



CITY OF SPARKS
NEVADA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Year Ended June 30, 2022

City of Sparks, Nevada

Annual Comprehensive Financial Report

for the Fiscal Year Ended
June 30, 2022

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 23, 2022

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, 2022, 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.

The City's external 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 2020-2021.
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 103,230 as reported by the Nevada Department of Taxation for fiscal year 2021-2022, 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 City's 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.

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 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, the revitalized and diversified regional economy has created an economic infrastructure that allowed the regional economy to rebound in relatively short order as evidenced by the reduction in the unemployment rate to 3.3% as of August 2022, which is about the same rate experienced before the pandemic started.

The growth in the number of 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 0.7% 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 continue 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). 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 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. \$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 2021-2022, the average interest rate earned on investments maturing during the year was 0.45 percent. With federal policies reversing course beginning in 2022, we expect interest earnings to improve in fiscal year 2022-2023.

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

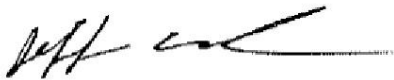
The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sparks, Nevada, for its Annual Comprehensive Financial Report (ACFR) for each fiscal year ended June 30, 1981 through 2021. Fiscal year 2020-2021 was the forty-first 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 2021-2022 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.

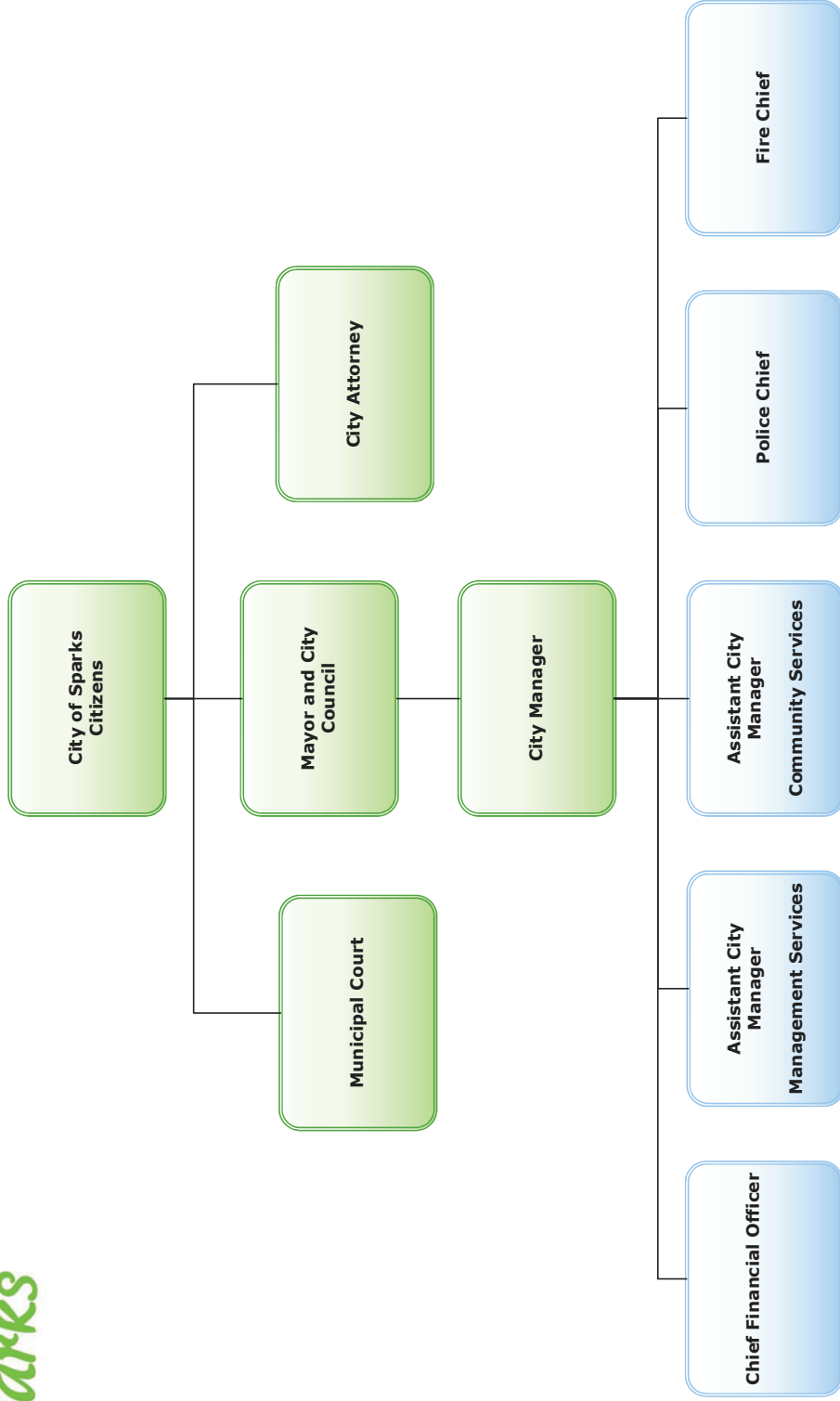
This report could not have been prepared without the diligent year-round efforts of the entire staff of the Financial Services Department and of the certified public accounting firm Eide Bailly LLP. We would like to acknowledge their expert support and guidance throughout the year not only to make this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



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	Wes Duncan	Partial Term	November 2024
Municipal Judge, District 1	Shirle Eiting	Partial Term	November 2022
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	
City Clerk	Lisa Hunderman	Appointed	
Chief Financial Officer	Jeff Cronk	Appointed	
Parks & Recreation Director	Tony Pehle	Appointed	
Police Chief	Chris Crawforth	Appointed	
Fire Chief	Jim Reid	Appointed	
Acting Human Resources Director	Jill Valdez	Appointed	
Community Services Director	Armando Ornelas	Appointed	

INDEPENDENT AUDITORS

Eide Bailly, LLP



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sparks
Nevada**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Sparks Grants and Donations Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

What inspires you, inspires us. Let's talk. | eidebailly.com

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-25, the schedule of changes in the City's total other post-employment benefits liability and other related ratios on pages 82-83, the schedule of the City's share of net pension liability on pages 84-85, and the schedule of the City's contributions on pages 86-87 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining and individual fund statements and schedules, schedule of fees imposed subject to the provisions of NRS 354.5989 – Limitation of Fees for Business Licenses, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requires for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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, schedule of fees imposed subject to the provisions of NRS 354.5989 – Limitation of Fees for Business Licenses, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2022, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



Reno, Nevada
November 23, 2022

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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, 2022. 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, 2022 by \$635,492,130 (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 \$65,542,565, a decrease of \$25,964,525 from the prior year liability of \$91,507,090. 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 decrease in the City's portion of net pension liability (\$25,964,525), an increase in deferred pension inflows (\$47,632,861), and an increase in deferred pension outflows (\$29,755,770), net position was increased by \$8,087,434.
- Governmental activity revenues were \$166,884,497 as compared to \$161,572,841 for the year ended June 30, 2021. The increase of \$5,311,656 is primarily driven by; an increase in contributed capital of \$10,370,685, mostly due to an increase in contributions from developers, an increase in Consolidated tax revenues of \$3,525,112, and an increase in Ad Valorem taxes of \$2,232,493. These increases offset a 14,205,560 reduction of operating grants received in fiscal year 2021-2022 compared to the prior fiscal year. Business-type activity revenues were \$52,202,347 in fiscal year 2021-2022, representing an increase of \$1,355,101 from the prior year revenues of \$50,847,246. The increase is primarily driven by an increase in residential sanitary sewer connection fees.
- Sparks' governmental funds reported combined ending fund balances of \$91,123,941 as of June 30, 2022 which is an increase of \$9,553,310 from fiscal year 2020-2021 total of \$81,570,631. The increase was primarily due to an increase in governmental activity revenues and receipt of distributions from the American Rescue Plan Act (ARPA).
- Governmental Accounting Standards Boards Statement No. 54 provides fund balance classifications for governmental funds. As of June 30, 2022, the unrestricted fund balance (which includes committed, assigned and unassigned balances) in the General Fund was \$19,047,442, which represents approximately 21.5 percent of General Fund expenditures (excluding capital). Of that amount, \$1,647,241 is assigned for next year's budget deficit, and open purchase orders and the remaining \$17,400,201 is an unassigned fund balance.
- The City's primary General Fund resources are consolidated taxes and property taxes. Combined, these resources accounted for 72.1 percent of total General Fund revenues and have increased by 8.3 percent from last year's results. Consolidated tax revenues increased 10.2 percent, and property taxes increased by 5.9 percent compared to the previous fiscal year.
- Unrestricted cash and investments of \$194,450,672 can cover current liabilities 4.1 times on a government-wide basis.
- The City's long-term liabilities outstanding decreased by \$58,731,337 in fiscal year 2021-2022. The decrease was primarily attributable to a reduction of \$25,964,525 of the City's Net Pension liability and \$22,459,699 of the City's bond payable.

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 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 2021-2022. 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 138,507,867	\$ 122,821,757	\$ 128,785,571	\$ 117,389,076	\$ 267,293,438	\$ 240,210,833
Capital assets	451,088,335	429,124,168	184,675,032	181,916,130	635,763,367	611,040,298
Total assets	<u>589,596,202</u>	<u>551,945,925</u>	<u>313,460,603</u>	<u>299,305,206</u>	<u>903,056,805</u>	<u>851,251,131</u>
Deferred outflow bond refundings	868,833	1,090,556	-	-	868,833	1,090,556
Deferred outflows related to pensions	38,587,539	12,012,670	4,485,724	1,304,823	43,073,263	13,317,493
Deferred outflows related to OPEB	12,585,545	15,618,134	999,864	1,241,984	13,585,409	16,860,118
Total deferred outflow of resources	<u>52,041,917</u>	<u>28,721,360</u>	<u>5,485,588</u>	<u>2,546,807</u>	<u>57,527,505</u>	<u>31,268,167</u>
Total assets and deferred outflows	<u>641,638,119</u>	<u>580,667,285</u>	<u>318,946,191</u>	<u>301,852,013</u>	<u>960,584,310</u>	<u>882,519,298</u>
Long term liabilities outstanding	191,564,273	243,826,671	17,422,222	23,891,161	208,986,495	267,717,832
Other liabilities	41,210,510	37,385,288	6,215,282	7,294,623	47,425,792	44,679,911
Total liabilities	<u>232,774,783</u>	<u>281,211,959</u>	<u>23,637,504</u>	<u>31,185,784</u>	<u>256,412,287</u>	<u>312,397,743</u>
Deferred inflows related to pensions	47,751,339	5,162,847	5,399,337	354,968	53,150,676	5,517,815
Deferred inflows related to OPEB	14,682,619	4,893,005	846,598	359,053	15,529,217	5,252,058
Total deferred inflows of resources	<u>62,433,958</u>	<u>10,055,852</u>	<u>6,245,935</u>	<u>714,021</u>	<u>68,679,893</u>	<u>10,769,873</u>
Total liabilities and deferred inflows	<u>295,208,741</u>	<u>291,267,811</u>	<u>29,883,439</u>	<u>31,899,805</u>	<u>325,092,180</u>	<u>323,167,616</u>
Net investment in capital assets	436,205,357	413,601,581	174,042,473	167,767,880	610,247,830	581,369,461
Restricted	55,145,614	51,775,060	-	-	55,145,614	51,775,060
Unrestricted	(144,921,593)	(175,977,167)	115,020,279	102,184,328	(29,901,314)	(73,792,839)
Total net position	<u>\$ 346,429,378</u>	<u>\$ 289,399,474</u>	<u>\$ 289,062,752</u>	<u>\$ 269,952,208</u>	<u>\$ 635,492,130</u>	<u>\$ 559,351,682</u>

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, \$610,247,830, 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 \$55,145,614, 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 \$3,370,554 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, 2022

Unrestricted net position is the amount of funds available to meet the City's ongoing obligations. The negative unrestricted net position value of \$29,901,314 in fiscal year 2021-2022 is comprised primarily of a deficit of \$144,921,593 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.

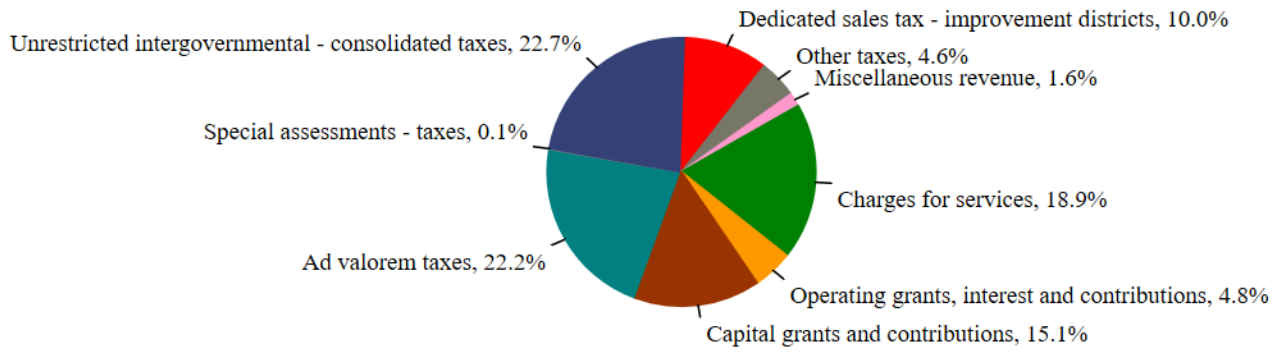
	City of Sparks' Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 31,658,722	\$ 29,254,037	\$ 38,176,071	\$ 34,655,736	\$ 69,834,793	\$ 63,909,773
Operating grants, interest and contributions	8,040,284	22,245,844	-	-	8,040,284	22,245,844
Capital grants and contributions	25,234,453	14,863,768	15,275,746	16,297,112	40,510,199	31,160,880
	<u>64,933,459</u>	<u>66,363,649</u>	<u>53,451,817</u>	<u>50,952,848</u>	<u>118,385,276</u>	<u>117,316,497</u>
General revenues:						
Ad valorem taxes	37,105,637	34,873,144	-	-	37,105,637	34,873,144
Special assessments - taxes	178,512	148,830	-	-	178,512	148,830
Unrestricted intergovernmental - consolidated taxes	38,026,225	34,501,113	-	-	38,026,225	34,501,113
Dedicated sales tax - improvement districts	16,727,219	16,266,141	-	-	16,727,219	16,266,141
Other taxes	7,895,436	7,349,168	-	-	7,895,436	7,349,168
Unrestricted investment income (loss)	(706,656)	43,842	(1,311,760)	(184,969)	(2,018,416)	(141,127)
Miscellaneous revenue	2,724,665	2,026,954	62,290	79,367	2,786,955	2,106,321
	<u>101,951,038</u>	<u>95,209,192</u>	<u>(1,249,470)</u>	<u>(105,602)</u>	<u>100,701,568</u>	<u>95,103,590</u>
Total revenues	<u>166,884,497</u>	<u>161,572,841</u>	<u>52,202,347</u>	<u>50,847,246</u>	<u>219,086,844</u>	<u>212,420,087</u>
Expenses:						
General government	22,795,502	21,773,154	-	-	22,795,502	21,773,154
Judicial	2,770,337	2,991,334	-	-	2,770,337	2,991,334
Public safety						
Police	33,011,301	34,457,131	-	-	33,011,301	34,457,131
Fire	19,605,807	21,151,054	-	-	19,605,807	21,151,054
Management Services	4,972	641,653	-	-	4,972	641,653
Community services	2,071,408	1,626,021	-	-	2,071,408	1,626,021
Public works	13,221,651	12,992,663	-	-	13,221,651	12,992,663
Culture and recreation	10,951,486	9,941,535	-	-	10,951,486	9,941,535
Community support	2,697,499	5,409,239	-	-	2,697,499	5,409,239
Interest and fiscal charges	2,873,824	3,523,685	-	-	2,873,824	3,523,685
Sewer	-	-	27,568,958	25,858,663	27,568,958	25,858,663
Development services	-	-	5,373,651	5,297,017	5,373,651	5,297,017
	<u>110,003,787</u>	<u>114,507,469</u>	<u>32,942,609</u>	<u>31,155,680</u>	<u>142,946,396</u>	<u>145,663,149</u>
Total expenses	<u>110,003,787</u>	<u>114,507,469</u>	<u>32,942,609</u>	<u>31,155,680</u>	<u>142,946,396</u>	<u>145,663,149</u>
Increase (Decrease) in net position before transfers & special items	56,880,710	47,065,372	19,259,738	19,691,566	76,140,448	66,756,938
Transfers	149,194	499,349	(149,194)	(499,349)	-	-
Increase (Decrease) in net position	57,029,904	47,564,721	19,110,544	19,192,217	76,140,448	66,756,938
Net position, July 1	289,399,474	241,834,753	269,952,208	250,759,991	559,351,682	492,594,744
Net position, June 30	<u>\$ 346,429,378</u>	<u>\$ 289,399,474</u>	<u>\$ 289,062,752</u>	<u>\$ 269,952,208</u>	<u>\$ 635,492,130</u>	<u>\$ 559,351,682</u>

Governmental Activities

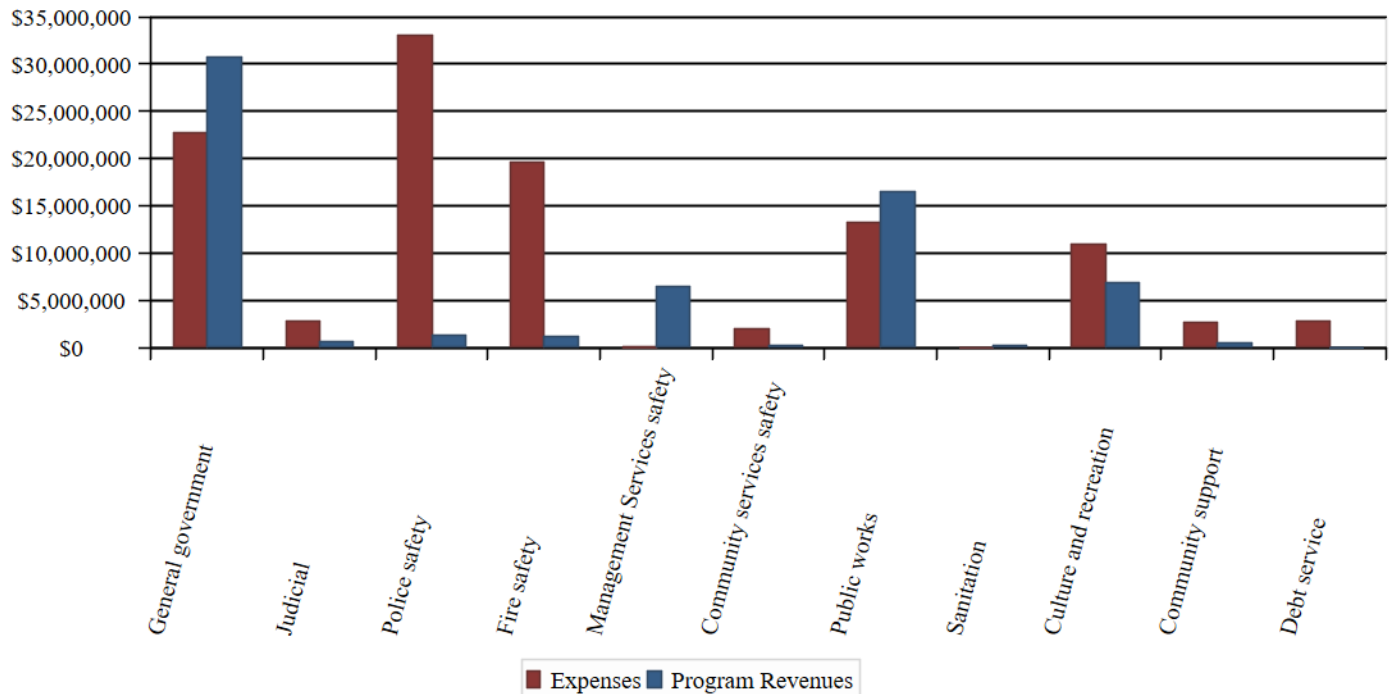
Governmental activities in fiscal year 2021-2022, increased the City's net position by \$57,029,904. Of the more significant results for governmental activities that contributed to this change the following was observed:

- In fiscal year 2021-2022, capital grants and contributions increased by 69.8 percent, or \$10,370,685, from the prior year. The change is primarily attributed to an increase in contributions from developers;
- Consolidated taxes increased by 10.2 percent, or \$3,525,112, from fiscal year 2020-2021. 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;
- Ad valorem tax revenues increased by 6.4 percent, or \$2,232,493, from fiscal year 2020-2021. This increase is due to assessed home values.
- A reduction of expenses totaling \$4,503,682 primarily due from reduced COVID-19 related mitigation efforts that occurred in the prior fiscal year.

Revenues by Source - Governmental Activities



**Expenses and Program Revenues
 Governmental Activities**

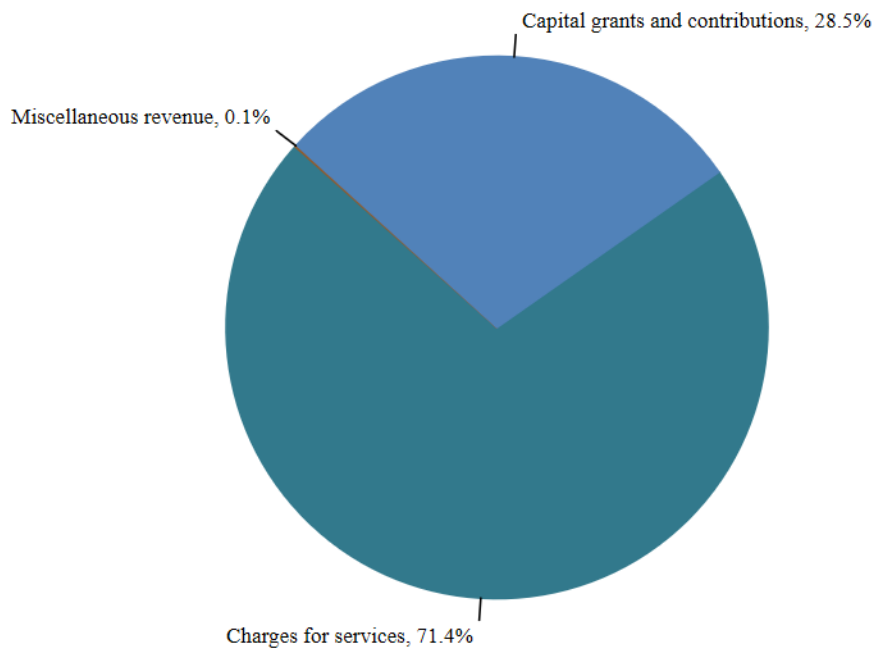


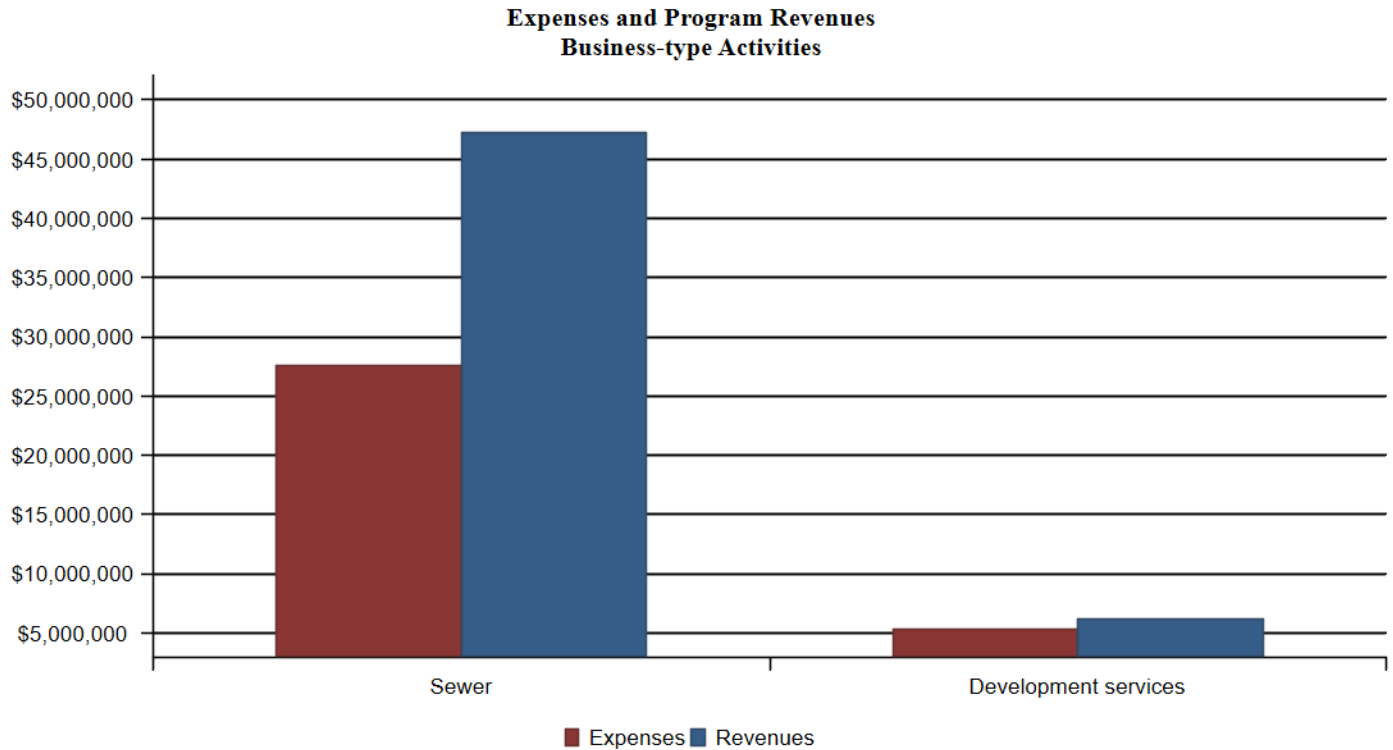
Business-type Activities

Business-type activities, in fiscal year 2021-2022 increased the City's net position by \$19,110,544. Significant results include:

- Revenues from business-type activities increased by 2.7 percent, or \$1,355,101, which was driven primarily by an increase in revenues from residential sanitary connection fees that was offset against an investment income loss;
- Expenses of business-type activities increased from \$31,155,680 to \$32,942,609, a increase of \$1,786,929, or 5.7 percent, and were related to an increase in engineering professional services expense.

Revenues by Source - Business-type Activities





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, 2022, Sparks’ governmental funds reported combined ending fund balances of \$91,123,941, which is an increase of \$9,553,310 from fiscal year 2020-2021 ending fund balance of \$81,570,631. The increase was primarily driven by an increase in governmental activity revenues and distributions from the American Rescue Plan Act (ARPA).
- The combined ending fund balance of \$91,123,941 is comprised of: \$43,169,345 which is restricted to specific purposes such as, but not limited to, capital projects, debt, and grants, and \$47,954,596 which is unrestricted (includes committed, assigned and unassigned balances).
- Approximately 52.6 percent of the combined ending fund balances, or \$47,954,596, is unrestricted. Of the unrestricted balance, \$3,186,082 has been committed by City Council action for items such as road repairs and economic stabilization, and \$27,368,313 has been assigned by the Chief Financial Officer (a designee of City Council) for budget deficits, encumbered purchase orders, or capital projects. The remaining \$17,400,201 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, 2022, the unrestricted fund balance (includes committed, assigned and unassigned balances) was \$19,047,442, which is 7.1 percent lower than the prior year's unrestricted balance of \$20,507,892. The decline is largely due to increased salaries and employee benefit expenditures. For fiscal year 2021-2022 revenues and transfers in exceeded expenditures and transfers out which resulted in an increase of the City's unrestricted fund balance to 21.5 percent of departmental expenditures (excluding capital outlay), which remains above the established policy goal of 8.3 percent. The unrestricted fund balance is 20.8 percent of General Fund revenues, which is down from 23.9 percent of General Fund revenues from fiscal year 2020-2021.

Although the City's General Fund balance was \$19,047,442 at June 30, 2022, it should be noted that \$1,647,241 is considered assigned for next year's budget deficit, and open purchase orders. This leaves \$17,400,201 as an unassigned ending fund balance available for various purposes.

The primary impacts upon the General Fund include a \$5,403,004 (5.3 percent) decrease in revenues and transfers in and a \$9,741,895 (11.0 percent) increase in expenditures and transfers out. The two largest areas of revenue changes were intergovernmental revenues increased \$2,766,551 (7.0 percent) most of which is related to increased Consolidated Tax revenue collected by the state, and property taxes increased \$1,549,907 (5.9 percent) mostly related to real property tax revenues. The increase in expenditures and transfers out was primarily related to an increase in services and supplies in all departments across the city. The cumulative result is that the ending fund balance within the General Fund decreased by \$1,460,450, or 7.1 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 major fund for fiscal year 2021-2022, which is mainly due to the \$16,230,272 funds allocated to the City of Sparks from the State and Local Fiscal Recovery Funds as provided by the American Rescue Plan Act (ARPA). Total fund balance within the Sparks Grants and Donations Fund was \$363,245 compared to \$491,885 for the prior year, a decrease of 26.2 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 \$19,459,736 compared to \$18,617,263 for the prior year, an increase of 4.5 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 \$282,784,739 as of June 30, 2022, an increase of \$17,963,668 or 6.8 percent, over the prior year's balance of \$264,821,071. The major contributors to the increase in net position include; a \$2,657,402 (9.1 percent) increase in charges for services operating revenues related to sewer and capital contributions of \$15,275,746.

