



CITY OF SPARKS  
NEVADA

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Year Ended June 30, 2020



# City of Sparks, Nevada

## Comprehensive Annual Financial Report

for the Fiscal Year Ended  
June 30, 2020

Prepared by the Compliance Division of the Finance Department

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Special Thanks to the Budgeting and Operating Divisions



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November 30, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the City of Sparks, Nevada, for the fiscal year ended June 30, 2020, is hereby submitted in accordance with Nevada Revised Statutes 354.624. This report represents the City's compliance with state law, which requires that local governments provide for an annual audit by independent certified accountants of its financial statements in accordance with generally accepted accounting principles (GAAP).

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

Our auditors, Eide Bailly LLP, have also issued an unmodified ("clean") opinion that the financial statements enclosed within this CAFR 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 CAFR 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 2018-2019.
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 100,140, is the fifth largest city in Nevada and is located in the extreme western part of the state sharing a border with the City of Reno.

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

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

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

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

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

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

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

### **Local Economy**

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

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

The Reno-Sparks Metropolitan Statistical Area is attracting technology-driven companies and is now home to several large and influential companies including Apple, Google, Amazon, Tesla, Switch, Clear Capital, Flirtey, and others. Prior to 2020, As a result of this greater economic diversity, the Northern Nevada region has experienced high employment growth since the Great Recession. The COVID-19 pandemic that began in 2020 has certainly caused great harm to Northern Nevada's public and economic health; however, we believe the revitalized and diversified regional economy has created an economic infrastructure that will allow the regional economy to rebound in relatively short order once the COVID-19 pandemic has run its course.

The growth in companies locating to the area has improved the local economy and created a demand for housing which will have to be met in order to prevent the shifting of jobs to other more affordable areas. The population of Sparks has grown an additional 3.3% in the last year. To meet the growing population needs, housing permit activity within Sparks has generally shifted from single family homes to multi-family homes.

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

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

Fiscal year 2019-2020 was the first year that assessed values have exceeded the pre-recession values of fiscal year 2008-2009. However, due to extremely low growth and inflation in the last 10 years, the secondary property tax cap calculation will result in property tax revenue growth of only 5.0% on general property rather than the 8% cap in fiscal year 2020-2021. Any assessed value increases for existing property that is above the cap of 3% for residential and 5.0% for general property will be abated. Additionally, depreciation is applied to land improvements at 1.5% each year up to 50 years, resulting in a maximum cumulative depreciation rate of 75%.

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

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 currently has three licensed distributors whose quarterly renewal of business license fees are based on gross receipts. Due to this industry being relatively new, the unpredictable nature of the resulting licensing revenues and a generally conservative approach to budgeting, the licensing revenue was allocated to provide funding for non-recurring capital expenses. 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.

## **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 2019-2020, the average interest rate earned on investments maturing during the year was 2.41 percent.

### Risk Management

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

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

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

### Pension Information

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

Postemployment Benefits Other Than Pensions (OPEB)

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

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

**Awards and Acknowledgments**

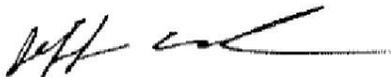
The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sparks, Nevada, for its Comprehensive Annual Financial Report (CAFR) for each fiscal year ended June 30, 1981 through 2019. Fiscal year 2018-2019 was the thirty-ninth 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 CAFR. 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 2019-2020 CAFR 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.

