126,008	-
Notes receivable, net	1,277,946	-	-
Total assets	\$ 1,319,440	\$ 125,146	\$ 503,974
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	377	-
Contracts payable	-	-	-
Contract retentions payable	-	-	-
Refundable deposits	-	-	-
Unearned revenues	-	-	196,000
Due to other funds	-	11,882	-
Due to other governments	-	112,887	-
Total liabilities	-	125,146	196,000
Deferred Inflows of Resources			
Unavailable revenue - grants	1,277,946	-	-
Unavailable revenue - other	-	-	-
Total deferred inflows of resources	1,277,946	-	-
Fund Balances			
Restricted for			
Grants and donations	41,494	-	-
Promotion of special events	-	-	307,974
Various judicial uses	-	-	-
Municipal facilities construction	-	-	-
Court fee collection programs	-	-	-
Developer agreements	-	-	-
Parks and recreation	-	-	-
Committed for			
Economic development	-	-	-
Parks and recreation	-	-	-
Road surface repairs	-	-	-
Economic Stabilization	-	-	-
Total fund balances	41,494	-	307,974
Total liabilities, deferred inflow of resources, and fund balances	\$ 1,319,440	\$ 125,146	\$ 503,974

City of Sparks
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2021

Parks & Recreation Program	Court Administrative Assessment	Street Cut	Impact Fee Service Area No. 1	Tourism Improvement District 1	Stabilization	Landscape Maintenance Fund	Total
\$ 951,598	\$ 1,055,913	\$ 772,584	\$ 3,342,680	\$ -	\$ 1,012,203	\$ 184,799	\$ 7,864,383
1,312	-	272,161	-	-	-	2,148	275,621
-	-	-	-	-	-	-	126,008
-	-	-	-	-	-	-	1,277,946
<u>\$ 952,910</u>	<u>\$ 1,055,913</u>	<u>\$ 1,044,745</u>	<u>\$ 3,342,680</u>	<u>\$ -</u>	<u>\$ 1,012,203</u>	<u>\$ 186,947</u>	<u>\$ 9,543,958</u>
\$ 120,530	\$ 7,948	\$ -	\$ -	\$ -	\$ -	\$ 480	\$ 128,958
68,772	-	1,165	-	-	-	-	70,314
-	-	12,483	94,611	-	-	-	107,094
-	-	16,150	4,980	-	-	-	21,130
300	-	-	-	-	-	-	300
165,022	-	-	-	-	-	-	361,022
-	-	-	-	-	-	-	11,882
51,306	-	1,672	-	-	-	12,750	178,615
<u>405,930</u>	<u>7,948</u>	<u>31,470</u>	<u>99,591</u>	<u>-</u>	<u>-</u>	<u>13,230</u>	<u>879,315</u>
-	-	-	-	-	-	-	1,277,946
-	-	41,696	-	-	-	-	41,696
-	-	41,696	-	-	-	-	1,319,642
-	-	-	-	-	-	-	41,494
-	-	-	-	-	-	-	307,974
-	287,358	-	-	-	-	-	287,358
-	156,653	-	-	-	-	-	156,653
-	603,954	-	-	-	-	-	603,954
-	-	-	3,243,089	-	-	-	3,243,089
-	-	-	-	-	-	173,717	173,717
52,399	-	-	-	-	-	-	52,399
494,581	-	-	-	-	-	-	494,581
-	-	971,579	-	-	-	-	971,579
-	-	-	-	-	1,012,203	-	1,012,203
<u>546,980</u>	<u>1,047,965</u>	<u>971,579</u>	<u>3,243,089</u>	<u>-</u>	<u>1,012,203</u>	<u>173,717</u>	<u>7,345,001</u>
<u>\$ 952,910</u>	<u>\$ 1,055,913</u>	<u>\$ 1,044,745</u>	<u>\$ 3,342,680</u>	<u>\$ -</u>	<u>\$ 1,012,203</u>	<u>\$ 186,947</u>	<u>\$ 9,543,958</u>

	Community Development Block Grant	Community Development Entitlement Grant	Tourism and Marketing
Revenues			
Taxes	\$ -	\$ -	\$ 196,000
Licenses and permits	-	-	-
Intergovernmental revenues	-	617,851	-
Charges for services	52,185	-	-
Miscellaneous	-	-	107
Total revenues	<u>52,185</u>	<u>617,851</u>	<u>196,107</u>
Expenditures			
Current			
Judicial	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Community support	10,691	617,851	25,000
Total current	<u>10,691</u>	<u>617,851</u>	<u>25,000</u>
Capital outlay			
Culture and recreation	-	-	-
Total expenditures	<u>10,691</u>	<u>617,851</u>	<u>25,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>41,494</u>	<u>-</u>	<u>171,107</u>
Other Financing Sources (Uses)			
Transfers			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>41,494</u>	<u>-</u>	<u>171,107</u>
Fund Balances, Beginning of Year, as originally reported	-	-	136,867
Prior Period Adjustment	-	-	-
Fund Balances, Beginning of Year, as restated	<u>-</u>	<u>-</u>	<u>136,867</u>
Fund Balances, End of Year	<u>\$ 41,494</u>	<u>\$ -</u>	<u>\$ 307,974</u>

City of Sparks
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Special Revenue Funds
Year Ended June 30, 2021

Parks & Recreation Program	Court Administrative Assessment	Street Cut	Impact Fee Service Area No. 1	Tourism Improvement District 1	Stabilization	Landscape Maintenance Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,000
11,960	-	616,028	1,069,501	-	200,000	-	1,897,489
-	151,284	-	-	-	-	-	769,135
1,166,105	-	-	-	-	-	80,619	1,298,909
1,330	-	315	3,536	-	102	59	5,449
1,179,395	151,284	616,343	1,073,037	-	200,102	80,678	4,166,982
-	223,451	-	-	-	-	-	223,451
-	-	419,980	-	-	-	-	419,980
2,858,106	-	-	28,868	-	-	173,500	3,060,474
-	-	-	-	-	-	-	653,542
2,858,106	223,451	419,980	28,868	-	-	173,500	4,357,447
-	-	-	113,941	-	-	-	113,941
2,858,106	223,451	419,980	142,809	-	-	173,500	4,471,388
(1,678,711)	(72,167)	196,363	930,228	-	200,102	(92,822)	(304,406)
2,104,455	-	1,524	-	-	-	107,800	2,213,779
-	-	-	(181,409)	-	-	-	(181,409)
2,104,455	-	1,524	(181,409)	-	-	107,800	2,032,370
425,744	(72,167)	197,887	748,819	-	200,102	14,978	1,727,964
121,236	1,120,132	773,692	2,494,270	-	812,101	-	5,458,298
-	-	-	-	-	-	158,739	158,739
121,236	1,120,132	773,692	2,494,270	-	812,101	158,739	5,617,037
\$ 546,980	\$ 1,047,965	\$ 971,579	\$ 3,243,089	\$ -	\$ 1,012,203	\$ 173,717	\$ 7,345,001

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development Block Grant
Year Ended June 30, 2021
(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Charges for services				
Federal grant-Housing Rehab loan reimbursements	\$ 52,185	\$ 52,185	\$ -	\$ 77,159
Expenditures				
Community support				
Services and supplies	52,185	10,691	41,494	77,159
Net Change in Fund Balances	-	41,494	41,494	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ 41,494	\$ 41,494	\$ -

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development Entitlement Grant
Year Ended June 30, 2021
(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Intergovernmental revenues				
Community Development Block and Entitlement grants	\$ 1,650,185	\$ 617,851	\$ (1,032,334)	\$ 845,548
Expenditures				
Community support				
Salaries and wages	96,853	90,521	6,332	88,214
Employee benefits	42,631	41,595	1,036	40,263
Services and supplies	1,274,397	485,735	788,662	174,434
Capital outlay	236,304	-	236,304	542,637
Total expenditures	1,650,185	617,851	1,032,334	845,548
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Tourism and Marketing

Year Ended June 30, 2021

(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Room taxes	\$ 196,000	\$ 196,000	\$ -	\$ 196,000
Miscellaneous				
Investment income (loss)	3,000	107	(2,893)	2,814
Total revenues	199,000	196,107	(2,893)	198,814
Expenditures				
Community support				
Services and supplies	111,100	25,000	86,100	185,050
Excess (Deficiency) of Revenues over Expenditures	87,900	171,107	(88,993)	13,764
Other Financing Sources (Uses)				
Transfers				
Transfers out	(100,000)	-	100,000	-
Net Change in Fund Balances	(12,100)	171,107	272,200	13,764
Fund Balances, Beginning of Year	45,243	136,867	91,624	123,103
Fund Balances, End of Year	\$ 33,143	\$ 307,974	\$ 363,824	\$ 136,867

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Parks & Recreation Program
Year Ended June 30, 2021
(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Concession franchise fees	\$ 19,000	\$ 11,960	\$ (7,040)	\$ 19,145
Charges for services				
Recreation program fees	2,681,600	1,138,471	(1,543,129)	1,731,660
Administrative service charges	700	(25)	(725)	425
Other	431,434	27,659	(403,775)	37,833
Miscellaneous				
Other	-	1,330	1,330	4,630
Total revenues	<u>3,132,734</u>	<u>1,179,395</u>	<u>(1,953,339)</u>	<u>1,793,693</u>
Expenditures				
Culture and recreation				
Salaries and wages	3,322,586	1,670,458	1,652,128	2,269,638
Employee benefits	725,146	558,830	166,316	674,452
Services and supplies	1,111,534	628,818	482,716	714,099
Total expenditures	<u>5,159,266</u>	<u>2,858,106</u>	<u>2,301,160</u>	<u>3,658,189</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,026,532)</u>	<u>(1,678,711)</u>	<u>347,821</u>	<u>(1,864,496)</u>
Other Financing Sources (Uses)				
Transfers				
Transfers in	<u>1,760,000</u>	<u>2,104,455</u>	<u>344,455</u>	<u>1,405,000</u>
Net Change in Fund Balances	<u>(266,532)</u>	<u>425,744</u>	<u>692,276</u>	<u>(459,496)</u>
Fund Balances, Beginning of Year	<u>279,043</u>	<u>121,236</u>	<u>(157,807)</u>	<u>580,732</u>
Fund Balances, End of Year	<u>\$ 12,511</u>	<u>\$ 546,980</u>	<u>\$ 534,469</u>	<u>\$ 121,236</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Court Administrative Assessment

Year Ended June 30, 2021

(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Intergovernmental revenues				
Municipal court administrative assessments	\$ 25,600	\$ 23,976	\$ (1,624)	\$ 25,412
Court collection fees	106,000	95,414	(10,586)	106,821
Court facility administrative assessments	37,000	31,894	(5,106)	35,907
Total revenues	168,600	151,284	(17,316)	168,140
Expenditures				
Judicial				
Salaries and wages	15,000	3,157	11,843	10,053
Services and supplies	1,239,664	220,294	1,019,370	136,497
Capital outlay	50,000	-	50,000	-
Total expenditures	1,304,664	223,451	1,081,213	146,550
Net Change in Fund Balances	(1,136,064)	(72,167)	1,063,897	21,590
Fund Balances, Beginning of Year	1,140,988	1,120,132	(20,856)	1,098,542
Fund Balances, End of Year	\$ 4,924	\$ 1,047,965	\$ 1,043,041	\$ 1,120,132

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Street Cut
Year Ended June 30, 2021
(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Street cuts	\$ 320,000	\$ 616,028	\$ 296,028	\$ 419,600
Miscellaneous				
Investment income (loss)	14,000	315	(13,685)	9,555
Total revenues	334,000	616,343	282,343	429,155
Expenditures				
Public works				
Salaries and wages	35,495	40,455	(4,960)	40,494
Employee benefits	20,572	20,948	(376)	20,191
Services and supplies	685,743	358,577	327,166	354,745
Total expenditures	741,810	419,980	321,830	415,430
Excess (Deficiency) of Revenues over Expenditures	(407,810)	196,363	(604,173)	13,725
Other Financing Sources (Uses)				
Transfers				
Transfers in	-	1,524	(1,524)	-
Net Change in Fund Balances	(407,810)	197,887	605,697	13,725
Fund Balances, Beginning of Year	585,973	773,692	187,719	759,967
Fund Balances, End of Year	\$ 178,163	\$ 971,579	\$ 793,416	\$ 773,692

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Impact Fee Service Area No. 1

Year Ended June 30, 2021

(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Flood control fees	\$ 70,000	\$ 169,950	\$ 99,950	\$ 43,477
Public facility fees	200,000	242,200	42,200	103,841
Park fees	200,000	476,022	276,022	312,210
Sanitary sewer fees	220,000	181,329	(38,671)	94,195
Miscellaneous				
Investment income (loss)	45,220	3,536	(41,684)	48,122
Total revenues	<u>735,220</u>	<u>1,073,037</u>	<u>337,817</u>	<u>601,845</u>
Expenditures				
Public safety				
Services and supplies	75,000	-	75,000	32,800
Public works				
Services and supplies	50,000	-	50,000	-
Culture and recreation				
Services and supplies	30,000	28,868	1,132	-
Capital outlay	556,350	113,941	442,409	23,624
Total culture and recreation	<u>586,350</u>	<u>142,809</u>	<u>443,541</u>	<u>23,624</u>
Total expenditures	<u>711,350</u>	<u>142,809</u>	<u>568,541</u>	<u>56,424</u>
Excess (Deficiency) of Revenues over Expenditures	23,870	930,228	906,358	545,421
Other Financing Sources (Uses)				
Transfers				
Transfers out	(220,000)	(181,409)	38,591	(95,136)
Net Change in Fund Balances	(196,130)	748,819	944,949	450,285
Fund Balances, Beginning of Year	2,400,579	2,494,270	93,691	2,043,985
Fund Balances, End of Year	<u>\$ 2,204,449</u>	<u>\$ 3,243,089</u>	<u>\$ 1,038,640</u>	<u>\$ 2,494,270</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Tourism Improvement District 1

Year Ended June 30, 2021

(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Miscellaneous				
Investment income (loss)	\$ -	\$ -	\$ -	\$ 186
Expenditures				
Community support				
Services and supplies	14	-	14	3,885,380
Excess (deficiency) of revenues over expenditures	(14)	-	14	(3,885,194)
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	-	3,883,955
Transfers out	-	-	-	(18,049)
Total other financing sources (uses)	-	-	-	3,865,906
Net change in fund balances	(14)	-	14	(19,288)
Fund Balances, Beginning of Year	14	-	(14)	19,288
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Stabilization
Year Ended June 30, 2021
(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Business licenses and permits	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
Miscellaneous				
Investment income (loss)	20,000	102	(19,898)	10,351
Total revenues	220,000	200,102	(19,898)	210,351
Fund Balances, Beginning of Year	817,749	812,101	(5,648)	601,750
Fund Balances, End of Year	<u>\$ 1,037,749</u>	<u>\$ 1,012,203</u>	<u>\$ (25,546)</u>	<u>\$ 812,101</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Landscape Maintenance Fund

Year Ended June 30, 2021

(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Charges for services				
Recreation program fees	\$ -	\$ 80,619	\$ 80,619	\$ -
Miscellaneous				
Investment income (loss)	-	59	59	-
Total revenues	-	80,678	80,678	-
Expenditures				
Culture and recreation				
Services and supplies	213,000	173,500	39,500	-
Excess (Deficiency) of Revenues over Expenditures	(213,000)	(92,822)	120,178	-
Other Financing Sources (Uses)				
Transfers				
Transfers in	107,800	107,800	-	-
Net Change in Fund Balances	(105,200)	14,978	120,178	-
Fund Balances, Beginning of Year, as Originally Reported	-	-	-	-
Prior Period Adjustment	158,739	158,739	-	-
Fund Balances, Beginning of Year, as Restated	158,739	158,739	-	-
Fund Balances, End of Year	\$ 53,539	\$ 173,717	\$ 120,178	\$ -

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Major Debt Service Fund

General Obligation Debt Service Fund

To accumulate monies for the payment of the following general obligation bonds and revenue bonds:

- Consolidated Tax Refunding Revenue Bonds, Series 2014

Consolidated taxes are used to service the debt.

- Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A
- Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019B (Tax-Exempt)
- Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019C (Taxable)

Sales taxes are used to service the debt.

- 2016 Limited Obligation Improvement Refunding Bond

Special assessments are used to service the debt.

Nonmajor Debt Service Funds

Redevelopment Agency Area No. 1 Tax Revenue Fund

To accumulate monies for the payment of the following debt for the Redevelopment Agency Area No. 1:

- 2010 Tax Increment Refunding Revenue Bonds

Ad valorem taxes and governmental services taxes are used to service the debt.

Redevelopment Agency Area No. 2 Debt Service Fund

To accumulate monies for the payment of the following debt for the Redevelopment Agency Area No. 2:

- 2016 Tax Increment Obligation Refunding Bonds
- 2014 Subordinate Lien Tax Increment Revenue Refunding Bonds

Ad valorem taxes are used to service the debt.

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Obligation Debt Service

Year Ended June 30, 2021

(with Comparative Actual Amounts for Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Special assessments	\$ 1,048,953	\$ 2,212,765	\$ 1,163,812	\$ 1,048,969
Intergovernmental revenues				
Dedicated sales tax - improvement districts	13,500,000	16,266,141	2,766,141	13,019,211
Miscellaneous				
Investment income (loss)	203,300	1,071	(202,229)	191,263
Total revenues	14,752,253	18,479,977	3,727,724	14,259,443
Expenditures				
Debt service				
Principal	16,577,235	13,497,235	3,080,000	8,879,988
Interest	2,953,627	2,792,339	161,288	4,792,511
Fiscal charges and other	-	2,850	(2,850)	-
Refunding bond issuance costs	-	-	-	1,066,498
Total expenditures	19,530,862	16,292,424	3,238,438	14,738,997
Excess (Deficiency) of Revenues over Expenditures	(4,778,609)	2,187,553	6,966,162	(479,554)
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	-	92,725,392
Payments to refunded bond escrow agent	-	-	-	(93,513,935)
Transfers				
Transfers in	1,037,886	1,037,886	-	1,054,829
Transfers out	-	(1,422)	(1,422)	(2,764)
Total other financing sources (uses)	1,037,886	1,036,464	(1,422)	263,522
Net Change in Fund Balances	(3,740,723)	3,224,017	6,964,740	(216,032)
Fund Balances, Beginning of Year	16,522,183	15,393,246	(1,128,937)	15,609,278
Fund Balances, End of Year	\$ 12,781,460	\$ 18,617,263	\$ 5,835,803	\$ 15,393,246

City of Sparks
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2021

	Redevelopment Agency Area No. 1 Tax Revenue Fund	Redevelopment Agency Area No. 2 Debt Service Fund	Total
Assets			
Cash and investments	\$ 617,619	\$ 1,526,451	\$ 2,144,070
Due from other governments	29,595	-	29,595
Restricted assets			
Cash and investments	2,178,750	728,500	2,907,250
Total assets	<u>\$ 2,825,964</u>	<u>\$ 2,254,951</u>	<u>\$ 5,080,915</u>
Fund Balances			
Restricted for			
Debt service reserve	<u>2,825,964</u>	<u>2,254,951</u>	<u>5,080,915</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,825,964</u>	<u>\$ 2,254,951</u>	<u>\$ 5,080,915</u>

City of Sparks

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Debt Service Funds
Year Ended June 30, 2021

	Redevelopment Agency Area No. 1 Tax Revenue Fund	Redevelopment Agency Area No. 2 Debt Service Fund	Total
Revenues			
Taxes	\$ 1,900,000	\$ 1,440,528	\$ 3,340,528
Intergovernmental revenues	177,572	-	177,572
Miscellaneous	12	(1,583)	(1,571)
Total revenues	<u>2,077,584</u>	<u>1,438,945</u>	<u>3,516,529</u>
Expenditures			
Debt service			
Principal	1,975,000	1,224,000	3,199,000
Interest	202,500	318,997	521,497
Fiscal charges and other	1,100	2,100	3,200
Total expenditures	<u>2,178,600</u>	<u>1,545,097</u>	<u>3,723,697</u>
Net Change in Fund Balances	(101,016)	(106,152)	(207,168)
Fund Balance, Beginning of Year	<u>2,926,980</u>	<u>2,361,103</u>	<u>5,288,083</u>
Fund Balances, End of Year	<u>\$ 2,825,964</u>	<u>\$ 2,254,951</u>	<u>\$ 5,080,915</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Redevelopment Agency Area No. 1 Tax Revenue Fund
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 1,900,000	\$ 1,900,000	\$ -	\$ 2,200,000
Intergovernmental revenues				
Motor vehicle privilege tax	177,572	177,572	-	177,572
Miscellaneous				
Investment income (loss)	42,000	12	(41,988)	26,712
Total revenues	2,119,572	2,077,584	(41,988)	2,404,284
Expenditures				
Debt service				
Principal	1,975,000	1,975,000	-	4,055,000
Interest	202,500	202,500	-	415,006
Fiscal charges and other	2,200	1,100	1,100	1,100
Total expenditures	2,179,700	2,178,600	1,100	4,471,106
Excess (Deficiency) of Revenues Over Expenditures	(60,128)	(101,016)	(40,888)	(2,066,822)
Other Financing Sources (Uses)				
Transfers				
Transfers in	-	-	-	1,507,374
Net Change in Fund Balances	(60,128)	(101,016)	(40,888)	(559,448)
Fund Balances, Beginning of Year	2,384,895	2,926,980	542,085	3,486,428
Fund Balances, End of Year	\$ 2,324,767	\$ 2,825,964	\$ 501,197	\$ 2,926,980

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Redevelopment Agency Area No. 2 Debt Service Fund
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 1,440,528	\$ 1,440,528	\$ -	\$ 1,765,000
Miscellaneous				
Investment income (loss)	50,000	(1,583)	(51,583)	56,434
Total revenues	1,490,528	1,438,945	(51,583)	1,821,434
Expenditures				
Debt service				
Principal	1,224,000	1,224,000	-	1,190,000
Interest	318,997	318,997	-	350,538
Fiscal charges and other	2,200	2,100	100	2,100
Total expenditures	1,545,197	1,545,097	100	1,542,638
Net Change in Fund Balances	(54,669)	(106,152)	(51,483)	278,796
Fund Balances, Beginning of Year	2,354,670	2,361,103	6,433	2,082,307
Fund Balances, End of Year	\$ 2,300,001	\$ 2,254,951	\$ (45,050)	\$ 2,361,103

Nonmajor Capital Projects Funds

Recreation and Parks Funds (Districts 1, 2 and 3)

To provide for acquisition, improvement and expansion of public parks, playgrounds and recreation facilities within the City. Financing is provided by a residential park construction tax.

Road Fund

To provide for the maintenance, acquisition and construction of streets and roads related to capital assets. Financing is provided by an allocation of State shared revenues, right-of-way toll fees, franchise fees and regional road impact fees.

Capital Projects Fund

To provide for acquisition and construction of designated capital assets, except those financed by special sources or Proprietary Funds. Financing is provided by an allocation from other funds and tax supported bonds.

Capital Facilities Fund

To provide for the acquisition of land, improvements to land, purchase of major equipment, renovations of government facilities, and repayment of short-term financing for these activities. The City can use this fund for any of the above activities that they consider necessary.

Park and Recreation Project Fund

To provide for specific park and recreation purposes. Financing is provided by franchise fees.

Local Improvement District 3 Fund

To account for monies deposited into the fund, from proceeds of special assessment bonds and from developer cash contributions, to be used to acquire infrastructure constructed by the Developer per an Acquisition Agreement.

Redevelopment Agency Area No. 1 Revolving Fund

To account for the resources used for financing the acquisition and construction of capital improvement projects and other necessary or incidental expenditures in accordance with a redevelopment plan for the Redevelopment Area No. 1. Financing is provided by tax supported bonds.

Redevelopment Agency Area No. 2 Revolving Fund

To account for the resources used for financing the acquisition and construction of capital improvement projects and other necessary or incidental expenditures in accordance with a redevelopment plan for the Redevelopment Area No. 2. Financing is to be provided by tax supported bonds, allocations from other funds, and grant revenues.

Victorian Square Room Tax Fund

To provide for specific capital improvements within Victorian Square. Financing is provided by tax proceeds on the rental of transient lodging within the City.

	Recreation & Parks District 1	Recreation & Parks District 2	Recreation & Parks District 3	Road Fund	Capital Projects
Assets					
Cash and investments	\$ 1,323,963	\$ 1,126,289	\$ 2,259,622	\$ 1,734,756	\$ 3,084,912
Accounts receivable, net	-	-	-	684,985	541
Due from other governments	-	-	-	488,673	40,500
Total assets	<u>\$ 1,323,963</u>	<u>\$ 1,126,289</u>	<u>\$ 2,259,622</u>	<u>\$ 2,908,414</u>	<u>\$ 3,125,953</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ 500	\$ 49,545	\$ 49,352
Accrued liabilities	-	-	-	32,340	-
Contracts payable	1,798	-	87,557	845,472	43,218
Contract retentions payable	-	-	11,373	74,568	19,502
Refundable deposits	-	-	-	-	-
Due to other governments	-	-	-	385,354	-
Total liabilities	<u>1,798</u>	<u>-</u>	<u>99,430</u>	<u>1,387,279</u>	<u>112,072</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes and other	-	-	-	-	-
Fund Balances					
Restricted for					
Developer agreements	-	-	-	-	-
Parks and recreation	1,322,165	1,126,289	2,160,192	-	-
Street improvements & rehabilitation	-	-	-	1,521,135	-
Capital projects	-	-	-	-	-
Improvements to Victorian Square	-	-	-	-	-
Assigned for					
Specific capital projects	-	-	-	-	431,794
Next year's budget deficit	-	-	-	-	-
Other capital projects	-	-	-	-	2,582,087
Total fund balances	<u>1,322,165</u>	<u>1,126,289</u>	<u>2,160,192</u>	<u>1,521,135</u>	<u>3,013,881</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,323,963</u>	<u>\$ 1,126,289</u>	<u>\$ 2,259,622</u>	<u>\$ 2,908,414</u>	<u>\$ 3,125,953</u>

City of Sparks
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2021

Capital Facilities	Park & Recreation Project	Local Improvement District 3	Redevelopment Area No. 1 Revolving	Redevelopment Agency Area No. 2 Revolving	Victorian Square Room Tax	Total
\$ 661,465	\$ 4,256,916	\$ 484,363	\$ 1,054,504	\$ 8,288,660	\$ 5,434,479	\$ 29,709,929
-	219,333	-	-	-	-	904,859
2,203	300,000	-	173,350	77,454	145,707	1,227,887
<u>\$ 663,668</u>	<u>\$ 4,776,249</u>	<u>\$ 484,363</u>	<u>\$ 1,227,854</u>	<u>\$ 8,366,114</u>	<u>\$ 5,580,186</u>	<u>\$ 31,842,675</u>
\$ -	\$ 29,962	\$ 25	\$ 1,825	\$ 1,313	\$ 17,114	\$ 149,636
-	11,315	-	524	-	-	44,179
2,400	288,954	-	-	-	270,271	1,539,670
-	14,713	-	-	-	18,582	138,738
-	1,000	-	-	-	-	1,000
-	8,712	-	716	-	-	394,782
<u>2,400</u>	<u>354,656</u>	<u>25</u>	<u>3,065</u>	<u>1,313</u>	<u>305,967</u>	<u>2,268,005</u>
-	-	-	18,521	28,475	-	46,996
-	-	484,338	-	-	-	484,338
-	1,654,478	-	-	-	-	6,263,124
-	-	-	-	-	-	1,521,135
661,268	-	-	-	-	-	661,268
-	-	-	-	-	5,274,219	5,274,219
-	2,767,115	-	-	-	-	3,198,909
-	-	-	-	47,725	-	47,725
-	-	-	1,206,268	8,288,601	-	12,076,956
<u>661,268</u>	<u>4,421,593</u>	<u>484,338</u>	<u>1,206,268</u>	<u>8,336,326</u>	<u>5,274,219</u>	<u>29,527,674</u>
<u>\$ 663,668</u>	<u>\$ 4,776,249</u>	<u>\$ 484,363</u>	<u>\$ 1,227,854</u>	<u>\$ 8,366,114</u>	<u>\$ 5,580,186</u>	<u>\$ 31,842,675</u>

	Recreation & Parks District 1	Recreation & Parks District 2	Recreation & Parks District 3	Road Fund	Capital Projects
Revenues					
Taxes	\$ 247,249	\$ 320,000	\$ 516,000	\$ -	\$ -
Licenses and permits	-	-	-	2,625,005	-
Intergovernmental revenues	-	-	-	3,694,516	-
Charges for services	-	-	-	-	-
Miscellaneous	1,787	3,745	6,132	64,313	45,937
Total revenues	249,036	323,745	522,132	6,383,834	45,937
Expenditures					
Current					
General government	-	-	-	-	211,146
Public safety	-	-	-	-	118,230
Public works	-	-	-	4,391,685	43,797
Culture and recreation	8,261	5,273	435	-	27,833
Community support	-	-	-	-	-
Total current	8,261	5,273	435	4,391,685	401,006
Capital outlay					
General government	-	-	-	-	389,563
Public safety	-	-	-	-	853,849
Public works	-	-	-	831,914	23,490
Culture and recreation	69,446	-	305,445	-	-
Community support	-	-	-	-	-
Total capital outlay	69,446	-	305,445	831,914	1,266,902
Total expenditures	77,707	5,273	305,880	5,223,599	1,667,908
Excess (Deficiency) of Revenues Over Expenditures	171,329	318,472	216,252	1,160,235	(1,621,971)
Other Financing Sources (Uses)					
Transfers					
Transfers in	-	-	-	5,393	1,205,300
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	5,393	1,205,300
Net Change in Fund Balances	171,329	318,472	216,252	1,165,628	(416,671)
Fund Balances, Beginning of Year	1,150,836	807,817	1,943,940	355,507	3,430,552
Fund Balances, End of Year	\$ 1,322,165	\$ 1,126,289	\$ 2,160,192	\$ 1,521,135	\$ 3,013,881

City of Sparks
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Capital Projects Funds
Year Ended June 30, 2021

Capital Facilities	Park & Recreation Project	Local Improvement District 3	Redevelopment Area No. 1 Revolving	Redevelopment Agency Area No. 2 Revolving	Victorian Square Room Tax	Total
\$ -	\$ -	\$ -	\$ 1,711,284	\$ 3,305,547	\$ 1,180,620	\$ 7,280,700
-	1,024,981	-	-	-	-	3,649,986
247,112	-	-	-	-	-	3,941,628
-	81,333	-	-	-	-	81,333
1,493	305,117	30	12,297	11,517	(869)	451,499
<u>248,605</u>	<u>1,411,431</u>	<u>30</u>	<u>1,723,581</u>	<u>3,317,064</u>	<u>1,179,751</u>	<u>15,405,146</u>
2,195	-	-	-	-	-	213,341
561	-	-	-	-	-	118,791
-	-	-	-	-	-	4,435,482
-	619,945	-	-	-	-	661,747
-	-	1,560	178,214	70,353	297,412	547,539
<u>2,756</u>	<u>619,945</u>	<u>1,560</u>	<u>178,214</u>	<u>70,353</u>	<u>297,412</u>	<u>5,976,900</u>
55,497	-	-	-	-	-	445,060
44,677	-	-	-	-	-	898,526
-	-	-	-	-	-	855,404
64,108	363,565	-	-	-	-	802,564
-	-	-	126,838	-	446,137	572,975
<u>164,282</u>	<u>363,565</u>	<u>-</u>	<u>126,838</u>	<u>-</u>	<u>446,137</u>	<u>3,574,529</u>
<u>167,038</u>	<u>983,510</u>	<u>1,560</u>	<u>305,052</u>	<u>70,353</u>	<u>743,549</u>	<u>9,551,429</u>
<u>81,567</u>	<u>427,921</u>	<u>(1,530)</u>	<u>1,418,529</u>	<u>3,246,711</u>	<u>436,202</u>	<u>5,853,717</u>
-	803,671	1,422	-	-	-	2,015,786
-	-	-	(298,280)	-	-	(298,280)
-	803,671	1,422	(298,280)	-	-	1,717,506
81,567	1,231,592	(108)	1,120,249	3,246,711	436,202	7,571,223
<u>579,701</u>	<u>3,190,001</u>	<u>484,446</u>	<u>86,019</u>	<u>5,089,615</u>	<u>4,838,017</u>	<u>21,956,451</u>
<u>\$ 661,268</u>	<u>\$ 4,421,593</u>	<u>\$ 484,338</u>	<u>\$ 1,206,268</u>	<u>\$ 8,336,326</u>	<u>\$ 5,274,219</u>	<u>\$ 29,527,674</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Recreation & Parks District 1