Net position of the Development Services Enterprise Fund was \$4,905,727 as of June 30, 2022, an increase of \$585,335 or 13.5 percent, over the prior year's balance of \$4,320,392. Operating revenues increased by \$869,991 (16.4 percent) and exceeded operating expenses which increased by \$71,455 (1.34 percent). Increased operating revenues was primarily related to an increase 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 \$6,030,923 more than budgeted, primarily due to increases in Consolidated Tax receipts, charges for services, and other local government shared revenues above budgeted expectations. The increases in these particular revenues were the direct result of the effects to the regional economy recovering from the COVID-19 global pandemic.

Actual expenditures were 3.4 percent below final amended budget, which was primarily due to underspends related to position vacancies across the city.

The following functions are highlighted:

- The General Government function achieved \$1,357,663, or 6.0 percent, in budgetary savings primarily from an underspend in services and supplies within the Management Services and Community Services departments;
- Spending within the Public Safety function was \$456,145, or 0.8 percent, less than budgeted primarily related to reduced salaries and benefits related to position vacancies in the fire department;
- The Community Services Department achieved \$155,833, or 6.7 percent, in budgetary savings within the Public Works function primarily from savings in budgeted professional services, and \$363,156, or 9.2 percent, in budgetary savings within the Culture and Recreation function primarily from reduced expenditures related to position vacancies;
- Spending within the Community Support function was \$626,419, or 70.9 percent, less than budgeted mostly due to expenditures related to homeless services provided within the local community being paid from the Grants and Donations Fund instead of the General Fund as made possible by ARPA funding.

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, 2022, amounted to \$635,763,367, an increase of \$24,528,885 compared to \$611,234,482 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 2021-2022 operations for governmental activities was \$21,789,087, (from \$429,299,248 to \$451,088,335), while business-type activities increased by \$2,739,798 (from \$181,935,234 to \$184,675,032).

Significant capital asset activities that occurred during fiscal year 2021-2022 included:

- Assets under construction, Construction in Progress (CIP), increased by \$8,022,401. New projects were started in the amount of \$16,685,321, and completed projects amounted to \$8,842,917. A significant portion of the increase in CIP were related to the Sparks Boulevard capacity improvement infrastructure project, and Prater Way to Howard drive infrastructure project, and the Packer Way to Wild Island Court infrastructure project, in which all were donated by the Regional Transportation Commission;
- Assets classified as infrastructure increased by \$7,024,001, which was primarily due to the acquisition of new assets;
- Land holdings increased by \$10,319,822 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 55,359,304	\$ 45,039,482	\$ 1,873,105	\$ 1,873,105	\$ 57,232,409	\$ 46,912,587
Intangibles	3,281,257	3,333,640	2,648	2,648	3,283,905	3,336,288
Buildings	14,710,151	14,864,364	772,607	508,725	15,482,758	15,373,089
Improvements other than buildings	30,940,758	30,838,675	524,895	565,721	31,465,653	31,404,396
Right to use leased buildings	37,381	79,814	7,120	15,203	44,501	95,017
Machinery and equipment	12,881,861	13,698,974	339,426	423,078	13,221,287	14,122,052
Right to use leased office equipment	68,124	58,921	3,081	3,901	71,205	62,822
Right to use leased vehicles	23,361	36,345	-	-	23,361	36,345
Infrastructure	313,483,605	311,350,286	169,970,092	165,079,410	483,453,697	476,429,696
Construction in progress	20,213,652	9,909,866	4,155,556	6,436,941	24,369,208	16,346,807
Water rights	88,881	88,881	7,026,502	7,026,502	7,115,383	7,115,383
Total	<u>\$ 451,088,335</u>	<u>\$ 429,299,248</u>	<u>\$ 184,675,032</u>	<u>\$ 181,935,234</u>	<u>\$ 635,763,367</u>	<u>\$ 611,234,482</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, 2022, the City of Sparks had a total of \$208,986,495 of long-term liabilities outstanding. Of this amount, \$65,542,565 is related to pension benefits, \$41,172,387 is related to Other Post-Employment Benefits (OPEB), and \$102,271,543 is outstanding for all other long-term liabilities.

Other noncurrent liabilities not related to pension, OPEB, and deposits, amounting to \$125,077,947 are comprised of \$110,325,742 of governmental activities and \$14,752,205 of business-type activities. Governmental activity includes: revenue bonds of \$65,323,000; private placement tax allocation bonds of \$14,165,442; a financial incentive agreement payable to Syuffy Enterprises of \$200,000; and accrued compensated absences, sick leave conversion, lease liabilities and insurance claim liabilities totaling \$30,637,300. Business-type activity includes: Private placement bonds and notes payable totaling \$12,306,960; and accrued compensated absences, sick leave conversion, and lease liabilities of \$2,445,245. The City of Sparks' outstanding liabilities, including debt of the Redevelopment Agency, decreased by \$23,645,665, or 15.9 percent, during the fiscal year ended June 30, 2022.

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 3.2 percent on June 30, 2022 compared to 4.7 percent as of June 30, 2021. The improvement in the unemployment rate is indicative of the extent to which the regional economy has continued to recover from the negative economic effects created by the COVID-19 global pandemic. Unemployment held steady in August 2022, reflecting a rate of 3.3 percent.
- 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 \$12.2 billion in fiscal year 2021-2022, an increase of 134.6 percent during the past twelve fiscal years.
- 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 2022, median home values in Sparks were \$509,643.
- As mentioned previously, the City's ad valorem tax revenues increased by 6.4 percent in fiscal year 2021-2022. This was due to an increase of 5.8 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 2021-2022 and fiscal year 2020-2021. 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 2021-2022 by 0.7 percent and the Nevada State Demographer's office projects a population increase of 4.1 percent for fiscal year 2022-2023. 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 provided \$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, in accordance with provisions of the Act.

All of these factors and others were considered in preparing the City's budget for the subsequent 2022-2023 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, 2022
(with Comparative Totals for June 30, 2021)

	Governmental Activities	Business-Type Activities	Total	2021
Assets				
Cash and investments	\$ 110,163,633	\$ 84,287,039	\$ 194,450,672	\$ 163,539,977
Accounts receivable, net	6,217,980	3,662,592	9,880,572	9,598,213
Internal balances	(1,372,286)	1,372,286	-	-
Due from other governments	12,805,622	244,665	13,050,287	12,989,079
Inventories	378,590	-	378,590	242,962
Deposits	19,072	-	19,072	19,072
Notes receivable, net	1,092,237	2,491,737	3,583,974	4,273,214
Restricted assets				
Cash and investments	9,203,019	-	9,203,019	11,386,165
Investment in the Truckee Meadows Water Reclamation Facility	-	36,727,252	36,727,252	38,162,151
Capital assets				
Land, construction in progress, intangible assets, and water rights	78,891,202	13,057,811	91,949,013	73,606,789
Other capital assets, net of depreciation	372,068,267	171,607,020	543,675,287	537,433,509
Right of use leased assets, net of amortization	128,866	10,201	139,067	-
Total assets	<u>589,596,202</u>	<u>313,460,603</u>	<u>903,056,805</u>	<u>851,251,131</u>
Deferred Outflows of Resources				
Deferred outflow bond refundings	868,833	-	868,833	1,090,556
Deferred outflows related to pensions	38,587,539	4,485,724	43,073,263	13,317,493
Deferred outflows related to OPEB	12,585,545	999,864	13,585,409	16,860,118
Total deferred outflows of resources	<u>52,041,917</u>	<u>5,485,588</u>	<u>57,527,505</u>	<u>31,268,167</u>
Total assets and deferred outflows of resources	<u>641,638,119</u>	<u>318,946,191</u>	<u>960,584,310</u>	<u>882,519,298</u>
Liabilities				
Accounts payable and accrued expenses	4,499,850	467,609	4,967,459	3,217,801
Accrued interest payable	171,881	80,357	252,238	358,077
Contracts and retentions payable	3,112,612	851,582	3,964,194	3,365,940
Deposits	57,685	126,250	183,935	180,937
Due to other governments	3,613,109	507,093	4,120,202	3,960,566
Unearned revenue	10,850,543	280,817	11,131,360	9,039,194
Noncurrent liabilities, due within one year				
Bonds and notes payable	10,990,063	3,288,466	14,278,529	16,241,094
Compensated absences payable	3,746,988	538,619	4,285,607	4,261,291
Sick leave conversion payable	874,635	66,635	941,270	976,741
Claims liabilities	3,118,993	-	3,118,993	2,836,190
Financial incentive and interlocal agreements payable	100,000	-	100,000	242,080
Lease liabilities	74,151	7,854	82,005	-
Noncurrent liabilities, due in more than one year				
Bonds and notes payable	68,498,379	9,018,494	77,516,873	98,014,007
Compensated absences payable	11,625,699	1,709,186	13,334,885	12,699,838
Sick leave conversion payable	3,592,618	120,601	3,713,219	4,042,368
Claims liabilities	7,539,487	-	7,539,487	9,015,819
Financial incentive and interlocal agreements payable	100,000	-	100,000	200,000
Lease liabilities	64,729	2,350	67,079	-
Refundable deposits	-	-	-	50,000
Net pension liability	61,102,794	4,439,771	65,542,565	91,507,090
Total OPEB liability	<u>39,040,567</u>	<u>2,131,820</u>	<u>41,172,387</u>	<u>52,188,710</u>
Total liabilities	<u>232,774,783</u>	<u>23,637,504</u>	<u>256,412,287</u>	<u>312,397,743</u>
Deferred Inflows of Resources				
Deferred inflows related to pensions	47,751,339	5,399,337	53,150,676	5,517,815
Deferred inflows related to OPEB	14,682,619	846,598	15,529,217	5,252,058
Total deferred inflows of resources	<u>62,433,958</u>	<u>6,245,935</u>	<u>68,679,893</u>	<u>10,769,873</u>
Total liabilities and deferred inflows of resources	<u>295,208,741</u>	<u>29,883,439</u>	<u>325,092,180</u>	<u>323,167,616</u>
Net position				
Net investment in capital assets	436,205,357	174,042,473	610,247,830	581,369,461
Restricted for				
Court improvements	930,771	-	930,771	1,047,964
Road and street projects	3,519,345	-	3,519,345	1,914,269
Grants	2,019,851	-	2,019,851	1,682,617
Claims	9,384,339	-	9,384,339	8,986,415
Debt service	20,997,416	-	20,997,416	20,945,457
Capital projects	17,935,499	-	17,935,499	16,588,958
Promotion of special events	181,078	-	181,078	307,974
Public safety	177,315	-	177,315	301,406
Unrestricted	<u>(144,921,593)</u>	<u>115,020,279</u>	<u>(29,901,314)</u>	<u>(73,792,839)</u>
Total net position	<u>\$ 346,429,378</u>	<u>\$ 289,062,752</u>	<u>\$ 635,492,130</u>	<u>\$ 559,351,682</u>

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	\$ 22,795,502	\$ 20,436,521	\$ -	\$ 10,300,225
Judicial	2,770,337	688,804	-	-
Public safety				
Police	33,011,301	339,329	961,421	22,368
Fire	19,605,807	1,218,378	20,362	-
Management Services	4,972	-	6,538,657	-
Community services	2,071,408	300,933	-	-
Public works	13,221,651	3,498,115	-	13,006,968
Sanitation	-	218,725	-	-
Culture and recreation	10,951,486	4,939,917	53,093	1,904,892
Community support	2,697,499	18,000	466,751	-
Debt service				
Interest and fiscal charges	2,873,824	-	-	-
Total governmental activities	<u>110,003,787</u>	<u>31,658,722</u>	<u>8,040,284</u>	<u>25,234,453</u>
Business-type activities				
Sewer	27,568,958	32,012,676	-	15,275,746
Development services	5,373,651	6,163,395	-	-
Total business-type activities	<u>32,942,609</u>	<u>38,176,071</u>	<u>-</u>	<u>15,275,746</u>
Total primary government	<u>\$ 142,946,396</u>	<u>\$ 69,834,793</u>	<u>\$ 8,040,284</u>	<u>\$ 40,510,199</u>

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 (loss)
- Miscellaneous revenue

Transfers

Total general revenues and transfers

Change in Net Position

Net position - Beginning of Year

Net position - End of Year

City of Sparks
Statement of Activities
Year Ended June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)

Net (Expenses) Revenues and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	2021
\$ 7,941,244	\$ -	\$ 7,941,244	\$ 2,946,664
(2,081,533)	-	(2,081,533)	(2,328,710)
(31,688,183)	-	(31,688,183)	(32,850,580)
(18,367,067)	-	(18,367,067)	(19,780,598)
6,533,685	-	6,533,685	19,679,410
(1,770,475)	-	(1,770,475)	(1,385,779)
3,283,432	-	3,283,432	(1,647,786)
218,725	-	218,725	181,329
(4,053,584)	-	(4,053,584)	(4,665,560)
(2,212,748)	-	(2,212,748)	(4,768,525)
(2,873,824)	-	(2,873,824)	(3,523,685)
(45,070,328)	-	(45,070,328)	(48,143,820)
-	19,719,464	19,719,464	19,803,519
-	789,744	789,744	(6,351)
-	20,509,208	20,509,208	19,797,168
(45,070,328)	20,509,208	(24,561,120)	(28,346,652)
37,105,637	-	37,105,637	34,873,144
178,512	-	178,512	148,830
38,026,225	-	38,026,225	34,501,113
16,727,219	-	16,727,219	16,266,141
2,993,298	-	2,993,298	2,693,559
2,520,705	-	2,520,705	2,645,354
406,058	-	406,058	333,016
103,805	-	103,805	123,047
1,693,998	-	1,693,998	1,376,620
177,572	-	177,572	177,572
(706,656)	(1,311,760)	(2,018,416)	(141,127)
2,724,665	62,290	2,786,955	2,106,321
149,194	(149,194)	-	-
102,100,232	(1,398,664)	100,701,568	95,103,590
57,029,904	19,110,544	76,140,448	66,756,938
289,399,474	269,952,208	559,351,682	492,594,744
\$ 346,429,378	\$ 289,062,752	\$ 635,492,130	\$ 559,351,682

City of Sparks
Balance Sheet
Governmental Funds
June 30, 2022

(with Comparative Totals for June 30, 2021)

	General Fund	Sparks Grants & Donations	General Obligation Debt Service	Nonmajor Governmental Funds	Total Governmental Funds	2021
Assets						
Cash and investments	\$ 15,462,882	\$ 10,812,090	\$ 7,880,517	\$ 54,437,785	\$ 88,593,274	\$ 71,533,991
Accounts receivable, net	1,723,319	-	3,404,026	1,083,881	6,211,226	6,899,699
Due from other funds	30,303	-	-	-	30,303	11,882
Due from other governments	7,779,197	1,192,011	3,104,702	643,172	12,719,082	12,798,490
Notes receivable, net	-	-	-	1,092,237	1,092,237	1,277,946
Restricted cash and investments	-	-	8,474,519	728,500	9,203,019	11,386,165
Total assets	\$ 24,995,701	\$ 12,004,101	\$ 22,863,764	\$ 57,985,575	\$ 117,849,141	\$ 103,908,173
Liabilities						
Accounts payable	\$ 1,225,007	\$ 117,950	\$ -	\$ 1,059,251	\$ 2,402,208	\$ 1,338,139
Accrued liabilities	1,404,644	-	-	144,489	1,549,133	1,212,815
Contracts payable	113,685	3,833	-	2,604,028	2,721,546	1,926,744
Contract retentions payable	-	6,103	-	222,002	228,105	159,868
Refundable deposits	56,635	-	-	1,050	57,685	24,283
Unearned revenues	265,257	10,195,878	-	389,408	10,850,543	8,693,121
Due to other funds	-	-	-	30,303	30,303	11,882
Due to other governments	2,740,696	707,260	-	139,948	3,587,904	3,144,257
Total liabilities	5,805,924	11,031,024	-	4,590,479	21,427,427	16,511,109
Deferred Inflows of Resources						
Unavailable revenue - grants	-	609,832	-	1,092,238	1,702,070	1,441,655
Unavailable revenue - property taxes and other	142,335	-	-	49,340	191,675	239,060
Unavailable revenue - special assessments	-	-	3,404,028	-	3,404,028	4,104,024
Unavailable revenue - other	-	-	-	-	-	41,696
Total deferred inflows of resources	142,335	609,832	3,404,028	1,141,578	5,297,773	5,826,435
Fund Balances						
Restricted for						
Grants and donations	-	185,930	-	125,747	311,677	231,972
Law enforcement	-	177,315	-	-	177,315	301,406
Promotion of special events	-	-	-	181,078	181,078	307,974
Various judicial uses	-	-	-	304,743	304,743	287,358
Municipal facilities construction	-	-	-	176,172	176,172	156,653
Court fee collection programs	-	-	-	449,857	449,857	603,954
Developer agreements	-	-	-	4,534,905	4,534,905	3,727,427
Debt service reserve	-	-	19,459,736	2,205,871	21,665,607	23,698,178
Parks and recreation	-	-	-	6,784,519	6,784,519	6,436,841
Street improvements & rehabilitation	-	-	-	2,164,654	2,164,654	1,521,135
Capital projects	-	-	-	679,346	679,346	661,268
Improvements to Victorian Square	-	-	-	5,739,472	5,739,472	5,274,219
Committed for						
Economic development	-	-	-	65,039	65,039	52,399
Parks and recreation	-	-	-	660,725	660,725	494,581
Road surface repairs	-	-	-	1,046,432	1,046,432	971,579
Economic Stabilization	-	-	-	1,263,886	1,263,886	1,012,203
Improvements to 5 Ridges development	-	-	-	150,000	150,000	-
Assigned for						
Purchases on order	594,173	-	-	-	594,173	519,162
Specific capital projects	-	-	-	4,034,987	4,034,987	3,198,909
Next year's budget deficit	1,053,068	-	-	2,052,062	3,105,130	10,068,708
Other capital projects	-	-	-	19,634,023	19,634,023	12,076,956
Unassigned	17,400,201	-	-	-	17,400,201	9,967,747
Total fund balances	19,047,442	363,245	19,459,736	52,253,518	91,123,941	81,570,629
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,995,701	\$ 12,004,101	\$ 22,863,764	\$ 57,985,575	\$ 117,849,141	\$ 103,908,173

City of Sparks
 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
 June 30, 2022

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

Total fund balances - total governmental funds		\$ 91,123,941
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	646,861,774	
Less accumulated depreciation/ amortization	<u>(207,064,312)</u>	439,797,462
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	(65,323,000)	
Tax allocation bonds payable	(14,165,442)	
Compensated absences payable	(15,077,768)	
Net pension liability	(60,378,626)	
Total OPEB liability	(38,874,974)	
Sick leave conversion payable	(4,440,303)	
Financial incentive and interlocal agreements payable	(200,000)	
Lease payable	<u>(138,880)</u>	(198,598,993)
Interest payable		(171,881)
Unavailable revenue represents amounts that are not available to fund current expenditures and , therefore, are not reported in the governmental funds.		
		5,297,773
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	38,018,103	
Deferred outflows of resources related to OPEB	12,520,854	
Deferred outflows of resources related to bond refundings	868,833	
Deferred inflows of resources related to pensions	(47,045,961)	
Deferred inflows of resources related to OPEB	<u>(14,621,039)</u>	(10,259,210)
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.		
		20,612,572
Internal balances is a receivable from/(payable to) business-type activities		<u>(1,372,286)</u>
Net position of governmental activities		<u>\$ 346,429,378</u>

City of Sparks
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022
(with Comparative Totals for Year Ended June 30, 2021)

	General Fund	Sparks Grants & Donations	General Obligation Debt Service	Nonmajor Governmental Funds	Total Governmental Funds	2021
Revenues						
Taxes	\$ 27,880,139	\$ -	\$ 878,508	\$ 11,596,352	\$ 40,354,999	\$ 39,360,225
Licenses and permits	16,213,706	-	-	6,084,107	22,297,813	20,602,169
Intergovernmental revenues	42,207,381	7,961,920	16,727,219	5,293,473	72,189,993	81,512,068
Charges for services	4,416,179	-	-	2,260,823	6,677,002	5,724,750
Fines and forfeits	551,510	-	-	3,000	554,510	505,488
Miscellaneous	126,945	37,055	4,369	(278,578)	(110,209)	801,043
Total revenues	91,395,860	7,998,975	17,610,096	24,959,177	141,964,108	148,505,743
Expenditures						
Current						
General government	21,117,206	-	-	814,623	21,931,829	20,343,444
Judicial	2,524,376	48,669	-	262,533	2,835,578	2,760,164
Public safety	58,763,192	777,165	-	417,664	59,958,021	55,380,118
Public works	2,177,168	-	-	5,513,186	7,690,354	6,880,625
Culture and recreation	3,543,486	101,987	-	4,720,128	8,365,601	7,125,492
Community support	257,581	1,298,058	-	776,563	2,332,202	5,033,426
Total current expenditures	88,383,009	2,225,879	-	12,504,697	103,113,585	97,523,269
Capital outlay						
General government	37,341	-	-	316,201	353,542	445,060
Public safety	90,527	415,897	-	485,890	992,314	1,169,308
Public works	-	-	-	1,788,538	1,788,538	855,404
Culture and recreation	49,610	155,853	-	1,204,823	1,410,286	1,418,093
Community support	-	-	-	2,678,869	2,678,869	572,975
Total capital outlay	177,478	571,750	-	6,474,321	7,223,549	4,460,840
Debt service						
Principal	73,541	-	15,469,689	3,334,000	18,877,230	16,696,235
Interest	2,372	-	2,331,708	390,276	2,724,356	3,313,836
Fiscal charges and other	-	-	2,849	3,200	6,049	6,050
Total debt service	75,913	-	17,804,246	3,727,476	21,607,635	20,016,121
Total expenditures	88,636,400	2,797,629	17,804,246	22,706,494	131,944,769	122,000,230
Excess (Deficiency) of Revenues over Expenditures	2,759,460	5,201,346	(194,150)	2,252,683	10,019,339	26,505,513
Other Financing Sources (Uses)						
Leases	37,341	-	-	-	37,341	-
Transfers						
Transfers in	5,329,986	-	1,038,157	9,474,576	15,842,719	21,466,426
Transfers out	(9,587,237)	(5,329,986)	(1,534)	(1,427,332)	(16,346,089)	(22,168,142)
Total other financing sources (uses)	(4,219,910)	(5,329,986)	1,036,623	8,047,244	(466,029)	(701,716)
Net Change in Fund Balances	(1,460,450)	(128,640)	842,473	10,299,927	9,553,310	25,803,797
Fund Balances, Beginning of Year	20,507,892	491,885	18,617,263	41,953,591	81,570,631	55,766,833
Fund Balances, End of Year	\$ 19,047,442	\$ 363,245	\$ 19,459,736	\$ 52,253,518	\$ 91,123,941	\$ 81,570,630

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, 2022

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

Net change in fund balances - total governmental funds	\$	9,553,310
<p>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.</p>		
Expenditures for capital assets	7,223,549	
Sale/disposition of assets	(351,325)	
Less current year depreciation/ amortization	<u>(10,001,274)</u>	(3,129,050)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
Change in unavailable revenue-grants	260,415	
Change in unavailable revenue-property & other taxes	(47,385)	
Change in unavailable revenue-special assessments	(699,996)	
Change in unavailable revenue-other	(41,696)	
Donated capital assets	<u>25,007,323</u>	24,478,661
<p>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.</p>		
Principal payments	<u>18,803,689</u>	18,803,689
<p>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.</p>		
Amortization of current year bond discounts	(3,241)	
Amortization of bond refundings	(221,723)	
Change in financial incentive/assistance agreements	242,080	
Change in accrued interest	81,545	
Change in long-term compensated absences payable	(325,939)	
Change in OPEB liability related amounts	(2,385,976)	
Change in sick leave conversion payable	248,983	
Change in lease payable	<u>(138,880)</u>	(2,503,151)
<p>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.</p>		
City pension contributions	6,753,544	
City pension expense	<u>348,158</u>	7,101,702
<p>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.</p>		
		<u>2,724,743</u>
Change in net position of governmental activities	\$	<u><u>57,029,904</u></u>

City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	Budgeted Amounts		Actual	Variance with	2021
	Original	Final		Final Budget	
Revenues					
Taxes					
Real property	\$ 26,250,000	\$ 26,250,000	\$ 26,097,345	\$ (152,655)	\$ 24,549,745
Personal property	1,750,000	1,750,000	1,782,794	32,794	1,780,487
Total taxes	<u>28,000,000</u>	<u>28,000,000</u>	<u>27,880,139</u>	<u>(119,861)</u>	<u>26,330,232</u>
Licenses and permits					
Business licenses and permits					
Business licenses	7,929,000	7,929,000	8,226,827	297,827	7,719,258
Business license penalties	200,000	200,000	296,734	96,734	288,428
Liquor licenses	300,000	300,000	342,074	42,074	310,128
City gaming licenses	450,000	450,000	471,831	21,831	400,817
Telecommunication licenses	955,000	955,000	1,026,471	71,471	926,277
Franchise fees					
Gas	614,000	614,000	624,569	10,569	502,060
Electric	1,532,000	1,532,000	1,680,038	148,038	1,355,807
Water	498,750	498,750	510,569	11,819	511,425
Sanitation	1,800,000	1,800,000	2,043,735	243,735	1,848,774
Other	900,000	900,000	720,831	(179,169)	863,444
Other licenses and permits	246,900	246,900	270,027	23,127	328,276
Total licenses and permits	<u>15,425,650</u>	<u>15,425,650</u>	<u>16,213,706</u>	<u>788,056</u>	<u>15,054,694</u>
Intergovernmental revenues					
State shared revenue					
Consolidated taxes payment	33,450,000	33,450,000	38,026,225	4,576,225	34,501,113
Fair share distribution	2,400,000	2,400,000	2,993,298	593,298	2,693,559
Marijuana shared revenue	125,000	125,000	103,805	(21,195)	123,047
Other local government shared revenues					
County gaming licenses (City's share)	305,000	305,000	406,058	101,058	333,016
Other	677,995	677,995	677,995	-	1,790,095
Total intergovernmental revenues	<u>36,957,995</u>	<u>36,957,995</u>	<u>42,207,381</u>	<u>5,249,386</u>	<u>39,440,830</u>
Charges for services					
General government					
Building and zoning fees	500	500	1,270	770	635
Other	3,281,315	4,322,992	4,414,909	91,917	4,343,873
Total charges for services	<u>3,281,815</u>	<u>4,323,492</u>	<u>4,416,179</u>	<u>92,687</u>	<u>4,344,508</u>
Fines and forfeits					
Fines - Court	553,000	553,000	534,038	(18,962)	497,920
Forfeits - Bail	1,500	1,500	2,300	800	2,180
Forfeits - Other	8,500	8,500	15,172	6,672	5,388
Total fines and forfeits	<u>563,000</u>	<u>563,000</u>	<u>551,510</u>	<u>(11,490)</u>	<u>505,488</u>
Miscellaneous					
Investment income	10,000	10,000	(13,916)	(23,916)	18,962
Rents and royalties	51,200	51,200	75,638	24,438	60,040
Other	33,600	33,600	65,223	31,623	175,121
Total miscellaneous	<u>94,800</u>	<u>94,800</u>	<u>126,945</u>	<u>32,145</u>	<u>254,123</u>
Total revenues	<u>\$ 84,323,260</u>	<u>\$ 85,364,937</u>	<u>\$ 91,395,860</u>	<u>\$ 6,030,923</u>	<u>\$ 85,929,875</u>