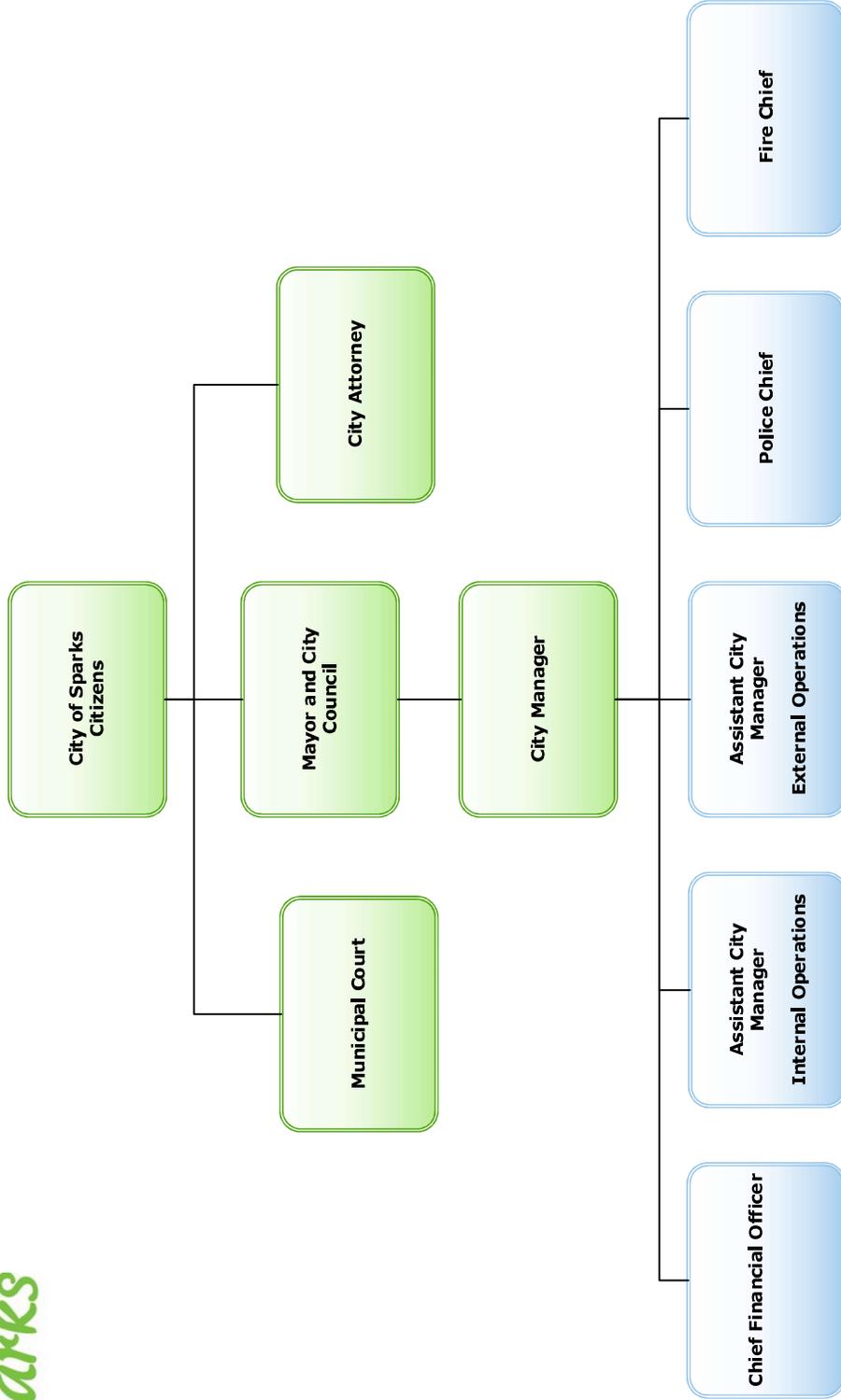
This report could not have been prepared without the diligent year-round efforts of the entire staff of the Financial Services Department and of the certified public accounting firm Eide Bailly LLP. We would like to acknowledge their expert support and guidance throughout the year not only to make this 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	Ronald E. Smith	4 years	November 2022
Council Member Ward 1	Donald Abbott	4 years	November 2020
Council Member Ward 2	Ed Lawson	4 years	November 2022
Council Member Ward 3	Paul Anderson	4 years	November 2020
Council Member Ward 4	Charlene Bybee	4 years	November 2022
Council Member Ward 5	Kristopher Dahir	4 years	November 2020
City Attorney	Chet Adams	4 years	November 2020
Municipal Judge, District 1	Barbara McCarthy	6 years	November 2020
Municipal Judge, District 2	Jim Spoo	6 years	November 2024
City Manager	Neil C. Krutz	Appointed	
Assistant City Manager	John Martini	Appointed	
Assistant City Manager	Doug Thornley	Appointed	
City Clerk	Lisa Hunderman	Appointed	
Chief Financial Officer	Jeff Cronk	Appointed	
Acting Parks & Recreation Director	Tony Pehle	Appointed	
Police Chief	Pete Krall	Appointed	
Fire Chief	Jim Reid	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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sparks, Nevada, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Sparks, Nevada's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

What inspires you, inspires us. Let's talk. | [eidebailly.com](http://eidebailly.com)

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sparks, Nevada, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-25, the schedule of changes in the total other post-employment benefits liability and related ratios on pages 78-79, the schedule of the City's share of net pension liability on pages 80-81, and the schedule of the City's contributions on pages 82-83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

The nonmajor combining and individual fund statements and schedules including budgetary comparisons, the schedule of expenditures of federal awards, and the schedule of fees imposed subject to the provisions of NRS 354.5989 – Limitation of Fees for Business Licenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor combining and individual fund statements and schedules including budgetary comparisons, the schedule of expenditures of federal awards, and the schedule of fees imposed subject to the provisions of NRS 354.5989 – Limitation of Fees for Business Licenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Prior Year Comparative Information**

We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the basic financial statements of the City of Sparks, Nevada, as of and for the year ended June 30, 2019 and have issued our report thereon dated November 27, 2019, which expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2019, is consistent with the audited financial statements from which it has been derived.

The nonmajor combining and individual fund financial statements and schedules related to the 2019 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statements and schedules are consistent in relation to the basic financial statements from which they have been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020, on our consideration of the City of Sparks, Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sparks, Nevada's internal control over financial reporting and compliance.



Reno, Nevada  
November 30, 2020

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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, 2020. 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 at June 30, 2020 by \$492,436,005 (net position), an increase of 5.2 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 \$89,439,220, an increase of \$746,786 from the prior year liability of \$88,692,434. Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires the City to report a proportionate share of the total Net Pension Liability reported by the Public Employee's Retirement System of Nevada (PERS). As a result of recording the increase in the City's portion of net pension liability (\$746,786), an increase in deferred pension inflows (\$1,785,584), and an increase in deferred pension outflows (\$701,433), net position was decreased by \$1,830,937.
- Governmental activity revenues were \$120,694,245 as compared to \$139,113,023 for the year ended June 30, 2019. The decrease of \$18,418,778 is primarily driven by; a decrease in contributed capital of \$20,321,726, mostly due to a decrease in roadway donations from the Regional Transportation Commission, an increase in Ad valorem taxes of \$2,613,470, and an increase in Consolidated tax revenues of \$1,184,319. Business-type activity revenues were \$43,928,408 in fiscal year 2019-2020. A decrease of \$5,811,493 from the prior year revenues of \$49,739,901. The decrease is primarily driven by a decrease in sewer infrastructure contributions from developers. Expenses of the business-type activities increased by \$2,294,394, 7.7 percent, and were primarily related to increases in maintenance costs related to the City's share of the Truckee Meadows Water Reclamation Facility. The Truckee Meadows Water Reclamation Facility is a jointly owned venture of the Cities of Reno and Sparks which the City of Sparks funds from the Sewer Operations Enterprise Fund. More information about the Truckee Meadows Water Reclamation Facility can be found in the Note 6 of the Financial Statements.
- Sparks' governmental funds reported combined ending fund balances of \$55,608,094 as of June 30, 2020 which is a decrease of \$1,323,090 from fiscal year 2018-2019 ending fund balance total of \$56,931,184. The decrease was primarily due to an increase in current expenditures within the community support function.
- Governmental Accounting Standards Boards Statement No. 54 provides fund balance classifications for governmental funds. As of June 30, 2020, the unrestricted fund balance (which includes committed, assigned and unassigned balances) in the General Fund was \$6,860,784, which represents approximately 9.6 percent of General Fund expenditures (excluding capital). Of that amount, \$510,439 is assigned for open purchase orders and the remaining \$6,350,345 is an unassigned fund balance.
- The City's primary General Fund resources are consolidated taxes and property taxes. Combined, these resources accounted for 70.7 percent of total General Fund revenues and have increased by 5.3 percent from last year's results. Consolidated tax revenues increased 4.3 percent, and property taxes increased by 6.6 percent compared to the previous fiscal year.
- Unrestricted cash and investments of \$128,100,566 can cover current liabilities 3.3 times on a government-wide basis.
- The City's long-term liabilities outstanding increased by \$2,188,141 in fiscal year 2019-2020. The increase was primarily attributable to the City's OPEB liability.