Year Ended June 30, 2021

(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Residential park construction tax	\$ 132,000	\$ 247,249	\$ 115,249	\$ 227,249
Miscellaneous				
Investment income (loss)	28,000	1,537	(26,463)	27,339
Other	-	250	250	-
Total revenues	<u>160,000</u>	<u>249,036</u>	<u>89,036</u>	<u>254,588</u>
Expenditures				
Culture and recreation				
Services and supplies	50,000	8,261	41,739	17,073
Capital outlay	1,212,692	69,446	1,143,246	258,396
Total expenditures	<u>1,262,692</u>	<u>77,707</u>	<u>1,184,985</u>	<u>275,469</u>
Net Change in Fund Balances	(1,102,692)	171,329	1,274,021	(20,881)
Fund Balances, Beginning of Year	<u>1,232,409</u>	<u>1,150,836</u>	<u>(81,573)</u>	<u>1,171,717</u>
Fund Balances, End of Year	<u>\$ 129,717</u>	<u>\$ 1,322,165</u>	<u>\$ 1,192,448</u>	<u>\$ 1,150,836</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Recreation & Parks District 2

Year Ended June 30, 2021

(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Residential park construction tax	\$ 419,000	\$ 320,000	\$ (99,000)	\$ 140,740
Miscellaneous				
Investment income (loss)	20,000	3,480	(16,520)	36,970
Other	-	265	265	-
Total revenues	<u>439,000</u>	<u>323,745</u>	<u>(115,255)</u>	<u>177,710</u>
Expenditures				
Culture and recreation				
Services and supplies	100,000	5,273	94,727	41,892
Capital outlay	484,977	-	484,977	359,488
Total expenditures	<u>584,977</u>	<u>5,273</u>	<u>579,704</u>	<u>401,380</u>
Net Change in Fund Balances	(145,977)	318,472	464,449	(223,670)
Fund Balances, Beginning of Year	<u>794,846</u>	<u>807,817</u>	<u>12,971</u>	<u>1,031,487</u>
Fund Balances, End of Year	<u>\$ 648,869</u>	<u>\$ 1,126,289</u>	<u>\$ 477,420</u>	<u>\$ 807,817</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Recreation & Parks District 3
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Residential park construction tax	\$ 494,000	\$ 516,000	\$ 22,000	\$ 340,000
Miscellaneous				
Investment income (loss)	36,000	5,882	(30,118)	37,060
Other	-	250	250	-
Total revenues	<u>530,000</u>	<u>522,132</u>	<u>(7,868)</u>	<u>377,060</u>
Expenditures				
Culture and recreation				
Services and supplies	50,000	435	49,565	23,502
Capital outlay	1,426,435	305,445	1,120,990	44,594
Total expenditures	<u>1,476,435</u>	<u>305,880</u>	<u>1,170,555</u>	<u>68,096</u>
Net Change in Fund Balances	(946,435)	216,252	1,162,687	308,964
Fund Balances, Beginning of Year	<u>1,797,761</u>	<u>1,943,940</u>	<u>146,179</u>	<u>1,634,976</u>
Fund Balances, End of Year	<u>\$ 851,326</u>	<u>\$ 2,160,192</u>	<u>\$ 1,308,866</u>	<u>\$ 1,943,940</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Road Fund
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Right of way toll fees	\$ 748,119	\$ 767,138	\$ 19,019	\$ 712,103
Electric franchise fees	1,532,938	1,355,807	(177,131)	1,431,145
Gas franchise fees	614,326	502,060	(112,266)	597,665
Intergovernmental revenues				
State shared revenues				
Motor vehicle fuel tax	2,872,510	2,645,354	(227,156)	2,526,092
Other local government shared revenues	1,100,000	1,049,162	(50,838)	93,387
Miscellaneous				
Investment income (loss)	20,000	218	(19,782)	10,361
Other	-	64,095	64,095	162,206
Total revenues	<u>6,887,893</u>	<u>6,383,834</u>	<u>(504,059)</u>	<u>5,532,959</u>
Expenditures				
Public works				
Salaries and wages	1,227,087	1,129,929	97,158	1,151,886
Employee benefits	733,554	662,058	71,496	659,028
Services and supplies	3,174,238	2,599,698	574,540	1,651,229
Capital outlay	1,851,320	831,914	1,019,406	2,544,525
Total expenditures	<u>6,986,199</u>	<u>5,223,599</u>	<u>1,762,600</u>	<u>6,006,668</u>
Excess (deficiency) of revenues over expenditures	(98,306)	1,160,235	1,258,541	(473,709)
Other Financing Sources (Uses)				
Transfers				
Transfers in	-	5,393	5,393	-
Net Change in Fund Balances	(98,306)	1,165,628	1,263,934	(473,709)
Fund Balances, Beginning of Year	<u>350,642</u>	<u>355,507</u>	<u>4,865</u>	<u>829,216</u>
Fund Balances, End of Year	<u>\$ 252,336</u>	<u>\$ 1,521,135</u>	<u>\$ 1,268,799</u>	<u>\$ 355,507</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Miscellaneous				
Investment income (loss)	\$ 60,000	\$ 4,896	\$ (55,104)	\$ 61,906
Other	-	41,041	41,041	2,586
Total revenues	60,000	45,937	(14,063)	64,492
Expenditures				
General government				
Services and supplies	697,112	211,146	485,966	983,561
Capital outlay	945,081	389,563	555,518	1,048,991
Total general government	1,642,193	600,709	1,041,484	2,032,552
Public safety				
Services and supplies	486,026	118,230	367,796	106,801
Capital outlay	1,217,986	853,849	364,137	98,408
Total public safety	1,704,012	972,079	731,933	205,209
Public works				
Services and supplies	43,960	43,797	163	26,685
Capital outlay	-	23,490	(23,490)	-
Total public works	43,960	67,287	(23,327)	26,685
Culture and recreation				
Services and supplies	85,725	27,833	57,892	30,175
Total culture and recreation	85,725	27,833	57,892	30,175
Total expenditures	3,475,890	1,667,908	1,807,982	2,294,621
Excess (Deficiency) of Revenues Over Expenditures	(3,415,890)	(1,621,971)	1,793,919	(2,230,129)
Other Financing Sources (Uses)				
Transfers				
Transfers in	1,205,300	1,205,300	-	2,817,242
Net Change in Fund Balances	(2,210,590)	(416,671)	1,793,919	587,113
Fund Balances, Beginning of Year	3,090,072	3,430,552	340,480	2,843,439
Fund Balances, End of Year	\$ 879,482	\$ 3,013,881	\$ 2,134,399	\$ 3,430,552

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Facilities
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Intergovernmental revenues				
County ad valorem taxes	\$ 227,300	\$ 247,112	\$ 19,812	\$ 231,636
Miscellaneous				
Investment income (loss)	10,000	1,493	(8,507)	17,780
Total revenues	237,300	248,605	11,305	249,416
Expenditures				
General government				
Services and supplies	25,000	2,195	22,805	18,665
Capital outlay	277,923	55,497	222,426	125,346
Total general government	302,923	57,692	245,231	144,011
Public safety				
Services and supplies	-	561	(561)	19,986
Capital outlay	118,985	44,677	74,308	29,090
Total public safety	118,985	45,238	73,747	49,076
Culture and recreation				
Services and supplies	121,031	-	121,031	-
Capital outlay	200,000	64,108	135,892	-
Total culture and recreation	321,031	64,108	256,923	-
Total expenditures	742,939	167,038	575,901	193,087
Net Change in Fund Balances	(505,639)	81,567	587,206	56,329
Fund Balances, Beginning of Year	533,100	579,701	46,601	523,372
Fund Balances, End of Year	\$ 27,461	\$ 661,268	\$ 633,807	\$ 579,701

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Park & Recreation Project
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Concession franchise fees	\$ 100,000	\$ 37,503	\$ (62,497)	\$ 66,664
Electric franchise fees	766,469	677,903	(88,566)	715,572
Gas franchise fees	307,163	251,030	(56,133)	298,833
Park fees	52,700	58,545	5,845	-
Federal awards	-	-	-	7,308
Charges for services				
Other	137,000	81,333	(55,667)	105,491
Miscellaneous				
Investment income (loss)	38,000	4,759	(33,241)	73,045
Other	-	300,358	300,358	-
Total revenues	<u>1,401,332</u>	<u>1,411,431</u>	<u>10,099</u>	<u>1,266,913</u>
Expenditures				
Culture and recreation				
Salaries and wages	264,006	225,995	38,011	235,199
Employee benefits	142,625	103,447	39,178	104,297
Services and supplies	506,286	290,503	215,783	171,184
Capital outlay	2,445,657	363,565	2,082,092	944,752
Total expenditures	<u>3,358,574</u>	<u>983,510</u>	<u>2,375,064</u>	<u>1,455,432</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,957,242)	427,921	2,385,163	(188,519)
Other Financing Sources (Uses)				
Transfers				
Transfers in	800,000	803,671	3,671	882,758
Net Change in Fund Balances	(1,157,242)	1,231,592	2,388,834	694,239
Fund Balances, Beginning of Year	2,933,778	3,190,001	256,223	2,495,762
Fund Balances, End of Year	<u>\$ 1,776,536</u>	<u>\$ 4,421,593</u>	<u>\$ 2,645,057</u>	<u>\$ 3,190,001</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Local Improvement District 3

Year Ended June 30, 2021

(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Miscellaneous				
Investment income (loss)	\$ 7,300	\$ 30	\$ (7,270)	\$ 5,183
Expenditures				
Community support				
Services and supplies	482,000	1,560	480,440	1,534
Excess (Deficiency) of Revenues Over Expenditures	(474,700)	(1,530)	473,170	3,649
Other Financing Sources (Uses)				
Transfers				
Transfers in	-	1,422	1,422	2,764
Net Change in Fund Balances	(474,700)	(108)	474,592	6,413
Fund Balances, Beginning of Year	482,264	484,446	2,182	478,033
Fund Balances, End of Year	\$ 7,564	\$ 484,338	\$ 476,774	\$ 484,446

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Redevelopment Area No. 1 Revolving
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 1,540,000	\$ 1,711,284	\$ 171,284	\$ 1,136,981
Miscellaneous				
Investment income (loss)	30,000	(2,703)	(32,703)	35,738
Rents and royalties	15,000	15,000	-	15,500
Other	-	-	-	39
Total revenues	<u>1,585,000</u>	<u>1,723,581</u>	<u>138,581</u>	<u>1,188,258</u>
Expenditures				
Community support				
Salaries and wages	17,047	17,111	(64)	16,517
Employee benefits	8,664	8,680	(16)	8,421
Services and supplies	164,156	152,423	11,733	116,651
Capital outlay	1,168,424	126,838	1,041,586	899,081
Total expenditures	<u>1,358,291</u>	<u>305,052</u>	<u>1,053,239</u>	<u>1,040,670</u>
Excess (Deficiency) of Revenues Over Expenditures	226,709	1,418,529	1,191,820	147,588
Other Financing Sources (Uses)				
Transfers				
Transfers out	(298,280)	(298,280)	-	(1,805,336)
Net Change in Fund Balances	(71,571)	1,120,249	1,191,820	(1,657,748)
Fund Balances, Beginning of Year	<u>358,429</u>	<u>86,019</u>	<u>(272,410)</u>	<u>1,743,767</u>
Fund Balances, End of Year	<u>\$ 286,858</u>	<u>\$ 1,206,268</u>	<u>\$ 919,410</u>	<u>\$ 86,019</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Redevelopment Agency Area No. 2 Revolving
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 2,909,472	\$ 3,305,547	\$ 396,075	\$ 2,321,610
Fines and forfeits				
Forfeits - Other	-	-	-	12,000
Miscellaneous				
Investment income (loss)	100,000	11,517	(88,483)	121,589
Total revenues	<u>3,009,472</u>	<u>3,317,064</u>	<u>307,592</u>	<u>2,455,199</u>
Expenditures				
Community support				
Services and supplies	117,171	70,353	46,818	58,628
Excess (Deficiency) of Revenues Over Expenditures	2,892,301	3,246,711	354,410	2,396,571
Other Financing Sources (Uses)				
Transfers out	-	-	-	(1,111,580)
Net Change in Fund Balances	2,892,301	3,246,711	354,410	1,284,991
Fund Balances, Beginning of Year	<u>5,028,176</u>	<u>5,089,615</u>	<u>61,439</u>	<u>3,804,624</u>
Fund Balances, End of Year	<u>\$ 7,920,477</u>	<u>\$ 8,336,326</u>	<u>\$ 415,849</u>	<u>\$ 5,089,615</u>

City of Sparks

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Victorian Square Room Tax
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Room taxes	\$ 1,316,000	\$ 1,180,620	\$ (135,380)	\$ 1,033,150
Miscellaneous				
Investment income (loss)	76,000	(869)	(76,869)	133,424
Total revenues	1,392,000	1,179,751	(212,249)	1,166,574
Expenditures				
Community support				
Services and supplies	442,080	297,412	144,668	1,099,135
Capital outlay	1,802,000	446,137	1,355,863	333,278
Total expenditures	2,244,080	743,549	1,500,531	1,432,413
Excess (Deficiency) of Revenues Over Expenditures	(852,080)	436,202	1,288,282	(265,839)
Other Financing Sources (Uses)				
Transfers				
Transfers in	100,000	-	(100,000)	-
Net Change in Fund Balances	(752,080)	436,202	1,188,282	(265,839)
Fund Balances, Beginning of Year	4,624,708	4,838,017	213,309	5,103,856
Fund Balances, End of Year	\$ 3,872,628	\$ 5,274,219	\$ 1,401,591	\$ 4,838,017

Major Enterprise Funds

Sewer Operations Fund

To account for the provision of sewer services to the residents of the City and some residents of Washoe County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

Development Services Fund

To account for the issuance of building permits and other fees designated to finance building and development of the City.