City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	2021
Expenditures					
General government					
Executive (Mayor)					
Salaries and wages	\$ 66,044	\$ 66,044	\$ 66,298	\$ (254)	\$ 61,762
Employee benefits	39,955	39,955	39,821	134	39,391
Services and supplies	12,931	12,931	1,056	11,875	515
Capital outlay	-	-	37,341	(37,341)	-
Total executive (mayor)	118,930	118,930	144,516	(25,586)	101,668
Legislative (City Council)					
Salaries and wages	271,805	271,805	274,225	(2,420)	273,288
Employee benefits	203,898	203,898	205,384	(1,486)	201,153
Services and supplies	36,949	36,949	19,771	17,178	6,883
Total legislative (city council)	512,652	512,652	499,380	13,272	481,324
Management services					
Salaries and wages	2,026,248	2,026,248	2,197,617	(171,369)	1,854,259
Employee benefits	2,040,441	2,040,441	1,942,889	97,552	1,899,384
Services and supplies	3,935,152	9,265,138	8,735,226	529,912	8,691,155
Total management services	8,001,841	13,331,827	12,875,732	456,095	12,444,798
Legal (City Attorney)					
Salaries and wages	1,385,544	1,385,544	1,475,961	(90,417)	1,324,701
Employee benefits	692,774	692,774	708,923	(16,149)	631,675
Services and supplies	75,336	79,336	61,930	17,406	66,349
Total legal (city attorney)	2,153,654	2,157,654	2,246,814	(89,160)	2,022,725
Finance					
Salaries and wages	2,628,732	2,628,732	2,311,764	316,968	2,344,657
Employee benefits	1,326,809	1,326,809	1,180,833	145,976	1,168,604
Services and supplies	1,364,978	1,351,496	1,160,574	190,922	901,602
Total finance	5,320,519	5,307,037	4,653,171	653,866	4,414,863
Community services					
Salaries and wages	411,173	411,173	471,395	(60,222)	411,470
Employee benefits	207,006	207,006	229,709	(22,703)	187,167
Services and supplies	425,931	425,931	33,830	392,101	66,088
Capital outlay	40,000	40,000	-	40,000	-
Total community services	1,084,110	1,084,110	734,934	349,176	664,725
Total general government	17,191,706	22,512,210	21,154,547	1,357,663	20,130,103
Judicial					
Municipal Court					
Salaries and wages	1,528,781	1,528,781	1,454,598	74,183	1,441,158
Employee benefits	928,339	928,339	845,350	82,989	831,969
Services and supplies	234,043	234,043	224,428	9,615	206,188
Total judicial	2,691,163	2,691,163	2,524,376	166,787	2,479,315
Public safety					
Police department					
Salaries and wages	19,391,727	19,391,727	20,028,471	(636,744)	18,167,820
Employee benefits	11,351,208	11,351,208	11,365,265	(14,057)	10,273,745
Services and supplies	4,332,827	4,309,237	4,392,226	(82,989)	3,508,614
Capital outlay	18,267	37,317	55,167	(17,850)	-
Total police department	35,094,029	35,089,489	35,841,129	(751,640)	31,950,179

City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	2021
Fire department					
Salaries and wages	\$ 11,472,247	\$ 12,229,293	\$ 12,110,176	\$ 119,117	\$ 11,112,787
Employee benefits	7,510,580	7,662,145	6,845,099	817,046	6,541,318
Services and supplies	2,665,234	2,729,234	2,461,823	267,411	2,339,049
Capital outlay	-	69,066	35,360	33,706	-
Total fire department	<u>21,648,061</u>	<u>22,689,738</u>	<u>21,452,458</u>	<u>1,237,280</u>	<u>19,993,154</u>
Community services					
Salaries and wages	75,712	75,712	73,348	2,364	74,015
Employee benefits	51,662	51,662	53,162	(1,500)	51,133
Services and supplies	1,398,291	1,398,291	1,427,325	(29,034)	1,268,802
Total community services	<u>1,525,665</u>	<u>1,525,665</u>	<u>1,553,835</u>	<u>(28,170)</u>	<u>1,393,950</u>
Management services department					
Salaries and wages	-	-	-	-	2,117
Employee benefits	-	-	1,325	(1,325)	531
Services and supplies	-	4,972	4,972	-	745,692
Capital outlay	4,972	-	-	-	20,668
Total management services department	<u>4,972</u>	<u>4,972</u>	<u>6,297</u>	<u>(1,325)</u>	<u>769,008</u>
Total public safety	<u>58,272,727</u>	<u>59,309,864</u>	<u>58,853,719</u>	<u>456,145</u>	<u>54,106,291</u>
Public works					
Community services					
Salaries and wages	548,534	548,534	495,490	53,044	550,915
Employee benefits	321,042	321,042	286,903	34,139	320,732
Services and supplies	1,471,043	1,463,425	1,394,775	68,650	1,153,516
Total public works	<u>2,340,619</u>	<u>2,333,001</u>	<u>2,177,168</u>	<u>155,833</u>	<u>2,025,163</u>
Culture and recreation					
Community services					
Salaries and wages	864,168	864,168	654,356	209,812	779,291
Employee benefits	588,314	588,314	446,387	141,927	522,527
Services and supplies	2,507,543	2,453,657	2,442,743	10,914	2,056,717
Capital outlay	-	50,113	49,610	503	39,220
Total culture and recreation	<u>3,960,025</u>	<u>3,956,252</u>	<u>3,593,096</u>	<u>363,156</u>	<u>3,397,755</u>
Community support					
Management services					
Services and supplies	884,000	884,000	257,581	626,419	945,302
Debt Service					
Principal	-	-	73,541	73,541	-
Interest	-	-	2,372	2,372	-
Total debt service	<u>-</u>	<u>-</u>	<u>75,913</u>	<u>75,913</u>	<u>-</u>
Total expenditures	<u>85,340,240</u>	<u>91,686,490</u>	<u>88,636,400</u>	<u>3,126,003</u>	<u>83,083,929</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,016,980)</u>	<u>(6,321,553)</u>	<u>2,759,460</u>	<u>9,005,100</u>	<u>2,845,946</u>
Other Financing Sources (Uses)					
Contingency	(1,000,000)	(1,000,000)	-	1,000,000	-
Transfers					
Transfers in	1,000,000	6,329,986	5,329,986	(1,000,000)	16,198,975
Transfers out	(9,523,165)	(9,523,165)	(9,587,237)	(64,072)	(5,397,813)
Leases	-	-	37,341	37,341	-
Total other financing sources (uses)	<u>(9,523,165)</u>	<u>(4,193,179)</u>	<u>(4,219,910)</u>	<u>(26,731)</u>	<u>10,801,162</u>
Net Change in Fund Balances	(10,540,145)	(10,514,732)	(1,460,450)	9,604,788	13,647,108
Fund Balances, Beginning of Year	<u>17,600,864</u>	<u>17,575,451</u>	<u>20,507,892</u>	<u>2,932,441</u>	<u>6,860,784</u>
Fund balances, End of Year	<u>\$ 7,060,719</u>	<u>\$ 7,060,719</u>	<u>\$ 19,047,442</u>	<u>\$ 12,537,229</u>	<u>\$ 20,507,892</u>

See Notes to the Financial Statements

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, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	Budgeted Amounts		Actual	Variance with	
	Original	Final Budget		Final Budget	2021
Revenues					
Intergovernmental revenues					
Federal awards					
Department of the Treasury	\$ -	\$ 17,365,162	\$ 6,538,657	\$ (10,826,505)	\$ 19,176,261
Department of Justice	-	797,298	197,336	(599,962)	147,711
Department of Transportation, Traffic Safety	-	325,417	83,129	(242,288)	436,086
Department of Agriculture	-	576,000	-	(576,000)	-
Department of Homeland Security	-	48,116	18,494	(29,622)	-
Department of Health and Human Services	-	-	144,000	144,000	-
Executive Office of the President	-	12,367	10,367	(2,000)	7,186
National Endowment for the Arts	-	58,607	58,607	-	2,550
State and County awards					
Council of the Arts	-	-	-	-	4,950
Washoe County	-	771,043	775,299	4,256	974,040
Other local government shared revenues					
Crime forfeitures	-	84,990	54,579	(30,411)	107,048
Other	-	154,995	81,452	(73,543)	60,930
Total intergovernmental revenues	-	20,193,995	7,961,920	(12,232,075)	20,916,762
Miscellaneous					
Investment income (loss)	-	127	262	135	145
Other	-	102,430	36,793	(65,637)	90,327
Total miscellaneous	-	102,557	37,055	(65,502)	90,472
Total revenues	-	20,296,552	7,998,975	(12,297,577)	21,007,234
Expenditures					
General government					
Services and supplies	-	35,801	-	35,801	-
Judicial					
Services and supplies	-	99,297	48,669	50,628	57,398
Public safety					
Salaries and wages	-	497,172	108,105	389,067	216,005
Employee benefits	-	48	42,942	(42,894)	42,990
Services and supplies	181,136	1,201,361	626,118	575,243	916,709
Capital outlay	19,930	373,466	415,897	(42,431)	250,114
Total public safety	201,066	2,072,047	1,193,062	878,985	1,425,818
Culture and recreation					
Salaries and wages	-	58,607	58,607	-	-
Services and supplies	-	642,316	43,380	598,936	44,736
Capital outlay	-	243,800	155,853	87,947	462,368
Total culture and recreation	-	944,723	257,840	686,883	507,104
Community support					
Services and supplies	-	17,345,750	1,298,058	16,047,692	2,887,043
Total expenditures	201,066	20,497,618	2,797,629	17,699,989	4,877,363
Excess (Deficiency) of Revenues over Expenditures	(201,066)	(201,066)	5,201,346	5,402,412	16,129,871
Other Financing Sources (Uses)					
Transfers					
Transfers out	-	-	(5,329,986)	(5,329,986)	(16,289,218)
Net Change in Fund Balances	(201,066)	(201,066)	(128,640)	72,426	(159,347)
Fund Balances, Beginning of Year	1,492,904	1,492,904	491,885	(1,001,019)	651,232
Fund Balances, End of Year	\$ 1,291,838	\$ 1,291,838	\$ 363,245	\$ (928,593)	\$ 491,885

City of Sparks
Statement of Net Position - Proprietary Funds
June 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Operations	Development Services	Total Enterprise Funds	Internal Service Funds
Assets				
Current assets				
Cash and investments	\$ 76,038,808	\$ 8,248,231	\$ 84,287,039	\$ 21,570,359
Accounts receivable, net	3,649,658	12,935	3,662,593	6,754
Notes receivable	519,349	-	519,349	-
Due from other governments	244,665	-	244,665	86,540
Deposits	-	-	-	19,072
Inventory of supplies	-	-	-	378,590
Total current assets	80,452,480	8,261,166	88,713,646	22,061,315
Noncurrent assets				
Capital assets				
Land	1,873,105	-	1,873,105	-
Construction in progress	4,147,058	8,498	4,155,556	917,056
Intangible assets	2,648	-	2,648	-
Buildings	982,424	292,172	1,274,596	475,005
Right to use building	15,203	-	15,203	-
Site improvements	3,657,383	70,045	3,727,428	245,445
Machinery and equipment	844,769	43,099	887,868	32,118,630
Right to use equipment	3,901	-	3,901	-
Water rights	7,026,502	-	7,026,502	-
Roads and streets	12,535,122	-	12,535,122	-
Storm drains	138,292,497	-	138,292,497	-
Sewer lines	156,187,612	-	156,187,612	-
	325,568,224	413,814	325,982,038	33,756,136
Less accumulated depreciation	(141,249,344)	(57,663)	(141,307,007)	(22,465,261)
Capital assets, net	184,318,880	356,151	184,675,031	11,290,875
Other noncurrent assets				
Investment - Truckee Meadows Water Reclamation Facility	36,727,252	-	36,727,252	-
Notes receivable	1,972,388	-	1,972,388	-
Total other noncurrent assets	38,699,640	-	38,699,640	-
Total noncurrent assets	223,018,520	356,151	223,374,671	11,290,875
Total assets	303,471,000	8,617,317	312,088,317	33,352,190
Deferred outflows of resources				
Deferred outflows related to pension	2,830,044	1,655,680	4,485,724	569,436
Deferred outflows related to OPEB	491,726	508,138	999,864	64,691
Total deferred outflows of resources	3,321,770	2,163,818	5,485,588	634,127
Total Assets and Deferred Outflows of Resources	306,792,770	10,781,135	317,573,905	33,986,317

City of Sparks
Statement of Net Position - Proprietary Funds
June 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Operations	Development Services	Total Enterprise Funds	Internal Service Funds
Liabilities				
Current liabilities				
Accounts payable	\$ 112,090	\$ 146,682	\$ 258,772	\$ 527,362
Accrued liabilities	132,839	75,998	208,837	21,149
Contracts payable	623,663	22,248	645,911	162,961
Contract retentions payable	199,812	5,859	205,671	-
Refundable deposits	-	126,250	126,250	-
Unearned revenues	280,817	-	280,817	-
Due to other governments	399,513	107,580	507,093	25,205
Interest payable	80,357	-	80,357	-
Compensated absences payable (current maturities)	295,752	242,867	538,619	67,067
Sick leave conversion payable (current maturities)	41,635	25,000	66,635	-
Claims liabilities (current maturities)	-	-	-	3,118,993
Matured principal payable	3,288,466	-	3,288,466	-
Lease liabilities (current maturities)	7,854	-	7,854	-
Total current liabilities	<u>5,462,798</u>	<u>752,484</u>	<u>6,215,282</u>	<u>3,922,737</u>
Noncurrent liabilities				
Compensated absences payable (net of current maturities)	898,728	810,458	1,709,186	227,852
Total OPEB liability	1,055,240	1,076,580	2,131,820	165,593
Net pension liability	3,595,879	843,892	4,439,771	724,168
Sick leave conversion payable (net of current maturities)	110,578	10,023	120,601	26,950
Claims liabilities (net of current maturities)	-	-	-	7,539,487
General obligation bonds & notes (net of current)	9,018,494	-	9,018,494	-
Lease liabilities (net of current maturities)	2,350	-	2,350	-
Total noncurrent liabilities	<u>14,681,269</u>	<u>2,740,953</u>	<u>17,422,222</u>	<u>8,684,050</u>
Total liabilities	<u>20,144,067</u>	<u>3,493,437</u>	<u>23,637,504</u>	<u>12,606,787</u>
Deferred Inflows of Resources				
Deferred inflows related to pensions	3,408,287	1,991,050	5,399,337	705,378
Deferred inflows related to OPEB	455,677	390,921	846,598	61,580
Total deferred inflows of resources	<u>3,863,964</u>	<u>2,381,971</u>	<u>6,245,935</u>	<u>766,958</u>
Total liabilities and deferred inflows of resources	<u>24,008,031</u>	<u>5,875,408</u>	<u>29,883,439</u>	<u>13,373,745</u>
Net Position				
Net investment in capital assets	173,701,053	341,420	174,042,473	11,290,874
Restricted for claims	-	-	-	9,384,339
Unrestricted	109,083,686	4,564,307	113,647,993	(62,641)
Total net position	<u>\$ 282,784,739</u>	<u>\$ 4,905,727</u>	287,690,466	<u>\$ 20,612,572</u>

Adjustment to reflect the consolidation of internal
service fund activities related to enterprise funds

1,372,286

Net Position of Business-Type Activities

\$ 289,062,752

City of Sparks
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Sewer Operations	Development Services	Total Enterprise Funds	
Operating revenues				
Licenses and permits	\$ 169,645	\$ 2,855,307	\$ 3,024,952	\$ -
Charges for services	31,843,031	3,308,088	35,151,119	22,516,870
Miscellaneous	60,575	587	61,162	315,547
Total operating revenues	<u>32,073,251</u>	<u>6,163,982</u>	<u>38,237,233</u>	<u>22,832,417</u>
Operating Expenses				
Salaries and wages	3,935,090	2,292,664	6,227,754	651,463
Employee benefits	1,652,985	928,362	2,581,347	275,216
Services and supplies	13,206,855	2,184,627	15,391,482	17,236,145
Depreciation	6,877,534	9,322	6,886,856	1,944,548
Net loss from Truckee Meadows Water Reclamation Facility	2,220,150	-	2,220,150	-
Total operating expenses	<u>27,892,614</u>	<u>5,414,975</u>	<u>33,307,589</u>	<u>20,107,372</u>
Operating Income (Loss)	<u>4,180,637</u>	<u>749,007</u>	<u>4,929,644</u>	<u>2,725,045</u>
Non-operating Revenues (Expenses)				
Investment income (loss)	(1,194,995)	(116,765)	(1,311,760)	(237,808)
Interest expense	(172,394)	-	(172,394)	-
Miscellaneous/Other	(144)	1,272	1,128	-
Gain (loss) on disposition of assets	-	(24,167)	(24,167)	25,445
Total nonoperating revenues (expenses)	<u>(1,367,533)</u>	<u>(139,660)</u>	<u>(1,507,193)</u>	<u>(212,363)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>2,813,104</u>	<u>609,347</u>	<u>3,422,451</u>	<u>2,512,682</u>
Capital Contributions				
Vehicles	-	-	-	121,038
Sewer connection fees	10,154,755	-	10,154,755	-
Sewer lines and storm drains	5,120,991	-	5,120,991	-
Total capital contributions	<u>15,275,746</u>	<u>-</u>	<u>15,275,746</u>	<u>121,038</u>
Transfers				
Transfers in	217,312	-	217,312	652,564
Transfers out	(342,494)	(24,012)	(366,506)	-
Total transfers	<u>(125,182)</u>	<u>(24,012)</u>	<u>(149,194)</u>	<u>652,564</u>
Change in Net Position	<u>17,963,668</u>	<u>585,335</u>	<u>18,549,003</u>	<u>3,286,284</u>
Net Position, Beginning of Year	<u>264,821,071</u>	<u>4,320,392</u>		<u>17,326,288</u>
Net Position, End of Year	<u>\$ 282,784,739</u>	<u>\$ 4,905,727</u>		<u>\$ 20,612,572</u>
			<u>561,541</u>	
			<u>\$ 19,110,544</u>	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities

City of Sparks
Statement of Cash Flows - Proprietary Funds - Proprietary Funds
Year Ended June 30, 2022

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer Operations</u>	<u>Development Services</u>	<u>Total Enterprise Funds</u>	
Operating activities				
Cash received from customers and users	\$ 30,990,020	\$ 6,077,472	\$ 37,067,492	\$ 4,782,641
Cash received from interfund services provided	-	-	-	17,730,322
Cash received from reimbursements of insurance claims	-	-	-	207,228
Cash paid to employees	(5,984,988)	(3,326,344)	(9,311,332)	(998,330)
Cash paid to suppliers	(13,871,831)	(2,140,151)	(16,011,982)	(18,152,259)
Cash paid to Truckee Meadows Water Reclamation Facility	(785,251)	-	(785,251)	-
Miscellaneous cash receipts (expenses)	(370)	-	(370)	-
Net cash from operating activities	<u>10,347,580</u>	<u>610,977</u>	<u>10,958,557</u>	<u>3,569,602</u>
Noncapital financing activities				
Transfers in	217,312	-	217,312	314,072
Transfers out	(4,002)	(24,012)	(28,014)	-
Net cash from (used for) noncapital financing activities	<u>213,310</u>	<u>(24,012)</u>	<u>189,298</u>	<u>314,072</u>
Capital and related financing activities				
Bond and lease obligation principal payments	(3,659,252)	-	(3,659,252)	-
Bond and lease interest expense paid	(196,688)	-	(196,688)	-
Proceeds from sale of capital assets	-	-	-	146,609
Acquisition of capital assets	(4,682,870)	(204,557)	(4,887,427)	(1,692,077)
Cash contributions - sewer connection fees	10,154,755	-	10,154,755	-
Net cash from (used for) capital and related financing activities	<u>1,615,945</u>	<u>(204,557)</u>	<u>1,411,388</u>	<u>(1,545,468)</u>
Investing activities				
Investment income (loss)	(1,194,995)	(116,765)	(1,311,760)	(237,808)
Principal received on notes receivable	503,531	-	503,531	-
Net cash from (used for) investing activities	<u>(691,464)</u>	<u>(116,765)</u>	<u>(808,229)</u>	<u>(237,808)</u>
Net change in cash and cash equivalents	11,485,371	265,643	11,751,014	2,100,398
Cash and cash equivalents, Beginning of Year	<u>64,553,437</u>	<u>7,982,588</u>	<u>72,536,025</u>	<u>19,469,961</u>
Cash and cash equivalents, End of Year	<u>\$ 76,038,808</u>	<u>\$ 8,248,231</u>	<u>\$ 84,287,039</u>	<u>\$ 21,570,359</u>

City of Sparks
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2022

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer Operations</u>	<u>Development Services</u>	<u>Total Enterprise Funds</u>	
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 4,180,637	\$ 749,007	\$ 4,929,644	\$ 2,725,045
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	6,877,534	9,322	6,886,856	1,944,548
Miscellaneous cash receipts/payments	(144)	1,272	1,128	-
Changes in				
Accounts receivable	(961,790)	(6,505)	(968,295)	(2,537)
Due from other governments	(54,076)	-	(54,076)	(109,689)
Inventory of supplies	-	-	-	(135,628)
Investment in Truckee Meadows Water Reclamation Facility	1,434,899	-	1,434,899	-
Pension related amounts	(566,723)	(319,479)	(886,202)	(99,530)
OPEB related amounts	43,023	101,105	144,128	5,440
Accounts payable	(59,219)	73,641	14,422	290,355
Accrued liabilities	31,901	11,889	43,790	704
Contracts payable	(363,439)	(26,595)	(390,034)	125,249
Unearned revenue	(65,256)	-	(65,256)	-
Due to other governments	(254,857)	(3,443)	(258,300)	(2,561)
Refundable deposits	-	(80,404)	(80,404)	-
Compensated absences	170,153	141,536	311,689	21,735
Sick leave conversion payable	(75,267)	(40,369)	(115,636)	-
Claims liabilities	-	-	-	(1,193,529)
Lease liabilities	10,204	-	10,204	-
Total adjustments	<u>6,166,943</u>	<u>(138,030)</u>	<u>6,028,913</u>	<u>844,557</u>
Net cash from operating activities	<u>\$ 10,347,580</u>	<u>\$ 610,977</u>	<u>\$ 10,958,557</u>	<u>\$ 3,569,602</u>
Noncash investing and capital and related financing activities:				
Contributions of capital assets from (to) other funds	<u>\$ (338,492)</u>	<u>\$ -</u>	<u>\$ (338,492)</u>	<u>\$ 459,530</u>
Contributions of capital assets from developers	<u>\$ 5,120,991</u>	<u>\$ -</u>	<u>\$ 5,120,991</u>	<u>\$ -</u>

City of Sparks
Statement of Fiduciary Net Position
June 30, 2022

	TMWRF Investment Pool	Other Custodial Funds	Total Custodial Funds
Assets			
Cash and investments	\$ 1,313,838	\$ 163,525	\$ 1,477,363
Net Position			
Restricted for:			
Individuals, organizations and other governments	1,313,838	163,525	1,477,363
Total liabilities and net position	\$ 1,313,838	\$ 163,525	\$ 1,477,363

City of Sparks
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	<u>TMWRF Investment Pool</u>	<u>Other Custodial Funds</u>	<u>Total Custodial Funds</u>
Additions:			
Contributions			
Dependent co-pay contributions	\$ -	\$ 236,890	\$ 236,890
Joint Venture owner contributions	19,367,634	-	19,367,634
Police Evidence Additions	-	16,259	16,259
Total contributions	<u>19,367,634</u>	<u>253,149</u>	<u>19,620,783</u>
Other income			
Interest, dividends, and other	(15,247)	238	(15,009)
Receipts from TMWRF sales and services	1,007,255	-	1,007,255
Total other income	<u>992,008</u>	<u>238</u>	<u>992,246</u>
Total additions	<u>20,359,642</u>	<u>253,387</u>	<u>20,613,029</u>
Deductions:			
Medical, dental, and life insurance - retirees	-	288,803	288,803
Disbursements for operating costs of joint venture	21,599,643	-	21,599,643
Disbursements for capital costs of joint venture	440,151	-	440,151
Police Evidence Deductions	-	70,572	70,572
Total deductions	<u>22,039,794</u>	<u>359,375</u>	<u>22,399,169</u>
Change in Net Position	(1,680,152)	(105,988)	(1,786,140)
Net position, beginning of year	<u>2,993,990</u>	<u>269,513</u>	<u>3,263,503</u>
Net position, end of year	<u>\$ 1,313,838</u>	<u>\$ 163,525</u>	<u>\$ 1,477,363</u>

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. Agency Area No. 1 is set to expire on June 30, 2023 and Area No. 2 on June 30, 2029.

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, fiduciary 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 funds:

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. Included are funds to account for assets held for the Truckee Meadows Water Reclamation Facility, funds held from police evidence until the case is settled, and to account for assets held for the dedication or providing retirement health benefits for specified retirees

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*, except for money market mutual funds which are reported at amortized cost. 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 "A" or higher by a nationally recognized rating service. These investments must not, in the aggregate, exceed 10 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 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.

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to play the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

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.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the City.

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 and net present value of leases are 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 a consumption of net assets 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 assets 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/ amortization and reduced by outstanding balances of any bonds, notes, leases, 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 2020-2021 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 2020-2021. 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, 2021, the City adopted GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Please see Notes 7, 8, 9, and 18 for more information regarding the impact of implementing GASB Statement No. 87.

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 Tourism and Marketing Fund by \$6,200 and in the Group Insurance Self-Insurance Fund by \$72,128;
- The Debt Service Fund paid an additional payment to principal that was unbudgeted for the Senior Sales Tax Anticipation Revenue Refund Bonds Series 2019A of \$270,000 and the Subordinate Sales Tax Anticipation revenue Refund bonds Series B2019 (Tax-Exempt) of \$3,951,847. This is not a violation of NRS.

Deficit Fund Equity

The Workers' Compensation Insurance Internal Service Fund has a deficit net position of \$7,002,455 at June 30, 2022.

Note 3 - Cash and Investments

Deposits and Money Market Mutual Funds

At June 30, 2022, the City's carrying amount of deposits was \$6,795,193 and the bank balance was \$7,639,970. 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 \$844,777.

At June 30, 2022, the City had \$163,241,243 in money market mutual funds. These funds are not held primarily for the purpose of income or profit and have remaining maturities at time of purchase of one year or less. Therefore, the money market mutual funds are recorded at amortized cost.

Investments

At June 30, 2022, 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	\$ 24,651,980	\$ -	\$ 20,203,150	\$ 4,448,830
Negotiable certificates of deposit	10,442,637	1,957,352	8,269,026	216,259
	<u>\$ 35,094,617</u>	<u>\$ 1,957,352</u>	<u>\$ 28,472,176</u>	<u>\$ 4,665,089</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, 2022, the following investments in a single issuer exceeded 5% of the City's total investments:

U.S. Agency security - Federal Farm Credit Bank	5.04 %
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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, 2022, the City had the following recurring fair value measurements:

	June 30, 2022	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	\$ 24,651,980	\$ -	\$ 24,651,980	\$ -
Negotiable certificates of deposit	10,442,637	-	10,442,637	-
Total investment measured at fair value	<u>\$ 35,094,617</u>	<u>\$ -</u>	<u>\$ 35,094,617</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, 2022 follows:

Deposits and Money Market Mutual Funds	\$ 170,036,437
Investments	35,094,617
	<u>\$ 205,131,054</u>
Governmental activities	
Cash and investments	\$ 110,163,633
Cash and investments - restricted	9,203,019
Business-type activities	
Cash and investments	84,287,039
Fiduciary Funds	1,477,363
	<u>\$ 205,131,054</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	\$ 1,723,319	\$ -	\$ 1,083,881	\$ 2,807,200	\$ 6,754	\$ 2,813,954
Special Assessments	-	3,404,026	-	3,404,026	-	3,404,026
Total accounts receivable	<u>\$ 1,723,319</u>	<u>\$ 3,404,026</u>	<u>\$ 1,083,881</u>	<u>\$ 6,211,226</u>	<u>\$ 6,754</u>	<u>\$ 6,217,980</u>

Accounts receivable not expected to be collected within one year are \$2,629,561 of special assessments reported in the General Obligation Debt Service Fund.

	NonMajor Governmental Funds
Notes receivable, net	
Housing Rehab Notes	\$ 1,214,123
Housing Rehab Notes - allowance for doubtful	(121,886)
Total notes receivable	<u>\$ 1,092,237</u>

Notes receivable related to housing rehabilitation loans of \$1,214,123 less the allowance of \$121,886 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	\$ 3,649,658	\$ -	\$ 3,649,658
Miscellaneous	-	12,935	12,935
Total accounts receivable	<u>\$ 3,649,658</u>	<u>\$ 12,935</u>	<u>\$ 3,662,593</u>
Notes receivable			
Effluent connection fees	\$ 409,058	\$ -	\$ 409,058
Sun Valley GID	2,082,679	-	2,082,679
Total notes receivable	<u>\$ 2,491,737</u>	<u>\$ -</u>	<u>\$ 2,491,737</u>

The current portion of notes receivable was \$519,349 as of June 30, 2022. 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, 2022 is as follows:

Due From	Due To		Total
	General Fund	Internal Service Funds	
Nonmajor Governmental Funds	\$ 30,303	\$ -	\$ 30,303

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, 2022 are as follows:

Transfers Out	Transfers In							Total
	General Fund	General Obligation Debt Service	Nonmajor Governmental	Total Governmental	Sewer	Development Services	Internal Service	
General Fund	\$ -	\$ 711,785	\$ 8,561,380	\$ 9,273,165	\$ -	\$ -	\$ 314,072	\$ 9,587,237
Sparks Grants and Donations	5,329,986	-	-	5,329,986	-	-	-	5,329,986
General Obligation Debt Service	-	-	1,534	1,534	-	-	-	1,534
Nonmajor Governmental	-	298,358	911,662	1,210,020	217,312	-	-	1,427,332
Total governmental	5,329,986	1,010,143	9,474,576	15,814,705	217,312	-	314,072	16,346,089
Sewer	-	4,002	-	4,002	-	-	338,492	342,494
Development Services	-	24,012	-	24,012	-	-	-	24,012
Total business-type	-	28,014	-	28,014	-	-	338,492	366,506
Total	\$ 5,329,986	\$ 1,038,157	\$ 9,474,576	\$ 15,842,719	\$ 217,312	\$ -	\$ 652,564	\$ 16,712,595

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 the Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA) and are restricted to eligible expenditures under ARPA.