## **Overview: Understanding the Financial Statements**

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

### **Government-Wide Financial Statements**

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

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

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

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

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

### **Fund Financial Statements**

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

### ***Governmental Funds***

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

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

Financial statements are provided separately for the major funds including the General Fund 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, 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 fund reported in this manner is the Sewer Operations Fund, and the non-major enterprise fund is 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 non-major 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 5.2 percent during fiscal year 2019-2020. This is partially due to an increase in deferred outflows related to pensions and other post-employment benefits (OPEB).

	City of Sparks' Statement of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 89,512,846	\$ 86,345,854	\$ 116,735,664	\$ 107,671,920	\$ 206,248,510	\$ 194,017,774
Capital assets	419,876,432	415,254,519	178,275,674	180,724,441	598,152,106	595,978,960
Total assets	<u>509,389,278</u>	<u>501,600,373</u>	<u>295,011,338</u>	<u>288,396,361</u>	<u>804,400,616</u>	<u>789,996,734</u>
Deferred outflow bond refundings	1,368,711	-	-	-	1,368,711	-
Deferred outflows related to pensions	12,813,763	12,242,187	1,393,228	1,263,371	14,206,991	13,505,558
Deferred outflows related to OPEB	9,835,639	4,343,192	687,195	474,232	10,522,834	4,817,424
Total deferred outflow of resources	<u>24,018,113</u>	<u>16,585,379</u>	<u>2,080,423</u>	<u>1,737,603</u>	<u>26,098,536</u>	<u>18,322,982</u>
Total assets and deferred outflows	<u>533,407,391</u>	<u>518,185,752</u>	<u>297,091,761</u>	<u>290,133,964</u>	<u>830,499,152</u>	<u>808,319,716</u>
Long term liabilities outstanding	249,552,812	241,974,071	36,472,003	41,862,603	286,024,815	283,836,674
Other liabilities	30,262,623	37,205,717	8,947,400	8,242,842	39,210,023	45,448,559
Total liabilities	<u>279,815,435</u>	<u>279,179,788</u>	<u>45,419,403</u>	<u>50,105,445</u>	<u>325,234,838</u>	<u>329,285,233</u>
Deferred inflows related to pensions	7,851,577	6,237,227	671,073	499,839	8,522,650	6,737,066
Deferred inflows related to OPEB	4,064,365	3,825,211	241,294	248,090	4,305,659	4,073,301
Total deferred inflows of resources	<u>11,915,942</u>	<u>10,062,438</u>	<u>912,367</u>	<u>747,929</u>	<u>12,828,309</u>	<u>10,810,367</u>
Total liabilities and deferred inflows	<u>291,731,377</u>	<u>289,242,226</u>	<u>46,331,770</u>	<u>50,853,374</u>	<u>338,063,147</u>	<u>340,095,600</u>
Net investment in capital assets	401,168,954	392,011,088	151,475,847	147,778,186	552,644,801	539,789,274
Restricted	44,717,383	40,809,634	-	-	44,717,383	40,809,634
Unrestricted	(204,210,323)	(203,877,196)	99,284,144	91,502,404	(104,926,179)	(112,374,792)
Total net position	<u>\$ 241,676,014</u>	<u>\$ 228,943,526</u>	<u>\$ 250,759,991</u>	<u>\$ 239,280,590</u>	<u>\$ 492,436,005</u>	<u>\$ 468,224,116</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, \$552,644,801, 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 \$44,717,383, 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 \$3,907,749 is comprised of increases related to amounts restricted for capital projects and self-insurance claims.

City of Sparks  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020

Unrestricted net position is the amount of funds available to meet the City's ongoing obligations. The negative unrestricted net position value of \$104,926,179 in fiscal year 2019-2020 is comprised primarily of a deficit of \$204,210,323 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.