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Sewer Operations
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Operating revenues				
Licenses and permits				
Sanitary sewer fees	\$ 130,000	\$ 179,440	\$ 49,440	\$ 127,264
Charges for services				
Sewer charges	30,391,276	29,185,629	(1,205,647)	27,713,348
Miscellaneous	62,562	75,217	12,655	61,861
Total operating revenues	<u>30,583,838</u>	<u>29,440,286</u>	<u>(1,143,552)</u>	<u>27,902,473</u>
Operating Expenses				
Salaries and wages	3,911,293	3,391,008	520,285	3,414,174
Employee benefits	2,298,003	1,937,632	360,371	2,015,332
Services and supplies	15,078,516	11,854,760	3,223,756	12,135,960
Depreciation	11,356,800	6,650,491	4,706,309	6,965,843
Net loss from Truckee Meadows Water Reclamation Facility	3,000,000	2,448,142	551,858	2,500,089
Total operating expenses	<u>35,644,612</u>	<u>26,282,033</u>	<u>9,362,579</u>	<u>27,031,398</u>
Operating Income (Loss)	<u>(5,060,774)</u>	<u>3,158,253</u>	<u>8,219,027</u>	<u>871,075</u>
Non-operating Revenues (Expenses)				
Investment income	1,390,900	(200,390)	(1,591,290)	1,283,599
Interest Expense	(553,507)	(270,326)	283,181	(488,816)
Miscellaneous/Other	-	(63)	(63)	16,827
Gain (loss) on disposition of assets	-	-	-	(83,447)
Total non-operating revenues (expenses)	<u>837,393</u>	<u>(470,779)</u>	<u>(1,308,172)</u>	<u>728,163</u>
Income Before Capital Contributions and Transfers	<u>(4,223,381)</u>	<u>2,687,474</u>	<u>6,910,855</u>	<u>1,599,238</u>
Capital Contributions				
Sewer connection fees	10,837,703	12,623,596	1,785,893	6,720,318
Sewer lines and storm drains	-	3,673,516	3,673,516	1,993,398
Total capital contributions	<u>10,837,703</u>	<u>16,297,112</u>	<u>5,459,409</u>	<u>8,713,716</u>
Transfers				
Transfers in	220,000	238,467	18,467	95,136
Transfers out	(4,001)	(716,472)	(712,471)	(316,117)
Total transfers	<u>215,999</u>	<u>(478,005)</u>	<u>(694,004)</u>	<u>(220,981)</u>
Change in Net Position	<u>\$ 6,830,321</u>	<u>18,506,581</u>	<u>\$ 11,676,260</u>	<u>\$ 10,091,973</u>
Net Position, Beginning of Year		<u>246,314,490</u>		
Net Position, End of Year		<u>\$ 264,821,071</u>		

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Development Services
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Operating revenues				
Licenses and permits				
Building permits	\$ 2,040,100	\$ 2,531,504	\$ 491,404	\$ 2,773,301
Other	41,700	107,759	66,059	52,737
Charges for services				
Building and planning fees	1,893,525	1,641,548	(251,977)	2,442,147
Engineering fees	685,500	1,009,849	324,349	513,872
Other	-	8	8	-
Miscellaneous	-	3,323	3,323	-
Total operating revenues	<u>4,660,825</u>	<u>5,293,991</u>	<u>633,166</u>	<u>5,782,057</u>
Operating Expenses				
Salaries and wages	2,485,009	2,224,294	260,715	2,091,377
Employee benefits	1,318,309	1,200,346	117,963	1,124,534
Services and supplies	3,148,046	1,906,755	1,241,291	2,031,233
Depreciation	35,000	12,125	22,875	12,125
Total operating expenses	<u>6,986,364</u>	<u>5,343,520</u>	<u>1,642,844</u>	<u>5,259,269</u>
Operating Income (Loss)	<u>(2,325,539)</u>	<u>(49,529)</u>	<u>2,276,010</u>	<u>522,788</u>
Non-operating Revenues (Expenses)				
Investment income	140,000	15,421	(124,579)	226,653
Miscellaneous/Other	100	891	791	3,081
Gain (loss) on disposition of assets	-	-	-	(622)
Total non-operating revenues (expenses)	<u>140,100</u>	<u>16,312</u>	<u>(123,788)</u>	<u>229,112</u>
Income (Loss) Before Transfers	<u>(2,185,439)</u>	<u>(33,217)</u>	<u>2,152,222</u>	<u>751,900</u>
Transfers				
Transfers in	-	9,234	9,234	-
Transfers out	(24,006)	(30,579)	(6,573)	(59,792)
Change in Net Position	<u>\$ (2,209,445)</u>	<u>(54,562)</u>	<u>\$ 2,154,883</u>	<u>\$ 692,108</u>
Net Position, Beginning of Year		<u>4,374,954</u>		
Net Position, End of Year		<u>\$ 4,320,392</u>		

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Internal Service Funds

Motor Vehicle Maintenance Fund

To account for the costs of acquisition of vehicles and for operating a maintenance facility for the vehicles and related equipment used by City departments. Such costs are billed to the user departments and include depreciation on vehicles and equipment.

Group Insurance Self-Insurance Fund

To account for the operations of the group health and accident insurance program covering City employees.

Workers' Compensation Insurance Fund

To account for money received from other City funds for workers' compensation claims, compensating injured workers, and the cost of administering a self-funded insurance program.

Municipal Self-Insurance Fund

To account for monies received from insurance claims and other sources to cover the costs to repair and replace damaged real and personal property owned by the City and to cover uninsured claims.

	Motor Vehicle Maintenance	Group Insurance Self- Insurance	Workers' Compensation Insurance
Assets			
Current assets			
Cash and investments	\$ 6,819,984	\$ 9,877,104	\$ 2,445,291
Accounts receivable, net	3,373	843	-
Deposits	-	9,072	10,000
Inventory of supplies	242,962	-	-
Total current assets	7,066,319	9,887,019	2,455,291
Noncurrent assets			
Capital Assets:			
Construction in progress	389,583	-	-
Buildings	475,005	-	-
Site improvements	245,445	-	-
Machinery and equipment	33,199,518	-	-
Less accumulated depreciation	(23,104,569)	-	-
Total noncurrent assets	11,204,982	-	-
Total assets	18,271,301	9,887,019	2,455,291
Deferred outflows of resources			
Deferred outflows related to pension	178,427	-	-
Deferred outflows related to OPEB	80,818	-	-
Total deferred outflows of resources	259,245	-	-
Total assets and deferred outflows of resources	18,530,546	9,887,019	2,455,291
Liabilities			
Current liabilities			
Accounts payable	106,812	121,291	2,080
Accrued liabilities	20,445	-	-
Due to other governments	27,766	-	1
Contracts payable	37,712	-	-
Compensated absences payable (current maturities)	66,195	-	-
Claims liabilities (current maturities)	-	1,070,921	1,759,269
Total current liabilities	258,930	1,192,212	1,761,350
Noncurrent liabilities			
Compensated absences payable (net of current maturities)	206,989	-	-
Total OPEB liability	201,896	-	-
Sick leave conversion payable (net of current maturities)	26,950	-	-
Claims liabilities (net of current maturities)	-	-	9,015,819
Net pension liability	1,073,438	-	-
Total noncurrent liabilities	1,509,273	-	9,015,819
Total liabilities	1,768,203	1,192,212	10,777,169
Deferred Inflows of Resources			
Deferred inflows related to pensions	64,629	-	-
Deferred inflows related to OPEB	35,964	-	-
Total deferred inflows of resources	100,593	-	-
Total liabilities and deferred inflows of resources	1,868,796	1,192,212	10,777,169
Net Position			
Net investment in capital assets	11,204,980	-	-
Restricted for claims	-	8,694,807	-
Unrestricted	5,456,770	-	(8,321,878)
Total Net Position	\$ 16,661,750	\$ 8,694,807	\$ (8,321,878)

City of Sparks
Combining Statement of Net Position - Internal Service Funds
June 30, 2021

Municipal Self- Insurance	Total
\$ 327,582	\$ 19,469,961
-	4,216
-	19,072
-	242,962
<u>327,582</u>	<u>19,736,211</u>
-	389,583
-	475,005
-	245,445
-	33,199,518
-	(23,104,569)
-	<u>11,204,982</u>
<u>327,582</u>	<u>30,941,193</u>
-	178,427
-	<u>80,818</u>
-	<u>259,245</u>
<u>327,582</u>	<u>31,200,438</u>
6,824	237,007
-	20,445
23,149	50,916
-	37,712
-	66,195
<u>6,000</u>	<u>2,836,190</u>
<u>35,973</u>	<u>3,248,465</u>
-	206,989
-	201,896
-	26,950
-	9,015,819
-	<u>1,073,438</u>
-	<u>10,525,092</u>
<u>35,973</u>	<u>13,773,557</u>
-	64,629
-	<u>35,964</u>
-	<u>100,593</u>
<u>35,973</u>	<u>13,874,150</u>
-	11,204,980
291,609	8,986,416
-	<u>(2,865,108)</u>
<u>\$ 291,609</u>	<u>\$ 17,326,288</u>

	Motor Vehicle Maintenance	Group Insurance Self- Insurance	Workers' Compensation Insurance
Operating Revenues			
Charges for services	\$ 5,608,632	\$ 12,116,273	\$ 2,055,180
Miscellaneous	2,726	223,756	72,822
Total operating revenues	<u>5,611,358</u>	<u>12,340,029</u>	<u>2,128,002</u>
Operating Expenses			
Salaries and wages	607,615	-	-
Employee benefits	389,115	-	-
Services and supplies	1,508,161	11,486,218	2,202,168
Depreciation	2,074,849	-	-
Total operating expenses	<u>4,579,740</u>	<u>11,486,218</u>	<u>2,202,168</u>
Operating Income (Loss)	<u>1,031,618</u>	<u>853,811</u>	<u>(74,166)</u>
Nonoperating Revenues (Expenditures)			
Investment income	(2,144)	2,336	(9,399)
Gain (loss) on disposition of assets	70,455	-	-
Total nonoperating revenues (expenditures)	<u>68,311</u>	<u>2,336</u>	<u>(9,399)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>1,099,929</u>	<u>856,147</u>	<u>(83,565)</u>
Capital Contributions			
Vehicles	<u>207,642</u>	<u>-</u>	<u>-</u>
Transfers			
Transfers in	<u>1,201,066</u>	<u>-</u>	<u>-</u>
Change in net position	2,508,637	856,147	(83,565)
Net position, Beginning of year	<u>14,153,113</u>	<u>7,838,660</u>	<u>(8,238,313)</u>
Net position, End of Year	<u>\$ 16,661,750</u>	<u>\$ 8,694,807</u>	<u>\$ (8,321,878)</u>

City of Sparks
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds
Year Ended June 30, 2021

Municipal Self- Insurance	Total Internal Service Funds
\$ 1,284,364	\$ 21,064,449
106,177	405,481
<u>1,390,541</u>	<u>21,469,930</u>
-	607,615
-	389,115
1,255,285	16,451,832
-	2,074,849
<u>1,255,285</u>	<u>19,523,411</u>
<u>135,256</u>	<u>1,946,519</u>
84	(9,123)
-	70,455
<u>84</u>	<u>61,332</u>
<u>135,340</u>	<u>2,007,851</u>
-	207,642
-	1,201,066
135,340	3,416,559
<u>156,269</u>	<u>13,909,729</u>
<u>\$ 291,609</u>	<u>\$ 17,326,288</u>

	Motor Vehicle Maintenance	Group Insurance Self- Insurance
Operating activities		
Cash received from customers and users	\$ 22,346	\$ 2,649,645
Cash received from interfund services provided	5,608,632	9,816,628
Cash received from reimbursements of insurance claims	-	223,756
Cash paid to employees	(975,563)	-
Cash paid to suppliers	(1,599,463)	(11,163,599)
Net cash from (used for) operating activities	<u>3,055,952</u>	<u>1,526,430</u>
Noncapital financing activities		
Transfers in	<u>482,022</u>	<u>-</u>
Net cash from (used for) noncapital financing activities	<u>482,022</u>	<u>-</u>
Capital and related financing activities		
Proceeds from sale of capital assets	84,987	-
Acquisition of capital assets	<u>(2,122,401)</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(2,037,414)</u>	<u>-</u>
Investing activities		
Investment income (loss)	<u>(2,144)</u>	<u>2,336</u>
Net cash used for investing activities	<u>(2,144)</u>	<u>2,336</u>
Net change in cash and cash equivalents	1,498,416	1,528,766
Cash and cash equivalents, Beginning of Year	<u>5,321,568</u>	<u>8,348,338</u>
Cash and cash equivalents, End of Year	<u>\$ 6,819,984</u>	<u>\$ 9,877,104</u>

City of Sparks
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2021

Workers' Compensation Insurance	Municipal Self- Insurance	Total
\$ 2,109,606	\$ 145,346	\$ 4,926,943
-	1,284,364	16,709,624
72,822	-	296,578
-	-	(975,563)
<u>(2,383,858)</u>	<u>(1,306,720)</u>	<u>(16,453,640)</u>
<u>(201,430)</u>	<u>122,990</u>	<u>4,503,942</u>
-	-	482,022
-	-	482,022
-	-	84,987
<u>-</u>	<u>-</u>	<u>(2,122,401)</u>
<u>-</u>	<u>-</u>	<u>(2,037,414)</u>
<u>(9,398)</u>	<u>84</u>	<u>(9,122)</u>
<u>(9,398)</u>	<u>84</u>	<u>(9,122)</u>
(210,828)	123,074	2,939,428
<u>2,656,119</u>	<u>204,508</u>	<u>16,530,533</u>
<u>\$ 2,445,291</u>	<u>\$ 327,582</u>	<u>\$ 19,469,961</u>

	Motor Vehicle Maintenance	Group Insurance Self- Insurance
Reconciliation of operating income (loss) to net cash from (used for) operating activities:		
Operating income (loss)	\$ 1,031,618	\$ 853,812
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities		
Depreciation	2,074,849	-
Changes in		
Accounts receivable	19,620	350,000
Due from other governments	-	-
Inventory of supplies	(43,146)	-
Pension related amounts	3,524	-
OPEB related amounts	6,422	-
Accounts payable	(46,140)	93,903
Accrued liabilities	(19,143)	-
Contracts payable	(388)	-
Due to other governments	(1,627)	-
Compensated absences	30,363	-
Claims liabilities	-	228,715
Total adjustments	2,024,334	672,618
Net cash from (used for) operating activities	\$ 3,055,952	\$ 1,526,430
Noncash investing and capital and related financing activities		
Contributions of capital assets from other funds	\$ 926,686	\$ -

City of Sparks
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2021

Workers' Compensation Insurance	Municipal Self- Insurance	Total
\$ (74,166)	\$ 135,256	\$ 1,946,520
-	-	2,074,849
-	16,020	385,640
54,426	23,149	77,575
-	-	(43,146)
-	-	3,524
-	-	6,422
(617,269)	(16,559)	(586,065)
-	-	(19,143)
-	-	(388)
-	-	(1,627)
-	-	30,363
435,579	(34,876)	629,418
(127,264)	(12,266)	2,557,422
\$ (201,430)	\$ 122,990	\$ 4,503,942
\$ -	\$ -	\$ 926,686

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Motor Vehicle Maintenance
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Equipment rent	\$ 4,783,575	\$ 5,217,330	\$ 433,755	\$ 4,820,296
Fuel	557,063	391,302	(165,761)	494,184
Miscellaneous	-	2,726	2,726	8,195
Total operating revenues	5,340,638	5,611,358	270,720	5,322,675
Operating Expenses				
Salaries and wages	705,820	607,615	98,205	603,289
Employee benefits	382,892	389,115	(6,223)	403,305
Services and supplies	1,826,454	1,508,161	318,293	1,502,584
Depreciation	2,136,583	2,074,849	61,734	2,014,041
Total operating expenses	5,051,749	4,579,740	472,009	4,523,219
Operating Income (Loss)	288,889	1,031,618	742,729	799,456
Non-operating Revenues (Expenses)				
Investment income	100,000	(2,144)	(102,144)	104,238
Gain (loss) on disposition of assets	(50,000)	70,455	120,455	112,477
Total non-operating revenues (expenses)	50,000	68,311	18,311	216,715
Income before Capital Contributions and Transfers	338,889	1,099,929	761,040	1,016,171
Capital Contributions				
Vehicles	-	207,642	207,642	97,428
Transfers				
Transfers in	-	1,201,066	1,201,066	347,932
Transfers out	(1,000,000)	-	1,000,000	-
Total transfers	(1,000,000)	1,201,066	2,201,066	347,932
Change in Net Position	\$ (661,111)	2,508,637	\$ 3,169,748	\$ 1,461,531
Net Position, Beginning of Year		14,153,113		
Net Position, End of Year		\$ 16,661,750		

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Group Insurance Self-Insurance
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Other	\$ 13,031,228	\$ 12,116,273	\$ (914,955)	\$ 12,059,808
Miscellaneous				
Reimbursement from insurance claims	411,000	223,756	(187,244)	285,373
Total operating revenues	13,442,228	12,340,029	(1,102,199)	12,345,181
Operating Expenses				
Services and supplies	13,298,068	11,486,218	1,811,850	9,599,298
Operating Income (Loss)	144,160	853,811	709,651	2,745,883
Non-operating Revenues (Expenses)				
Investment income	140,000	2,336	(137,664)	152,181
Change in Net Position	\$ 284,160	856,147	\$ 571,987	\$ 2,898,064
Net Position, Beginning of Year		7,838,660		
Net Position, End of Year		\$ 8,694,807		

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Workers' Compensation Insurance
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Contributions and reimbursements	\$ 2,015,288	\$ 2,055,180	\$ 39,892	\$ 1,584,890
Miscellaneous				
Reimbursement from insurance claims	-	72,822	72,822	29,575
Total operating revenues	2,015,288	2,128,002	112,714	1,614,465
Operating Expenses				
Services and supplies	2,529,323	2,202,168	327,155	4,270,984
Operating Income (Loss)	(514,035)	(74,166)	439,869	(2,656,519)
Non-operating Revenues (Expenses)				
Investment income	20,000	(9,399)	(29,399)	68,298
Income (loss) before Transfers	(494,035)	(83,565)	410,470	(2,588,221)
Transfers				
Transfers in	-	-	-	1,400,000
Change in Net Position	\$ (494,035)	(83,565)	\$ 410,470	\$ (1,188,221)
Net Position, Beginning of Year		(8,238,313)		
Net Position, End of Year		\$ (8,321,878)		

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Municipal Self-Insurance
Year Ended June 30, 2021
(with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Interfund services provided	\$ 1,284,364	\$ 1,284,364	\$ -	\$ 1,200,095
Miscellaneous				
Reimbursement from insurance claims	70,000	106,177	36,177	104,972
Total operating revenues	1,354,364	1,390,541	36,177	1,305,067
Operating Expenses				
Services and supplies	1,464,328	1,255,285	209,043	1,192,732
Operating Income (Loss)	(109,964)	135,256	245,220	112,335
Non-operating Revenues (Expenses)				
Investment income	2,000	84	(1,916)	2,660
Change in Net Position	\$ (107,964)	135,340	\$ 243,304	\$ 114,995
Net Position, Beginning of Year		156,269		
Net Position, End of Year		\$ 291,609		

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Custodial Funds

Truckee Meadows Water Reclamation Facility Investment Pool

To account for cash and investments held for the Truckee Meadows Water Reclamation Facility.