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, 2022, the City of Sparks' share of TMWRF's net loss, recorded in the Sewer Operations Enterprise Fund, was \$2,220,150.

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, 2022, is \$36,727,252.

Summary June 30, 2022 financial information for TMWRF is as follows:

Assets	
Current assets	\$ 6,523,762
Capital assets, net of accumulated depreciation	<u>123,483,428</u>
Total assets	<u>130,007,190</u>
Deferred Outflows of Resources	
Deferred outflows related to pension	3,866,537
Deferred outflows related to OPEB	<u>875,191</u>
Total deferred outflows of resources	<u>4,741,728</u>
Total assets and deferred outflows of resources	<u>134,748,918</u>
Liabilities	
Current liabilities	1,862,353
Noncurrent liabilities	<u>7,348,473</u>
Total liabilities	<u>9,210,826</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	4,638,705
Deferred inflows related to OPEB	<u>1,002,949</u>
Total liabilities and deferred inflows of resources	<u>14,852,480</u>
Net Position	
Net investment in capital assets	123,483,428
Unrestricted	<u>(3,586,990)</u>
Total net position	<u>\$ 119,896,438</u>
Operating revenues	
Operating revenues	\$ 23,240,682
Operating expenses before depreciation	(22,553,385)
Depreciation	(8,035,976)
Non-operating revenues (expenses)	(90,446)
Capital contributions	<u>2,503,190</u>
Change in net position	<u>\$ (4,935,935)</u>

Commitments outstanding for construction projects at TMWRF at June 30, 2022 totaled approximately \$7.71 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, 2022, the City of Sparks has recorded \$1,910,080 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, 2022, 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, 2022, 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, 2022, 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, 2022, was as follows:

Governmental Activities

	Balance July 1, 2021, as Restated	Additions or Transfers In	Deletions or Transfers Out	Completed Construction	Balance June 30, 2022
Capital assets, not being depreciated					
Land	\$ 45,039,482	\$ 10,300,225	\$ -	\$ 19,597	\$ 55,359,304
Construction in progress	9,909,866	14,079,855	(36,549)	(3,739,520)	20,213,652
Intangible assets	3,229,365	-	-	-	3,229,365
Water rights	88,881	-	-	-	88,881
Total capital assets, not being depreciated	58,267,594	24,380,080	(36,549)	(3,719,923)	78,891,202
Capital assets, being depreciated					
Intangible assets	729,364	-	(8,000)	-	721,364
Buildings	39,817,630	153,525	(19,850)	728,629	40,679,934
Improvements other than buildings	103,783,216	2,642,282	(148,900)	1,352,016	107,628,614
Machinery and equipment	42,120,054	1,618,039	(3,072,930)	203,896	40,869,059
Infrastructure	404,924,835	5,255,097	-	1,435,382	411,615,314
Total capital assets, being depreciated	591,375,099	9,668,943	(3,249,680)	3,719,923	601,514,285
Less accumulated depreciation for					
Intangible assets	(625,089)	(47,316)	2,933	-	(669,472)
Buildings	(24,953,266)	(1,017,454)	937	-	(25,969,783)
Improvements other than buildings	(72,944,541)	(3,834,215)	90,900	-	(76,687,856)
Machinery and equipment	(28,421,080)	(2,406,122)	2,840,004	-	(27,987,198)
Infrastructure	(93,574,549)	(4,557,160)	-	-	(98,131,709)
Total accumulated depreciation	(220,518,525)	(11,862,267)	2,934,774	-	(229,446,018)
Total capital assets, being depreciated, net	370,856,574	(2,193,324)	(314,906)	3,719,923	372,068,267
Right to use leased assets, being amortized					
Right to use leased buildings	79,814	-	-	-	79,814
Right to use leased office equipment	58,921	37,341	-	-	96,262
Right to use leased vehicles	36,345	-	-	-	36,345
Total right to use leased assets, being amortized	175,080	37,341	-	-	212,421
Less accumulated amortization for					
Right to use leased buildings	-	(42,433)	-	-	(42,433)
Right to use leased office equipment	-	(28,138)	-	-	(28,138)
Right to use leased vehicles	-	(12,984)	-	-	(12,984)
Total accumulated amortization	-	(83,555)	-	-	(83,555)
Total right to use leased assets, being amortized, net	175,080	(46,214)	-	-	128,866
Governmental activities capital assets, net	\$ 429,299,248	\$ 22,140,542	\$ (351,455)	\$ -	\$ 451,088,335

The above schedule has been restated due to the implementation of GASB Statement No. 87, *Leases*, as of July 1, 2021. See Note 18.

Business-type Activities

	Balance June 1, 2021, as Restated	Additions or Transfers In	Deletions or Transfers Out	Completed Construction	Balance June 30, 2022
Capital assets, not being depreciated					
Construction in progress	\$ 6,436,941	\$ 2,785,466	\$ -	\$ (5,066,851)	\$ 4,155,556
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	<u>15,339,196</u>	<u>2,785,466</u>	<u>-</u>	<u>(5,066,851)</u>	<u>13,057,811</u>
Capital assets, being depreciated					
Buildings	982,424	196,059	-	96,113	1,274,596
Improvements other than buildings	3,727,427	-	-	-	3,727,427
Machinery and equipment	922,607	-	(34,741)	-	887,866
Roads and streets	11,202,489	1,298,682	-	33,950	12,535,121
Storm drains	132,316,351	3,216,239	-	2,759,910	138,292,500
Sewer lines	151,856,359	2,154,376	-	2,176,878	156,187,613
Total capital assets, being depreciated	<u>301,007,657</u>	<u>6,865,356</u>	<u>(34,741)</u>	<u>5,066,851</u>	<u>312,905,123</u>
Less accumulated depreciation for					
Buildings	(473,699)	(28,290)	-	-	(501,989)
Improvements other than buildings	(3,161,706)	(40,826)	-	-	(3,202,532)
Machinery and equipment	(499,529)	(59,484)	10,573	-	(548,440)
Roads and streets	(3,197,590)	(770,993)	-	-	(3,968,583)
Storm drains	(49,725,203)	(2,885,276)	-	-	(52,610,479)
Sewer lines	(77,372,996)	(3,093,084)	-	-	(80,466,080)
Total accumulated depreciation	<u>(134,430,723)</u>	<u>(6,877,953)</u>	<u>10,573</u>	<u>-</u>	<u>(141,298,103)</u>
Total capital assets, being depreciated, net	<u>166,576,934</u>	<u>(12,597)</u>	<u>(24,168)</u>	<u>5,066,851</u>	<u>171,607,020</u>
Right to use leased assets, being amortized					
Right to use leased buildings	15,203	-	-	-	15,203
Right to use leased office equipment	3,901	-	-	-	3,901
Total right to use leased assets being amortized	<u>19,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,104</u>
Less accumulated amortization for					
Right to use leased buildings	-	(8,083)	-	-	(8,083)
Right to use leased office equipment	-	(820)	-	-	(820)
Total accumulated amortization	<u>-</u>	<u>(8,903)</u>	<u>-</u>	<u>-</u>	<u>(8,903)</u>
Total right to use leased assets, being amortized, net	<u>19,104</u>	<u>(8,903)</u>	<u>-</u>	<u>-</u>	<u>10,201</u>
Business-type activities capital assets, net	<u>\$ 181,935,234</u>	<u>\$ 2,763,966</u>	<u>\$ (24,168)</u>	<u>\$ -</u>	<u>\$ 184,675,032</u>

The above schedule has been restated due to the implementation of GASB Statement No. 87, *Leases*, as of July 1, 2021. See Note 18.

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

Governmental Activities	
General Government	\$ 335,389
Judicial	71,358
Public Safety	680,105
Public works	5,356,636
Culture and recreation	2,956,973
Community support	600,813
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>1,944,548</u>
Total depreciation expenses - governmental activities	<u><u>\$ 11,945,822</u></u>
Business-type Activities	
Sewer	\$ 6,877,534
Development Services	<u>9,322</u>
Total depreciation expenses - business-type activities	<u><u>\$ 6,886,856</u></u>

Note 8 - Leases

Leases

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charge by the lessor is not provided, the City generally uses the US Treasury monthly average rate at the beginning of the fiscal year based on the term length with an adjustment for the risk-free rate. The lease term included the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported as right to use along with other capital assets. Lease liabilities are reported with debt on the statement of net position.

The City has entered into various agreements to lease office equipment, vehicles, and a building with initial terms ranging from 36 months to 10 years. The various leases terminate between April 2023 and February 2027. The City also pays additional expenses based on usage for the copiers, which is not included in the measurement of the lease liability as they are variable in nature. At June 30, 2022, the City recognized right to use assets of \$231,525 and a lease liability of \$149,084 related to those agreements. During the year, the City recorded \$92,458 in amortization expense and \$2,653 in interest expense. The City used discount rates ranging from 0.89% to 2.02% based on the US Treasury monthly average rate based on the term length as described above.

Note 9 - Long-Term Liabilities

Changes to Long-Term Liabilities as of June 30, 2022, 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
Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019B (Tax-Exempt)	12/19/2019	3.5%	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			
Lease Liabilities			
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). The above schedule has been restated due to the implementation of GASB Statement No. 87, *Leases*, as of July 1, 2021. See Note 18.

Authorized	Balance July 1, 2021, as Restated	Additions	Deletions	Balance June 30, 2022	Due in 2022-2023
\$ 79,905,000	\$ 69,350,000	\$ -	\$ 7,865,000	\$ 61,485,000	\$ 8,000,000
8,926,847	5,951,847	-	5,951,847	-	-
<u>7,330,000</u>	<u>4,730,000</u>	<u>-</u>	<u>892,000</u>	<u>3,838,000</u>	<u>918,000</u>
<u>96,161,847</u>	<u>80,031,847</u>	<u>-</u>	<u>14,708,847</u>	<u>65,323,000</u>	<u>8,918,000</u>
13,498,290	5,638,881	-	760,842	4,878,039	781,063
9,660,000	6,113,000	-	814,000	5,299,000	831,000
22,165,000	2,075,000	-	2,075,000	-	-
<u>7,285,000</u>	<u>4,435,000</u>	<u>-</u>	<u>445,000</u>	<u>3,990,000</u>	<u>460,000</u>
52,608,290	18,261,881	-	4,094,842	14,167,039	2,072,063
-	4,839	-	3,242	1,597	-
<u>52,608,290</u>	<u>18,257,042</u>	<u>-</u>	<u>4,091,600</u>	<u>14,165,442</u>	<u>2,072,063</u>
<u>148,770,137</u>	<u>98,288,889</u>	<u>-</u>	<u>18,800,447</u>	<u>79,488,442</u>	<u>10,990,063</u>
-	300,000	-	100,000	200,000	100,000
-	142,080	-	142,080	-	-
-	15,025,013	4,008,715	3,661,041	15,372,687	3,746,988
-	4,716,237	700,931	949,915	4,467,253	874,635
-	175,080	37,341	73,541	138,880	74,151
-	11,852,009	12,556,542	13,750,071	10,658,480	3,118,993
-	32,210,419	17,303,529	18,676,648	30,837,300	7,914,767
<u>\$ 148,770,137</u>	<u>\$ 130,499,308</u>	<u>\$ 17,303,529</u>	<u>\$ 37,477,095</u>	<u>\$ 110,325,742</u>	<u>\$ 18,904,830</u>

	Issue Date	Interest Rate	Final Maturity Date
Business-type Activities			
Business-type Long-Term Debt			
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			
Lease Liabilities			
Total business-type other long-term liabilities			
Total business-type long-term liabilities			
Total long-term liabilities			

The above schedule has been restated due to the implementation of GASB Statement No. 87, *Leases*, as of July 1, 2021. See Note 18.

City of Sparks
Notes to the Financial Statements
June 30, 2022

Authorized	Balance July 1, 2021, as Restated	Additions	Deletions	Balance June 30, 2022	Due in 2022-2023
\$ 27,099,691	\$ 13,264,871	\$ -	\$ 2,867,991	\$ 10,396,880	\$ 2,474,603
<u>5,998,790</u>	<u>2,701,341</u>	<u>-</u>	<u>791,261</u>	<u>1,910,080</u>	<u>813,863</u>
<u>33,098,481</u>	<u>15,966,212</u>	<u>-</u>	<u>3,659,252</u>	<u>12,306,960</u>	<u>3,288,466</u>
-	1,936,116	899,948	588,259	2,247,805	538,619
-	302,872	-	115,636	187,236	66,635
-	19,104	-	8,900	10,204	7,854
<u>-</u>	<u>2,258,092</u>	<u>899,948</u>	<u>712,795</u>	<u>2,445,245</u>	<u>613,108</u>
<u>33,098,481</u>	<u>18,224,304</u>	<u>899,948</u>	<u>4,372,047</u>	<u>14,752,205</u>	<u>3,901,574</u>
<u>\$ 181,868,618</u>	<u>\$ 148,723,612</u>	<u>\$ 18,203,477</u>	<u>\$ 41,849,142</u>	<u>\$ 125,077,947</u>	<u>\$ 22,806,404</u>

Payment Requirements for Debt Service

The annual requirements to pay principal and interest on all bonds, notes, financial incentive agreements, and leases outstanding at June 30, 2022 are as follows:

Year Ending June 30	Governmental Activities							
	Leases		Revenue Bonds		Direct Placement Tax Allocation Bonds		Financial Incentive and Interlocal Agreements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 74,151	\$ 1,624	\$ 8,918,000	\$ 1,768,532	\$ 2,072,063	\$ 424,973	\$ 100,000	\$ -
2024	31,134	814	9,304,000	1,540,166	2,126,961	360,332	100,000	-
2025	17,461	441	9,703,000	1,301,996	2,196,302	293,867	-	-
2026	11,881	240	10,138,000	1,031,855	2,251,241	225,262	-	-
2027	4,253	28	9,555,000	749,650	2,320,004	154,864	-	-
2028-2032	-	-	17,705,000	486,888	3,200,468	118,195	-	-
Total	<u>\$ 138,880</u>	<u>\$ 3,147</u>	<u>\$ 65,323,000</u>	<u>\$ 6,879,087</u>	<u>\$ 14,167,039</u>	<u>\$ 1,577,493</u>	<u>\$ 200,000</u>	<u>\$ -</u>

Year Ending June 30	Business-Type Activities*			
	Leases		Private Placement Bond and Note from Direct Borrowing	
	Principal	Interest	Principal	Interest
2023	\$ 7,854	\$ 103	\$ 3,288,466	\$ 127,763
2024	799	27	3,069,151	84,747
2025	804	16	2,194,809	53,630
2026	747	5	1,602,575	31,248
2027	-	-	938,126	16,628
2028-2031	-	-	1,213,833	15,382
Total	<u>\$ 10,204</u>	<u>\$ 151</u>	<u>\$ 12,306,960</u>	<u>\$ 329,398</u>

*Full accrual basis of accounting.

Compliance

For the fiscal year ending June 30, 2022, 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, 2022, the legal debt margin is \$694,520,278.

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 2022, a payment of \$100,000 was made and \$200,000 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 then provided \$142,080 per year for three years. During fiscal year 2022, a final payment of \$142,080 was made completing the \$1,280,000 Financial Assistance Agreement between the City and Marnell Gaming

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 \$4,138,873 payable through fiscal year 2026. During fiscal year 2022 principal and interest paid for the bonds totaled \$1,038,157 and pledged revenues totaled \$5,703,934.

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), (2019 AB&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. In fiscal year 2021, the Subordinate Sales Tax Anticipation Revenue Bonds, Series C (Taxable) were repaid. 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 2019 A&B Bonds, even if debt service on the 2019 A&B 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 \$68,063,213 payable through fiscal year 2028. During fiscal year 2022, principal and interest due on the bonds totaled \$15,800,999, which included a \$5,951,847 turbo payment to pay off the 2019 Series B bonds. Pledged revenues totaled \$16,727,219 at June 30, 2022.

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. There is no remaining principal and interest to be paid on the bonds as of June 30, 2022. During fiscal year 2022, principal and interest paid for the bonds totaled \$2,178,750. Current year pledged revenues totaled \$3,989,356.

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 \$10,306,253, payable through fiscal year 2029. During fiscal year 2022, principal and interest paid for the two bonds totaled \$1,545,526 and pledged revenues totaled \$5,196,840.

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 \$5,438,279. During fiscal year 2022, principal and interest paid for the bonds totaled \$962,241 and pledged revenues totaled \$878,508.

Business-type activities

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 remaining to be paid on the bonds is \$10,761,751. During fiscal year 2022, principal and interest paid for the bonds totaled \$3,024,069. Net pledged revenues totaled \$23,363,342.

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, 2022, the Stabilization Special Revenue Fund has a committed fund balance of \$1,263,886.

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, 2022, the statutory employer-pay contribution (EPC) rate was 29.75% for Regular members and 44.00% 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 \$15,384,179 for the year ended June 30, 2022. Of this amount, \$7,692,090 was classified as Employer contributions and \$7,692,090 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, 2021:

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%
Real Estate	6%	6.65%
Private Equity	6%	6.65%

As of June 30, 2021, PERS' long-term inflation assumption was 2.50%.

Net Pension Liability - At June 30, 2022, the City reported a liability for its proportionate share of the net pension liability of \$65,542,565. The net pension liability was measured as of June 30, 2021, 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, 2021, the City's proportion was 0.71872 percent, which was an increase of 0.06173 from its proportion measured as of June 30, 2020.

Pension Liability Discount Rate Sensitivity - The following presents the net pension liability of the City as of June 30, 2022, calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	\$ 130,493,147	\$ 65,542,565	\$ 11,963,651

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, 2021, 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	2.50%
Payroll Growth	3.5%
Investment Rate of Return	7.25%, including inflation
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.20% to 9.10% depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.50%
Other Assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

Mortality rates for healthy regular members and contingent beneficiaries were based on Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 15% for females. For ages before age 40, mortality rates are based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables. For ages 40 through 50, the rates were smoothed between the above tables. Mortality rates for healthy police/fire members were based on Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 5% for females. For ages before age 35 through 45, the rates were smoothed between the above tables.

Mortality rates for disabled regular members based on Pub-1020 Non-Safely Disabled Retiree Amount-Weighted Mortality Table with rates increased by 20% for males and 15% for females. Mortality rates for disabled police/fire members were based on Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 30% for males and 10% for females.

Mortality rates for current beneficiaries were based on Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 15% for males and 30% for females. For ages before age 35, mortality rates are based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table. For ages 35 through 45, the rates were smoothed between the above tables.

Mortality rates pro pre-retirement regular members were based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table. Mortality rates for pre-retirement police/fire members were based on Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table.

The mortality tables were projected generationally with the two-dimensional mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

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 7.25% as of June 30, 2021. 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, 2021, 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, 2021.

Change in Assumptions - The PERS plan reflects the following change in assumptions from June 30, 2020 to June 30, 2021:

- The inflation rate decreased from 2.75% to 2.50%
- Payroll growth decreased from 5.00% to 3.5%
- Investment rate of return decreased from 7.50% to 7.25%
- Projected salary increases declined from 4.25% to 9.15% to 4.20% to 9.10% for Regular members and increased from 4.55% to 13.90% to 4.60% to 14.50% for Police/Fire members.
- The consumer price index decreased from 2.75% to 2.50%
- Mortality rates were changed from Headcount-Weighted RP-2014 Tables to Pub-2010 Mortality Tables.
- Future mortality improvement was changed from 6 years to the Generational Projection Scale MP-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, 2022, the City recognized pension expense of \$396,180. At June 30, 2022, 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	\$ 7,097,578	\$ 452,427
Changes of assumptions or other inputs	21,274,048	-
Net difference between projected and actual earnings on pension plan investments	-	52,455,901
Changes in the employer's proportion and differences between contributions and the employer's proportionate contributions	7,009,546	242,348
City contributions subsequent to the measurement date	7,692,091	-
	\$ 43,073,263	\$ 53,150,676

Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date in the amount of \$7,692,091 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

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, 2022</u>	
2023	\$ (6,148,034)
2024	(5,814,091)
2025	(6,073,656)
2026	(6,707,792)
2027	6,118,859
Thereafter	855,211

The average of the expected remaining service lives of active employees that will be provided with pensions through PERS as determined at June 30, 2021 is 6.14 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, 2022, 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, 2022 is \$4,482,831.

Note 13 - Commitments

As of June 30, 2022, 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, 2022 the City has a remaining estimated amount of \$1,193,524.

Significant commitments include the encumbrances outstanding in the Parks and Recreation Fund and Sparks Grants and Donations Fund, which have been included in the appropriate classifications, are shown below.

	Encumbrances
Parks and Recreation Fund	\$ 984,440
Sparks Grants and Donations Fund	1,007,076
	\$ 1,991,516

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, 2022			
	Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year
Group Insurance Self-Insurance Fund	\$ 1,070,921	\$ 11,435,175	\$ (11,219,759)	\$ 1,286,337
Municipal Self-Insurance Fund	6,000	525,630	(516,534)	15,096
Workers' Compensation Fund	10,775,088	595,737	(2,013,778)	9,357,047
	<u>\$ 11,852,009</u>	<u>\$ 12,556,542</u>	<u>\$ (13,750,071)</u>	<u>\$ 10,658,480</u>
	Fiscal Year Ended June 30, 2021			
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>

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, 2022, the City paid \$1,065,551 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 2022 by the City to NPEBP range from \$4.16 to \$1,803.49. 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, 2022, 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, 2022, 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 \$41,172,387, of which \$35,196,694 is related to the Sparks Plan and \$5,975,693 is related to NPEBP, was measured as of June 30, 2022 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	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	N/A
Discount rate	3.54%	3.54%
Healthcare cost trend rate	0.00% for 2021 followed by 5.40% decreasing to an ultimate rate of 4.04% by 2075	0.00% for 2021 followed by 5.40% 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 \$0.00 to \$1,347.93

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, 2021	\$ 44,569,269	\$ 7,619,441	\$ 52,188,710
Changes for the year:			
Service Costs	2,196,932	-	2,196,932
Interest	998,650	161,690	1,160,340
Differences between expected and actual experience	(2,524,520)	(440,066)	(2,964,586)
Changes in assumptions or other inputs	(8,973,141)	(1,096,304)	(10,069,445)
Benefit payments	(1,070,496)	(269,068)	(1,339,564)
Net changes	(9,372,575)	(1,643,748)	(11,016,323)
Balance at June 30, 2022	\$ 35,196,694	\$ 5,975,693	\$ 41,172,387

Significant changes of assumptions and other inputs since the measurement date of June 30, 2022 are noted below:

- Discount rate has been updated based on the 20-year, tax exempt general bond obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2022 from 2.16% to 3.54%. This change caused a decrease in liability during the year.
- Initial health care trend rate has been updated from 5.70% to 0.00% based on actual premiums rates increase from 2020 to 2021. This caused a decrease in 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 3.54%, 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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	Discount Rate		
	1% Decrease (2.54%)	(3.54%)	1% Increase (4.54%)
Sparks Plan	\$ 41,162,086	\$ 35,196,694	\$ 30,467,781
NPEBP	6,988,497	5,975,693	5,172,818
Total OPEB Liability	\$ 48,150,583	\$ 41,172,387	\$ 35,640,599

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 0.00% for 2021, followed by 5.40% 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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.4% decreasing to 3.04% by 2075)	Healthcare Cost Trend Rates (5.4% decreasing to 4.04% by 2075)	1% Increase (6.4% decreasing to 5.04% by 2075)
Sparks Plan	\$ 29,356,549	\$ 35,196,694	\$ 42,798,620
NPEBP	4,984,154	5,975,693	7,266,348
Total OPEB Liability	<u>\$ 34,340,703</u>	<u>\$ 41,172,387</u>	<u>\$ 50,064,968</u>

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - For the year ended June 30, 2022 the City recognized an OPEB expense of \$3,875,110, of which \$3,775,827 is related to the Sparks Plan and \$99,283 is related to NPEBP. At June 30, 2022, 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	\$ 136,644	\$ 5,498,026
Differences between changes of economic and demographic assumptions or of other inputs	12,080,081	7,851,498
NPEBP		
Differences between expected and actual experience	21,598	1,220,427
Differences between changes of economic and demographic assumptions or of other inputs	1,347,086	959,266
Total	<u>\$ 13,585,409</u>	<u>\$ 15,529,217</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>	<u>Sparks Plan</u>	<u>NPEBP</u>
2023	\$ 580,242	\$ (62,405)
2024	580,242	(62,405)
2025	523,512	(74,450)
2026	411,042	(28,689)
2027	(353,430)	(198,966)
Thereafter	(2,874,407)	(384,094)

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 2022 intergovernmental revenues of the City by \$680,787.

State of Nevada Tax Abatements

Aviation Tax Abatement (NRS 360.753)	\$ 19,705
Data Centers Abatement (NRS 360.754)	37,094
Local Sales and Use Tax Abatement*	348,981
Renewable Energy Abatement (NRS 701A.370)	<u>275,007</u>
	<u><u>680,787</u></u>

*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 \$228,189 on the following:

Maint. Admin Restroom Remodel	\$ 660
Maint. Garage Lean-to Building	62,457
Citywide Re-Keying/Security Infrastructure	124,480
Fire Station 3 Carpet Replacement	2,125
Maint. Admin Restroom Remodel	2,923
Fire Station 3 - Heat Pump & Future HVAC System	8,760
Police Dept. Carpet Replacement at 1st Floor	23,980
Deer Pool Boiler & Water Heater Replacement	<u>2,804</u>
	<u><u>\$ 228,189</u></u>

Note 18 - GASB Statement No. 87 Implementation

As of July 1, 2021, the City adopted GASB Statement No. 87, *Leases*. This Statement increases the usefulness of governments financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financing the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and a right-to-use lease asset, and a lessor is required to reconcile a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Comparative totals have not been updated for the implementation due to the immaterial impact. The impact for the adoption of GASB Statement No. 87 is as follows:

	Governmental Activities	Business-Type Activities	Total
Recognition of right to use leased asset	\$ 175,080	\$ 19,104	\$ 194,184
Recognition of lease liability	<u>(175,080)</u>	<u>(19,104)</u>	<u>(194,184)</u>
Effect on Net Position at July 1, 2021	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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Required Supplementary Information

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	2022		2021	
	Sparks Plan	NPEBP	Sparks Plan	NPEBP
Total OPEB Liability				
Service Cost	\$ 2,196,932	\$ -	\$ 1,605,582	\$ -
Interest	998,650	161,690	811,824	169,161
Differences between expected and actual experience	(2,524,520)	(440,066)	(1,288,824)	(565,766)
Changes of assumptions or other inputs	(8,973,141)	(1,096,304)	8,875,217	517,350
Benefit payments	(1,070,496)	(269,068)	(1,120,103)	(309,525)
Net change in total OPEB liability	(9,372,575)	(1,643,748)	8,883,696	(188,780)
Total OPEB liability-beginning	44,569,269	7,619,441	35,685,573	7,808,221
Total OPEB liability-ending	\$ 35,196,694	\$ 5,975,693	\$ 44,569,269	\$ 7,619,441
Covered-employee payroll	51,297,619	-	46,353,419	-
Total OPEB liability as a percentage of covered-employee payroll	68.61 %	-	96.15 %	-

*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:

	2022	2021
Discount rate	3.54%	2.16%
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	<i>0.00% for 2021 followed by 5.7% for 2020 to 2021, decreasing 5.40% decreasing to an ultimate rate of 4.04% by 2075</i>	<i>5.7% for 2020 to 2021, decreasing to an ultimate rate of 4.04% by 2075</i>
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	<i>Pub-2010 Headcount-Weighted Employee (Public Safety for police and fire and General for all others) projected fully generationally using MP-2020</i>
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	<i>Pub-2010 Headcount-Weighted Retiree table (Public Safety for police and fire and General for all others) projected fully generationally using MP-2020</i>

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*

2020		2019		2018	
Sparks Plan	NPEBP	Sparks Plan	NPEBP	Sparks Plan	NPEBP
\$ 1,134,315	\$ -	\$ 784,223	\$ -	\$ 785,174	\$ -
1,045,020	230,094	1,077,848	269,030	1,019,654	274,311
(1,091,105)	28,399	(3,752,815)	(993,729)	-	-
6,442,521	1,163,476	4,415,457	646,898	539,508	114,654
(958,760)	(335,380)	(947,571)	(301,682)	(598,390)	(291,307)
6,571,991	1,086,589	1,577,142	(379,483)	1,745,946	97,658
29,113,582	6,721,632	27,536,440	7,101,115	25,790,494	7,003,457
<u>\$ 35,685,573</u>	<u>\$ 7,808,221</u>	<u>\$ 29,113,582</u>	<u>\$ 6,721,632</u>	<u>\$ 27,536,440</u>	<u>\$ 7,101,115</u>
44,517,475	-	42,302,486	-	40,116,014	-
80.16 %	-	68.82 %	-	68.64 %	-

2020	2019	2018
2.21%	3.51%	3.87%
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	<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>Initial rate of 1.5% followed by 5.4% declining gradually to an ultimate rate of 3.94% by 2075</i>	<i>5.4% declining gradually to an ultimate rate of 3.94% by 2075</i>	5.9% declining gradually over 60 years to an ultimate rate of 3.94%
RP-2014 Headcount-Weighted Employee Table, projected to 2020 with Scale MP-2016	<i>RP-2014 Headcount-Weighted Employee Table, projected to 2020 with Scale MP-2016</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
RP-2014 Headcount-Weighted Healthy Annuitant Table, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries	<i>RP-2014 Headcount-Weighted Healthy Annuitant Table, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries</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