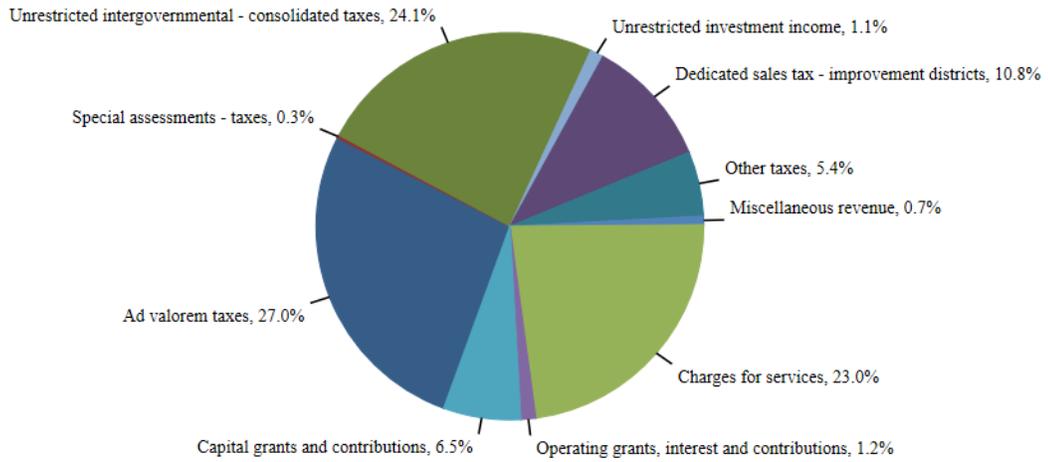
	City of Sparks' Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	\$ 27,736,626	\$ 28,762,184	\$ 33,622,672	\$ 31,556,246	\$ 61,359,298	\$ 60,318,430
Operating grants, interest and contributions	1,493,963	1,773,945	-	-	1,493,963	1,773,945
Capital grants and contributions	7,793,920	28,115,646	8,713,716	16,120,587	16,507,636	44,236,233
	<u>37,024,509</u>	<u>58,651,775</u>	<u>42,336,388</u>	<u>47,676,833</u>	<u>79,360,897</u>	<u>106,328,608</u>
General revenues:						
Ad valorem taxes	32,559,240	29,945,770	-	-	32,559,240	29,945,770
Special assessments - taxes	324,269	361,665	-	-	324,269	361,665
Unrestricted intergovernmental - consolidated taxes	29,030,989	27,846,670	-	-	29,030,989	27,846,670
Dedicated sales tax - improvement districts	13,019,211	13,192,358	-	-	13,019,211	13,192,358
Other taxes	6,517,222	6,737,983	-	-	6,517,222	6,737,983
Unrestricted investment income	1,350,566	1,868,169	1,510,252	1,983,132	2,860,818	3,851,301
Miscellaneous revenue	868,239	508,633	81,768	79,936	950,007	588,569
	<u>83,669,736</u>	<u>80,461,248</u>	<u>1,592,020</u>	<u>2,063,068</u>	<u>85,261,756</u>	<u>82,524,316</u>
Total revenues	<u>120,694,245</u>	<u>139,113,023</u>	<u>43,928,408</u>	<u>49,739,901</u>	<u>164,622,653</u>	<u>188,852,924</u>
Expenses:						
General government	15,441,627	13,973,087	-	-	15,441,627	13,973,087
Judicial	2,795,918	2,675,432	-	-	2,795,918	2,675,432
Public safety						
Police	32,772,357	29,649,467	-	-	32,772,357	29,649,467
Fire	20,937,959	19,037,851	-	-	20,937,959	19,037,851
Management Services	106,688	-	-	-	106,688	-
Community services	1,623,829	1,449,694	-	-	1,623,829	1,449,694
Public works	11,950,915	10,831,434	-	-	11,950,915	10,831,434
Culture and recreation	10,422,820	10,712,073	-	-	10,422,820	10,712,073
Community support	5,645,107	3,152,349	-	-	5,645,107	3,152,349
Interest and fiscal charges	6,545,310	7,987,116	-	-	6,545,310	7,987,116
Sewer	-	-	26,977,731	24,957,376	26,977,731	24,957,376
Development services	-	-	5,190,503	4,916,464	5,190,503	4,916,464
Total expenses	<u>108,242,530</u>	<u>99,468,503</u>	<u>32,168,234</u>	<u>29,873,840</u>	<u>140,410,764</u>	<u>129,342,343</u>
Increase (Decrease) in net position before transfers & special items	12,451,715	39,644,520	11,760,174	19,866,061	24,211,889	59,510,581
Transfers	280,773	21,281	(280,773)	(21,281)	-	-
Increase (Decrease) in net position	12,732,488	39,665,801	11,479,401	19,844,780	24,211,889	59,510,581
Net position, July 1	228,943,526	189,277,725	239,280,590	219,435,810	468,224,116	408,713,535
Net position, June 30	<u>\$ 241,676,014</u>	<u>\$ 228,943,526</u>	<u>\$ 250,759,991</u>	<u>\$ 239,280,590</u>	<u>\$ 492,436,005</u>	<u>\$ 468,224,116</u>

### Governmental Activities

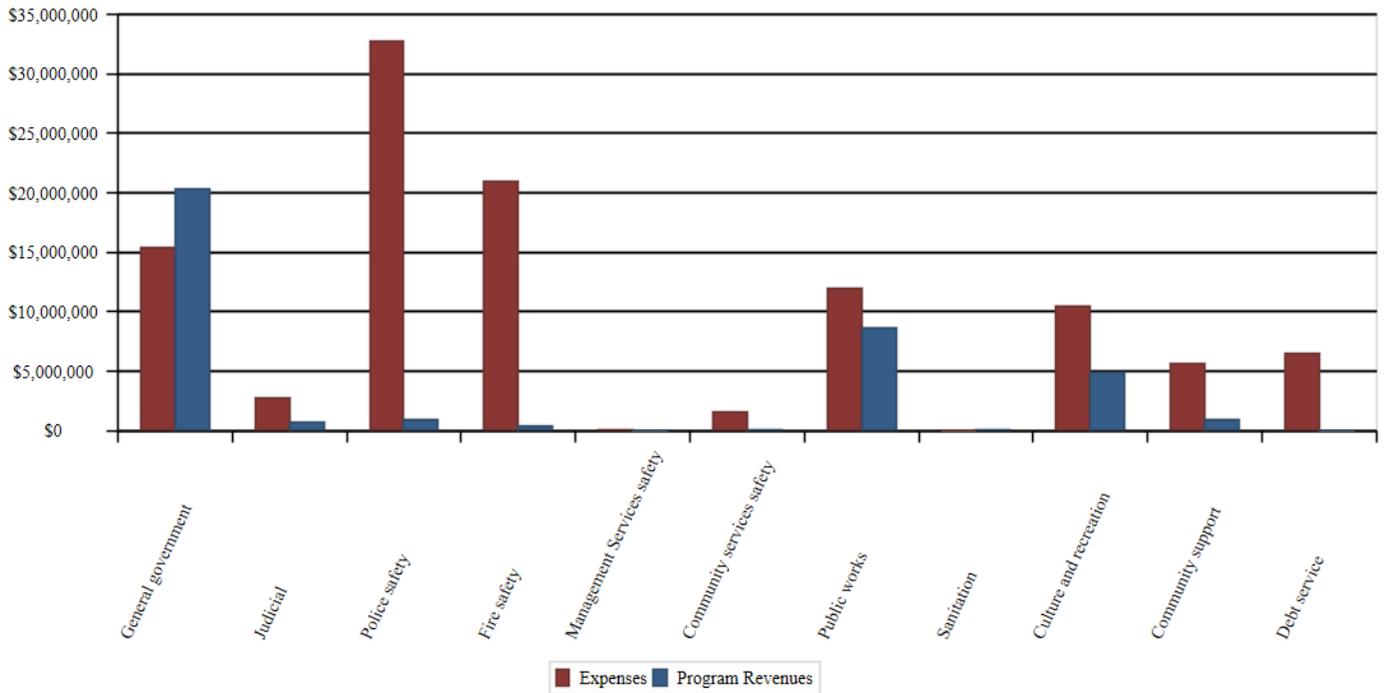
Governmental activities in fiscal year 2019-2020, increased the City's net position by \$12,732,488. Of the more significant results for governmental activities that contributed to this change the following was observed:

- Ad valorem tax revenues increased by 8.7 percent, or \$2,613,470, from fiscal year 2018-2019. Fiscal year 2019-2020 is the first fiscal year that the City's assessed values exceeded the level that they were at in 2008-2009, when property values began to decline. The City's assessed values are 7.1 percent above the level that they were in 2008-2009 and 11.1 percent above the 2018-2019 level. Two bills passed during the 2005 Legislative Session – AB 489 and SB 509 – collectively known as the “property tax relief measure”, have significantly limited future property tax receipts, by placing caps on property tax bills of up to 3 percent for owner-occupied residential properties and up to 8 percent for all other properties, based on the greater of the 10-year rolling average of assessed value growth in the county or two times the consumer price index. Thus, the increases in assessed values that the City is seeing related to growth in the area will not result in comparable increases in revenues;
- Consolidated taxes increased by 4.3 percent, or \$1,184,319, from fiscal year 2018-2019. Sales taxes consistently comprise over 80 percent of the consolidated tax, and the increase is representative of a variety of economic growth occurring in the area;
- In fiscal year 2019-2020, governmental program revenues decreased by 36.9 percent, or \$21,627,266, from the prior year. The decline is attributed to a decrease in contributed assets from the Regional Transportation Commission (RTC). Although revenues decreased, they were in excess of expenses.