Sick Leave Retirement Fund

To account for the accumulation of resources for health insurance premium payments of specified retirees.

Postemployment Medical Benefits Fund

To account for the accumulation of resources for postemployment medical benefits of specified retirees.

Police Evidence Account

To account for cash held until case settlement.

City of Sparks
Statement of Fiduciary Net Position - Custodial Funds
Year Ended June 30, 2021

	Truckee Meadows Water Reclamation Facility	Sick Leave Retirement Fund	Postemployment Medical Benefits Fund	Police Evidence Fund	Total Custodial Funds
Assets					
Cash and investments	\$ 2,993,990	\$ 11,334	\$ 156,541	\$ 101,638	\$ 3,263,503
Net Position					
Restricted for:					
Individuals, organizations and other governments	2,993,990	11,334	156,541	101,638	3,263,503
Total liabilities and net position	<u>\$ 2,993,990</u>	<u>\$ 11,334</u>	<u>\$ 156,541</u>	<u>\$ 101,638</u>	<u>\$ 3,263,503</u>

City of Sparks
Statement of Changes in Fiduciary Net Position - Custodial Funds
Year Ended June 30, 2021

	Truckee Meadows Water Reclamation Facility	Sick Leave Retirement Fund	Postemployment Medical Benefits Fund	Police Evidence Fund	Total Custodial Funds
Additions:					
Contributions					
Dependent co-pay contributions	\$ -	\$ -	\$ 235,026	\$ -	\$ 235,026
Joint Venture owner contributions	18,543,900	-	-	-	18,543,900
Police Evidence Additions	-	-	-	281,328	281,328
Total contributions	18,543,900	-	235,026	281,328	19,060,254
Other income					
Interest, dividends, and other	2,284	-	67	43	2,394
Receipts from TMWRF sales and services	957,895	-	-	-	957,895
Total other income	960,179	-	67	43	960,289
Total additions	19,504,079	-	235,093	281,371	20,020,543
Deductions:					
Medical, dental, and life insurance - retirees	-	2,197	302,717	-	304,914
Disbursements for operating costs of joint venture	19,687,634	-	-	-	19,687,634
Disbursements for capital costs of joint venture	213,984	-	-	-	213,984
Police Evidence Deductions	-	-	-	179,733	179,733
Total deductions	19,901,618	2,197	302,717	179,733	20,386,265
Change in Net Position	(397,539)	(2,197)	(67,624)	101,638	(365,722)
Net position, beginning of year	-	-	-	-	-
Prior period adjustment	3,391,529	13,531	224,165	-	3,629,225
Net position, beginning of year as restated	3,391,529	13,531	224,165	-	3,629,225
Net position, end of year	\$ 2,993,990	\$ 11,334	\$ 156,541	\$ 101,638	\$ 3,263,503

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This part of the City of Sparks' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health

Section Contents	Schedule #
Financial Trends	1.1-1.4
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	2.1-2.4
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
Debt Capacity	3.1-3.4
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt, and its ability to issue additional future debt.	
Demographic and Economic Information	4.1-4.2
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	5.1-5.3
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental Activities				
Net investment in capital assets	\$ 413,601,581	\$ 401,168,954	\$ 392,011,088	\$ 363,842,341
Restricted	51,775,060	44,717,383	40,809,634	38,126,693
Unrestricted	<u>(175,977,167)</u>	<u>(204,210,323)</u>	<u>(203,877,196)</u>	<u>(212,691,309)</u>
Total Governmental Activities	<u>\$ 289,399,474</u>	<u>\$ 241,676,014</u>	<u>\$ 228,943,526</u>	<u>\$ 189,277,725</u>
Business-Type Activities				
Net investment in capital assets	\$ 167,767,880	\$ 151,475,847	\$ 147,778,186	\$ 137,394,248
Unrestricted	<u>102,184,328</u>	<u>99,284,144</u>	<u>91,502,404</u>	<u>82,041,562</u>
Total business-type activities net position	<u>\$ 269,952,208</u>	<u>\$ 250,759,991</u>	<u>\$ 239,280,590</u>	<u>\$ 219,435,810</u>
Primary government				
Net investment in capital assets	\$ 581,369,461	\$ 552,644,801	\$ 539,789,274	\$ 501,236,589
Restricted	51,775,060	44,717,383	40,809,634	38,126,693
Unrestricted	<u>(73,792,839)</u>	<u>(104,926,179)</u>	<u>(112,374,792)</u>	<u>(130,649,747)</u>
Total primary government	<u>\$ 559,351,682</u>	<u>\$ 492,436,005</u>	<u>\$ 468,224,116</u>	<u>\$ 408,713,535</u>

City of Sparks
Schedule 1.1 – Net Position by Component
Last Ten Fiscal Years (Unaudited)

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 377,956,278	\$ 364,071,812	\$ 349,494,836	\$ 333,680,025	\$ 276,456,276	\$ 244,417,470
36,694,210	35,374,824	35,589,211	41,194,330	42,903,334	51,091,604
<u>(136,693,294)</u>	<u>(163,874,191)</u>	<u>(162,908,270)</u>	<u>(113,144,667)</u>	<u>(101,758,726)</u>	<u>(103,675,703)</u>
<u>\$ 277,957,194</u>	<u>\$ 235,572,445</u>	<u>\$ 222,175,777</u>	<u>\$ 261,729,688</u>	<u>\$ 217,600,884</u>	<u>\$ 191,833,371</u>
\$ 136,405,793	\$ 133,052,926	\$ 132,378,854	\$ 124,836,498	\$ 118,604,065	\$ 117,872,586
<u>67,633,391</u>	<u>61,224,746</u>	<u>52,757,466</u>	<u>62,226,339</u>	<u>62,724,798</u>	<u>64,634,725</u>
<u>\$ 204,039,184</u>	<u>\$ 194,277,672</u>	<u>\$ 185,136,320</u>	<u>\$ 187,062,837</u>	<u>\$ 181,328,863</u>	<u>\$ 182,507,311</u>
\$ 514,362,071	\$ 497,124,738	\$ 481,873,690	\$ 458,516,523	\$ 395,060,341	\$ 362,290,056
36,694,210	35,374,824	35,589,211	41,194,330	42,903,334	51,091,604
<u>(69,059,903)</u>	<u>(102,649,445)</u>	<u>(110,150,804)</u>	<u>(50,918,328)</u>	<u>(39,033,928)</u>	<u>(39,040,978)</u>
<u>\$ 481,996,378</u>	<u>\$ 429,850,117</u>	<u>\$ 407,312,097</u>	<u>\$ 448,792,525</u>	<u>\$ 398,929,747</u>	<u>\$ 374,340,682</u>

	2021	2020	2019	2018
Expenses				
Governmental Activities				
General government	\$ 21,773,154	\$ 15,441,627	\$ 13,973,087	\$ 13,621,461
Judicial	2,991,334	2,795,918	2,675,432	2,462,689
Public safety	57,875,859	55,440,833	50,137,012	45,421,001
Public works	12,992,663	11,950,915	10,831,434	9,069,840
Culture and recreation	9,941,535	10,422,820	10,712,073	10,788,462
Community support	5,409,239	5,645,107	3,152,349	2,025,939
Interest and fiscal charges	3,523,685	6,545,310	7,987,116	10,352,937
Total governmental activities	114,507,469	108,242,530	99,468,503	93,742,329
Business-type Activities				
Sewer	25,858,663	26,977,731	24,957,376	24,247,795
Development services	5,297,017	5,190,503	4,916,464	4,429,416
Total business-type activities expenses	31,155,680	32,168,234	29,873,840	28,677,211
Total primary government expenses	<u>\$ 145,663,149</u>	<u>\$ 140,410,764</u>	<u>\$ 129,342,343</u>	<u>\$ 122,419,540</u>
Program Revenues				
Governmental Activities				
Charges for services				
General Government	\$ 18,975,277	\$ 18,789,975	\$ 18,467,769	\$ 17,303,881
Judicial	662,624	724,787	849,504	884,023
Public Safety	1,955,162	796,259	828,841	961,350
Public Work	3,452,679	3,203,990	3,163,804	2,033,918
Sanitation	181,329	94,195	117,145	254,414
Culture, recreation, and community support	4,026,966	4,127,420	5,335,121	6,722,371
Operating grants and contributions	22,245,844	1,493,963	1,777,839	1,404,104
Capital grants, interest, and contributions	14,863,768	7,793,920	28,115,646	4,620,380
Total governmental activities program revenues	66,363,649	37,024,509	58,655,669	34,184,441
Business-type Activities				
Charge for Sewer services	29,365,070	27,840,612	26,129,683	25,421,540
Charge for Development services	5,290,666	5,782,060	5,426,563	5,683,897
Operating grants, interest, and contributions	-	-	-	-
Capital grants, interest, and contributions	16,297,112	8,713,716	16,120,587	14,538,770
Total business-type activities program revenues	50,952,848	42,336,388	47,676,833	45,644,207
Total primary government program revenue	<u>117,316,497</u>	<u>79,360,897</u>	<u>106,332,502</u>	<u>79,828,648</u>
Net (Expense)/Revenue				
Governmental Activities	(48,143,820)	(71,218,021)	(40,812,834)	(59,557,888)
Business-type Activities	19,797,168	10,168,154	17,802,993	16,966,996
Total primary government net expense	<u>\$ (28,346,652)</u>	<u>\$ (61,049,867)</u>	<u>\$ (23,009,841)</u>	<u>\$ (42,590,892)</u>

City of Sparks
Schedule 1.2 – Changes in Net Position
Last Ten Fiscal Years (Unaudited)

2017	2016	2015	2014	2013	2012
\$ 13,628,107	\$ 17,259,801	\$ 12,531,485	\$ 10,756,417	\$ 10,863,112	\$ 8,817,144
2,351,052	2,085,243	2,119,937	2,213,707	2,225,488	2,054,034
44,774,035	41,989,882	39,489,038	44,473,405	40,779,887	37,286,519
9,177,840	8,564,996	6,300,571	13,107,396	13,780,817	14,071,989
10,092,377	10,163,718	9,829,803	10,230,616	9,672,978	9,149,895
3,298,425	2,577,879	1,384,932	1,949,757	1,568,970	2,473,833
10,501,091	9,827,453	11,187,762	10,748,859	13,158,074	13,480,497
93,822,927	92,468,972	82,843,528	93,480,157	92,049,326	87,333,911
22,922,462	23,863,114	22,442,881	24,153,084	24,622,329	20,399,005
3,784,497	2,871,068	1,991,181	1,624,933	1,780,442	1,468,521
26,706,959	26,734,182	24,434,062	25,778,017	26,402,771	21,867,526
\$ 120,529,886	\$ 119,203,154	\$ 107,277,590	\$ 119,258,174	\$ 118,452,097	\$ 109,201,437
\$ 14,401,815	\$ 14,374,893	\$ 13,190,273	\$ 12,019,773	\$ 11,417,822	\$ 11,607,851
858,488	940,585	959,730	988,053	991,278	1,032,788
570,336	718,541	972,957	960,766	728,109	880,505
2,725,585	3,124,194	3,246,022	3,040,582	3,055,505	2,835,071
81,760	112,103	89,864	37,520	6,300	15,330
4,927,851	4,703,917	4,520,065	4,446,327	4,197,108	5,295,120
1,725,985	1,534,679	1,234,890	1,867,496	2,184,401	1,940,111
41,463,235	14,611,760	23,015,112	56,827,683	37,135,600	6,441,089
66,755,055	40,120,672	47,228,913	80,188,200	59,716,123	30,047,865
24,000,811	22,858,463	21,956,804	21,209,352	21,114,955	19,851,753
4,713,487	4,153,119	3,266,871	2,317,542	2,117,900	2,013,713
13,729	-	-	-	-	-
7,648,854	6,490,750	5,509,920	7,746,694	2,246,382	589,860
36,376,881	33,502,332	30,733,595	31,273,588	25,479,237	22,455,326
103,131,936	73,623,004	77,962,508	111,461,788	85,195,360	52,503,191
(27,067,872)	(52,348,300)	(35,614,615)	(13,291,957)	(32,333,203)	(57,286,046)
9,669,922	6,768,150	6,299,533	5,495,571	(923,534)	587,800
\$ (17,397,950)	\$ (45,580,150)	\$ (29,315,082)	\$ (7,796,386)	\$ (33,256,737)	\$ (56,698,246)

	2021	2020	2019	2018
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Ad valorem taxes	\$ 34,873,144	\$ 32,559,240	\$ 29,945,770	\$ 27,562,058
Special assessments - taxes	148,830	324,269	361,665	342,080
Unrestricted intergovernmental - consolidated taxes	34,501,113	29,030,989	27,846,670	26,549,389
Other taxes	23,615,309	19,536,433	19,930,341	18,804,468
Unrestricted investment income	43,842	1,350,566	1,868,169	393,507
Other	2,026,954	868,239	508,633	(582,679)
Transfers	499,349	280,773	21,281	(228,473)
Total governmental activities	<u>95,708,541</u>	<u>83,950,509</u>	<u>80,482,529</u>	<u>72,840,350</u>
Business-type Activities				
Unrestricted investment income	(184,969)	1,510,252	1,983,132	69,182
Other	79,367	81,768	79,936	92,497
Transfers	(499,349)	(280,773)	(21,281)	228,473
Total business-type activities	<u>(604,951)</u>	<u>1,311,247</u>	<u>2,041,787</u>	<u>390,152</u>
Total primary government	<u>95,103,590</u>	<u>85,261,756</u>	<u>82,524,316</u>	<u>73,230,502</u>
Change in Net Position				
Governmental Activities	\$ 47,564,721	\$ 12,732,488	\$ 39,669,695	\$ 13,282,462
Business-Type Activities	19,192,217	11,479,401	19,844,780	17,357,148
Total primary government change in net position	<u>\$ 66,756,938</u>	<u>\$ 24,211,889</u>	<u>\$ 59,514,475</u>	<u>\$ 30,639,610</u>