	2021	2020	2019
City's portion of the net pension liability	0.71872 %	0.65699 %	0.65591 %
City's proportionate share of the net pension liability	\$ 65,542,565	\$ 91,507,090	\$ 89,439,220
City's covered payroll	\$ 41,214,127	\$ 37,976,678	\$ 36,201,228
City's proportional share of the net pension liability as a percentage of its covered payroll	159.03 %	240.96 %	247.06 %
Plan fiduciary net position as a percentage of the total pension liability	86.50 %	77.00 %	76.50 %

* 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

Notes to Schedule:

	2021	2020	2019
Inflation rate	2.50 %	2.75 %	2.75 %
Payroll growth	3.50 %	5.00 %	5.00 %
Investment rate of return	7.25 %	7.50 %	7.50 %
Productivity pay increases	0.50 %	0.50 %	0.50 %
Projected salary increases			
Regular**	4.20% to 9.10%	4.25% to 9.15%	4.25% to 9.15%
Police/Fire**	4.60% to 14.50%	4.55% to 13.90%	4.55% to 13.90%
Consumer price index	2.50 %	2.75 %	2.75 %
Mortality rate			
Healthy***	Pub-2010 General and Safety Employee Retiree and Employee	Headcount-Weighted RP-2014 Healthy	Headcount-Weighted RP-2014 Healthy
Disabled	Pub-2010 Non-Safety and Safety Disabled Retiree	Headcount-Weighted RP-2014 Disabled	Headcount-Weighted RP-2014 Disabled
Current beneficiaries***	Amount-Weighted Pub-2010 Contingent Survivor and General Employee	Headcount-Weighted RP-2014 Healthy	Headcount-Weighted RP-2014 Healthy
Pre-retirement***	Employee Pub-2010 General and Safety Employee	Headcount-Weighted RP-2014 Employee	Headcount-Weighted RP-2014 Employee
Future mortality improvement	Generational Projection Scale MP-2020	6 years	6 years

** Depending on service. Rates include inflation and productivity increases.

*** Amount-Weighted Above-Median

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

2018	2017	2016	2015	2014
0.65035 %	0.65133 %	0.63750 %	0.66963 %	0.68240 %
\$ 88,692,434	\$ 86,625,696	\$ 87,624,211	\$ 77,407,621	\$ 71,650,806
\$ 34,483,164	\$ 34,821,590	\$ 32,837,554	\$ 31,672,326	\$ 31,931,910
257.21 %	248.77 %	266.84 %	244.40 %	224.39 %
75.20 %	74.40 %	72.20 %	75.10 %	76.30 %

2018	2017	2016	2015	2014
2.75 %	2.75 %	3.50 %	3.50 %	3.50 %
5.00 %	5.00 %	5.00 %	5.00 %	5.00 %
7.50 %	7.50 %	8.00 %	8.00 %	8.00 %
0.50 %	0.50 %	0.75 %	0.75 %	0.75 %

4.25% to 9.15%	4.25% to 9.15%	4.60% to 9.75%	4.60% to 9.75%	4.60% to 9.75%
4.55% to 13.90%	4.55% to 13.90%	5.25% to 14.50%	5.25% to 14.50%	5.25% to 14.50%

2.75 %	2.75 %	3.50 %	3.50 %	3.50 %
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Headcount-Weighted RP-2014 Healthy	Headcount-Weighted RP-2014 Healthy	RP-2000 Combined Healthy Mortality Table	RP-2000 Combined Healthy Mortality Table	RP-2000 Combined Healthy Mortality Table
Headcount-Weighted RP-2014 Disabled	Headcount-Weighted RP-2014 Disabled	N/A	RP-2000 Disabled Retiree Mortality Table	RP-2000 Disabled Retiree Mortality Table
Headcount-Weighted RP-2014 Healthy	Headcount-Weighted RP-2014 Healthy	N/A	N/A	N/A
Headcount-Weighted RP-2014 Employee 6 years	Headcount-Weighted RP-2014 Employee 6 years	N/A	N/A	N/A

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 7,692,091	\$ 7,359,447	\$ 6,729,996
Contributions in relation to the statutorily required contribution	\$ 7,692,091	\$ 7,359,447	\$ 6,729,996
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered payroll	\$ 41,921,546	\$ 41,214,127	\$ 37,976,678
Contributions as a percentage of covered payroll	18.35 %	17.86 %	17.72 %

* 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*

2019	2018	2017	2016	2015
\$ 6,194,100	\$ 5,901,799	\$ 5,718,019	\$ 5,405,048	\$ 5,168,048
\$ 6,194,100	\$ 5,901,799	\$ 5,718,019	\$ 5,405,048	\$ 5,168,048
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 36,201,228	\$ 34,483,164	\$ 34,821,590	\$ 32,837,554	\$ 31,672,326
17.11 %	17.12 %	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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Assets				
Cash and investments	\$ 9,218,405	\$ 1,627,371	\$ 43,592,009	\$ 54,437,785
Accounts receivable, net	46,962	-	1,036,919	1,083,881
Due from other governments	36,915	-	606,257	643,172
Notes receivable, net	1,092,237	-	-	1,092,237
Restricted cash and investments	-	728,500	-	728,500
Total assets	<u>\$ 10,394,519</u>	<u>\$ 2,355,871</u>	<u>\$ 45,235,185</u>	<u>\$ 57,985,575</u>
Liabilities				
Accounts payable	\$ 199,200	\$ -	\$ 860,051	\$ 1,059,251
Accrued liabilities	95,332	-	49,157	144,489
Contracts payable	-	-	2,604,028	2,604,028
Contract retentions payable	-	-	222,002	222,002
Refundable deposits	50	-	1,000	1,050
Unearned revenues	389,408	-	-	389,408
Due to other funds	30,303	-	-	30,303
Due to other governments	80,683	-	59,265	139,948
Total liabilities	<u>794,976</u>	<u>-</u>	<u>3,795,503</u>	<u>4,590,479</u>
Deferred Inflows of Resources				
Unavailable revenue - grants	1,092,238	-	-	1,092,238
Unavailable revenue - property taxes and other	-	-	49,340	49,340
Total deferred inflows of resources	<u>1,092,238</u>	<u>-</u>	<u>49,340</u>	<u>1,141,578</u>
Fund Balances				
Restricted for				
Grants and donations	125,747	-	-	125,747
Promotion of special events	181,078	-	-	181,078
Various judicial uses	304,743	-	-	304,743
Municipal facilities construction	176,172	-	-	176,172
Court fee collection programs	449,857	-	-	449,857
Developer agreements	4,050,422	-	484,483	4,534,905
Debt service reserve	-	2,205,871	-	2,205,871
Parks and recreation	183,204	-	6,601,315	6,784,519
Street improvements & rehabilitation	-	-	2,164,654	2,164,654
Capital projects	-	-	679,346	679,346
Improvements to Victorian Square	-	-	5,739,472	5,739,472
Committed for				
Economic development	65,039	-	-	65,039
Parks and recreation	660,725	-	-	660,725
Road surface repairs	1,046,432	-	-	1,046,432
Economic Stabilization	1,263,886	-	-	1,263,886
Improvements to 5 Ridges development	-	150,000	-	150,000
Assigned for				
Specific capital projects	-	-	4,034,987	4,034,987
Next year's budget deficit	-	-	2,052,062	2,052,062
Other capital projects	-	-	19,634,023	19,634,023
Total fund balances	<u>8,507,305</u>	<u>2,355,871</u>	<u>41,390,342</u>	<u>52,253,518</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 10,394,519</u>	<u>\$ 2,355,871</u>	<u>\$ 45,235,185</u>	<u>\$ 57,985,575</u>

City of Sparks
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
NonMajor Governmental Funds
Year Ended June 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Revenues				
Taxes	\$ 196,000	\$ 1,500,000	\$ 9,900,352	\$ 11,596,352
Licenses and permits	1,765,269	-	4,318,838	6,084,107
Intergovernmental revenues	209,288	147,977	4,936,208	5,293,473
Charges for services	2,092,328	-	168,495	2,260,823
Fines and forfeits	-	-	3,000	3,000
Miscellaneous	(27,298)	148,866	(400,146)	(278,578)
Total revenues	<u>4,235,587</u>	<u>1,796,843</u>	<u>18,926,747</u>	<u>24,959,177</u>
Expenditures				
Current				
General government	-	-	814,623	814,623
Judicial	262,533	-	-	262,533
Public safety	4,331	-	413,333	417,664
Public works	151,923	-	5,361,263	5,513,186
Culture and recreation	3,892,552	-	827,576	4,720,128
Community support	270,148	-	506,415	776,563
Total current expenditures	<u>4,581,487</u>	<u>-</u>	<u>7,923,210</u>	<u>12,504,697</u>
Capital outlay				
General government	-	-	316,201	316,201
Public safety	-	-	485,890	485,890
Public works	-	-	1,788,538	1,788,538
Culture and recreation	182,284	-	1,022,539	1,204,823
Community support	-	-	2,678,869	2,678,869
Total capital outlay	<u>182,284</u>	<u>-</u>	<u>6,292,037</u>	<u>6,474,321</u>
Debt service				
Principal	-	3,334,000	-	3,334,000
Interest	-	390,276	-	390,276
Fiscal charges and other	-	3,200	-	3,200
Total debt service	<u>-</u>	<u>3,727,476</u>	<u>-</u>	<u>3,727,476</u>
Total expenditures	<u>4,763,771</u>	<u>3,727,476</u>	<u>14,215,247</u>	<u>22,706,494</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(528,184)</u>	<u>(1,930,633)</u>	<u>4,711,500</u>	<u>2,252,683</u>
Other Financing Sources (Uses)				
Transfers				
Transfers in	2,025,050	-	7,449,526	9,474,576
Transfers out	(334,562)	(794,412)	(298,358)	(1,427,332)
Total other financing sources (uses)	<u>1,690,488</u>	<u>(794,412)</u>	<u>7,151,168</u>	<u>8,047,244</u>
Net Change in Fund Balances	<u>1,162,304</u>	<u>(2,725,045)</u>	<u>11,862,668</u>	<u>10,299,927</u>
Fund Balances, Beginning of Year	<u>7,345,001</u>	<u>5,080,916</u>	<u>29,527,674</u>	<u>41,953,591</u>
Fund Balances, End of Year	<u>\$ 8,507,305</u>	<u>\$ 2,355,871</u>	<u>\$ 41,390,342</u>	<u>\$ 52,253,518</u>

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.

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	\$ 125,748	\$ -	\$ 394,328
Accounts receivable, net	-	-	-
Due from other governments	-	36,915	-
Notes receivable, net	1,092,237	-	-
Total assets	<u>\$ 1,217,985</u>	<u>\$ 36,915</u>	<u>\$ 394,328</u>
Liabilities			
Accounts payable	\$ -	\$ 6,132	\$ 17,250
Accrued liabilities	-	-	-
Refundable deposits	-	-	-
Unearned revenues	-	-	196,000
Due to other funds	-	30,303	-
Due to other governments	-	480	-
Total liabilities	<u>-</u>	<u>36,915</u>	<u>213,250</u>
Deferred Inflows of Resources			
Unavailable revenue - grants	<u>1,092,238</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted for			
Grants and donations	125,747	-	-
Promotion of special events	-	-	181,078
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	<u>125,747</u>	<u>-</u>	<u>181,078</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 1,217,985</u>	<u>\$ 36,915</u>	<u>\$ 394,328</u>

City of Sparks
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2022

Parks & Recreation Program	Court Administrative Assessment	Street Cut	Impact Fee Service Area No. 1	Stabilization	Landscape Maintenance Fund	Total
\$ 1,232,652	\$ 930,705	\$ 1,008,259	\$ 4,054,753	\$ 1,263,886	\$ 208,074	\$ 9,218,405
2,908	67	41,663	-	-	2,324	46,962
-	-	-	-	-	-	36,915
-	-	-	-	-	-	1,092,237
<u>\$ 1,235,560</u>	<u>\$ 930,772</u>	<u>\$ 1,049,922</u>	<u>\$ 4,054,753</u>	<u>\$ 1,263,886</u>	<u>\$ 210,398</u>	<u>\$ 10,394,519</u>
\$ 144,293	\$ -	\$ -	\$ 4,331	\$ -	\$ 27,194	\$ 199,200
93,316	-	2,016	-	-	-	95,332
50	-	-	-	-	-	50
193,408	-	-	-	-	-	389,408
-	-	-	-	-	-	30,303
78,729	-	1,474	-	-	-	80,683
<u>509,796</u>	<u>-</u>	<u>3,490</u>	<u>4,331</u>	<u>-</u>	<u>27,194</u>	<u>794,976</u>
-	-	-	-	-	-	1,092,238
-	-	-	-	-	-	125,747
-	-	-	-	-	-	181,078
-	304,743	-	-	-	-	304,743
-	176,172	-	-	-	-	176,172
-	449,857	-	-	-	-	449,857
-	-	-	4,050,422	-	-	4,050,422
-	-	-	-	-	183,204	183,204
65,039	-	-	-	-	-	65,039
660,725	-	-	-	-	-	660,725
-	-	1,046,432	-	-	-	1,046,432
-	-	-	-	1,263,886	-	1,263,886
<u>725,764</u>	<u>930,772</u>	<u>1,046,432</u>	<u>4,050,422</u>	<u>1,263,886</u>	<u>183,204</u>	<u>8,507,305</u>
<u>\$ 1,235,560</u>	<u>\$ 930,772</u>	<u>\$ 1,049,922</u>	<u>\$ 4,054,753</u>	<u>\$ 1,263,886</u>	<u>\$ 210,398</u>	<u>\$ 10,394,519</u>

	Community Development Block Grant	Community Development Entitlement Grant	Tourism and Marketing
Revenues			
Taxes	\$ -	\$ -	\$ 196,000
Licenses and permits	-	-	-
Intergovernmental revenues	-	63,948	-
Charges for services	84,253	-	-
Miscellaneous	-	-	554
Total revenues	<u>84,253</u>	<u>63,948</u>	<u>196,554</u>
Expenditures			
Current			
Judicial	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Community support	-	63,948	206,200
Total current	<u>-</u>	<u>63,948</u>	<u>206,200</u>
Capital outlay			
Culture and recreation	-	-	-
Total expenditures	<u>-</u>	<u>63,948</u>	<u>206,200</u>
Excess (Deficiency) of Revenues over Expenditures	<u>84,253</u>	<u>-</u>	<u>(9,646)</u>
Other Financing Sources (Uses)			
Transfers			
Transfers in	-	-	-
Transfers out	-	-	(117,250)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(117,250)</u>
Net Change in Fund Balances	84,253	-	(126,896)
Fund Balances, Beginning of Year	<u>41,494</u>	<u>-</u>	<u>307,974</u>
Fund Balances, End of Year	<u>\$ 125,747</u>	<u>\$ -</u>	<u>\$ 181,078</u>

City of Sparks
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Nonmajor Special Revenue Funds
 Year Ended June 30, 2022

Parks & Recreation Program	Court Administrative Assessment	Street Cut	Impact Fee Service Area No. 1	Stabilization	Landscape Maintenance Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,000
30,685	-	224,929	1,259,655	250,000	-	1,765,269
-	145,340	-	-	-	-	209,288
1,927,455	-	-	-	-	80,620	2,092,328
2,265	-	1,847	(33,884)	1,683	237	(27,298)
<u>1,960,405</u>	<u>145,340</u>	<u>226,776</u>	<u>1,225,771</u>	<u>251,683</u>	<u>80,857</u>	<u>4,235,587</u>
-	262,533	-	-	-	-	262,533
-	-	-	4,331	-	-	4,331
-	-	151,923	-	-	-	151,923
3,698,871	-	-	14,511	-	179,170	3,892,552
-	-	-	-	-	-	270,148
<u>3,698,871</u>	<u>262,533</u>	<u>151,923</u>	<u>18,842</u>	<u>-</u>	<u>179,170</u>	<u>4,581,487</u>
-	-	-	182,284	-	-	182,284
<u>3,698,871</u>	<u>262,533</u>	<u>151,923</u>	<u>201,126</u>	<u>-</u>	<u>179,170</u>	<u>4,763,771</u>
<u>(1,738,466)</u>	<u>(117,193)</u>	<u>74,853</u>	<u>1,024,645</u>	<u>251,683</u>	<u>(98,313)</u>	<u>(528,184)</u>
1,917,250	-	-	-	-	107,800	2,025,050
-	-	-	(217,312)	-	-	(334,562)
<u>1,917,250</u>	<u>-</u>	<u>-</u>	<u>(217,312)</u>	<u>-</u>	<u>107,800</u>	<u>1,690,488</u>
178,784	(117,193)	74,853	807,333	251,683	9,487	1,162,304
<u>546,980</u>	<u>1,047,965</u>	<u>971,579</u>	<u>3,243,089</u>	<u>1,012,203</u>	<u>173,717</u>	<u>7,345,001</u>
<u>\$ 725,764</u>	<u>\$ 930,772</u>	<u>\$ 1,046,432</u>	<u>\$ 4,050,422</u>	<u>\$ 1,263,886</u>	<u>\$ 183,204</u>	<u>\$ 8,507,305</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development Block Grant
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Charges for services				
Federal grant-Housing Rehab loan reimbursements	\$ 84,254	\$ 84,253	\$ (1)	\$ 52,185
Expenditures				
Community support				
Services and supplies	84,254	-	84,254	10,691
Net Change in Fund Balances	-	84,253	84,253	41,494
Fund Balances, Beginning of Year	-	41,494	41,494	-
Fund Balances, End of Year	\$ -	\$ 125,747	\$ 125,747	\$ 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, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Intergovernmental revenues				
Community Development Block and Entitlement grants	\$ 1,332,676	\$ 63,948	\$ (1,268,728)	\$ 617,851
Expenditures				
Community support				
Salaries and wages	94,311	35,785	58,526	90,521
Employee benefits	42,534	16,469	26,065	41,595
Services and supplies	246,184	11,694	234,490	485,735
Capital outlay	949,647	-	949,647	-
Total expenditures	1,332,676	63,948	1,268,728	617,851
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, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Room taxes	\$ 196,000	\$ 196,000	\$ -	\$ 196,000
Miscellaneous				
Investment income (loss)	340	554	214	107
Total revenues	<u>196,340</u>	<u>196,554</u>	<u>214</u>	<u>196,107</u>
Expenditures				
Community support				
Services and supplies	<u>200,000</u>	<u>206,200</u>	<u>(6,200)</u>	<u>25,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,660)</u>	<u>(9,646)</u>	<u>6,414</u>	<u>171,107</u>
Other Financing Sources (Uses)				
Transfers				
Transfers out	<u>(100,000)</u>	<u>(117,250)</u>	<u>(17,250)</u>	<u>-</u>
Net Change in Fund Balances	(103,660)	(126,896)	(29,650)	171,107
Fund Balances, Beginning of Year	<u>308,207</u>	<u>307,974</u>	<u>(233)</u>	<u>136,867</u>
Fund Balances, End of Year	<u>\$ 204,547</u>	<u>\$ 181,078</u>	<u>\$ (29,883)</u>	<u>\$ 307,974</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Parks & Recreation Program
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Concession franchise fees	\$ 21,000	\$ 30,685	\$ 9,685	\$ 11,960
Charges for services				
Recreation program fees	2,483,720	1,622,374	(861,346)	1,138,471
Administrative service charges	-	-	-	(25)
Other	511,093	305,081	(206,012)	27,659
Miscellaneous				
Other	-	2,265	2,265	1,330
Total revenues	<u>3,015,813</u>	<u>1,960,405</u>	<u>(1,055,408)</u>	<u>1,179,395</u>
Expenditures				
Culture and recreation				
Salaries and wages	3,241,925	2,256,500	985,425	1,670,458
Employee benefits	587,861	623,527	(35,666)	558,830
Services and supplies	1,020,417	818,844	201,573	628,818
Total expenditures	<u>4,850,203</u>	<u>3,698,871</u>	<u>1,151,332</u>	<u>2,858,106</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,834,390)</u>	<u>(1,738,466)</u>	<u>95,924</u>	<u>(1,678,711)</u>
Other Financing Sources (Uses)				
Transfers				
Transfers in	1,900,000	1,917,250	17,250	2,104,455
Net Change in Fund Balances	65,610	178,784	113,174	425,744
Fund Balances, Beginning of Year	<u>166,658</u>	<u>546,980</u>	<u>380,322</u>	<u>121,236</u>
Fund Balances, End of Year	<u>\$ 232,268</u>	<u>\$ 725,764</u>	<u>\$ 493,496</u>	<u>\$ 546,980</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Court Administrative Assessment
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Intergovernmental revenues				
Municipal court administrative assessments	\$ 20,500	\$ 29,039	\$ 8,539	\$ 23,976
Court collection fees	75,000	76,957	1,957	95,414
Court facility administrative assessments	25,000	39,344	14,344	31,894
Total revenues	<u>120,500</u>	<u>145,340</u>	<u>24,840</u>	<u>151,284</u>
Expenditures				
Judicial				
Salaries and wages	10,000	-	10,000	3,157
Services and supplies	1,108,763	262,533	846,230	220,294
Total expenditures	<u>1,118,763</u>	<u>262,533</u>	<u>856,230</u>	<u>223,451</u>
Net Change in Fund Balances	(998,263)	(117,193)	881,070	(72,167)
Fund Balances, Beginning of Year	<u>1,001,006</u>	<u>1,047,965</u>	<u>46,959</u>	<u>1,120,132</u>
Fund Balances, End of Year	<u>\$ 2,743</u>	<u>\$ 930,772</u>	<u>\$ 928,029</u>	<u>\$ 1,047,965</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Street Cut
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Street cuts	\$ 300,000	\$ 224,929	\$ (75,071)	\$ 616,028
Miscellaneous				
Investment income (loss)	1,584	1,847	263	315
Total revenues	<u>301,584</u>	<u>226,776</u>	<u>(74,808)</u>	<u>616,343</u>
Expenditures				
Public works				
Salaries and wages	34,871	39,629	(4,758)	40,455
Employee benefits	20,543	20,638	(95)	20,948
Services and supplies	543,272	91,656	451,616	358,577
Total expenditures	<u>598,686</u>	<u>151,923</u>	<u>446,763</u>	<u>419,980</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(297,102)</u>	<u>74,853</u>	<u>(371,955)</u>	<u>196,363</u>
Other Financing Sources (Uses)				
Transfers				
Transfers in	-	-	-	1,524
Net Change in Fund Balances	(297,102)	74,853	371,955	197,887
Fund Balances, Beginning of Year	<u>352,115</u>	<u>971,579</u>	<u>619,464</u>	<u>773,692</u>
Fund Balances, End of Year	<u>\$ 55,013</u>	<u>\$ 1,046,432</u>	<u>\$ 991,419</u>	<u>\$ 971,579</u>

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, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Flood control fees	\$ 80,000	\$ 244,421	\$ 164,421	\$ 169,950
Public facility fees	100,000	300,933	200,933	242,200
Park fees	200,000	495,576	295,576	476,022
Sanitary sewer fees	100,000	218,725	118,725	181,329
Miscellaneous				
Investment income (loss)	5,116	(33,884)	(39,000)	3,536
Total revenues	<u>485,116</u>	<u>1,225,771</u>	<u>740,655</u>	<u>1,073,037</u>
Expenditures				
Public safety				
Services and supplies	210,000	4,331	205,669	-
Capital outlay	750,000	-	750,000	-
Total public safety	<u>960,000</u>	<u>4,331</u>	<u>955,669</u>	<u>-</u>
Public works				
Services and supplies	25,000	-	25,000	-
Culture and recreation				
Services and supplies	66,756	14,511	52,245	28,868
Capital outlay	411,745	182,284	229,461	113,941
Total culture and recreation	<u>478,501</u>	<u>196,795</u>	<u>281,706</u>	<u>142,809</u>
Total expenditures	<u>1,463,501</u>	<u>201,126</u>	<u>1,262,375</u>	<u>142,809</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(978,385)</u>	<u>1,024,645</u>	<u>2,003,030</u>	<u>930,228</u>
Other Financing Sources (Uses)				
Transfers				
Transfers out	(100,000)	(217,312)	(117,312)	(181,409)
Net Change in Fund Balances	(1,078,385)	807,333	1,885,718	748,819
Fund Balances, Beginning of Year	3,188,197	3,243,089	54,892	2,494,270
Fund Balances, End of Year	<u>\$ 2,109,812</u>	<u>\$ 4,050,422</u>	<u>\$ 1,940,610</u>	<u>\$ 3,243,089</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Stabilization
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Business licenses and permits	\$ 250,000	\$ 250,000	\$ -	\$ 200,000
Miscellaneous				
Investment income (loss)	2,263	1,683	(580)	102
Total revenues	252,263	251,683	(580)	200,102
Fund Balances, Beginning of Year	1,014,363	1,012,203	(2,160)	812,101
Fund Balances, End of Year	\$ 1,266,626	\$ 1,263,886	\$ (2,740)	\$ 1,012,203

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Landscape Maintenance Fund
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Charges for services				
Recreation program fees	\$ 81,957	\$ 80,620	\$ (1,337)	\$ 80,619
Miscellaneous				
Investment income (loss)	-	237	237	59
Total revenues	<u>81,957</u>	<u>80,857</u>	<u>(1,100)</u>	<u>80,678</u>
Expenditures				
Culture and recreation				
Services and supplies	<u>332,096</u>	<u>179,170</u>	<u>152,926</u>	<u>173,500</u>
<u>Excess (Deficiency) of Revenues over Expenditures</u>	<u>(250,139)</u>	<u>(98,313)</u>	<u>151,826</u>	<u>(92,822)</u>
Other Financing Sources (Uses)				
Transfers				
Transfers in	<u>107,800</u>	<u>107,800</u>	<u>-</u>	<u>107,800</u>
Net Change in Fund Balances	(142,339)	9,487	151,826	14,978
Fund Balances, Beginning of Year	<u>239,953</u>	<u>173,717</u>	<u>(66,236)</u>	<u>158,739</u>
Fund Balances, End of Year	<u>\$ 97,614</u>	<u>\$ 183,204</u>	<u>\$ 85,590</u>	<u>\$ 173,717</u>

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.

SID No. 1 Debt Service Fund

To accumulate monies to account for issuing special assessment bonds to finance onsite and offsite infrastructure improvements required to develop the 5 Ridges project.