**Revenues by Source - Governmental Activities**



**Expenses and Program Revenues  
 Governmental Activities**

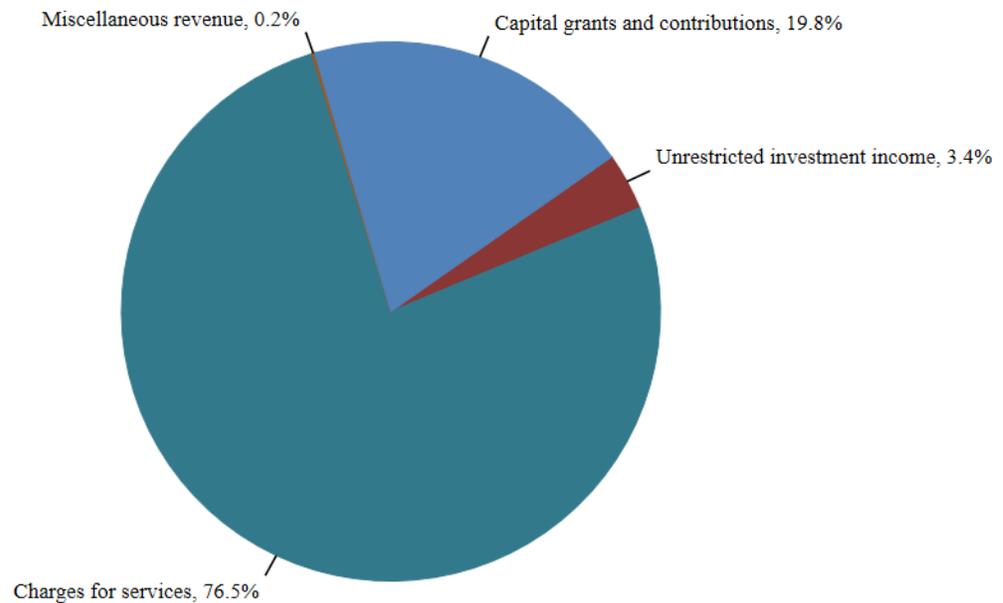


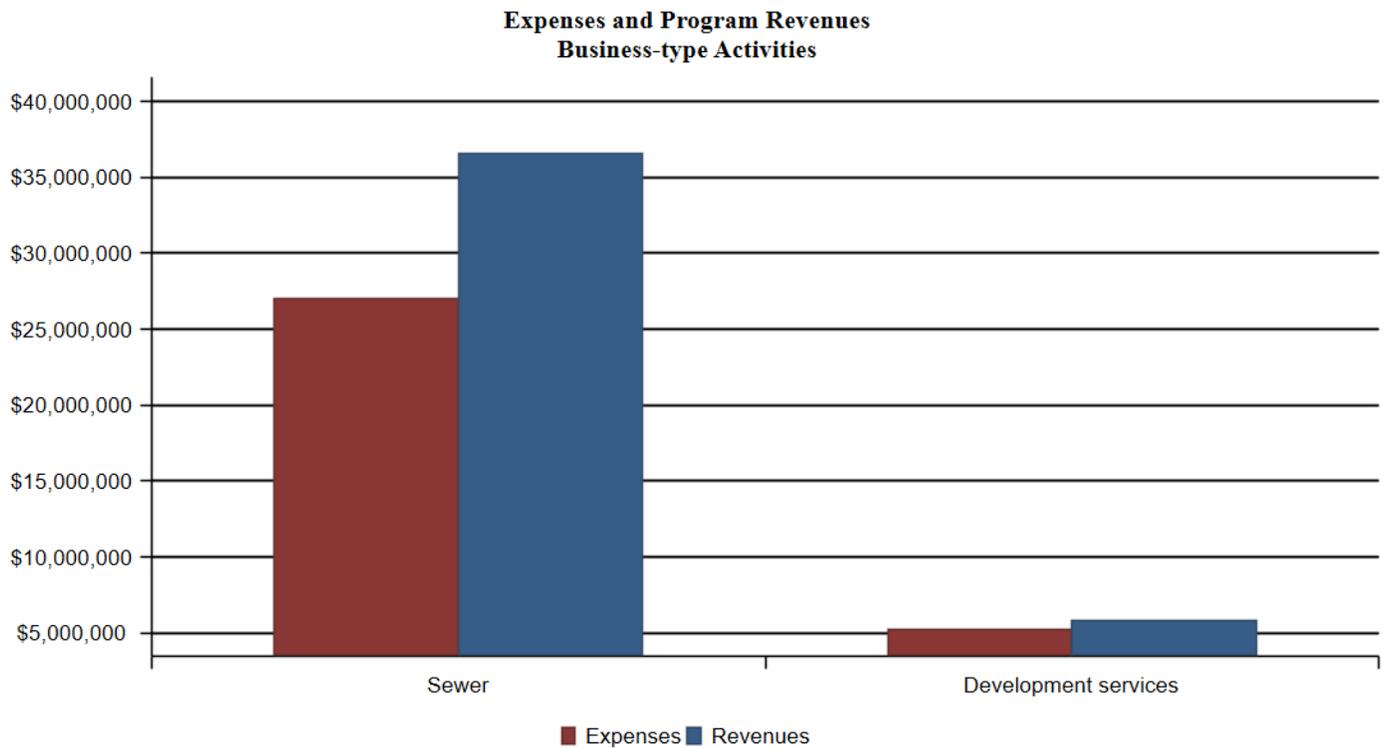
### Business-type Activities

Business-type activities, in fiscal year 2019-2020 increased the City's net position by \$11,479,401. Significant results include:

- Total revenues decreased by 11.7 percent, or \$5,811,493, which was driven primarily by a decrease in revenues from developer contributions such as sewer and storm drain connections. Although revenues decreased, they were in excess of total expenses;
- Expenses of business-type activities increased from \$29,873,840 to \$32,168,234, an increase of \$2,294,394, or 7.7 percent, and were related to increases in maintenance costs related to the City's share of the Truckee Meadows Water Reclamation Facility. The Truckee Meadows Water Reclamation Facility is a jointly owned venture of the Cities of Reno and Sparks to which the City of Sparks makes contributions from the Sewer Operations Enterprise Fund. More information about the Truckee Meadows Water Reclamation Facility can be found in Note 6 of the Financial Statements.

**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, 2020, Sparks’ governmental funds reported combined ending fund balances of \$55,608,094, which is a decrease of \$1,323,090 from fiscal year 2018-2019 ending fund balance of \$56,931,184. The decrease was primarily due to an increase in current expenditures within the Community Support function.
- The combined ending fund balance of \$55,608,094 is comprised of: \$36,488,361 which is restricted to specific purposes such as, but not limited to, capital projects, debt, and grants, and \$19,119,733 which is unrestricted (includes committed, assigned and unassigned balances).
- Approximately 34.4 percent of the combined ending fund balances, or \$19,119,733, is unrestricted. Of the unrestricted balance, \$1,707,029 has been committed by Council action for items such as road repairs and economic stabilization, and \$11,062,359 has been assigned by the Chief Financial Officer (a designee of Council) for budget deficits, encumbered purchase orders, or capital projects. The remaining \$6,350,345 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, 2020, the unrestricted fund balance (includes committed, assigned and unassigned balances) was \$6,860,784, which is 17.9 percent lower than the prior year's unrestricted balance of \$8,356,501. The decline is largely due to increased salaries and employee benefit expenditures that were negotiated by the City for public safety. For fiscal year 2019-2020 expenditures and transfers out exceeded revenues and transfers in which resulted in a decrease of the City's unrestricted fund balance to 9.6 percent of departmental expenditures (excluding capital outlay), which remains above the established policy goal of 8.3 percent. The unrestricted fund balance is 9.0 percent of General Fund revenues, which is down from 11.5 percent of General Fund revenues from fiscal year 2018-2019.

Although the City's General Fund balance was \$6,860,784 at June 30, 2020. It should be noted that \$510,439 is considered assigned for open purchase orders. This leaves \$6,350,345 as an unassigned ending fund balance available for various purposes.

The primary impacts upon the General Fund include a \$4,329,337 (5.9 percent) increase in revenues and transfers in and a \$7,366,342 (10.3 percent) increase in expenditures and transfers out. The two largest areas of revenue changes were intergovernmental revenues increased \$1,280,032 (4.1 percent) most of which is related to increased Consolidated Tax revenue collected by the state, and property taxes increased \$1,531,011 (6.6 percent) mostly related to real property tax revenues. The increase in expenditures and transfers out was primarily related to a \$3,431,448 (7.4 percent) increase in public safety expenditures, most of which were related to increased salaries and employee benefits. The result is that the ending fund balance within the General Fund decreased by \$1,495,717, or 17.9 percent, from the prior year.

## 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 \$15,393,246 compared to \$15,609,278 for the prior year, a decrease of 1.4 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 statements, but contain more detail.

The net position of the Sewer Operations Enterprise Fund was \$246,314,490 as of June 30, 2020, an increase of \$10,091,973 or 4.3 percent, over the prior year's balance of \$236,222,517. The major changes were; a \$1,751,197 (6.7 percent) increase in sewer service charges, and a \$2,178,467 (8.8 percent) increase in operating expenses, largely related to the City's share of maintenance costs related to the Truckee Meadows Water Reclamation Facility, a jointly owned venture of the Cities of Reno and Sparks which the City of Sparks funds from the Sewer Operations Enterprise Fund. More information about the Truckee Meadows Water Reclamation Facility can be found in the Note 6 of the Financial Statements.