City of Sparks
Schedule 1.2 – Changes in Net Position
Last Ten Fiscal Years (Unaudited)

	2017	2016	2015	2014	2013	2012
\$	26,361,970	\$ 25,735,620	\$ 24,206,813	\$ 23,423,624	\$ 23,200,778	\$ 23,935,797
	889,479	1,197,930	1,082,636	1,188,135	1,830,467	1,895,243
	23,195,337	22,695,286	20,916,103	19,356,294	18,252,243	17,513,809
	17,167,022	16,199,616	15,418,511	14,282,782	13,571,789	11,119,363
	243,579	506,173	254,882	378,347	3,638	367,254
	1,625,010	215,107	584,991	778,449	776,389	480,804
	(25,941)	53,047	714,946	342,882	465,412	13,273
	<u>69,456,456</u>	<u>66,602,779</u>	<u>63,178,882</u>	<u>59,750,513</u>	<u>58,100,716</u>	<u>55,325,543</u>
	(39,993)	493,674	246,574	454,632	19,311	399,619
	105,642	126,503	154,962	126,653	191,187	371,133
	<u>25,941</u>	<u>(53,047)</u>	<u>(714,946)</u>	<u>(342,882)</u>	<u>(465,412)</u>	<u>(13,273)</u>
	<u>91,590</u>	<u>567,130</u>	<u>(313,410)</u>	<u>238,403</u>	<u>(254,914)</u>	<u>757,479</u>
	<u>69,548,046</u>	<u>67,169,909</u>	<u>62,865,472</u>	<u>59,988,916</u>	<u>57,845,802</u>	<u>56,083,022</u>
\$	42,388,584	\$ 14,254,479	\$ 27,564,267	\$ 46,458,556	\$ 25,767,513	\$ (1,960,503)
	<u>9,761,512</u>	<u>7,335,280</u>	<u>5,986,123</u>	<u>5,733,974</u>	<u>(1,178,448)</u>	<u>1,345,279</u>
\$	<u>52,150,096</u>	<u>21,589,759</u>	<u>33,550,390</u>	<u>52,192,530</u>	<u>24,589,065</u>	<u>(615,224)</u>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	10,540,145	510,439	119,485	955,058
Unassigned	<u>9,967,747</u>	<u>6,350,345</u>	<u>8,237,017</u>	<u>5,860,155</u>
Total general fund ⁽¹⁾	<u>\$ 20,507,892</u>	<u>\$ 6,860,784</u>	<u>\$ 8,356,502</u>	<u>\$ 6,815,213</u>
All Other Governmental Funds				
Restricted	43,208,385	36,488,361	36,560,228	33,709,418
Committed	2,530,762	1,707,029	1,942,449	1,240,812
Assigned	<u>15,323,590</u>	<u>10,551,920</u>	<u>10,072,007</u>	<u>7,777,144</u>
Total all other governmental funds ⁽¹⁾	<u>\$ 61,062,737</u>	<u>\$ 48,747,310</u>	<u>\$ 48,574,684</u>	<u>\$ 42,727,374</u>

Notes:

- ¹⁾ Fluctuations in total general fund balance and total all other governmental funds balance primarily reflect activity related to large capital projects.

City of Sparks
Schedule 1.3 - Fund Balances, Governmental Funds
Last Ten Fiscal Years (Unaudited)

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ -	\$ -	\$ 333	\$ -	\$ -	\$ 1,268
-	-	-	-	-	13,571
332,086	2,345,634	2,499,431	1,101,885	1,693,859	2,153,036
<u>2,381,986</u>	<u>3,661,772</u>	<u>3,946,852</u>	<u>3,762,386</u>	<u>4,113,903</u>	<u>4,324,416</u>
<u>\$ 2,714,072</u>	<u>\$ 6,007,406</u>	<u>\$ 6,446,616</u>	<u>\$ 4,864,271</u>	<u>\$ 5,807,762</u>	<u>\$ 6,492,291</u>
32,696,433	36,862,093	35,767,128	41,650,718	35,210,268	36,390,477
913,386	1,073,424	798,424	1,163,684	1,040,583	837,136
<u>6,407,484</u>	<u>3,429,725</u>	<u>3,993,693</u>	<u>3,443,911</u>	<u>3,417,542</u>	<u>3,523,829</u>
<u>\$ 40,017,303</u>	<u>\$ 41,365,242</u>	<u>\$ 40,559,245</u>	<u>\$ 46,258,313</u>	<u>\$ 39,668,393</u>	<u>\$ 40,751,442</u>

	2021	2020	2019	2018
Revenues				
Taxes	\$ 39,360,225	\$ 35,176,088	\$ 33,018,266	\$ 35,540,176
Licenses and permits	20,602,169	19,910,793	20,025,849	18,919,475
Intergovernmental revenues	81,512,068	50,188,454	50,827,309	45,242,085
Charges for services	5,724,750	4,969,720	6,050,050	5,852,395
Fines and forfeits	505,488	586,214	584,391	703,704
Miscellaneous	801,043	1,807,644	1,752,147	770,509
Total revenues	<u>148,505,743</u>	<u>112,638,913</u>	<u>112,258,012</u>	<u>107,028,344</u>
Expenditures				
General government*	20,343,444	14,477,331	12,839,338	12,773,774
Judicial	2,760,164	2,547,670	2,538,257	2,347,610
Public safety	55,380,118	50,827,457	47,535,551	43,983,575
Public works	6,880,625	5,787,155	4,872,701	4,734,652
Culture and recreation	7,125,492	7,565,828	7,781,638	7,559,359
Community support	5,033,426	6,190,832	2,289,008	1,235,472
Intergovernmental	-	-	-	-
Capital/Nonoperating	4,460,840	7,441,242	7,617,099	4,268,653
Debt service				
Principal	16,696,235	14,124,988	11,476,169	13,644,519
Interest	3,313,836	5,558,055	7,673,052	9,423,142
Advance Refunding Escrow	-	-	-	-
Other	6,050	1,069,698	6,238	18,153
Total expenditures	<u>122,000,230</u>	<u>115,590,256</u>	<u>104,629,051</u>	<u>99,988,909</u>
Excess (Deficiency) of Revenues over Expenditures	<u>26,505,513</u>	<u>(2,951,343)</u>	<u>7,628,961</u>	<u>7,039,435</u>
Other Financing Sources (Uses)				
Gain (loss) on disposition of assets	-	-	-	250
Refunding bonds issued	-	96,609,347	-	-
Payments to refunded bond escrow agent	-	(93,513,935)	-	-
Discount on bonds issued	-	-	-	-
Transfers in	21,466,426	8,781,547	5,255,809	2,939,738
Transfers out	(22,168,142)	(10,248,706)	(5,496,173)	(3,168,211)
Prior period adjustment	-	-	-	-
Total other financing sources (uses)	<u>(701,716)</u>	<u>1,628,253</u>	<u>(240,364)</u>	<u>(228,223)</u>
Net Change in Fund Balances	<u>\$ 25,803,797</u>	<u>\$ (1,323,090)</u>	<u>\$ 7,388,597</u>	<u>\$ 6,811,212</u>
Debt service as a percentage of noncapital expenditures	<u>17.0 %</u>	<u>18.2 %</u>	<u>19.7 %</u>	<u>24.1 %</u>

* Includes General, Special Revenue, Capital Projects and Debt Service Funds.

City of Sparks
Schedule 1.4 - Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years (Unaudited)

2017	2016	2015	2014	2013	2012
\$ 29,734,198	\$ 28,969,948	\$ 27,564,923	\$ 32,673,904	\$ 26,825,221	\$ 27,612,851
15,476,836	15,892,828	15,806,282	14,636,255	13,878,721	13,721,762
41,886,672	40,724,097	38,096,816	36,101,825	35,016,415	31,605,381
5,713,677	5,186,023	5,107,022	5,460,416	5,366,208	6,303,327
622,678	663,882	653,313	662,907	686,356	707,145
597,537	846,889	435,736	950,298	440,595	1,624,222
94,031,598	92,283,667	87,664,092	90,485,605	82,213,516	81,574,688
13,009,722	10,979,858	10,113,421	10,013,248	9,484,391	9,538,767
2,272,818	1,998,477	2,097,670	1,931,962	1,976,186	1,972,078
43,333,646	41,066,025	39,716,955	38,156,786	35,632,227	35,869,222
4,709,480	4,827,742	4,774,668	4,539,922	5,737,079	6,274,814
7,534,030	7,258,973	6,820,522	6,797,156	6,365,455	6,501,064
994,435	1,802,744	901,936	1,117,381	725,288	1,619,322
-	-	-	-	-	259,051
6,726,641	5,918,626	5,082,673	4,077,064	6,920,081	3,228,900
7,852,000	7,398,000	13,797,000	13,825,000	6,080,000	5,665,000
10,165,272	10,920,981	11,208,334	12,003,482	11,135,169	10,068,803
2,899,967	-	-	-	-	-
241,093	4,366	211,815	150,057	95,898	95,907
99,739,104	92,175,792	94,724,994	92,612,058	84,151,774	81,092,928
(5,707,506)	107,875	(7,060,902)	(2,126,453)	(1,938,258)	481,760
1,096,000	934,000	2,150,000	100,000	88,258	-
23,158,290	-	7,285,000	7,330,000	-	-
(23,124,790)	-	(7,132,187)	-	-	-
(8,500)	-	-	-	-	-
7,099,724	6,542,487	5,749,856	6,207,065	4,643,725	4,699,972
(7,154,491)	(7,217,575)	(5,108,490)	(5,864,183)	(4,561,303)	(4,582,435)
-	-	-	-	-	(1,004,520)
1,066,233	258,912	2,944,179	7,772,882	170,680	(886,983)
\$ (4,641,273)	\$ 366,787	\$ (4,116,723)	\$ 5,646,429	\$ (1,767,578)	\$ (405,223)
22.5 %	21.2 %	27.9 %	29.2 %	22.3 %	20.2 %

Real Property Assessed Value

Fiscal Year ended June 30,	Residential	Commercial	Industrial	Other
2021	\$ 2,263,445,351	\$ 565,369,753	\$ 425,197,042	\$ 261,393,031
2020	2,086,593,940	574,305,361	432,462,837	250,414,488
2019	1,858,722,178	529,486,683	406,704,885	222,187,916
2018	1,898,935,896	488,497,068	384,454,122	152,542,043
2017	1,796,385,878	469,528,526	373,049,844	157,675,703
2016	1,628,545,964	492,592,811	352,196,393	149,463,174
2015	1,412,538,525	491,969,082	346,266,412	139,008,743
2014	1,194,487,527	490,827,042	344,402,528	139,544,675
2013	1,205,915,561	484,053,275	333,460,281	135,939,375
2012	1,297,586,987	485,223,299	335,130,418	134,354,569

Source: Washoe County Assessor

Pursuant to NRS 361.227, real property is valued at taxable value, determined by calculating the full cash value (market value) of land and estimated replacement cost of improvements less appropriate depreciation. Taxable assessed value is 35% of estimated actual value. Real property is reappraised at least every five years. Property not reappraised is revalued annually using various approved methods

City of Sparks
Schedule 2.1 -Assessed Value of Estimated Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Personal Property Assessed Value	Less Tax Exempt Property	Taxable Assessed Value	Estimated Actual Value	Percentage of Taxable Value to Actual Value	Total Direct Tax Rate
\$ 5,980,250	\$ 191,327,689	\$ 3,330,057,738	9,514,450,680	35.00 %	0.9598
5,862,990	194,266,121	3,155,373,495	9,015,352,843	35.00 %	0.9598
5,748,029	183,618,052	2,839,231,639	8,112,090,397	35.00 %	0.9598
5,635,323	152,542,043	2,777,522,409	7,935,432,597	35.00 %	0.9598
5,524,826	157,699,419	2,644,465,358	7,555,615,314	35.00 %	0.9598
5,416,496	158,289,982	2,469,924,856	7,056,928,160	35.00 %	0.9598
5,310,290	158,289,982	2,236,803,070	6,390,865,914	35.00 %	0.9598
5,206,167	158,470,881	2,015,997,058	5,759,991,594	35.00 %	0.9161
5,004,005	151,109,413	2,013,263,084	5,752,180,239	35.00 %	0.9161
4,905,887	153,036,305	2,104,164,855	6,011,899,586	35.00 %	0.9161

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City of Sparks Direct Rate				
Operating Rate	0.7109	0.7109	0.7109	0.7109
Voter Approved	0.1105	0.1105	0.1105	0.1105
Legislative Overrides	<u>0.1384</u>	<u>0.1384</u>	<u>0.1384</u>	<u>0.1384</u>
Total City of Sparks Direct Rate	<u>0.9598</u>	<u>0.9598</u>	<u>0.9598</u>	<u>0.9598</u>
Overlapping Rates				
Washoe County	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385
State of Nevada	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
Total Overlapping Rates	<u>2.7002</u>	<u>2.7002</u>	<u>2.7002</u>	<u>2.7002</u>
Total City of Sparks Property Tax Rate	<u>3.6600</u>	<u>3.6600</u>	<u>3.6600</u>	<u>3.6600</u>
Redevelopment Agency of the City of Sparks	<u>3.1848</u>	<u>3.1808</u>	<u>3.1778</u>	<u>3.2085</u>

Source: Nevada Department of Taxation

Note: AB 489 and SB 509 are two property tax relief measures that were passed during the 2005 Nevada legislative session that places limitations on increases of property tax paid by Nevada property owners. These tax relief measures have the potential of limiting the property tax rates levied by Nevada governmental agencies.

City of Sparks
Schedule 2.2 - Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years (Unaudited)

2017	2016	2015	2014	2013	2012
0.7109	0.7109	0.7109	0.6672	0.6672	0.6672
0.1105	0.1105	0.1105	0.1105	0.1105	0.1105
0.1384	0.1384	0.1384	0.1384	0.1384	0.1384
0.9598	0.9598	0.9598	0.9161	0.9161	0.9161
1.3917	1.3917	1.3917	1.3917	1.3917	1.3917
1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
2.7002	2.7002	2.7002	2.7002	2.7002	2.7002
3.6600	3.6600	3.6600	3.6163	3.6163	3.6163
3.2085	3.2085	3.1940	3.1238	3.1336	3.1336

City of Sparks
Schedule 2.3 – Ten Largest Assessed Valuations
Current Year and Nine Years Ago (Unaudited)

Taxpayer	2021			2012		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
RED Sparks SPE LLC	\$ 33,560,130	1	1.01%	\$ -	-	-%
Smooth Bourbon LLC	16,636,019	2	0.50%	-	-	-%
Northland Lumina LLC	16,320,938	3	0.49%	-	-	-%
Toll NV Limited Partnership	15,921,857	4	0.48%	-	-	-%
Prime Park Vista LLC	14,378,796	5	0.43%	-	-	-%
Oakmont Properties-Azure LLC	14,152,330	6	0.42%	-	-	-%
RCG-Sparks LLC	13,667,680	7	0.41%	-	-	-%
BL Road LLC	13,658,765	8	0.41%	-	-	-%
Sparks Marina JV LLC	13,319,042	9	0.40%	-	-	-%
Green Leaf Waterstone LLC	13,095,437	10	0.39%	-	-	-%
Sparks Ledgens Development	-		-%	41,670,787	1	1.98%
Prologis NA3 LLC	-		-%	34,373,297	2	1.63%
Northwestern Mutual Life Insurance Co.	-		-%	15,216,384	3	0.72%
Prime Park Vista LLC	-		-%	13,783,522	4	0.66%
Inland American Sparks Crossing	-		-%	13,033,244	5	0.62%
Sparks Galleria Investors LLC	-		-%	12,060,599	6	0.57%
Sparks Family Hospital Inc	-		-%	11,995,455	7	0.57%
US INST Real Est Equities LP	-		-%	10,168,138	8	0.48%
Prologis NA3 NV LLC	-		-%	9,929,937	9	0.47%
Sparks Nugget, Inc.	-		-%	9,802,063	10	0.47%
Total, Ten Largest Taxpayers	164,710,994		4.95%	172,033,426		8.18%
Total, Other Taxpayers	3,165,346,744		95.05%	1,932,131,429		91.82%
Total Assessed Valuations	<u>\$ 3,330,057,738</u>		<u>100.00%</u>	<u>\$ 2,104,164,855</u>		<u>100.00%</u>

Source: Washoe County Assessor

This list represents the ten largest property assessments based on property-owning taxpayers in the City. It is possible that an owner of several parcels may have an aggregate assessed value that is large than those listed above. This schedule does not include the City of Sparks Redevelopment Agency valuation.