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Obligation Debt Service
Year Ended June 30, 2022
(with Comparative Actual Amounts for Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Special assessments	\$ 1,593,897	\$ 878,508	\$ (715,389)	\$ 2,212,765
Intergovernmental revenues				
Dedicated sales tax - improvement districts	14,900,000	16,727,219	1,827,219	16,266,141
Miscellaneous				
Investment income (loss)	4,941	4,369	(572)	1,071
Total revenues	<u>16,498,838</u>	<u>17,610,096</u>	<u>1,111,258</u>	<u>18,479,977</u>
Expenditures				
Debt service				
Principal	11,247,842	15,469,689	(4,221,847)	13,497,235
Interest	2,507,234	2,331,708	175,526	2,792,339
Fiscal charges and other	-	2,849	(2,849)	2,850
Total expenditures	<u>13,755,076</u>	<u>17,804,246</u>	<u>(4,049,170)</u>	<u>16,292,424</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,743,762</u>	<u>(194,150)</u>	<u>(2,937,912)</u>	<u>2,187,553</u>
Other Financing Sources (Uses)				
Transfers				
Transfers in	1,038,157	1,038,157	-	1,037,886
Transfers out	-	(1,534)	(1,534)	(1,422)
Total other financing sources (uses)	<u>1,038,157</u>	<u>1,036,623</u>	<u>(1,534)</u>	<u>1,036,464</u>
Net Change in Fund Balances	3,781,919	842,473	(2,939,446)	3,224,017
Fund Balances, Beginning of Year	<u>18,909,466</u>	<u>18,617,263</u>	<u>(292,203)</u>	<u>15,393,246</u>
Fund Balances, End of Year	<u>\$ 22,691,385</u>	<u>\$ 19,459,736</u>	<u>\$ (3,231,649)</u>	<u>\$ 18,617,263</u>

City of Sparks
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2022

	Redevelopment Agency Area No. 1 Tax Revenue Fund	Redevelopment Agency Area No. 2 Debt Service Fund	SID No. 1 Debt Service Fund	Total
Assets				
Cash and investments	\$ -	\$ 1,477,371	\$ 150,000	\$ 1,627,371
Restricted assets				
Cash and investments	-	728,500	-	728,500
Total assets	<u>\$ -</u>	<u>\$ 2,205,871</u>	<u>\$ 150,000</u>	<u>\$ 2,355,871</u>
Fund Balances				
Restricted for				
Debt service reserve	-	2,205,871	-	2,205,871
Committed for				
Improvements to 5 Ridges development	-	-	150,000	150,000
Total fund balances	<u>-</u>	<u>2,205,871</u>	<u>150,000</u>	<u>2,355,871</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 2,205,871</u>	<u>\$ 150,000</u>	<u>\$ 2,355,871</u>

City of Sparks
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Debt Service Funds
Year Ended June 30, 2022

	Redevelopment Agency Area No. 1 Tax Revenue Fund	Redevelopment Agency Area No. 2 Debt Service Fund	SID No. 1 Debt Service Fund	Total
Revenues				
Taxes	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000
Intergovernmental revenues	147,977	-	-	147,977
Miscellaneous	320	(1,454)	150,000	148,866
Total revenues	<u>148,297</u>	<u>1,498,546</u>	<u>150,000</u>	<u>1,796,843</u>
Expenditures				
Debt service				
Principal	2,075,000	1,259,000	-	3,334,000
Interest	103,750	286,526	-	390,276
Fiscal charges and other	1,100	2,100	-	3,200
Total expenditures	<u>2,179,850</u>	<u>1,547,626</u>	<u>-</u>	<u>3,727,476</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,031,553)</u>	<u>(49,080)</u>	<u>150,000</u>	<u>(1,930,633)</u>
Other Financing Sources (Uses)				
Transfers				
Transfers out	<u>(794,412)</u>	<u>-</u>	<u>-</u>	<u>(794,412)</u>
Net Change in Fund Balances	(2,825,965)	(49,080)	150,000	(2,725,045)
Fund Balance, Beginning of Year	2,825,965	2,254,951	-	5,080,916
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 2,205,871</u>	<u>\$ 150,000</u>	<u>\$ 2,355,871</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, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ -	\$ -	\$ -	\$ 1,900,000
Intergovernmental revenues				
Motor vehicle privilege tax	177,572	147,977	(29,595)	177,572
Miscellaneous				
Investment income (loss)	7	320	313	12
Total revenues	<u>177,579</u>	<u>148,297</u>	<u>(29,282)</u>	<u>2,077,584</u>
Expenditures				
Debt service				
Principal	2,075,000	2,075,000	-	1,975,000
Interest	103,750	103,750	-	202,500
Fiscal charges and other	1,100	1,100	-	1,100
Total expenditures	<u>2,179,850</u>	<u>2,179,850</u>	<u>-</u>	<u>2,178,600</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,002,271)</u>	<u>(2,031,553)</u>	<u>(29,282)</u>	<u>(101,016)</u>
Other Financing Sources (Uses)				
Transfers				
Transfers out	-	(794,412)	(794,412)	-
Net Change in Fund Balances	(2,002,271)	(2,825,965)	(823,694)	(101,016)
Fund Balances, Beginning of Year	2,825,960	2,825,965	5	2,926,980
Fund Balances, End of Year	<u>\$ 823,689</u>	<u>\$ -</u>	<u>\$ (823,689)</u>	<u>\$ 2,825,964</u>

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, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,440,528
Miscellaneous				
Investment income (loss)	1	(1,454)	(1,455)	(1,583)
Total revenues	<u>1,500,001</u>	<u>1,498,546</u>	<u>(1,455)</u>	<u>1,438,945</u>
Expenditures				
Debt service				
Principal	1,259,000	1,259,000	-	1,224,000
Interest	286,526	286,526	-	318,997
Fiscal charges and other	2,200	2,100	100	2,100
Total expenditures	<u>1,547,726</u>	<u>1,547,626</u>	<u>100</u>	<u>1,545,097</u>
Net Change in Fund Balances	(47,725)	(49,080)	(1,355)	(106,152)
Fund Balances, Beginning of Year	<u>2,256,534</u>	<u>2,254,951</u>	<u>(1,583)</u>	<u>2,361,103</u>
Fund Balances, End of Year	<u>\$ 2,208,809</u>	<u>\$ 2,205,871</u>	<u>\$ (2,938)</u>	<u>\$ 2,254,951</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
SID No. 1 Debt Service Fund
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Miscellaneous				
Other	\$ 76,797	\$ 150,000	\$ 73,203	\$ -
Net Change in Fund Balances	76,797	150,000	73,203	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ 76,797</u>	<u>\$ 150,000</u>	<u>\$ 73,203</u>	<u>\$ -</u>

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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	\$ 1,434,224	\$ 1,121,941	\$ 2,494,269	\$ 3,757,968	\$ 6,927,804
Accounts receivable, net	-	-	-	753,142	2,351
Due from other governments	-	-	-	233,215	-
Total assets	\$ 1,434,224	\$ 1,121,941	\$ 2,494,269	\$ 4,744,325	\$ 6,930,155
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 839,657	\$ 13,589
Accrued liabilities	-	-	-	36,735	-
Contracts payable	6,828	44,498	6,423	1,554,695	90,217
Contract retentions payable	-	-	-	102,416	24,392
Refundable deposits	-	-	-	-	-
Due to other governments	-	-	-	46,168	-
Total liabilities	6,828	44,498	6,423	2,579,671	128,198
Deferred Inflows of Resources					
Unavailable revenue - property taxes and other	-	-	-	-	-
Fund Balances					
Restricted for					
Developer agreements	-	-	-	-	-
Parks and recreation	1,427,396	1,077,443	2,487,846	-	-
Street improvements & rehabilitation	-	-	-	2,164,654	-
Capital projects	-	-	-	-	-
Improvements to Victorian Square	-	-	-	-	-
Assigned for					
Specific capital projects	-	-	-	-	433,299
Next year's budget deficit	-	-	-	-	-
Other capital projects	-	-	-	-	6,368,658
Total fund balances	1,427,396	1,077,443	2,487,846	2,164,654	6,801,957
Total liabilities, deferred inflows of resources and fund balances	\$ 1,434,224	\$ 1,121,941	\$ 2,494,269	\$ 4,744,325	\$ 6,930,155

City of Sparks
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2022

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
\$ 678,215	\$ 5,031,606	\$ 484,533	\$ 4,499,088	\$ 11,378,972	\$ 5,783,389	\$ 43,592,009
-	281,343	-	83	-	-	1,036,919
1,131	-	-	117,258	106,513	148,140	606,257
<u>\$ 679,346</u>	<u>\$ 5,312,949</u>	<u>\$ 484,533</u>	<u>\$ 4,616,429</u>	<u>\$ 11,485,485</u>	<u>\$ 5,931,529</u>	<u>\$ 45,235,185</u>
\$ -	\$ 112	\$ 50	\$ 1,909	\$ 4,733	\$ 1	\$ 860,051
-	11,761	-	661	-	-	49,157
-	67,330	-	650,001	1,365	182,671	2,604,028
-	10,171	-	62,732	12,906	9,385	222,002
-	1,000	-	-	-	-	1,000
-	12,257	-	840	-	-	59,265
-	102,631	50	716,143	19,004	192,057	3,795,503
-	-	-	21,318	28,022	-	49,340
-	-	484,483	-	-	-	484,483
-	1,608,630	-	-	-	-	6,601,315
-	-	-	-	-	-	2,164,654
679,346	-	-	-	-	-	679,346
-	-	-	-	-	5,739,472	5,739,472
-	3,601,688	-	-	-	-	4,034,987
-	-	-	2,051,121	941	-	2,052,062
-	-	-	1,827,847	11,437,518	-	19,634,023
<u>679,346</u>	<u>5,210,318</u>	<u>484,483</u>	<u>3,878,968</u>	<u>11,438,459</u>	<u>5,739,472</u>	<u>41,390,342</u>
<u>\$ 679,346</u>	<u>\$ 5,312,949</u>	<u>\$ 484,533</u>	<u>\$ 4,616,429</u>	<u>\$ 11,485,485</u>	<u>\$ 5,931,529</u>	<u>\$ 45,235,185</u>

	Recreation & Parks District 1	Recreation & Parks District 2	Recreation & Parks District 3	Road Fund	Capital Projects
Revenues					
Taxes	\$ 133,670	\$ 62,060	\$ 698,000	\$ -	\$ -
Licenses and permits	-	-	-	3,070,461	-
Intergovernmental revenues	-	-	-	4,642,354	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Miscellaneous	(12,744)	(14,762)	(31,795)	15,543	(70,942)
Total revenues	120,926	47,298	666,205	7,728,358	(70,942)
Expenditures					
Current					
General government	-	-	-	-	786,652
Public safety	-	-	-	-	387,228
Public works	-	-	-	5,304,531	56,732
Culture and recreation	11,995	93,144	20,101	-	6,246
Community support	-	-	-	-	-
Total current	11,995	93,144	20,101	5,304,531	1,236,858
Capital outlay					
General government	-	-	-	-	153,652
Public safety	-	-	-	-	477,130
Public works	-	-	-	1,780,308	8,230
Culture and recreation	3,700	3,000	318,450	-	18,692
Community support	-	-	-	-	-
Total capital outlay	3,700	3,000	318,450	1,780,308	657,704
Total expenditures	15,695	96,144	338,551	7,084,839	1,894,562
Excess (Deficiency) of Revenues Over Expenditures	105,231	(48,846)	327,654	643,519	(1,965,504)
Other Financing Sources (Uses)					
Transfers					
Transfers in	-	-	-	-	5,753,580
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	5,753,580
Net Change in Fund Balances	105,231	(48,846)	327,654	643,519	3,788,076
Fund Balances, Beginning of Year	1,322,165	1,126,289	2,160,192	1,521,135	3,013,881
Fund Balances, End of Year	\$ 1,427,396	\$ 1,077,443	\$ 2,487,846	\$ 2,164,654	\$ 6,801,957

City of Sparks
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Nonmajor Capital Projects Funds
 Year Ended June 30, 2022

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
\$ -	\$ -	\$ -	\$ 3,811,784	\$ 3,696,840	\$ 1,497,998	\$ 9,900,352
-	1,248,377	-	-	-	-	4,318,838
264,259	-	-	29,595	-	-	4,936,208
-	168,495	-	-	-	-	168,495
-	-	-	-	3,000	-	3,000
(17,992)	(56,164)	94	22,056	(102,259)	(131,181)	(400,146)
<u>246,267</u>	<u>1,360,708</u>	<u>94</u>	<u>3,863,435</u>	<u>3,597,581</u>	<u>1,366,817</u>	<u>18,926,747</u>
27,971	-	-	-	-	-	814,623
26,105	-	-	-	-	-	413,333
-	-	-	-	-	-	5,361,263
854	695,236	-	-	-	-	827,576
-	-	1,483	165,353	79,325	260,254	506,415
<u>54,930</u>	<u>695,236</u>	<u>1,483</u>	<u>165,353</u>	<u>79,325</u>	<u>260,254</u>	<u>7,923,210</u>
162,549	-	-	-	-	-	316,201
8,760	-	-	-	-	-	485,890
-	-	-	-	-	-	1,788,538
1,950	676,747	-	-	-	-	1,022,539
-	-	-	1,521,436	416,123	741,310	2,678,869
<u>173,259</u>	<u>676,747</u>	<u>-</u>	<u>1,521,436</u>	<u>416,123</u>	<u>741,310</u>	<u>6,292,037</u>
228,189	1,371,983	1,483	1,686,789	495,448	1,001,564	14,215,247
<u>18,078</u>	<u>(11,275)</u>	<u>(1,389)</u>	<u>2,176,646</u>	<u>3,102,133</u>	<u>365,253</u>	<u>4,711,500</u>
-	800,000	1,534	794,412	-	100,000	7,449,526
-	-	-	(298,358)	-	-	(298,358)
<u>-</u>	<u>800,000</u>	<u>1,534</u>	<u>496,054</u>	<u>-</u>	<u>100,000</u>	<u>7,151,168</u>
18,078	788,725	145	2,672,700	3,102,133	465,253	11,862,668
<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>\$ 679,346</u>	<u>\$ 5,210,318</u>	<u>\$ 484,483</u>	<u>\$ 3,878,968</u>	<u>\$ 11,438,459</u>	<u>\$ 5,739,472</u>	<u>\$ 41,390,342</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Recreation & Parks District 1
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Residential park construction tax	\$ 112,000	\$ 133,670	\$ 21,670	\$ 247,249
Miscellaneous				
Investment income (loss)	3,167	(13,499)	(16,666)	1,537
Other	-	755	755	250
Total revenues	<u>115,167</u>	<u>120,926</u>	<u>5,759</u>	<u>249,036</u>
Expenditures				
Culture and recreation				
Services and supplies	60,433	11,995	48,438	8,261
Capital outlay	793,246	3,700	789,546	69,446
Total expenditures	<u>853,679</u>	<u>15,695</u>	<u>837,984</u>	<u>77,707</u>
Net Change in Fund Balances	(738,512)	105,231	843,743	171,329
Fund Balances, Beginning of Year	<u>1,471,941</u>	<u>1,322,165</u>	<u>(149,776)</u>	<u>1,150,836</u>
Fund Balances, End of Year	<u>\$ 733,429</u>	<u>\$ 1,427,396</u>	<u>\$ 693,967</u>	<u>\$ 1,322,165</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Recreation & Parks District 2
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Residential park construction tax	\$ 363,000	\$ 62,060	\$ (300,940)	\$ 320,000
Miscellaneous				
Investment income (loss)	2,263	(15,137)	(17,400)	3,480
Other	-	375	375	265
Total revenues	<u>365,263</u>	<u>47,298</u>	<u>(317,965)</u>	<u>323,745</u>
Expenditures				
Culture and recreation				
Services and supplies	127,139	93,144	33,995	5,273
Capital outlay	484,477	3,000	481,477	-
Total expenditures	<u>611,616</u>	<u>96,144</u>	<u>515,472</u>	<u>5,273</u>
Net Change in Fund Balances	(246,353)	(48,846)	197,507	318,472
Fund Balances, Beginning of Year	<u>1,049,369</u>	<u>1,126,289</u>	<u>76,920</u>	<u>807,817</u>
Fund Balances, End of Year	<u>\$ 803,016</u>	<u>\$ 1,077,443</u>	<u>\$ 274,427</u>	<u>\$ 1,126,289</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Recreation & Parks District 3
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Residential park construction tax	\$ 457,000	\$ 698,000	\$ 241,000	\$ 516,000
Miscellaneous				
Investment income (loss)	4,072	(32,170)	(36,242)	5,882
Other	-	375	375	250
Total revenues	<u>461,072</u>	<u>666,205</u>	<u>205,133</u>	<u>522,132</u>
Expenditures				
Culture and recreation				
Services and supplies	50,000	20,101	29,899	435
Capital outlay	959,355	318,450	640,905	305,445
Total expenditures	<u>1,009,355</u>	<u>338,551</u>	<u>670,804</u>	<u>305,880</u>
Net Change in Fund Balances	(548,283)	327,654	875,937	216,252
Fund Balances, Beginning of Year	<u>1,196,561</u>	<u>2,160,192</u>	<u>963,631</u>	<u>1,943,940</u>
Fund Balances, End of Year	<u>\$ 648,278</u>	<u>\$ 2,487,846</u>	<u>\$ 1,839,568</u>	<u>\$ 2,160,192</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Road Fund
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Right of way toll fees	\$ 750,000	\$ 765,854	\$ 15,854	\$ 767,138
Electric franchise fees	1,532,000	1,680,038	148,038	1,355,807
Gas franchise fees	614,000	624,569	10,569	502,060
Intergovernmental revenues				
State shared revenues				
Motor vehicle fuel tax	2,660,252	2,520,705	(139,547)	2,645,354
Other local government shared revenues	2,023,058	2,121,649	98,591	1,049,162
Miscellaneous				
Investment income (loss)	5,263	5,543	280	218
Other	-	10,000	10,000	64,095
Total revenues	<u>7,584,573</u>	<u>7,728,358</u>	<u>143,785</u>	<u>6,383,834</u>
Expenditures				
Public works				
Salaries and wages	1,280,053	1,129,589	150,464	1,129,929
Employee benefits	753,737	638,710	115,027	662,058
Services and supplies	4,180,339	3,536,232	644,107	2,599,698
Capital outlay	1,827,188	1,780,308	46,880	831,914
Total expenditures	<u>8,041,317</u>	<u>7,084,839</u>	<u>956,478</u>	<u>5,223,599</u>
Excess (deficiency) of revenues over expenditures	(456,744)	643,519	1,100,263	1,160,235
Other Financing Sources (Uses)				
Transfers				
Transfers in	-	-	-	5,393
Net Change in Fund Balances	(456,744)	643,519	1,100,263	1,165,628
Fund Balances, Beginning of Year	470,628	1,521,135	1,050,507	355,507
Fund Balances, End of Year	<u>\$ 13,884</u>	<u>\$ 2,164,654</u>	<u>\$ 2,150,770</u>	<u>\$ 1,521,135</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Miscellaneous				
Investment income (loss)	\$ 792	\$ (73,074)	\$ (73,866)	\$ 4,896
Other	-	2,132	2,132	41,041
Total revenues	<u>792</u>	<u>(70,942)</u>	<u>(71,734)</u>	<u>45,937</u>
Expenditures				
General government				
Services and supplies	999,679	786,652	213,027	211,146
Capital outlay	1,701,245	153,652	1,547,593	389,563
Total general government	<u>2,700,924</u>	<u>940,304</u>	<u>1,760,620</u>	<u>600,709</u>
Public safety				
Services and supplies	583,597	387,228	196,369	118,230
Capital outlay	745,200	477,130	268,070	853,849
Total public safety	<u>1,328,797</u>	<u>864,358</u>	<u>464,439</u>	<u>972,079</u>
Public works				
Services and supplies	61,266	56,732	4,534	43,797
Capital outlay	438,744	8,230	430,514	23,490
Total public works	<u>500,010</u>	<u>64,962</u>	<u>435,048</u>	<u>67,287</u>
Culture and recreation				
Services and supplies	79,078	6,246	72,832	27,833
Capital outlay	50,000	18,692	31,308	-
Total culture and recreation	<u>129,078</u>	<u>24,938</u>	<u>104,140</u>	<u>27,833</u>
Total expenditures	<u>4,658,809</u>	<u>1,894,562</u>	<u>2,764,247</u>	<u>1,667,908</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,658,017)	(1,965,504)	2,692,513	(1,621,971)
Other Financing Sources (Uses)				
Transfers				
Transfers in	5,753,580	5,753,580	-	1,205,300
Net Change in Fund Balances	1,095,563	3,788,076	2,692,513	(416,671)
Fund Balances, Beginning of Year	<u>3,567,834</u>	<u>3,013,881</u>	<u>(553,953)</u>	<u>3,430,552</u>
Fund Balances, End of Year	<u>\$ 4,663,397</u>	<u>\$ 6,801,957</u>	<u>\$ 2,138,560</u>	<u>\$ 3,013,881</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Facilities
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Intergovernmental revenues				
County ad valorem taxes	\$ 241,700	\$ 264,259	\$ 22,559	\$ 247,112
Miscellaneous				
Investment income (loss)	272	(17,992)	(18,264)	1,493
Total revenues	<u>241,972</u>	<u>246,267</u>	<u>4,295</u>	<u>248,605</u>
Expenditures				
General government				
Services and supplies	34,877	27,971	6,906	2,195
Capital outlay	318,948	162,549	156,399	55,497
Total general government	<u>353,825</u>	<u>190,520</u>	<u>163,305</u>	<u>57,692</u>
Public safety				
Services and supplies	117,125	26,105	91,020	561
Capital outlay	47,782	8,760	39,022	44,677
Total public safety	<u>164,907</u>	<u>34,865</u>	<u>130,042</u>	<u>45,238</u>
Culture and recreation				
Services and supplies	109,346	854	108,492	-
Capital outlay	182,269	1,950	180,319	64,108
Total culture and recreation	<u>291,615</u>	<u>2,804</u>	<u>288,811</u>	<u>64,108</u>
Total expenditures	<u>810,347</u>	<u>228,189</u>	<u>582,158</u>	<u>167,038</u>
Net Change in Fund Balances	(568,375)	18,078	586,453	81,567
Fund Balances, Beginning of Year	<u>600,043</u>	<u>661,268</u>	<u>61,225</u>	<u>579,701</u>
Fund Balances, End of Year	<u>\$ 31,668</u>	<u>\$ 679,346</u>	<u>\$ 647,678</u>	<u>\$ 661,268</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Park & Recreation Project
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Concession franchise fees	\$ 100,000	\$ 49,998	\$ (50,002)	\$ 37,503
Electric franchise fees	766,469	840,019	73,550	677,903
Gas franchise fees	307,000	312,284	5,284	251,030
Park fees	48,000	46,076	(1,924)	58,545
Charges for services				
Other	12,000	168,495	156,495	81,333
Miscellaneous				
Investment income (loss)	905	(56,164)	(57,069)	4,759
Other	-	-	-	300,358
Total revenues	<u>1,234,374</u>	<u>1,360,708</u>	<u>126,334</u>	<u>1,411,431</u>
Expenditures				
Culture and recreation				
Salaries and wages	267,836	312,416	(44,580)	225,995
Employee benefits	140,908	159,748	(18,840)	103,447
Services and supplies	542,957	223,072	319,885	290,503
Capital outlay	2,387,722	676,747	1,710,975	363,565
Total expenditures	<u>3,339,423</u>	<u>1,371,983</u>	<u>1,967,440</u>	<u>983,510</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,105,049)	(11,275)	2,093,774	427,921
Other Financing Sources (Uses)				
Transfers				
Transfers in	800,000	800,000	-	803,671
Net Change in Fund Balances	(1,305,049)	788,725	2,093,774	1,231,592
Fund Balances, Beginning of Year	<u>3,437,156</u>	<u>4,421,593</u>	<u>984,437</u>	<u>3,190,001</u>
Fund Balances, End of Year	<u>\$ 2,132,107</u>	<u>\$ 5,210,318</u>	<u>\$ 3,078,211</u>	<u>\$ 4,421,593</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Local Improvement District 3
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Miscellaneous				
Investment income (loss)	\$ 826	\$ 94	\$ (732)	\$ 30
Expenditures				
Community support				
Services and supplies	483,000	1,483	481,517	1,560
Excess (Deficiency) of Revenues Over Expenditures	(482,174)	(1,389)	480,785	(1,530)
Other Financing Sources (Uses)				
Transfers				
Transfers in	-	1,534	1,534	1,422
Net Change in Fund Balances	(482,174)	145	482,319	(108)
Fund Balances, Beginning of Year	485,297	484,338	(959)	484,446
Fund Balances, End of Year	\$ 3,123	\$ 484,483	\$ 481,360	\$ 484,338

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Redevelopment Area No. 1 Revolving
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 3,750,000	\$ 3,811,784	\$ 61,784	\$ 1,711,284
Motor vehicle privilege tax	-	29,595	29,595	-
Miscellaneous				
Investment income (loss)	1,697	6,973	5,276	(2,703)
Rents and royalties	15,000	15,000	-	15,000
Other	-	83	83	-
Total revenues	<u>3,766,697</u>	<u>3,863,435</u>	<u>96,738</u>	<u>1,723,581</u>
Expenditures				
Community support				
Salaries and wages	17,052	18,808	(1,756)	17,111
Employee benefits	8,767	8,756	11	8,680
Services and supplies	163,853	137,789	26,064	152,423
Capital outlay	3,246,580	1,521,436	1,725,144	126,838
Total expenditures	<u>3,436,252</u>	<u>1,686,789</u>	<u>1,749,463</u>	<u>305,052</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>330,445</u>	<u>2,176,646</u>	<u>1,846,201</u>	<u>1,418,529</u>
Other Financing Sources (Uses)				
Transfers				
Transfers in	-	794,412	794,412	-
Transfers out	(298,358)	(298,358)	-	(298,280)
Total other financing sources (uses)	<u>(298,358)</u>	<u>496,054</u>	<u>794,412</u>	<u>(298,280)</u>
Net Change in Fund Balances	32,087	2,672,700	2,640,613	1,120,249
Fund Balances, Beginning of Year	<u>1,136,233</u>	<u>1,206,268</u>	<u>70,035</u>	<u>86,019</u>
Fund Balances, End of Year	<u>\$ 1,168,320</u>	<u>\$ 3,878,968</u>	<u>\$ 2,710,648</u>	<u>\$ 1,206,268</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, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 3,800,000	\$ 3,696,840	\$ (103,160)	\$ 3,305,547
Fines and forfeits				
Forfeits - Other	-	3,000	3,000	-
Miscellaneous				
Investment income (loss)	72,621	(102,259)	(174,880)	11,517
Total revenues	<u>3,872,621</u>	<u>3,597,581</u>	<u>(275,040)</u>	<u>3,317,064</u>
Expenditures				
Community support				
Services and supplies	197,425	79,325	118,100	70,353
Capital outlay	509,702	416,123	93,579	-
Total expenditures	<u>707,127</u>	<u>495,448</u>	<u>211,679</u>	<u>70,353</u>
Net Change in Fund Balances	3,165,494	3,102,133	(63,361)	3,246,711
Fund Balances, Beginning of Year	<u>8,273,830</u>	<u>8,336,326</u>	<u>62,496</u>	<u>5,089,615</u>
Fund Balances, End of Year	<u>\$ 11,439,324</u>	<u>\$ 11,438,459</u>	<u>\$ (865)</u>	<u>\$ 8,336,326</u>

City of Sparks
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Victorian Square Room Tax
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Room taxes	\$ 900,000	\$ 1,497,998	\$ 597,998	\$ 1,180,620
Miscellaneous				
Investment income (loss)	8,596	(131,181)	(139,777)	(869)
Total revenues	<u>908,596</u>	<u>1,366,817</u>	<u>458,221</u>	<u>1,179,751</u>
Expenditures				
Community support				
Services and supplies	429,776	260,254	169,522	297,412
Capital outlay	1,437,451	741,310	696,141	446,137
Total expenditures	<u>1,867,227</u>	<u>1,001,564</u>	<u>865,663</u>	<u>743,549</u>
Excess (Deficiency) of Revenues Over Expenditures	(958,631)	365,253	1,323,884	436,202
Other Financing Sources (Uses)				
Transfers				
Transfers in	100,000	100,000	-	-
Net Change in Fund Balances	(858,631)	465,253	1,323,884	436,202
Fund Balances, Beginning of Year	4,235,003	5,274,219	1,039,216	4,838,017
Fund Balances, End of Year	<u>\$ 3,376,372</u>	<u>\$ 5,739,472</u>	<u>\$ 2,363,100</u>	<u>\$ 5,274,219</u>

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, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Operating revenues				
Licenses and permits				
Sanitary sewer fees	\$ 131,000	\$ 169,645	\$ 38,645	\$ 179,440
Charges for services				
Sewer charges	30,912,565	31,843,031	930,466	29,185,629
Miscellaneous	42,000	60,575	18,575	75,217
Total operating revenues	<u>31,085,565</u>	<u>32,073,251</u>	<u>987,686</u>	<u>29,440,286</u>
Operating Expenses				
Salaries and wages	4,119,858	3,935,090	184,768	3,391,008
Employee benefits	2,420,721	1,652,985	767,736	1,937,632
Services and supplies	15,876,472	13,206,855	2,669,617	11,854,760
Depreciation	11,187,337	6,877,534	4,309,803	6,650,491
Net loss from Truckee Meadows Water Reclamation Facility	3,000,000	2,220,150	779,850	2,448,142
Total operating expenses	<u>36,604,388</u>	<u>27,892,614</u>	<u>8,711,774</u>	<u>26,282,033</u>
Operating Income (Loss)	<u>(5,518,823)</u>	<u>4,180,637</u>	<u>9,699,460</u>	<u>3,158,253</u>
Non-operating Revenues (Expenses)				
Investment income (loss)	177,820	(1,194,995)	(1,372,815)	(200,390)
Interest Expense	(196,408)	(172,394)	24,014	(270,326)
Miscellaneous/Other	-	(144)	(144)	(63)
Total non-operating revenues (expenses)	<u>(18,588)</u>	<u>(1,367,533)</u>	<u>(1,348,945)</u>	<u>(470,779)</u>
Income Before Capital Contributions and Transfers	<u>(5,537,411)</u>	<u>2,813,104</u>	<u>8,350,515</u>	<u>2,687,474</u>
Capital Contributions				
Sewer connection fees	11,151,917	10,154,755	(997,162)	12,623,596
Sewer lines and storm drains	-	5,120,991	5,120,991	3,673,516
Total capital contributions	<u>11,151,917</u>	<u>15,275,746</u>	<u>4,123,829</u>	<u>16,297,112</u>
Transfers				
Transfers in	100,000	217,312	117,312	238,467
Transfers out	(4,002)	(342,494)	(338,492)	(716,472)
Total transfers	<u>95,998</u>	<u>(125,182)</u>	<u>(221,180)</u>	<u>(478,005)</u>
Change in Net Position	<u>\$ 5,710,504</u>	<u>17,963,668</u>	<u>\$ 12,253,164</u>	<u>\$ 18,506,581</u>
Net Position, Beginning of Year		<u>264,821,071</u>		
Net Position, End of Year		<u>\$ 282,784,739</u>		