Net position of the Development Services Enterprise Fund increased to \$4,374,954 from \$3,682,846, or 18.8 percent. Operating revenues increased by \$344,659, or 6.3 percent, and exceeded operating expenses which increased by \$311,823, or 6.3 percent. Increased operating expenses were primarily related to an increase in salaries and employee benefits.

### 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 \$762,616 less than budgeted, primarily due to a decrease in business license revenue and Consolidated Tax receipts below budgeted expectations. The unexpected declines in these particular revenues were the direct result of the effects to the regional economy from the COVID-19 global pandemic. Local businesses were required to temporarily close in mid-March of 2020 to reduce the spread of the contagion, the results of which led to a decrease in Consolidated Tax and business license revenues during the last quarter of the fiscal year.

Actual expenditures were 4.5 percent below final amended budget, which was primarily due to underspends related to position vacancies within the public safety area.

The following functions are highlighted:

- The General Government function achieved \$645,054, or 4.6 percent, in budgetary savings primarily from an underspend in professional services within the Management Services and Community Services departments;
- The Judicial function, comprised solely of the Municipal Court, achieved \$85,843, or 3.5 percent, in budgetary savings primarily from an underspend in employer paid deferred compensation and retirement benefits;
- Spending within the Public Safety function was \$2,010,382, or 3.9 percent, less than budgeted primarily related to reduced salaries related to position vacancies;
- The Community Services Department achieved; \$201,218, or 9.7 percent, in budgetary savings within the Public Works function primarily from savings in budgeted professional services, and \$343,254, or 9.5 percent, in budgetary savings within the Culture and Recreation function primarily from reduced salaries related to position vacancies.
- Spending within the Community Support function was \$56,584, or 14.8 percent, more than budgeted mostly due to excess spending for the Community Assistance Center (CAC).

### 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, 2020 amounted to \$598,152,106, an increase of \$2,173,145 compared to \$595,978,961 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 2019-2020 operations for governmental activities was \$4,621,913, (from \$415,254,519 to \$419,876,432), while business-type activities decreased by \$2,448,768 (from \$180,724,442 to \$178,275,674).

Significant capital asset activities that occurred during fiscal year 2019-2020 included:

- Assets under construction, Construction in Progress, decreased by \$18,063,622. New projects were started in the amount of \$4,485,244, a project in the amount of \$82,923 was abandoned and \$22,465,943 in projects were completed. A significant portion was related to the 4th and Prater Corridor Improvement project donated by the Regional Transportation Commission.

- Assets classified as infrastructure increased by \$20,297,834, which was primarily due to the addition of Sparks' portion of the 4th and Prater project mentioned above.
- Land holdings increased by \$2,625,636 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 39,291,072	\$ 36,665,436	\$ 1,873,105	\$ 1,873,105	\$ 41,164,177	\$ 38,538,541
Intangibles	3,407,498	3,464,021	2,648	2,648	3,410,146	3,466,669
Buildings	15,414,564	16,182,192	537,015	565,305	15,951,579	16,747,497
Improvements other than buildings	32,297,733	33,653,577	646,289	726,857	32,944,022	34,380,434
Equipment, furnishings & vehicles	11,231,145	11,670,454	440,032	398,573	11,671,177	12,069,027
Infrastructure	313,477,554	292,193,350	166,883,604	167,869,974	480,361,158	460,063,324
Construction in progress	4,667,985	21,336,608	866,479	2,261,478	5,534,464	23,598,086
Water rights	88,881	88,881	7,026,502	7,026,502	7,115,383	7,115,383
<b>Total</b>	<b>\$ 419,876,432</b>	<b>\$ 415,254,519</b>	<b>\$ 178,275,674</b>	<b>\$ 180,724,442</b>	<b>\$ 598,152,106</b>	<b>\$ 595,978,961</b>

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, 2020, the City of Sparks had a total of \$286,024,815 of long-term liabilities outstanding. Of this amount, \$89,439,220 is related to pension benefits, \$43,493,794 is related to Other Post-Employment Benefits (OPEB), \$50,000 is related to refundable deposits, and \$153,041,801 is outstanding for all other long-term liabilities.

Other noncurrent liabilities not related to pension, OPEB, and deposits, amounting to \$179,585,345 are comprised of \$145,904,760 of governmental activities and \$33,680,585 of business-type activities. Governmental activity includes: revenue bonds of \$92,793,284; private placement tax allocation bonds of \$22,188,460; a financial incentive agreement payable to Syuffy Enterprises of \$400,000; a financial assistance agreement payable to Marnell Gaming of \$284,160; and accrued compensated absences, sick leave conversion, and insurance claim liabilities totaling \$30,238,856. Business-type activity includes: Sewer Utility general obligation bonds totaling \$11,775,856; private placement bonds and notes payable totaling \$19,783,514; and accrued compensated absences, and sick leave conversion liabilities of \$2,121,215. The City of Sparks' outstanding liabilities, including debt of the Redevelopment Agency, decreased by \$14,878,146, or 7.7 percent, during the fiscal year ended June 30, 2020.

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 8.7 percent in June 30, 2020 compared to 3.2 percent as of June 30, 2019. An extremely sharp increase in unemployment occurred during the final quarter of the fiscal year due to the economic conditions created by the COVID-19 global pandemic. The unemployment rate spiked as high as 20.4% in April of 2020 only to rapidly decline once businesses began to open. Unemployment continues to improve reflected in a rate of 6.7% in September 2020. As businesses continue to re-open and the general economy improves, we expect the unemployment rate will continue to decline in the coming months.