City of Sparks
Schedule 2.4 – Property Tax Levies and Collections
Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30,	Current Year				Total Collections to Date		
	Taxes Levied	Tax Collections	Percentage of Taxes Levied	Delinquent Tax Collections	Tax Collections	Percent of Taxes Levied	
2021	\$ 31,490,892	\$ 31,380,240	99.65	\$ -	\$ 31,380,240	99.65%	
2020	29,230,408	29,146,606	99.71	64,496	29,211,102	99.93%	
2019	26,972,304	26,892,344	99.70	69,356	26,961,700	99.96%	
2018	24,822,400	24,741,565	99.67	80,833	24,822,398	100.00%	
2017	23,816,110	23,725,954	99.62	90,154	23,816,108	100.00%	
2016	23,092,284	23,012,450	99.65	79,832	23,092,282	100.00%	
2015	22,185,805	22,076,170	99.51	109,633	22,185,803	100.00%	
2014	22,220,370	21,302,629	95.87	917,385	22,220,014	100.00%	
2013	22,131,906	21,370,949	96.56	760,957	22,131,906	100.00%	
2012	21,867,752	21,720,508	99.33	147,244	21,867,752	100.00%	

Note: Property taxes are collected by the County and remitted periodically throughout the fiscal year. Delinquent tax collections paid to the City in the current year are allocated to the year levied for this presentation. Includes Redevelopment Agency Areas No. 1 & 2.

Fiscal Year Ended	General Bonded Debt									
	General				Total General Bonded Debt	Available to Repay General Bonded Debt	Net General Bonded Debt	Percentage of Actual Property Value ⁽¹⁾	Per Capita ⁽²⁾	
	Obligation		Redevelopment							
June 30,	Bonds	Notes	Bonds	Notes						
2021	\$ -	\$ -	\$ 18,257,042	\$ -	\$ 18,257,042	\$ 20,945,457	\$ (2,688,415)	(0.03)%	\$ 178.04	
2020	-	-	22,188,460	-	22,188,460	18,215,706	3,972,754	0.04%	221.57	
2019	-	-	28,146,901	-	28,146,901	18,776,147	9,370,754	0.12%	290.39	
2018	-	-	31,969,961	-	31,969,961	17,865,984	14,103,977	0.18%	333.97	
2017	-	-	40,340,988	-	40,340,988	19,752,855	20,588,133	0.27%	431.08	
2016	1,035,000	-	43,497,856	-	44,532,856	18,910,066	25,622,790	0.36%	481.98	
2015	2,025,000	-	46,722,399	-	48,747,399	17,298,588	31,448,811	0.49%	532.46	
2014	2,975,000	-	55,592,348	-	58,567,348	22,921,066	35,646,282	0.62%	649.20	
2013	3,890,000	-	58,713,918	-	62,603,918	22,373,617	40,230,301	0.70%	694.83	
2012	4,770,000	-	61,675,488	-	66,445,488	23,585,259	42,860,229	0.71%	719.87	

¹⁾ See Schedule 2.1 for estimated actual property value.

²⁾ See Schedule 4.1 for population and personal income data.

City of Sparks
Schedule 3.1 – Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (Unaudited)

Other Governmental Activities Debt		Business Type Activities		Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
Revenue Bonds	Capital Leases	Sewer Utility Bonds	Sewer Utility Notes			
\$ 80,031,847	\$ -	\$ 13,264,871	\$ 2,701,341	\$ 114,255,101	0.38%	\$ 1,114.22
92,793,284	-	28,088,741	3,470,629	146,541,114	0.52%	1,463.36
96,320,024	-	33,141,506	4,218,271	161,826,702	0.63%	1,669.56
103,776,530	-	38,082,582	4,945,551	178,774,624	0.79%	1,867.60
108,853,102	-	42,928,969	5,652,641	197,775,700	0.92%	2,113.42
112,162,608	-	46,817,980	6,356,605	209,870,049	1.10%	2,271.42
115,117,114	171,670	32,329,748	7,057,710	203,423,641	1.07%	2,221.97
117,730,620	744,875	35,923,567	7,739,883	220,706,294	1.16%	2,446.47
119,952,126	1,292,535	39,407,646	8,403,635	231,659,861	1.23%	2,571.14
121,953,240	1,891,690	42,785,394	9,049,464	242,125,277	1.29%	2,623.19

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City of Sparks
Schedule 3.2 – General Obligation Direct and Overlapping Debt
Year Ended June 30, 2021 (Unaudited)

<u>Name of Government Unit</u>	<u>Debt Outstanding</u>	<u>Presently Self-Supporting Debt Outstanding</u>	<u>Percentage Applicable⁽¹⁾</u>	<u>Applicable Net Debt</u>
Direct				
City of Sparks ⁽²⁾				
Governmental activity				
Revenue bonds	\$ 80,031,847	\$ 80,031,847	100.00%	\$ 80,031,847
Tax allocation bonds & notes	<u>18,257,042</u>	<u>18,257,042</u>	100.00%	<u>18,257,042</u>
Total direct debt	<u>98,288,889</u>	<u>98,288,889</u>		<u>98,288,889</u>
Overlapping				
Washoe County School District	1,128,974,000	-	13.84%	156,250,002
Washoe County	120,784,000	33,580,000	13.84%	16,716,506
State of Nevada	<u>1,210,570,000</u>	<u>323,512,000</u>	2.38%	<u>28,811,566</u>
Total overlapping	<u>2,460,328,000</u>	<u>357,092,000</u>		<u>201,778,074</u>
Total general obligation direct and overlapping	<u>\$2,558,616,889</u>	<u>\$ 455,380,889</u>		<u>\$ 300,066,963</u>

Source: Washoe County Comptroller's Office; Washoe County School District; and the State of Nevada.

¹⁾ Calculation based on present assessed valuation of Sparks compared to Washoe County, Washoe County School District and State of Nevada respectively.

²⁾ Amounts are net of issuance discounts.

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2021

Assessed value of taxable property, including redevelopment	<u>\$ 3,330,057,738</u>
Debt limit - (20% of total assessed value)	\$ 666,011,548
Debt Applicable to Limit	
Governmental GO Debt	
Business-type Activities GO Debt	<u>13,264,871</u>
Total Net Debt Subject to Limitation	<u>13,264,871</u>
Legal debt margin	<u>\$ 652,746,677</u>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	\$ 666,011,548	\$ 684,286,244	\$ 613,381,910	\$ 595,228,536
Total net debt subject to limitation	<u>13,264,871</u>	<u>28,088,741</u>	<u>33,141,506</u>	<u>37,566,649</u>
Available General Obligation Debt Limit	<u>\$ 652,746,677</u>	<u>\$ 656,197,503</u>	<u>\$ 580,240,404</u>	<u>\$ 557,661,887</u>
Total Net Debt Subject to limitation as a Percentage of Debt Limit	<u>2.0 %</u>	<u>4.1 %</u>	<u>5.4 %</u>	<u>6.3 %</u>

Note: The legal debt limit is set forth in the City Charter Article VII Sec 7.010

Data is also available in published Debt Management Policy on file with the City of Sparks.

City of Sparks
Schedule 3.3 – Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 564,422,667	\$ 493,984,971	\$ 479,349,402	\$ 434,121,479	\$ 434,924,468	\$ 454,847,772
<u>42,145,498</u>	<u>47,852,980</u>	<u>41,412,458</u>	<u>46,638,450</u>	<u>51,701,282</u>	<u>56,607,529</u>
<u>\$ 522,277,169</u>	<u>\$ 446,131,991</u>	<u>\$ 437,936,944</u>	<u>\$ 387,483,029</u>	<u>\$ 383,223,186</u>	<u>\$ 398,240,243</u>
<u>7.5 %</u>	<u>9.7 %</u>	<u>8.6 %</u>	<u>10.7 %</u>	<u>11.9 %</u>	<u>12.4 %</u>

City of Sparks
Schedule 3.4 – Pledged Revenue Coverage
Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30,	Pledged Revenues ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Revenues Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
Sewer Utility Bonds ⁽³⁾							
2021	\$ 41,841,047	\$ 17,182,755	\$ 24,658,292	\$ 3,048,015	\$ 175,404	\$ 3,223,419	7.6
2020	34,560,930	17,565,466	16,995,464	3,195,453	213,970	3,409,423	5.0
2019	33,304,181	15,295,633	18,008,548	3,103,311	253,623	3,356,934	5.4
2018	36,224,774	14,598,519	21,626,255	3,013,849	292,133	3,305,982	6.5
2017	29,281,895	14,052,528	15,229,367	3,056,723	816,603	3,873,326	3.9
2016	27,458,269	14,382,880	13,075,389	3,521,768	907,329	4,429,097	3.0
2015	25,717,679	13,434,169	12,283,510	3,593,820	964,405	4,558,225	2.7
2014	23,371,365	14,341,132	9,030,233	3,484,079	1,075,889	4,559,968	2.0
2013	23,097,560	15,017,616	8,079,944	3,377,748	1,183,914	4,561,662	1.8
2012	20,441,613	11,666,850	8,774,763	3,274,716	1,288,578	4,563,294	1.9

¹⁾ Pledged revenue for sewer utility bonds includes revenue derived from licenses and permits, sewer connection fees, and charges for services.

²⁾ Operating expenses exclude depreciation, interest, and other non-operating expenses.

³⁾ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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Fiscal Year Ended June 30,	Population ⁽¹⁾	City Area Square Miles ⁽⁶⁾	Total Personal Income ⁽³⁾	Per Capita Personal Income ⁽³⁾
2021	102,543	36.55	\$ 30,121,290,000	\$ 63,328
2020	100,140	36.50	28,016,338,000	59,639
2019	96,928	35.81	25,556,498,000	55,487
2018	95,726	35.81	22,724,381,000	49,653
2017	93,581	35.81	21,428,813,000	47,526
2016	92,396	35.81	19,165,475,745	43,805
2015	91,551	35.81	19,089,119,268	43,311
2014	90,214	35.81	19,013,067,000	42,823
2013	90,100	35.81	18,868,025,416	43,317
2012	92,302	35.81	18,792,854,000	43,317

Sources:

- ¹⁾ Nevada Department of Taxation. The US Census 2020 population data was not available until after publication and thus not included in our estimate.
- ²⁾ City of Sparks, Management Services Department.
- ³⁾ U.S. Department of Commerce, Bureau of Economic Analysis, 2017, for Reno/Sparks Metropolitan Area; Estimated based on available data from BEA.
- ⁴⁾ State of Nevada Department of Employment, Training and Rehabilitation for Reno/Sparks Metropolitan area (nevadaworkforce.com).
- ⁵⁾ Washoe County School District, enrollment for 2018 is estimated. Official counts are not available at time of publication.
- ⁶⁾ City of Sparks, Community Services Department

City of Sparks
Schedule 4.1 – Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

<u>Unemployment Rate⁽⁴⁾</u>	<u>Public School Enrollment⁽⁵⁾</u>	<u>Business Licenses Issued⁽²⁾</u>	<u>Total Construction Permits⁽⁶⁾</u>	<u>Total Construction Value⁽⁶⁾</u>
4.7	18,832	10,015	4,616	314,139,458
8.6	18,890	8,249	4,103	401,232,440
3.2	18,813	8,123	3,935	325,105,877
3.5	18,503	7,378	3,935	344,557,136
4.2	18,780	7,372	3,636	259,406,469
5.1	18,058	6,966	3,712	232,467,828
6.4	17,927	7,053	3,581	175,692,045
7.6	17,737	6,529	2,579	125,653,129
9.7	18,401	6,377	2,393	124,334,661
11.1	18,401	6,084	2,463	110,712,242

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City of Sparks
Schedule 4.2 – Principal Employers
Current Year and Nine Years Ago (Unaudited)

Employer	March, 2021			2012		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾
Sparks Nugget, Inc.	1000-1499	1	0.49%	1000-1499	1	0.59%
United Parcel Service	1000-1499	2	0.49%	900-990	2	0.44%
City of Sparks	500-999	3	0.30%	600-699	3	0.30%
Western Village	500-999	4	0.30%	400-499	5	0.21%
Q&D Construction	500-999	5	0.30%			-%
Northern Nevada Medical Center	500-999	6	0.30%	400-499	4	0.21%
Baldini's	250-499	7	0.15%			-%
Rail City	250-499	8	0.15%	300-399	9	0.16%
Wal-mart Superstore	250-499	9	0.15%	400-499	6	0.21%
Western Nevada Supply	250-499	10	0.15%			-%
Henry Schein Inc			-%	400-499	7	0.21%
Department of Transportation			-%	300-399	8	0.16%
Scheels			-%	200-299	10	0.12%
Total Reno/Sparks Metropolitan Area Covered Employment	254,167			213,505		

Source: Top Employers are provided to the Nevada Department of Employment, Training, and Rehabilitation from Info Group USA, City of Sparks and United Parcel were confirmed independently. Info Group reports are produced twice each year January-June 2019 1st half, July-December 2019 2nd half.

- ¹⁾ Nevada Revised Statutes Chapter 612 stipulate that actual employment for individual employers may not be published.
- ²⁾ Total employment statistics are only available for the greater Reno/Sparks metropolitan area.