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Development Services
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Operating revenues				
Licenses and permits				
Building permits	\$ 1,858,590	\$ 2,794,436	\$ 935,846	\$ 2,531,504
Other	77,130	60,871	(16,259)	107,759
Charges for services				
Building and planning fees	1,726,357	2,394,453	668,096	1,641,548
Engineering fees	660,510	913,635	253,125	1,009,849
Other	-	-	-	8
Miscellaneous	-	587	587	3,323
Total operating revenues	<u>4,322,587</u>	<u>6,163,982</u>	<u>1,841,395</u>	<u>5,293,991</u>
Operating Expenses				
Salaries and wages	2,764,858	2,292,664	472,194	2,224,294
Employee benefits	1,484,836	928,362	556,474	1,200,346
Services and supplies	3,118,195	2,184,627	933,568	1,906,755
Depreciation	35,000	9,322	25,678	12,125
Total operating expenses	<u>7,402,889</u>	<u>5,414,975</u>	<u>1,987,914</u>	<u>5,343,520</u>
Operating Income (Loss)	<u>(3,080,302)</u>	<u>749,007</u>	<u>3,829,309</u>	<u>(49,529)</u>
Non-operating Revenues (Expenses)				
Investment income (loss)	15,835	(116,765)	(132,600)	15,421
Miscellaneous/Other	90	1,272	1,182	891
Gain (loss) on disposition of assets	-	(24,167)	(24,167)	-
Total non-operating revenues (expenses)	<u>15,925</u>	<u>(139,660)</u>	<u>(155,585)</u>	<u>16,312</u>
Income (Loss) Before Transfers	<u>(3,064,377)</u>	<u>609,347</u>	<u>3,673,724</u>	<u>(33,217)</u>
Transfers				
Transfers in	-	-	-	9,234
Transfers out	(24,012)	(24,012)	-	(30,579)
Change in Net Position	<u>\$ (3,088,389)</u>	<u>585,335</u>	<u>\$ 3,673,724</u>	<u>\$ (54,562)</u>
Net Position, Beginning of Year		<u>4,320,392</u>		
Net Position, End of Year		<u>\$ 4,905,727</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	\$ 8,221,122	\$ 9,833,085	\$ 2,348,295
Accounts receivable, net	4,644	2,110	-
Due from other governments	-	-	-
Deposits	-	9,072	10,000
Inventory of supplies	378,590	-	-
Total current assets	<u>8,604,356</u>	<u>9,844,267</u>	<u>2,358,295</u>
Noncurrent assets			
Capital Assets:			
Construction in progress	917,056	-	-
Buildings	475,005	-	-
Site improvements	245,445	-	-
Machinery and equipment	32,118,630	-	-
Less accumulated depreciation	(22,465,261)	-	-
Total noncurrent assets	<u>11,290,875</u>	<u>-</u>	<u>-</u>
Total assets	<u>19,895,231</u>	<u>9,844,267</u>	<u>2,358,295</u>
Deferred outflows of resources			
Deferred outflows related to pension	569,436	-	-
Deferred outflows related to OPEB	64,691	-	-
Total deferred outflows of resources	<u>634,127</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>20,529,358</u>	<u>9,844,267</u>	<u>2,358,295</u>
Liabilities			
Current liabilities			
Accounts payable	110,767	388,210	3,703
Accrued liabilities	21,149	-	-
Due to other governments	25,205	-	-
Contracts payable	162,961	-	-
Compensated absences payable (current maturities)	67,067	-	-
Claims liabilities (current maturities)	-	1,286,337	1,817,560
Total current liabilities	<u>387,149</u>	<u>1,674,547</u>	<u>1,821,263</u>
Noncurrent liabilities			
Compensated absences payable (net of current maturities)	227,852	-	-
Total OPEB liability	165,593	-	-
Sick leave conversion payable (net of current maturities)	26,950	-	-
Claims liabilities (net of current maturities)	-	-	7,539,487
Net pension liability	724,168	-	-
Total noncurrent liabilities	<u>1,144,563</u>	<u>-</u>	<u>7,539,487</u>
Total liabilities	<u>1,531,712</u>	<u>1,674,547</u>	<u>9,360,750</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions	705,378	-	-
Deferred inflows related to OPEB	61,580	-	-
Total deferred inflows of resources	<u>766,958</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>2,298,670</u>	<u>1,674,547</u>	<u>9,360,750</u>
Net Position			
Net investment in capital assets	11,290,874	-	-
Restricted for claims	-	8,169,720	-
Unrestricted	6,939,814	-	(7,002,455)
Total Net Position	<u>\$ 18,230,688</u>	<u>\$ 8,169,720</u>	<u>\$ (7,002,455)</u>

City of Sparks
Combining Statement of Net Position - Internal Service Funds
June 30, 2022

Municipal Self- Insurance	Total
\$ 1,167,857	\$ 21,570,359
-	6,754
86,540	86,540
-	19,072
-	378,590
<u>1,254,397</u>	<u>22,061,315</u>
-	917,056
-	475,005
-	245,445
-	32,118,630
-	(22,465,261)
-	11,290,875
<u>1,254,397</u>	<u>33,352,190</u>
-	569,436
-	64,691
-	634,127
<u>1,254,397</u>	<u>33,986,317</u>
24,682	527,362
-	21,149
-	25,205
-	162,961
-	67,067
15,096	3,118,993
<u>39,778</u>	<u>3,922,737</u>
-	227,852
-	165,593
-	26,950
-	7,539,487
-	724,168
-	8,684,050
<u>39,778</u>	<u>12,606,787</u>
-	705,378
-	61,580
-	766,958
<u>39,778</u>	<u>13,373,745</u>
-	11,290,874
1,214,619	9,384,339
-	(62,641)
<u>\$ 1,214,619</u>	<u>\$ 20,612,572</u>

	Motor Vehicle Maintenance	Group Insurance Self- Insurance	Workers' Compensation Insurance
Operating Revenues			
Charges for services	\$ 5,929,783	\$ 11,983,786	\$ 2,518,201
Miscellaneous	6,591	207,128	2,103
Total operating revenues	<u>5,936,374</u>	<u>12,190,914</u>	<u>2,520,304</u>
Operating Expenses			
Salaries and wages	651,463	-	-
Employee benefits	275,216	-	-
Services and supplies	1,987,200	12,593,277	1,142,345
Depreciation	1,944,548	-	-
Total operating expenses	<u>4,858,427</u>	<u>12,593,277</u>	<u>1,142,345</u>
Operating Income (Loss)	<u>1,077,947</u>	<u>(402,363)</u>	<u>1,377,959</u>
Nonoperating Revenues (Expenditures)			
Investment income (loss)	(58,056)	(122,724)	(58,536)
Gain (loss) on disposition of assets	25,445	-	-
Total nonoperating revenues (expenditures)	<u>(32,611)</u>	<u>(122,724)</u>	<u>(58,536)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>1,045,336</u>	<u>(525,087)</u>	<u>1,319,423</u>
Capital Contributions			
Vehicles	121,038	-	-
Transfers			
Transfers in	402,564	-	-
Change in net position	1,568,938	(525,087)	1,319,423
Net position, Beginning of year	<u>16,661,750</u>	<u>8,694,807</u>	<u>(8,321,878)</u>
Net position, End of Year	<u>\$ 18,230,688</u>	<u>\$ 8,169,720</u>	<u>\$ (7,002,455)</u>

City of Sparks
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds
Year Ended June 30, 2022

<u>Municipal Self- Insurance</u>	<u>Total Internal Service Funds</u>
\$ 2,085,100	\$ 22,516,870
99,725	315,547
<u>2,184,825</u>	<u>22,832,417</u>
-	651,463
-	275,216
1,513,323	17,236,145
-	1,944,548
<u>1,513,323</u>	<u>20,107,372</u>
<u>671,502</u>	<u>2,725,045</u>
1,508	(237,808)
-	25,445
<u>1,508</u>	<u>(212,363)</u>
<u>673,010</u>	<u>2,512,682</u>
-	121,038
<u>250,000</u>	<u>652,564</u>
923,010	3,286,284
<u>291,609</u>	<u>17,326,288</u>
<u>\$ 1,214,619</u>	<u>\$ 20,612,572</u>

	Motor Vehicle Maintenance	Group Insurance Self- Insurance
Operating activities		
Cash received from customers and users	\$ 5,320	\$ 2,267,081
Cash received from interfund services provided	5,929,783	9,715,439
Cash received from reimbursements of insurance claims	-	207,128
Cash paid to employees	(998,330)	-
Cash paid to suppliers	(1,996,183)	(12,110,943)
Net cash from (used for) operating activities	<u>2,940,590</u>	<u>78,705</u>
Noncapital financing activities		
Transfers in	64,072	-
Net cash from (used for) noncapital financing activities	<u>64,072</u>	<u>-</u>
Capital and related financing activities		
Proceeds from sale of capital assets	146,609	-
Acquisition of capital assets	(1,692,077)	-
Net cash used for capital and related financing activities	<u>(1,545,468)</u>	<u>-</u>
Investing activities		
Investment income (loss)	(58,056)	(122,724)
Net cash used for investing activities	<u>(58,056)</u>	<u>(122,724)</u>
Net change in cash and cash equivalents	1,401,138	(44,019)
Cash and cash equivalents, Beginning of Year	<u>6,819,984</u>	<u>9,877,104</u>
Cash and cash equivalents, End of Year	<u>\$ 8,221,122</u>	<u>\$ 9,833,085</u>

City of Sparks
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2022

Workers' Compensation Insurance	Municipal Self- Insurance	Total
\$ 2,520,204	\$ (9,964)	\$ 4,782,641
-	2,085,100	17,730,322
100	-	207,228
-	-	(998,330)
<u>(2,558,764)</u>	<u>(1,486,369)</u>	<u>(18,152,259)</u>
<u>(38,460)</u>	<u>588,767</u>	<u>3,569,602</u>
<u>-</u>	<u>250,000</u>	<u>314,072</u>
<u>-</u>	<u>250,000</u>	<u>314,072</u>
-	-	146,609
<u>-</u>	<u>-</u>	<u>(1,692,077)</u>
<u>-</u>	<u>-</u>	<u>(1,545,468)</u>
<u>(58,536)</u>	<u>1,508</u>	<u>(237,808)</u>
<u>(58,536)</u>	<u>1,508</u>	<u>(237,808)</u>
(96,996)	840,275	2,100,398
<u>2,445,291</u>	<u>327,582</u>	<u>19,469,961</u>
<u>\$ 2,348,295</u>	<u>\$ 1,167,857</u>	<u>\$ 21,570,359</u>

	Motor Vehicle Maintenance	Group Insurance Self- Insurance
Reconciliation of operating income (loss) to net cash from (used for) operating activities:		
Operating income (loss)	\$ 1,077,947	\$ (402,363)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities		
Depreciation	1,944,548	-
Changes in		
Accounts receivable	(1,271)	(1,266)
Due from other governments	-	-
Inventory of supplies	(135,628)	-
Pension related amounts	(99,530)	-
OPEB related amounts	5,440	-
Accounts payable	3,957	266,918
Accrued liabilities	704	-
Contracts payable	125,249	-
Due to other governments	(2,561)	-
Compensated absences	21,735	-
Claims liabilities	-	215,416
Total adjustments	<u>1,862,643</u>	<u>481,068</u>
Net cash from (used for) operating activities	<u>\$ 2,940,590</u>	<u>\$ 78,705</u>
Noncash investing and capital and related financing activities		
Contributions of capital assets from other funds	<u>\$ 459,530</u>	<u>\$ -</u>

City of Sparks
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2022

Workers' Compensation Insurance	Municipal Self- Insurance	Total
\$ 1,377,959	\$ 671,502	\$ 2,725,045
-	-	1,944,548
-	-	(2,537)
-	(109,689)	(109,689)
-	-	(135,628)
-	-	(99,530)
-	-	5,440
1,622	17,858	290,355
-	-	704
-	-	125,249
-	-	(2,561)
-	-	21,735
(1,418,041)	9,096	(1,193,529)
(1,416,419)	(82,735)	844,557
\$ (38,460)	\$ 588,767	\$ 3,569,602
-	-	\$ 459,530

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Motor Vehicle Maintenance
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Equipment rent	\$ 4,848,022	\$ 5,160,308	\$ 312,286	\$ 5,217,330
Fuel	502,998	769,475	266,477	391,302
Miscellaneous	-	6,591	6,591	2,726
Total operating revenues	<u>5,351,020</u>	<u>5,936,374</u>	<u>585,354</u>	<u>5,611,358</u>
Operating Expenses				
Salaries and wages	711,391	651,463	59,928	607,615
Employee benefits	437,072	275,216	161,856	389,115
Services and supplies	1,906,242	1,987,200	(80,958)	1,508,161
Depreciation	2,076,615	1,944,548	132,067	2,074,849
Total operating expenses	<u>5,131,320</u>	<u>4,858,427</u>	<u>272,893</u>	<u>4,579,740</u>
Operating Income (Loss)	<u>219,700</u>	<u>1,077,947</u>	<u>858,247</u>	<u>1,031,618</u>
Non-operating Revenues (Expenses)				
Investment income (loss)	5,656	(58,056)	(63,712)	(2,144)
Gain (loss) on disposition of assets	-	25,445	25,445	70,455
Total non-operating revenues (expenses)	<u>5,656</u>	<u>(32,611)</u>	<u>(38,267)</u>	<u>68,311</u>
Income before Capital Contributions and Transfers	<u>225,356</u>	<u>1,045,336</u>	<u>819,980</u>	<u>1,099,929</u>
Capital Contributions				
Vehicles	-	121,038	121,038	207,642
Transfers				
Transfers in	-	402,564	402,564	1,201,066
Transfers out	(1,000,000)	-	1,000,000	-
Total transfers	<u>(1,000,000)</u>	<u>402,564</u>	<u>1,402,564</u>	<u>1,201,066</u>
Change in Net Position	<u>\$ (774,644)</u>	<u>1,568,938</u>	<u>\$ 2,343,582</u>	<u>\$ 2,508,637</u>
Net Position, Beginning of Year		<u>16,661,750</u>		
Net Position, End of Year		<u>\$ 18,230,688</u>		

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Group Insurance Self-Insurance
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Other	\$ 12,703,000	\$ 11,983,786	\$ (719,214)	\$ 12,116,273
Miscellaneous				
Reimbursement from insurance claims	325,000	207,128	(117,872)	223,756
Total operating revenues	<u>13,028,000</u>	<u>12,190,914</u>	<u>(837,086)</u>	<u>12,340,029</u>
Operating Expenses				
Services and supplies	<u>12,521,149</u>	<u>12,593,277</u>	<u>(72,128)</u>	<u>11,486,218</u>
Operating Income (Loss)	506,851	(402,363)	(909,214)	853,811
Non-operating Revenues (Expenses)				
Investment income (loss)	<u>2,263</u>	<u>(122,724)</u>	<u>(124,987)</u>	<u>2,336</u>
Change in Net Position	<u>\$ 509,114</u>	<u>(525,087)</u>	<u>\$ (1,034,201)</u>	<u>\$ 856,147</u>
Net Position, Beginning of Year		<u>8,694,807</u>		
Net Position, End of Year		<u>\$ 8,169,720</u>		

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Workers' Compensation Insurance
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Contributions and reimbursements	\$ 2,350,000	\$ 2,518,201	\$ 168,201	\$ 2,055,180
Miscellaneous				
Reimbursement from insurance claims	25,000	2,103	(22,897)	72,822
Total operating revenues	<u>2,375,000</u>	<u>2,520,304</u>	<u>145,304</u>	<u>2,128,002</u>
Operating Expenses				
Services and supplies	<u>3,260,993</u>	<u>1,142,345</u>	<u>2,118,648</u>	<u>2,202,168</u>
Operating Income (Loss)	(885,993)	1,377,959	2,263,952	(74,166)
Non-operating Revenues (Expenses)				
Investment income (loss)	<u>-</u>	<u>(58,536)</u>	<u>(58,536)</u>	<u>(9,399)</u>
Change in Net Position	<u>\$ (885,993)</u>	1,319,423	<u>\$ 2,205,416</u>	<u>\$ (83,565)</u>
Net Position, Beginning of Year		<u>(8,321,878)</u>		
Net Position, End of Year		<u>\$ (7,002,455)</u>		

City of Sparks
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
Municipal Self-Insurance
Year Ended June 30, 2022
(with Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Interfund services provided	\$ 2,085,100	\$ 2,085,100	\$ -	\$ 1,284,364
Miscellaneous				
Reimbursement from insurance claims	103,000	99,725	(3,275)	106,177
Total operating revenues	<u>2,188,100</u>	<u>2,184,825</u>	<u>(3,275)</u>	<u>1,390,541</u>
Operating Expenses				
Services and supplies	<u>1,984,464</u>	<u>1,513,323</u>	<u>471,141</u>	<u>1,255,285</u>
Operating Income (Loss)	<u>203,636</u>	<u>671,502</u>	<u>467,866</u>	<u>135,256</u>
Non-operating Revenues (Expenses)				
Investment income (loss)	<u>-</u>	<u>1,508</u>	<u>1,508</u>	<u>84</u>
Income (loss) before Transfers	<u>203,636</u>	<u>673,010</u>	<u>469,374</u>	<u>135,340</u>
Transfers				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 453,636</u>	<u>923,010</u>	<u>\$ 469,374</u>	<u>\$ 135,340</u>
Net Position, Beginning of Year		<u>291,609</u>		
Net Position, End of Year		<u>\$ 1,214,619</u>		

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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
Combining Statement of Fiduciary Net Position - Custodial Funds
Year Ended June 30, 2022

	Truckee Meadows Water Reclamation Facility	Sick Leave Retirement Fund	Postemployment Medical Benefits Fund	Police Evidence Fund	Total Custodial Funds
Assets					
Cash and investments	\$ 1,313,838	\$ 9,137	\$ 107,031	\$ 47,357	\$ 1,477,363
Net Position					
Restricted for:					
Individuals, organizations and other governments	<u>1,313,838</u>	<u>9,137</u>	<u>107,031</u>	<u>47,357</u>	<u>1,477,363</u>
Total liabilities and net position	<u>\$ 1,313,838</u>	<u>\$ 9,137</u>	<u>\$ 107,031</u>	<u>\$ 47,357</u>	<u>\$ 1,477,363</u>

City of Sparks
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds
Year Ended June 30, 2022

	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	\$ -	\$ -	\$ 236,890	\$ -	\$ 236,890
Joint Venture owner contributions	19,367,634	-	-	-	19,367,634
Police Evidence Additions	-	-	-	16,259	16,259
Total contributions	19,367,634	-	236,890	16,259	19,620,783
Other income					
Interest, dividends, and other	(15,247)	-	206	32	(15,009)
Receipts from TMWRF sales and services	1,007,255	-	-	-	1,007,255
Total other income	992,008	-	206	32	992,246
Total additions	20,359,642	-	237,096	16,291	20,613,029
Deductions:					
Medical, dental, and life insurance - retirees	-	2,197	286,606	-	288,803
Disbursements for operating costs of joint venture	21,599,643	-	-	-	21,599,643
Disbursements for capital costs of joint venture	440,151	-	-	-	440,151
Police Evidence Deductions	-	-	-	70,572	70,572
Total deductions	22,039,794	2,197	286,606	70,572	22,399,169
Change in Net Position	(1,680,152)	(2,197)	(49,510)	(54,281)	(1,786,140)
Net position, beginning of year	2,993,990	11,334	156,541	101,638	3,263,503
Net position, end of year	\$ 1,313,838	\$ 9,137	\$ 107,031	\$ 47,357	\$ 1,477,363

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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 These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time.	1.1-1.4
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the city’s ability to generate its property and sales taxes.	2.1-2.4
Debt Capacity 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.	3.1-3.4
Demographic and Economic Information 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.	4.1-4.2
Operating Information 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.	5.1-5.3

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental Activities				
Net investment in capital assets	\$ 436,205,357	\$ 413,601,581	\$ 401,168,954	\$ 392,011,088
Restricted	55,145,614	51,775,060	44,717,383	40,809,634
Unrestricted	<u>(144,921,593)</u>	<u>(175,977,167)</u>	<u>(204,210,323)</u>	<u>(203,877,196)</u>
Total Governmental Activities	<u>\$ 346,429,378</u>	<u>\$ 289,399,474</u>	<u>\$ 241,676,014</u>	<u>\$ 228,943,526</u>
Business-Type Activities				
Net investment in capital assets	\$ 174,042,473	\$ 167,767,880	\$ 151,475,847	\$ 147,778,186
Unrestricted	<u>115,020,279</u>	<u>102,184,328</u>	<u>99,284,144</u>	<u>91,502,404</u>
Total business-type activities net position	<u>\$ 289,062,752</u>	<u>\$ 269,952,208</u>	<u>\$ 250,759,991</u>	<u>\$ 239,280,590</u>
Primary government				
Net investment in capital assets	\$ 610,247,830	\$ 581,369,461	\$ 552,644,801	\$ 539,789,274
Restricted	55,145,614	51,775,060	44,717,383	40,809,634
Unrestricted	<u>(29,901,314)</u>	<u>(73,792,839)</u>	<u>(104,926,179)</u>	<u>(112,374,792)</u>
Total primary government	<u>\$ 635,492,130</u>	<u>\$ 559,351,682</u>	<u>\$ 492,436,005</u>	<u>\$ 468,224,116</u>

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 363,842,341	\$ 377,956,278	\$ 364,071,812	\$ 349,494,836	\$ 333,680,025	\$ 276,456,276
38,126,693	36,694,210	35,374,824	35,589,211	41,194,330	42,903,334
<u>(212,691,309)</u>	<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>\$ 189,277,725</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>
\$ 137,394,248	\$ 136,405,793	\$ 133,052,926	\$ 132,378,854	\$ 124,836,498	\$ 118,604,065
82,041,562	67,633,391	61,224,746	52,757,466	62,226,339	62,724,798
<u>\$ 219,435,810</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>
\$ 501,236,589	\$ 514,362,071	\$ 497,124,738	\$ 481,873,690	\$ 458,516,523	\$ 395,060,341
38,126,693	36,694,210	35,374,824	35,589,211	41,194,330	42,903,334
<u>(130,649,747)</u>	<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>\$ 408,713,535</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>

	2022	2021	2020	2019
Expenses				
Governmental Activities				
General government	\$ 22,795,502	\$ 21,773,154	\$ 15,441,627	\$ 13,973,087
Judicial	2,770,337	2,991,334	2,795,918	2,675,432
Public safety	54,693,488	57,875,859	55,440,833	50,137,012
Public works	13,221,651	12,992,663	11,950,915	10,831,434
Culture and recreation	10,951,486	9,941,535	10,422,820	10,712,073
Community support	2,697,499	5,409,239	5,645,107	3,152,349
Interest and fiscal charges	2,873,824	3,523,685	6,545,310	7,987,116
Total governmental activities	110,003,787	114,507,469	108,242,530	99,468,503
Business-type Activities				
Sewer	27,568,958	25,858,663	26,977,731	24,957,376
Development services	5,373,651	5,297,017	5,190,503	4,916,464
Total business-type activities expenses	32,942,609	31,155,680	32,168,234	29,873,840
Total primary government expenses	\$ 142,946,396	\$ 145,663,149	\$ 140,410,764	\$ 129,342,343
Program Revenues				
Governmental Activities				
Charges for services				
General Government	\$ 20,436,521	\$ 18,975,277	\$ 18,789,975	\$ 18,467,769
Judicial	688,804	662,624	724,787	849,504
Public Safety	1,858,640	1,955,162	796,259	828,841
Public Work	3,498,115	3,452,679	3,203,990	3,163,804
Sanitation	218,725	181,329	94,195	117,145
Culture, recreation, and community support	4,957,917	4,026,966	4,127,420	5,335,121
Operating grants and contributions	8,040,284	22,245,844	1,493,963	1,777,839
Capital grants, interest, and contributions	25,234,453	14,863,768	7,793,920	28,115,646
Total governmental activities program revenues	64,933,459	66,363,649	37,024,509	58,655,669
Business-type Activities				
Charge for Sewer services	32,012,676	29,365,070	27,840,612	26,129,683
Charge for Development services	6,163,395	5,290,666	5,782,060	5,426,563
Operating grants, interest, and contributions	-	-	-	-
Capital grants, interest, and contributions	15,275,746	16,297,112	8,713,716	16,120,587
Total business-type activities program revenues	53,451,817	50,952,848	42,336,388	47,676,833
Total primary government program revenue	118,385,276	117,316,497	79,360,897	106,332,502
Net (Expense)/Revenue				
Governmental Activities	(45,070,328)	(48,143,820)	(71,218,021)	(40,812,834)
Business-type Activities	20,509,208	19,797,168	10,168,154	17,802,993
Total primary government net expense	\$ (24,561,120)	\$ (28,346,652)	\$ (61,049,867)	\$ (23,009,841)

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

	2018	2017	2016	2015	2014	2013
\$	13,621,461	\$ 13,628,107	\$ 17,259,801	\$ 12,531,485	\$ 10,756,417	\$ 10,863,112
	2,462,689	2,351,052	2,085,243	2,119,937	2,213,707	2,225,488
	45,421,001	44,774,035	41,989,882	39,489,038	44,473,405	40,779,887
	9,069,840	9,177,840	8,564,996	6,300,571	13,107,396	13,780,817
	10,788,462	10,092,377	10,163,718	9,829,803	10,230,616	9,672,978
	2,025,939	3,298,425	2,577,879	1,384,932	1,949,757	1,568,970
	10,352,937	10,501,091	9,827,453	11,187,762	10,748,859	13,158,074
	<u>93,742,329</u>	<u>93,822,927</u>	<u>92,468,972</u>	<u>82,843,528</u>	<u>93,480,157</u>	<u>92,049,326</u>
	24,247,795	22,922,462	23,863,114	22,442,881	24,153,084	24,622,329
	4,429,416	3,784,497	2,871,068	1,991,181	1,624,933	1,780,442
	<u>28,677,211</u>	<u>26,706,959</u>	<u>26,734,182</u>	<u>24,434,062</u>	<u>25,778,017</u>	<u>26,402,771</u>
\$	<u>122,419,540</u>	<u>\$ 120,529,886</u>	<u>\$ 119,203,154</u>	<u>\$ 107,277,590</u>	<u>\$ 119,258,174</u>	<u>\$ 118,452,097</u>
\$	17,303,881	\$ 14,401,815	\$ 14,374,893	\$ 13,190,273	\$ 12,019,773	\$ 11,417,822
	884,023	858,488	940,585	959,730	988,053	991,278
	961,350	570,336	718,541	972,957	960,766	728,109
	2,033,918	2,725,585	3,124,194	3,246,022	3,040,582	3,055,505
	254,414	81,760	112,103	89,864	37,520	6,300
	6,722,371	4,927,851	4,703,917	4,520,065	4,446,327	4,197,108
	1,404,104	1,725,985	1,534,679	1,234,890	1,867,496	2,184,401
	4,620,380	41,463,235	14,611,760	23,015,112	56,827,683	37,135,600
	<u>34,184,441</u>	<u>66,755,055</u>	<u>40,120,672</u>	<u>47,228,913</u>	<u>80,188,200</u>	<u>59,716,123</u>
	25,421,540	24,000,811	22,858,463	21,956,804	21,209,352	21,114,955
	5,683,897	4,713,487	4,153,119	3,266,871	2,317,542	2,117,900
	-	13,729	-	-	-	-
	14,538,770	7,648,854	6,490,750	5,509,920	7,746,694	2,246,382
	<u>45,644,207</u>	<u>36,376,881</u>	<u>33,502,332</u>	<u>30,733,595</u>	<u>31,273,588</u>	<u>25,479,237</u>
	<u>79,828,648</u>	<u>103,131,936</u>	<u>73,623,004</u>	<u>77,962,508</u>	<u>111,461,788</u>	<u>85,195,360</u>
	(59,557,888)	(27,067,872)	(52,348,300)	(35,614,615)	(13,291,957)	(32,333,203)
	16,966,996	9,669,922	6,768,150	6,299,533	5,495,571	(923,534)
\$	<u>(42,590,892)</u>	<u>\$ (17,397,950)</u>	<u>\$ (45,580,150)</u>	<u>\$ (29,315,082)</u>	<u>\$ (7,796,386)</u>	<u>\$ (33,256,737)</u>

	2022	2021	2020	2019
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Ad valorem taxes	\$ 37,105,637	\$ 34,873,144	\$ 32,559,240	\$ 29,945,770
Special assessments - taxes	178,512	148,830	324,269	361,665
Unrestricted intergovernmental - consolidated taxes	38,026,225	34,501,113	29,030,989	27,846,670
Other taxes	24,622,655	23,615,309	19,536,433	19,930,341
Unrestricted investment income (loss)	(706,656)	43,842	1,350,566	1,868,169
Other	2,724,665	2,026,954	868,239	508,633
Transfers	149,194	499,349	280,773	21,281
Total governmental activities	102,100,232	95,708,541	83,950,509	80,482,529
Business-type Activities				
Unrestricted investment income	(1,311,760)	(184,969)	1,510,252	1,983,132
Other	62,290	79,367	81,768	79,936
Transfers	(149,194)	(499,349)	(280,773)	(21,281)
Total business-type activities	(1,398,664)	(604,951)	1,311,247	2,041,787
Total primary government	100,701,568	95,103,590	85,261,756	82,524,316
Change in Net Position				
Governmental Activities	\$ 57,029,904	\$ 47,564,721	\$ 12,732,488	\$ 39,669,695
Business-Type Activities	19,110,544	19,192,217	11,479,401	19,844,780
Total primary government change in net position	\$ 76,140,448	\$ 66,756,938	\$ 24,211,889	\$ 59,514,475