Function	2021	2020	2019	2018
General government	61.7	62.2	59.5	58.5
Judicial	16.0	16.0	15.5	15.5
Public safety	280.0	269.0	254.5	250.5
Public works	21.6	22.5	23.0	21.5
Culture and recreation	93.4	95.2	96.8	89.0
Community support	1.2	1.2	1.2	1.0
Sewer - Business Type	110.9	108.9	102.1	100.0
Development services - Business Type	33.5	33.3	33.8	31.0
Total	618.3	608.3	586.4	567.0

Source: City of Sparks Financial Services Department, Budget Document

City of Sparks

Schedule 5.1 – Full Time Equivalent City Government Employees by Function

Last Ten Fiscal Years (Unaudited)

2017	2016	2015	2014	2013	2012
58.6	59.7	56.5	55.0	57.5	57.5
15.5	17.0	15.5	15.5	15.5	15.5
250.3	245.3	241.0	243.0	243.0	243.0
21.0	21.5	42.7	52.5	95.5	95.5
93.0	91.0	53.0	82.0	100.5	100.5
0.1	0.0	0.0	0.0	0.0	0.0
95.2	93.6	91.0	77.0	37.0	37.0
29.3	23.9	18.5	18.0	10.0	10.0
<u>563.0</u>	<u>552.0</u>	<u>518.2</u>	<u>543.0</u>	<u>559.0</u>	<u>559.0</u>

Function/Program	2021	2020	2019	2018
General Government				
Business licenses issued ⁽³⁾	7,957	8,249	8,123	7,378
Judicial ⁽¹⁾				
Municipal Court Cases Filed				
Misdemeanor, non-traffic	1,643	1,974	1,975	1,802
Traffic and parking violations	5,044	3,455	3,906	3,679
Public Safety				
Police ⁽⁵⁾				
Number of sworn personnel	124	118	112	112
Number of cases	11,221	11,208	11,984	11,565
Calls for service	81,720	92,136	84,676	82,386
Fire ⁽⁶⁾				
Number of firefighters	75	77	86	87
Emergency responses	13,603	12,608	12,029	12,685
Average response time (minutes)	4.5	5.5	4.2	3.9
Public Works ⁽²⁾				
Labor hours for graffiti removal	549	1,134	1,623	1,675
Pounds of material used for filling potholes	12,383	79,000	91,485	32,183
Tons of sand used during snow removal	448	258	670	664
Pounds of material used for pavement crack sealing	99,381	127,839	117,105	270,743
Street sweeper operator miles	7,810	6,311	5,933	8,014
Culture and Recreation ⁽⁷⁾				
Adult softball league number of participants	2,394	3,246	83,352	85,096
Before and after school program enrollment	1,088	1,749	1,801	17,194
Community "Fun Run" number of participants	426	1,279	1,502	1,634
Utilities				
Sewer residential accounts ⁽³⁾	32,046	31,596	31,143	30,697
Sewer commercial accounts ⁽³⁾	1,837	1,830	1,817	1,814
Treatment Plant Flows (millions of gallons) ⁽⁴⁾	10,484.0	10,926.0	11,516.8	10,633.4
Development Services ⁽²⁾				
Building permits issued	4,616	4,103	3,890	3,935

NR = Not reported

Sources:

- 1) Uniform System for Judicial Records, Nevada Administrative Office of the Courts (AOC), Planning and Analysis Division, Annual Report of the Nevada Judiciary
- 2) City of Sparks Community Services Department
- 3) City of Sparks Management Services Department
- 4) Truckee Meadows Water Reclamation Facility
- 5) City of Sparks Police Department
- 6) City of Sparks Fire Department (note FY18, FY19 the Sparks Fire Department reported enroute arrival time for all priority 1 calls)
- 7) City of Sparks Parks and Recreation Department

City of Sparks
Schedule 5.2 – Operating Indicators by Function/Program
Last Ten Fiscal Years (Unaudited)

2017	2016	2015	2014	2013	2012
7,694	6,966	7,053	6,529	7,067	6,084
1,731	1,778	1,999	1,923	1,977	1,999
4,140	4,366	4,635	5,158	5,044	4,945
112	110	108	108	108	105
12,283	11,815	12,656	11,850	11,845	11,598
78,604	80,345	79,176	76,962	76,566	79,568
87	86	86	87	87	87
13,724	12,882	11,163	10,055	9,415	8,831
3.8	3.7	3.5	3.5	5.5	5.4
1,565	1,623	2,180	2,427	2,045	1,369
12,789	13,365	15,211	16,254	11,297	15,459
279	428	145	350	804	187
298,160	205,705	57,756	283,600	255,159	152,445
8,238	8,872	10,190	9,509	9,458	1,372
85,812	71,211	67,692	82,840	78,086	69,436
15,937	15,933	15,319	15,265	14,465	14,302
1,720	1,054	2,330	2,303	2,400	1,885
29,494	29,647	28,956	28,643	29,127	28,975
1,816	1,813	1,803	1,790	1,730	1,723
10,918.7	9,879.0	9,787.0	9,706.0	10,227.0	10,659.0
3,636	3,712	3,581	2,579	2,393	2,463

Function/Program	2021	2020	2019	2018
General Government				
City owned facilities ⁽¹⁾	48	48	48	48
Number of networked computers ⁽⁵⁾	550	450	450	450
Public Safety				
Police ⁽²⁾				
Marked police vehicles	53	54	49	62
Police motorcycles	4	6	6	6
Fire ⁽³⁾				
Fire stations	5	5	5	5
Fire engines	19	19	19	17
Public Works ⁽¹⁾				
Paved streets (miles)	774.3	734.1	734.1	734.1
Culture and Recreation ⁽⁴⁾				
Parks	50	50	50	50
Acreage of parks - developed	617.7	617.7	617.7	617.7
Acreage of parks - undeveloped	598.0	598.0	598.0	598.0
Swimming pools - outdoors	1	1	1	1
Swimming pools - indoors	2	2	2	2
Athletic Fields - lighted	26	26	26	26
Athletic Fields - unlighted	28	28	28	28
Tennis courts - lighted	12	12	12	12
Tennis courts - unlighted	3	3	3	3
Basketball courts - lighted	1	1	1	1
Basketball courts - unlighted	34	34	34	34
Community centers	3	3	3	3
Rodeo arenas	1	1	-	-
Sand volleyball courts	6	6	12	12
Utilities ⁽¹⁾				
Sewer lines (miles)	382.0	374.0	373.2	372.6
Storm drains (miles)	287.0	271.0	268.7	268.5

NR = Not reported

Sources:

- 1) City of Sparks Community Services Department
- 2) City of Sparks Police Department
- 3) City of Sparks Fire Department
- 4) City of Sparks Parks and Recreation Department
- 5) City of Sparks Information Technology Division

City of Sparks
Schedule 5.3 – Capital Assets Statistics by Function/Program
Last Ten Fiscal Years (Unaudited)

2017	2016	2015	2014	2013	2012
48	48	48	48	48	48
425	460	408	352	352	352
56	45	30	30	29	29
10	6	5	5	5	5
5	5	5	5	5	5
17	17	17	17	17	17
734.1	734.1	656.0	656.0	656.0	656.0
50	52	56	56	56	56
618.6	616.0	591.0	591.0	591.0	591.0
579.2	582.4	616.0	616.0	693.7	697.0
1	1	1	1	1	1
2	2	2	2	2	2
26	26	26	26	26	24
28	28	28	28	28	28
12	12	12	12	12	12
3	3	3	3	3	3
1	1	1	1	1	1
34	34	34	34	34	34
3	3	3	3	4	4
-	-	-	-	-	1
12	12	7	8	10	10
359.8	357.5	356.1	395.0	346.8	346.8
259.8	254.7	253.7	250.0	248.6	248.6

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Compliance Section

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**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and City Council
City of Sparks, Nevada
Sparks, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sparks, Nevada (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2021-001, 2021-002, and 2021-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Sparks, Nevada's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
November 30, 2021



**Independent Auditor's Report on Compliance for the Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Honorable Mayor and City Council
City of Sparks, Nevada
Sparks, Nevada

Report on Compliance for the Major Federal Program

We have audited the City of Sparks, Nevada's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Finding 2021-004 that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Handwritten signature of Erik Bailey in black ink.

Reno, Nevada
November 30, 2021



Auditor's Comments

To the Honorable Mayor and City Council
City of Sparks, Nevada
Sparks, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sparks (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the City failed to comply with the specific requirements of Nevada Revised Statutes cited below other than the violations reported in Note 2 to the financial statements. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

Progress on Prior Year Statute Compliance

Expenditures were monitored during the current year to avoid over-expenditures in accordance with NRS, except for those items disclosed in Note 2 to the financial statements.

Prior Year Recommendations

See the Summary Schedule of Prior Year Audit Findings under separate cover.

Current Year Recommendations

Our current year recommendations are included in the Schedule of Findings and Questioned Costs.

Nevada Revised Statute 354.6115

A fund was created in accordance with Nevada Revised Statute 354.6115, "Fund to stabilize operations of local government and mitigate effects of natural disaster". Funds deposited and/or accumulated in the Stabilization Special Revenue Fund for budget stabilization can only be used if the conditions described in Note 10 are present.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada
November 30, 2021

City of Sparks
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Payments To Subrecipients</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Awards				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant Entitlement Grant	14.218	B-20-MC-32-0004	\$ 192,912	\$ 133,359
Community Development Block Grant Entitlement Grant	14.218	B-19-MC-32-0004	50,446	-
Community Development Block Grant Program Income	14.218	--	10,691	-
COVID-19 Community Development Block Grant Entitlement Grant	14.218	--	374,494	374,291
Total CDBG - Entitlement Grants Cluster			628,543	507,650
Total U.S. Department of Housing and Urban Development			628,543	507,650
<u>U.S. Department of Justice</u>				
Direct Awards				
Equitable Sharing Program	16.922	NV0160200	226,509	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0517	99,236	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0150	58,183	-
Total COVID-19 Coronavirus Emergency Supplemental Funding Program			157,419	-
DOJ Joint Operations Reimbursments	Unknown	Unknown	10,000	-
Total U.S. Department of Justice Direct Awards			393,928	-
Passed Through the State of Nevada				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	18-JAG-44I	19,100	-
Passed Through the City of Reno				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0494	32,251	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0830	28,568	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0440	28,841	-
Total Passed Through the City of Reno			89,660	-
Total Edward Byrne Memorial Justice Assistance Grant Program			108,760	-
Total U.S. Department of Justice			502,688	-
<u>U.S. Department of Transportation</u>				
Passed Through the State of Nevada				
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	320031137Z301 / 417-19-063 TAP 0031 (141)	266,225	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	320031137Z301 / 236-18-063 TAP 0031 (137)	173,024	-
Total Highway Planning and Construction Cluster			439,249	-
Passed Through the State of Nevada				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	TS-2021-SPD-00120	2,776	-
State and Community Highway Safety	20.600	JF-2020-SPD-00007	14,782	-
State and Community Highway Safety	20.600	JF-2019-SPD-00007	3,564	-
Total State and Community Highway Safety			21,122	-
National Priority Safety Programs	20.616	JF-2020-SPD-00007	1,649	-
National Priority Safety Programs	20.616	JF-2019-SPD-00007	1,027	-
Total National Priority Safety Programs			2,676	-
Total Highway Safety Cluster			23,798	-
Total U.S. Department of Transportation			463,047	-

City of Sparks
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Payments To Subrecipients</u>
U.S. Department of the Treasury				
Passed Through the State of Nevada				
COVID-19 Coronavirus Relief Fund	21.019	Unknown	<u>19,176,261</u>	<u>2,887,043</u>
National Endowment for the Arts				
Passed Through the Nevada Arts Council				
Promotion of the Arts Partnership Agreements	45.025	CIG.20.1.01	<u>3,400</u>	<u>-</u>
Executive Office of the President				
Passed Through Las Vegas Metropolitan Police Department				
High Intensity Drug Trafficking Areas Program	95.001	G14NV0001A	<u>5,544</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 20,779,483</u>	<u>\$ 3,394,693</u>

Notes to the Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

This Schedule of Expenditures of Federal Awards (SEFA) includes the Federal grant activity of the City of Sparks, Nevada and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The City of Sparks, Nevada received federal awards both directly from federal agencies and indirectly through pass-through entities.

Note B - Significant Accounting Policies

Governmental fund types primarily account for the City's federal grant activity. Therefore, expenditures in the SEFA are recognized on the modified accrual basis - when they become a demand on current available financial resources. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient. The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements. The City has not elected to use the 10% de minimus cost rate.

Note C - Coronavirus Relief Fund Recognition

The grant award for the Coronavirus Relief Fund was accepted during the year ended June 30, 2021. However, the award allowed for costs to be recaptured from March 1, 2020. Therefore, \$5,850,224 was recognized in the SEFA for the year ended June 30, 2021 that related to the year ended June 30, 2020.

Note D - Donated Personal Protective Equipment (PPE) (Unaudited)

Nonmonetary assistance of PPE received during the emergency period of the COVID-19 pandemic was \$5,302 and is based on the estimated fair market value of the PPE received. The donated PPE was generally provided by donors without information about compliance or reporting requirements associated with federal financial assistance listings or CFDA numbers. The donated PPE is not included in the schedule of expenditures of federal awards.

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance?	Yes

Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings:

**2021-001: Mutual Aid
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Revenue recognition in relation to gross versus net reporting is key to reporting revenue in accordance with U.S. GAAP.

Condition: During our testing over mutual aid revenues, we noted revenues were presented net of expenses rather than at gross.

Cause: The City of Sparks had internal controls to track the receipting and recording of mutual aid related amounts. However, the City elected to originally report the amounts at net for internal budgetary considerations and did not adequately consider the external financial reporting presentation.

Effect: Prior to adjustment, mutual aid revenues were understated by \$1,372,395, expenses were understated by \$899,280, and transfers out were understated by \$473,115 in the General Fund. In addition, revenue was overstated and transfers in were understated by \$473,115 in the Motor Vehicle Maintenance Fund.

Recommendation: We recommend the City of Sparks consider the external financial reporting presentation when making internal budgetary reporting decisions.

Views of Responsible Officials: The City of Sparks agrees with this finding.

2021-002: Estimated Claim Liabilities (IBNR)

Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Reconciliation of specialist estimates to the general ledger is a key component of effective internal control over financial reporting.

Condition: During our testing over estimated worker's compensation liabilities for claims incurred but not reported (IBNR), we noted the specialist's estimate did not agree to the general ledger.

Cause: The City of Sparks did not have adequate internal controls to ensure reconciliation of the worker's compensation IBNR estimate to the underlying accounting records.

Effect: Prior to adjustment, estimated worker's compensation claims liabilities were understated by \$5,569,262.

Recommendation: We recommend the City of Sparks enhance internal controls to ensure reconciliation of the worker's compensation IBNR estimate to the underlying accounting records.

Views of Responsible Officials: The City of Sparks agrees with this finding.

**2021-003: Major Fund Determination
Material Weakness**

Criteria: Management is responsible for the presentation and fair presentation of financial statements in accordance with U.S. GAAP and through implementation of standards promulgated by the Governmental Accounting Standards Board, which mandate the presentation of major funds and non-major funds.

Condition: The Sparks Grants and Donations Fund and the Development Services Fund were not originally identified as major funds as required.

Cause: The City of Sparks did not have adequate internal controls to identify changes in major or non-major classification to ensure appropriate presentation within the financial statements.

Effect:

The purpose of major fund reporting is to ensure that each of a government's most important funds are reported separately and highlighted to users of the financial statements within the appropriate context of the government's operations. Prior to correction, the users of the financial statements may not have had the appropriate context.

Recommendation: We recommend the City of Sparks enhance internal controls to identify changes in major or non-major classification to ensure appropriate presentation within the financial statements.

Views of Responsible Officials: The City of Sparks agrees with this finding.

Section III – Findings and Questioned Costs for Federal Awards:

**2021-004: U.S. Department of the Treasury
COVID-19 Coronavirus Relief Fund, Assistance Listing #21.019**

**Subrecipient Monitoring
Significant Deficiency in Internal Control over Compliance**

<i>Grant Award Number:</i>	Affects all grant awards included under Assistance Listing 21.019 on the Schedule of Expenditures of Federal Awards.
<i>Criteria:</i>	All pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes certain information required by 2 CFR §200.332 at the time of the subaward.
<i>Condition:</i>	A subaward did not include the assistance listing number, program name, unique entity identifier, and determination that both an indirect rate and research and development were not applicable, which are required to be included in a subaward.
<i>Cause:</i>	The City of Sparks did not have adequate internal controls to ensure subawards contained all required information.
<i>Effect:</i>	The subrecipient may not be aware of various requirements and noncompliance at the subrecipient level may occur.
<i>Questioned Costs:</i>	None.
<i>Context/Sampling:</i>	A nonstatistical sample of two subawards out of a population of five was selected for testing. One of the subawards did not contain all the required information.
<i>Repeat Finding from Prior Year:</i>	No.
<i>Recommendation:</i>	We recommend the City of Sparks enhance internal controls to ensure subawards contain all required information.
<i>Views of Responsible Officials:</i>	The City of Sparks agrees with this finding.

City of Sparks

Schedule of Fees Imposed Subject to NRS 354.5989 - Limitation of Fees for Business Licenses

Year Ended June 30, 2021

Flat Fixed Fees

Business license revenue adjusted base at June 30, 2020 (Base Year)	\$ <u>911,486</u>
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Adjustment to Base

Percentage increase in population of the local government	2.40 %
Percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated (West urban Size B/C -50,000 to 1,500,000, non seasonally adjusted)	1.50 % <u>3.90 %</u>
	<u>35,548</u>
Adjusted base at June 30, 2021	947,034
Actual Revenue	<u>800,255</u>
Amount under allowable amount	<u><u>\$ (146,779)</u></u>

Fee Calculated on a Percentage of Gross Revenue

Base Revenue at June 30, 2020	\$ 5,179,032
Percentage change in CPI	<u>1.015 %</u>
Adjusted base at June 30, 2021	5,256,717
Actual Revenue	<u>5,202,853</u>
Actual amount over allowable amount	<u><u>\$ (53,864)</u></u>

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