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

	2018	2017	2016	2015	2014	2013
\$	27,562,058	\$ 26,361,970	\$ 25,735,620	\$ 24,206,813	\$ 23,423,624	\$ 23,200,778
	342,080	889,479	1,197,930	1,082,636	1,188,135	1,830,467
	26,549,389	23,195,337	22,695,286	20,916,103	19,356,294	18,252,243
	18,804,468	17,167,022	16,199,616	15,418,511	14,282,782	13,571,789
	393,507	243,579	506,173	254,882	378,347	3,638
	(582,679)	1,625,010	215,107	584,991	778,449	776,389
	(228,473)	(25,941)	53,047	714,946	342,882	465,412
	<u>72,840,350</u>	<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>
	69,182	(39,993)	493,674	246,574	454,632	19,311
	92,497	105,642	126,503	154,962	126,653	191,187
	228,473	25,941	(53,047)	(714,946)	(342,882)	(465,412)
	<u>390,152</u>	<u>91,590</u>	<u>567,130</u>	<u>(313,410)</u>	<u>238,403</u>	<u>(254,914)</u>
	<u>73,230,502</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>
\$	13,282,462	\$ 42,388,584	\$ 14,254,479	\$ 27,564,267	\$ 46,458,556	\$ 25,767,513
	17,357,148	9,761,512	7,335,280	5,986,123	5,733,974	(1,178,448)
	<u>30,639,610</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Assigned	1,647,241	10,540,145	510,439	119,485
Unassigned	<u>17,400,201</u>	<u>9,967,747</u>	<u>6,350,345</u>	<u>8,237,017</u>
Total general fund ⁽¹⁾	<u>\$ 19,047,442</u>	<u>\$ 20,507,892</u>	<u>\$ 6,860,784</u>	<u>\$ 8,356,502</u>
All Other Governmental Funds				
Restricted	43,169,345	43,208,385	36,488,361	36,560,228
Committed	3,186,082	2,530,762	1,707,029	1,942,449
Assigned	<u>25,721,072</u>	<u>15,323,590</u>	<u>10,551,920</u>	<u>10,072,007</u>
Total all other governmental funds ⁽¹⁾	<u>\$ 72,076,499</u>	<u>\$ 61,062,737</u>	<u>\$ 48,747,310</u>	<u>\$ 48,574,684</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)

2018	2017	2016	2015	2014	2013
\$ -	\$ -	\$ -	\$ 333	\$ -	\$ -
955,058	332,086	2,345,634	2,499,431	1,101,885	1,693,859
<u>5,860,155</u>	<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>\$ 6,815,213</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>
33,709,418	32,696,433	36,862,093	35,767,128	41,650,718	35,210,268
1,240,812	913,386	1,073,424	798,424	1,163,684	1,040,583
<u>7,777,144</u>	<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>\$ 42,727,374</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>

	2022	2021	2020	2019
Revenues				
Taxes	\$ 40,354,999	\$ 39,360,225	\$ 35,176,088	\$ 33,018,266
Licenses and permits	22,297,813	20,602,169	19,910,793	20,025,849
Intergovernmental revenues	72,189,993	81,512,068	50,188,454	50,827,309
Charges for services	6,677,002	5,724,750	4,969,720	6,050,050
Fines and forfeits	554,510	505,488	586,214	584,391
Miscellaneous	(110,209)	801,043	1,807,644	1,752,147
Total revenues	141,964,108	148,505,743	112,638,913	112,258,012
Expenditures				
General government*	21,931,829	20,343,444	14,477,331	12,839,338
Judicial	2,835,578	2,760,164	2,547,670	2,538,257
Public safety	59,958,021	55,380,118	50,827,457	47,535,551
Public works	7,690,354	6,880,625	5,787,155	4,872,701
Culture and recreation	8,365,601	7,125,492	7,565,828	7,781,638
Community support	2,332,202	5,033,426	6,190,832	2,289,008
Capital/Nonoperating	7,223,549	4,460,840	7,441,242	7,617,099
Debt service				
Principal	18,877,230	16,696,235	14,124,988	11,476,169
Interest	2,724,356	3,313,836	5,558,055	7,673,052
Advance Refunding Escrow	-	-	-	-
Other	6,049	6,050	1,069,698	6,238
Total expenditures	131,944,769	122,000,230	115,590,256	104,629,051
Excess (Deficiency) of Revenues over Expenditures	10,019,339	26,505,513	(2,951,343)	7,628,961
Other Financing Sources (Uses)				
Gain (loss) on disposition of assets	-	-	-	-
Refunding bonds issued	-	-	96,609,347	-
Payments to refunded bond escrow agent	-	-	(93,513,935)	-
Discount on bonds issued	37,341	-	-	-
Transfers in	15,842,719	21,466,426	8,781,547	5,255,809
Transfers out	(16,346,089)	(22,168,142)	(10,248,706)	(5,496,173)
Total other financing sources (uses)	(466,029)	(701,716)	1,628,253	(240,364)
Net Change in Fund Balances	\$ 9,553,310	\$ 25,803,797	\$ (1,323,090)	\$ 7,388,597
Debt service as a percentage of noncapital expenditures	17.3 %	17.0 %	18.2 %	19.7 %

* 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)

	2018	2017	2016	2015	2014	2013
\$	35,540,176	\$ 29,734,198	\$ 28,969,948	\$ 27,564,923	\$ 32,673,904	\$ 26,825,221
	18,919,475	15,476,836	15,892,828	15,806,282	14,636,255	13,878,721
	45,242,085	41,886,672	40,724,097	38,096,816	36,101,825	35,016,415
	5,852,395	5,713,677	5,186,023	5,107,022	5,460,416	5,366,208
	703,704	622,678	663,882	653,313	662,907	686,356
	770,509	597,537	846,889	435,736	950,298	440,595
	<u>107,028,344</u>	<u>94,031,598</u>	<u>92,283,667</u>	<u>87,664,092</u>	<u>90,485,605</u>	<u>82,213,516</u>
	12,773,774	13,009,722	10,979,858	10,113,421	10,013,248	9,484,391
	2,347,610	2,272,818	1,998,477	2,097,670	1,931,962	1,976,186
	43,983,575	43,333,646	41,066,025	39,716,955	38,156,786	35,632,227
	4,734,652	4,709,480	4,827,742	4,774,668	4,539,922	5,737,079
	7,559,359	7,534,030	7,258,973	6,820,522	6,797,156	6,365,455
	1,235,472	994,435	1,802,744	901,936	1,117,381	725,288
	4,268,653	6,726,641	5,918,626	5,082,673	4,077,064	6,920,081
	13,644,519	7,852,000	7,398,000	13,797,000	13,825,000	6,080,000
	9,423,142	10,165,272	10,920,981	11,208,334	12,003,482	11,135,169
	-	2,899,967	-	-	-	-
	18,153	241,093	4,366	211,815	150,057	95,898
	<u>99,988,909</u>	<u>99,739,104</u>	<u>92,175,792</u>	<u>94,724,994</u>	<u>92,612,058</u>	<u>84,151,774</u>
	<u>7,039,435</u>	<u>(5,707,506)</u>	<u>107,875</u>	<u>(7,060,902)</u>	<u>(2,126,453)</u>	<u>(1,938,258)</u>
	250	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)	-	-	-	-
	2,939,738	7,099,724	6,542,487	5,749,856	6,207,065	4,643,725
	<u>(3,168,211)</u>	<u>(7,154,491)</u>	<u>(7,217,575)</u>	<u>(5,108,490)</u>	<u>(5,864,183)</u>	<u>(4,561,303)</u>
	<u>(228,223)</u>	<u>1,066,233</u>	<u>258,912</u>	<u>2,944,179</u>	<u>7,772,882</u>	<u>170,680</u>
\$	<u>6,811,212</u>	<u>\$ (4,641,273)</u>	<u>\$ 366,787</u>	<u>\$ (4,116,723)</u>	<u>\$ 5,646,429</u>	<u>\$ (1,767,578)</u>
	<u>24.1 %</u>	<u>22.5 %</u>	<u>21.2 %</u>	<u>27.9 %</u>	<u>29.2 %</u>	<u>22.3 %</u>

Real Property Assessed Value

Fiscal Year ended June 30,	Residential	Commercial	Industrial	Other
2022	\$ 2,359,208,082	\$ 623,065,838	\$ 454,450,308	\$ 278,128,435
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

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
\$ 6,099,855	\$ 196,366,728	\$ 3,524,585,790	10,070,245,114	35.00 %	0.9598
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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</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>3.1891</u>	<u>3.1848</u>	<u>3.1808</u>	<u>3.1778</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)

2018	2017	2016	2015	2014	2013
0.7109	0.7109	0.7109	0.7109	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	0.9598	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	3.6600	3.6163	3.6163
3.2085	3.2085	3.2085	3.1940	3.1238	3.1336

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

Taxpayer	2022			2013		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
RED Sparks SPE LLC	\$ 33,460,393	1	0.95%	\$ -	-	-%
Smooth Bourbon LLC	24,343,401	2	0.69%	-	-	-%
Toll NV Limited Partnership	19,606,422	3	0.56%	-	-	-%
Lennar Reno LLC	16,958,709	4	0.48%	-	-	-%
Northland Lumina LLC	16,751,177	5	0.48%	-	-	-%
Prime Park Vista LLC	15,213,577	6	0.43%	-	-	-%
BL Road LLC	14,603,119	7	0.41%	-	-	-%
RCG-Sparks LLC	14,315,735	8	0.41%	-	-	-%
Oakmont Properties-Azure Owner LLC	13,739,511	9	0.39%	-	-	-%
Sparks Marina JV LLC	13,730,519	10	0.39%	-	-	-%
Sparks Ledgens Development	-	-	-%	30,697,294	1	1.52%
PAR Industrial LLC	-	-	-%	20,673,931	2	1.03%
Northwestern Mutual Life Insurance Co.	-	-	-%	15,605,833	3	0.78%
Prologis NA3 LLC	-	-	-%	14,280,710	4	0.71%
Prime Park Vista LLC	-	-	-%	13,957,229	5	0.69%
Inland American Sparks Crossing	-	-	-%	13,131,016	6	0.65%
Scheels All Sports LLC	-	-	-%	12,084,698	7	0.60%
Sparks Family Hospital Inc	-	-	-%	11,918,316	8	0.59%
MWSH Sparks LLC	-	-	-%	10,324,345	9	0.51%
US INST Real Est Equities LP	-	-	-%	10,029,821	10	0.50%
Total, Ten Largest Taxpayers	182,722,563		5.18%	152,703,193		7.58%
Total, Other Taxpayers	3,341,863,227		94.82%	1,860,559,891		92.42%
Total Assessed Valuations	<u>\$ 3,524,585,790</u>		<u>100.00%</u>	<u>\$ 2,013,263,084</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
2022	\$ 33,567,257	\$ 33,488,421	99.77	\$ -	\$ 33,488,421	99.77%
2021	31,490,892	31,380,240	99.65	102,112	31,482,352	99.97%
2020	29,230,408	29,146,606	99.71	83,378	29,229,984	100.00%
2019	26,972,304	26,892,344	99.70	79,959	26,972,303	100.00%
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%

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 June 30,	General Bonded Debt									
	General Obligation		Redevelopment		Total General Bonded Debt	Available to Repay General Bonded Debt	Net General Bonded Debt	Percentage of Actual Property Value ⁽¹⁾	Per Capita ⁽²⁾	
	Bonds	Notes	Bonds	Notes						
2022	\$ -	\$ -	\$ 14,165,442	\$ -	\$ 14,165,442	\$ 6,089,739	\$ 8,075,703	0.08%	\$ 137.22	
2021	-	-	18,257,042	-	18,257,042	8,974,508	9,282,534	0.10%	178.04	
2020	-	-	22,188,460	-	22,188,460	8,223,083	13,965,377	0.15%	221.57	
2019	-	-	28,146,901	-	28,146,901	8,504,258	19,642,643	0.24%	290.39	
2018	-	-	31,969,961	-	31,969,961	7,940,231	24,029,730	0.30%	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	

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	Leases	Sewer Utility Bonds	Sewer Utility Notes	Leases			
\$ 65,323,000	\$ 138,880	\$ 10,396,880	\$ 1,910,080	\$ 10,204	\$ 91,944,486	0.29%	\$ 890.68
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

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City of Sparks
Schedule 3.2 – General Obligation Direct and Overlapping Debt
Year Ended June 30, 2022 (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	\$ 65,323,000	\$ 65,323,000	100.00%	\$ 65,323,000
Tax allocation bonds & notes	<u>14,165,442</u>	<u>14,165,442</u>	100.00%	<u>14,165,442</u>
Total direct debt	<u>79,488,442</u>	<u>79,488,442</u>		<u>79,488,442</u>
Overlapping				
Washoe County School District	1,121,165	-	14.05%	157,524
Washoe County	108,860,000	32,568,000	14.05%	15,294,830
State of Nevada	<u>1,258,860,000</u>	<u>267,040,000</u>	2.41%	<u>30,338,526</u>
Total overlapping	<u>1,368,841,165</u>	<u>299,608,000</u>		<u>45,790,880</u>
Total general obligation direct and overlapping	<u>\$1,448,329,607</u>	<u>\$ 379,096,442</u>		<u>\$ 125,279,322</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, 2022

Assessed value of taxable property, including redevelopment	<u>\$ 3,524,585,790</u>
Debt limit - (20% of total assessed value)	\$ 704,917,158
Debt Applicable to Limit	
Governmental GO Debt	
Business-type Activities GO Debt	<u>10,396,880</u>
Total Net Debt Subject to Limitation	<u>10,396,880</u>
Legal debt margin	<u>\$ 694,520,278</u>

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 704,917,158	\$ 666,011,548	\$ 684,286,244	\$ 613,381,910
Total net debt subject to limitation	<u>10,396,880</u>	<u>13,264,871</u>	<u>28,088,741</u>	<u>33,141,506</u>
Available General Obligation Debt Limit	<u>\$ 694,520,278</u>	<u>\$ 652,746,677</u>	<u>\$ 656,197,503</u>	<u>\$ 580,240,404</u>
Total Net Debt Subject to limitation as a Percentage of Debt Limit	<u>1.5 %</u>	<u>2.0 %</u>	<u>4.1 %</u>	<u>5.4 %</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 595,228,536	\$ 564,422,667	\$ 493,984,971	\$ 479,349,402	\$ 434,121,479	\$ 434,924,468
<u>37,566,649</u>	<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>\$ 557,661,887</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>6.3 %</u>	<u>7.5 %</u>	<u>9.7 %</u>	<u>8.6 %</u>	<u>10.7 %</u>	<u>11.9 %</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⁾							
2022	\$ 42,167,453	\$ 18,804,111	\$ 23,363,342	\$ 2,867,990	\$ 156,079	\$ 3,024,069	7.7
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

- 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⁾
2022	103,230	36.60	\$ 31,801,292,000	\$ 66,075
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

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>
3.2	19,982	7,215	4,789	352,541,584
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

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

Employer	March, 2022			2013		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾
Tesla Gigafactory	5000-9999	1	2.92%	-		-%
Sparks Nugget, Inc.	1000-1499	2	0.49%	1000-1499	1	0.63%
United Parcel Service	1000-1499	3	0.49%	900-999	2	0.48%
City of Sparks	500-999	4	0.29%	600-699	3	0.33%
Western Village	500-999	5	0.29%	400-499	6	0.23%
Q&D Construction	500-999	6	0.29%	-		-%
Northern Nevada Medical Center	500-999	7	0.15%	400-499	4	0.23%
Rail City	250-499	8	0.15%	300-399	9	0.18%
Wal-mart Superstore	250-499	9	0.15%	300-399	7	0.18%
Western Nevada Supply	250-499	10	0.15%	-		-%
Henry Schein Inc	-		-%	400-499	5	0.23%
Department of Transportation	-		-%	300-399	8	0.18%
Scheels	-		-%	200-299	10	0.13%
Total Reno/Sparks Metropolitan Area Covered Employment	256,463			197,553		

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	2022	2021	2020	2019
General government	64.7	61.7	62.2	59.5
Judicial	16.0	16.0	16.0	15.5
Public safety	288.0	280.0	269.0	254.5
Public works	21.6	21.6	22.5	23.0
Culture and recreation	93.4	93.4	95.2	96.8
Community support	1.2	1.2	1.2	1.2
Sewer - Business Type	111.9	110.9	108.9	102.1
Development services - Business Type	35.5	33.5	33.3	33.8
Total	632.3	618.3	608.3	586.4

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)

2018	2017	2016	2015	2014	2013
58.5	58.6	59.7	56.5	55.0	57.5
15.5	15.5	17.0	15.5	15.5	15.5
250.5	250.3	245.3	241.0	243.0	243.0
21.5	21.0	21.5	42.7	52.5	95.5
89.0	93.0	91.0	53.0	82.0	100.5
1.0	0.1	0.0	0.0	0.0	0.0
100.0	95.2	93.6	91.0	77.0	37.0
31.0	29.3	23.9	18.5	18.0	10.0
567.0	563.0	552.0	518.2	543.0	559.0

Function/Program	2022	2021	2020	2019
General Government				
Business licenses issued ⁽³⁾	7,215	7,957	8,249	8,123
Judicial ⁽¹⁾				
Municipal Court Cases Filed				
Misdemeanor, non-traffic	1,633	1,643	1,974	1,975
Traffic and parking violations	4,037	5,044	3,455	3,906
Public Safety				
Police ⁽⁵⁾				
Number of sworn personnel	127	124	118	112
Number of cases	13,617	11,221	11,208	11,984
Calls for service	91,438	81,720	92,136	84,676
Fire ⁽⁶⁾				
Number of firefighters	79	75	77	86
Emergency responses	14,934	13,603	12,608	12,029
Average response time (minutes)	4.1	4.5	5.5	4.2
Public Works ⁽²⁾				
Labor hours for graffiti removal	248	549	1,134	1,623
Pounds of material used for filling potholes	14,995	12,383	79,000	91,485
Tons of sand used during snow removal	2,753	448	258	670
Pounds of material used for pavement crack sealing	91,641	99,381	127,839	117,105
Street sweeper operator miles	6,042	7,810	6,311	5,933
Culture and Recreation ⁽⁷⁾				
Adult softball league number of participants	5,250	2,394	3,246	83,352
Before and after school program enrollment	1,387	1,088	1,749	1,801
Community "Fun Run" number of participants	1,407	426	1,279	1,502
Utilities				
Sewer residential accounts ⁽³⁾	35,658	32,046	31,596	31,143
Sewer commercial accounts ⁽³⁾	2,076	1,837	1,830	1,817
Treatment Plant Flows (millions of gallons) ⁽⁴⁾	10,555.0	10,484.0	10,926.0	11,516.8
Development Services ⁽²⁾				
Building permits issued	4,789	4,616	4,103	3,890

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)

2018	2017	2016	2015	2014	2013
7,378	7,694	6,966	7,053	6,529	7,067
1,802	1,731	1,778	1,999	1,923	1,977
3,679	4,140	4,366	4,635	5,158	5,044
112	112	110	108	108	108
11,565	12,283	11,815	12,656	11,850	11,845
82,386	78,604	80,345	79,176	76,962	76,566
87	87	86	86	87	87
12,685	13,724	12,882	11,163	10,055	9,415
3.9	3.8	3.7	3.5	3.5	5.5
1,675	1,565	1,623	2,180	2,427	2,045
32,183	12,789	13,365	15,211	16,254	112,979
664	279	428	145	350	804
270,743	298,160	205,705	57,756	283,600	255,159
8,014	8,238	8,872	10,190	9,509	9,458
85,096	85,812	71,211	67,692	82,840	78,086
17,194	15,937	15,933	15,319	15,265	14,465
1,634	1,720	1,054	2,330	2,303	2,400
30,697	29,494	29,647	28,956	28,643	29,127
1,814	1,816	1,813	1,803	1,790	1,730
10,633.4	10,918.7	9,879.0	9,787.0	9,706.0	10,227.0
3,935	3,636	3,712	3,581	2,579	2,393

Function/Program	2022	2021	2020	2019
General Government				
City owned facilities ⁽¹⁾	48	48	48	48
Number of networked computers ⁽⁵⁾	640	550	450	450
Public Safety				
Police ⁽²⁾				
Marked police vehicles	58	53	54	49
Police motorcycles	5	4	6	6
Fire ⁽³⁾				
Fire stations	5	5	5	5
Fire engines	19	19	19	19
Public Works ⁽¹⁾				
Paved streets (miles)	774.3	774.3	734.1	734.1
Culture and Recreation ⁽⁴⁾				
Parks	51	50	50	50
Acreage of parks - developed	619.3	617.7	617.7	617.7
Acreage of parks - undeveloped	596.4	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	1	-
Sand volleyball courts	6	6	6	12
Utilities ⁽¹⁾				
Sewer lines (miles)	393.7	382.0	374.0	373.2
Storm drains (miles)	299.1	287.0	271.0	268.7

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)

2018	2017	2016	2015	2014	2013
48	48	48	48	48	48
450	425	460	408	352	352
62	56	45	30	30	29
6	10	6	5	5	5
5	5	5	5	5	5
17	17	17	17	17	17
734.1	734.1	734.1	656.0	656.0	656.0
50	50	52	56	56	56
617.7	618.6	616.0	591.0	591.0	591.0
598.0	579.2	582.4	616.0	616.0	693.7
1	1	1	1	1	1
2	2	2	2	2	2
26	26	26	26	26	26
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	3	4
-	-	-	-	-	-
12	12	12	7	8	10
372.6	359.8	357.5	356.1	395.0	346.8
268.5	259.8	254.7	253.7	250.0	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, 2022, 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 23, 2022.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as finding 2022-002 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as finding 2022-001 to be a significant deficiency.

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Report on 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's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Reno, Nevada
November 23, 2022



**Independent Auditor’s Report on Compliance for the Major Federal Program;
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

Qualified Opinion

We have audited the City of Sparks, Nevada’s (the City) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds as described in finding 2022-003 for Reporting.

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Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2022-003 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other 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.



Reno, Nevada
November 23, 2022



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, 2022, 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.

Reno, Nevada
November 23, 2022

City of Sparks
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

<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 Grants/Entitlement Grant	14.218	B-21-MC-32-0004	\$ 36,915	\$ 3,961
Community Development Block Grants/Entitlement Grant	14.218	B-20-MC-32-0004	27,033	5,020
Total CDBG - Entitlement Grants Cluster			63,948	8,981
Total U.S. Department of Housing and Urban Development			63,948	8,981
<u>U.S. Department of Justice</u>				
Direct Awards				
Equitable Sharing Program	16.922	NV0160200	159,862	-
COVID-19: Coronavirus Emergency Supplemental Funding Progra	16.034	2020-VD-BX-0150	19,303	-
Passed Through the City of Reno				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01710-JAGX	31,132	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAG-22	69,000	-
Total Edward Byrne Memorial Justice Assistance Grant Program			100,132	-
Total U.S. Department of Justice			279,297	-
<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 Progra	20.205	PR212-21-063	34,000	-
Total Highway Planning and Construction Cluster			34,000	-
Passed Through the State of Nevada				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	TS-2021-SPD-00120	-	-
State and Community Highway Safety	20.600	JF-2021-SPD-00007	15,863	-
State and Community Highway Safety	20.600	JF-2020-SPD-00007	1,865	-
Total State and Community Highway Safety			17,728	-
National Priority Safety Programs	20.616	JF-2021-SPD-00007	3,074	-
National Priority Safety Programs	20.616	JF-2020-SPD-00007	1,566	-
Total National Priority Safety Programs			4,640	-
Total Highway Safety Cluster			22,368	-
Total U.S. Department of Transportation			56,368	-
<u>U.S. Department of the Treasury</u>				
Direct Awards				
Coronavirus State & Local Fiscal Recovery Funds	21.027	Unknown	5,329,986	-
Research & Development Cluster:				
Passed Through Washoe County				
COVID-19: Coronavirus State & Local Fiscal Recovery Funds	21.027	Unknown	276,155	276,155
Passed Through The City of Reno				
COVID-19: Coronavirus State & Local Fiscal Recovery Funds	21.027	Unknown	255,769	255,769
Total Research and Development Cluster			531,924	531,924
U.S. Department of the Treasury Total			5,861,910	531,924

City of Sparks
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2022

<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 Health and Human Services</u>				
CCDF Cluster				
Passed Through The Children's Cabinet Child Care and Development Block Grant	93.575	2021, G99COV2	58,607	-
Passed Through the Inter Tribal Council of Nevada, Inc. Child Care and Development Block Grant	93.575	Unknown	3,833	-
Total CCDF Cluster			62,440	-
Total U.S. Department of Health and Human Services			62,440	-
<u>Executive Office of the President</u>				
Passed Through Las Vegas Metropolitan Police Department High Intensity Drug Trafficking Areas Program	95.001	G14NV0001A	10,367	-
Total Executive Office of the President			10,367	-
<u>U.S. Department of Homeland Security</u>				
Direct Awards				
Assistance to Firefighters Grant	97.044	EMW-2020-FG-12937	18,681	-
Total U.S. Department of Homeland Security			18,681	-
Total Expenditures of Federal Awards			\$ 6,353,011	\$ 540,905

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 - Donated Personal Protective Equipment (PPE) (Unaudited)

Nonmonetary assistance of PPE received during the emergency period of the COVID-19 pandemic was \$3,000 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.

Note D - ARPA Sub-Awards From The City To Washoe County CARES Campus and Nevada Higher Learning System (UNR)

Coronavirus State & Local Fiscal Recovery Funds sub-award payments from the City of Sparks to Washoe County for \$704,408 and to the Nevada System of Higher Learning (UNR) for \$61,723 were recorded in the Sparks Grants and Donations Fund during the year ended June 30, 2022 on an accrual basis; however, they were not included in the Schedule as payment was not made during the year.

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?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:	Qualified
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 State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section III – Findings and Questioned Costs for Federal Awards:

**2022-003: U.S. Department of the Treasury
COVID-19: Coronavirus State and Local Fiscal Recovery Funds, Assistance Listing #21.027**

**Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance**

Grant Award Number: Affects all grant awards included under Assistance Listing 21.027 on the Schedule of Expenditures of Federal Awards.

Criteria: The *OMB Compliance Supplement* requires that reports submitted to the federal awarding agency include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with governing requirements.

The City of Sparks (the City) must submit quarterly *Project and Expenditure Reports* that contain costs incurred during the covered period. Critical information includes:

- Obligations and Expenditures
 - Current period obligation
 - Cumulative obligation
 - Current period expenditure
 - Cumulative expenditure
- Subawards
- Detailed information on any loans issued; contracts and grants awarded; transfers made to other government entities; and direct payments made by the recipient that are greater than \$50,000. For amounts less than \$50,000, the recipient must report in the aggregate for these same categories of loans issued; contracts and grants awarded; transfers made to other government entities and direct payments made by the recipient.

Condition: Expenditure information was reported inaccurately.

Cause: The City of Sparks did not have adequate internal controls to ensure Project and Expenditure Reports were prepared in accordance with governing requirements.

Effect: Inaccurate information was reported to the federal awarding agency.

Questioned Costs: None

Context/Sampling: The entire population of two *Project and Expenditure Reports* submitted during the year was selected for testing.

The cumulative impact is as follows:

Period Ended December 31, 2021

	<u>Originally Reported</u>	<u>Actual</u>
Obligations and Expenditures: Cumulative expenditures	\$10,240,156	\$240,156

Period Ended March 31, 2022

	<u>Originally Reported</u>	<u>Actual</u>
Obligations and Expenditures: Cumulative expenditures	\$10,440,302	\$5,003,131

*Repeat Finding from
Prior Year:*

No

Recommendation:

We recommend the City enhance internal controls to ensure *Project and Expenditure Reports* are prepared in accordance with governing requirements.

*Views of Responsible
Officials:*

The City of Sparks partially agrees with this finding.

Financial Services Staff accurately reported current period expenditures on the Project and Expenditure Report for the periods ended December 31, 2021 and March 31, 2022. The City elected the \$10 million allowance to replace lost public sector revenue as the U.S. Department of Treasury’s guidance stated recipients must choose one of two options and cannot switch between these approaches after an election is made. In consideration that the City had only received the first tranche of \$8.1 million during the reporting period, the full \$10 million was included in the cumulative expenditures total for revenue replacement. The City believed this was the correct approach to reporting with the guidance available at the time. Upon receiving subsequent Federal guidance that clarified the reporting requirements, cumulative expenditures were updated and properly reported on the Project and Expenditure Report for the period ended June 30, 2022 that was submitted July 25, 2022.

City of Sparks
 Schedule of Fees Imposed Subject to NRS 354.5989 - Limitation of Fees for Business Licenses
 Year Ended June 30, 2022

Flat Fixed Fees

Business license revenue adjusted base at June 30, 2021 (Base Year) \$ 947,034

Adjustment to Base

Percentage increase in population of the local government 0.67 %

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) 7.10 % 7.77 %

73,585

Adjusted base at June 30, 2022 1,020,619

Actual Revenue 784,073

Amount under allowable amount \$ (236,546)

Fee Calculated on a Percentage of Gross Revenue

Base Revenue at June 30, 2021 \$ 5,202,853

Percentage change in CPI 1.071 %

Adjusted base at June 30, 2022 5,572,256

Actual Revenue 6,089,247

Actual amount over allowable amount \$ 516,991

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