- 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 \$8.8 billion in fiscal year 2019-2020, an increase of 69.2 percent during the past ten fiscal years. Although the recovery is into the 10th year, we expect taxable sales to continue to improve as regional growth continues assuming the effects of the COVID-19 pandemic also continue to improve.
- During the years subsequent to the Great Recession, the median home values within Sparks have seen a significant rise. After peaking at approximately \$332,000 prior to the recession, the median home value plummeted to about \$140,000 during the recession. In September 2020, median home values in Sparks were \$380,612.
- As mentioned previously, the City's Ad Valorem tax revenues increased by 8.7 percent in fiscal year 2019-2020. This was due to an increase of 11.1 percent in the assessed valuation and additional new revenue from housing and other development that is exempt from property tax caps, between fiscal year 2019-2020 and fiscal year 2018-2019. 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 2019-2020 by 3.3 percent and the Nevada State Demographer's office projects a population increase of 1.6 percent for fiscal year 2020-2021. 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.

All of these factors and others were considered in preparing the City's budget for the upcoming 2020-2021 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, 2020

(with Comparative Totals for June 30, 2019)

	Governmental Activities	Business-Type Activities	Total	2019
<b>Assets</b>				
Cash and investments	\$ 57,090,116	\$ 71,010,450	\$ 128,100,566	\$ 113,224,478
Accounts receivable, net	9,323,563	2,358,485	11,682,048	13,082,702
Internal balances	(70,547)	70,547	-	-
Due from other governments	10,240,241	273,980	10,514,221	10,324,144
Inventories	199,814	-	199,814	175,825
Deposits	19,072	-	19,072	19,072
Notes receivable, net	1,322,268	3,483,492	4,805,760	5,738,474
Restricted assets				
Cash and investments	11,388,319	-	11,388,319	11,396,872
Investment in the Truckee Meadows Water Reclamation Facility	-	39,538,710	39,538,710	40,056,206
Capital assets				
Land, construction in progress, intangible assets, and water rights	47,277,303	9,768,734	57,046,037	72,484,023
Other capital assets, net of depreciation	372,599,129	168,506,940	541,106,069	523,494,938
Total assets	<u>509,389,278</u>	<u>295,011,338</u>	<u>804,400,616</u>	<u>789,996,734</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflow bond refundings	1,368,711	-	1,368,711	-
Deferred outflows related to pensions	12,813,763	1,393,228	14,206,991	13,505,558
Deferred outflows related to OPEB	9,835,639	687,195	10,522,834	4,817,424
Total deferred outflows of resources	<u>24,018,113</u>	<u>2,080,423</u>	<u>26,098,536</u>	<u>18,322,982</u>
Total assets and deferred outflows of resources	<u>533,407,391</u>	<u>297,091,761</u>	<u>830,499,152</u>	<u>808,319,716</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	4,273,096	691,875	4,964,971	4,163,751
Accrued interest payable	331,162	231,977	563,139	875,728
Contracts and retentions payable	2,447,777	471,439	2,919,216	613,046
Deposits	21,975	90,820	112,795	74,129
Due to other governments	2,450,807	883,395	3,334,202	3,494,029
Unearned revenue	537,635	234,521	772,156	1,023,411
Noncurrent liabilities, due within one year				
Bonds and notes payable	11,889,798	5,612,304	17,502,102	26,248,084
Compensated absences payable	4,483,292	560,049	5,043,341	4,025,280
Sick leave conversion payable	865,372	171,020	1,036,392	978,930
Claims liabilities	2,719,629	-	2,719,629	2,998,411
Financial agreements payable	242,080	-	242,080	953,760
Noncurrent liabilities, due in more than one year				
Bonds and notes payable	103,091,946	25,947,066	129,039,012	135,578,619
Compensated absences payable	9,695,103	1,123,319	10,818,422	11,240,055
Sick leave conversion payable	3,972,498	266,827	4,239,325	4,300,978
Claims liabilities	8,502,962	-	8,502,962	7,313,134
Financial agreements payable	442,080	-	442,080	826,240
Refundable deposits	-	50,000	50,000	50,000
Net pension liability	82,467,316	6,971,904	89,439,220	88,692,434
Total OPEB liability	41,380,907	2,112,887	43,493,794	35,835,214
Total liabilities	<u>279,815,435</u>	<u>45,419,403</u>	<u>325,234,838</u>	<u>329,285,233</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pensions	7,851,577	671,073	8,522,650	6,737,066
Deferred inflows related to OPEB	4,064,365	241,294	4,305,659	4,073,301
Total deferred inflows of resources	<u>11,915,942</u>	<u>912,367</u>	<u>12,828,309</u>	<u>10,810,367</u>
Total liabilities and deferred inflows of resources	<u>291,731,377</u>	<u>46,331,770</u>	<u>338,063,147</u>	<u>340,095,600</u>
<b>Net position</b>				
Net investment in capital assets	401,168,954	151,475,847	552,644,801	539,789,274
Restricted for				
Court improvements	1,120,131	-	1,120,131	1,142,915
Road and street projects	1,361,011	-	1,361,011	917,413
Grants	1,862,719	-	1,862,719	1,506,810
Claims	7,994,928	-	7,994,928	4,981,869
Debt service	18,215,706	-	18,215,706	18,776,147
Capital projects	13,599,169	-	13,599,169	12,927,982
Promotion of special events	136,867	-	136,867	123,103
Public safety	426,852	-	426,852	433,395
Unrestricted	<u>(204,210,323)</u>	<u>99,284,144</u>	<u>(104,926,179)</u>	<u>(112,374,792)</u>
Total net position	<u>\$ 241,676,014</u>	<u>\$ 250,759,991</u>	<u>\$ 492,436,005</u>	<u>\$ 468,224,116</u>

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 15,441,627	\$ 18,789,975	\$ -	\$ 1,528,469
Judicial	2,795,918	724,787	-	-
Public safety				
Police	32,772,357	431,641	427,419	73,584
Fire	20,937,959	258,819	122,165	-
Management Services	106,688	-	-	-
Community services	1,623,829	105,799	-	-
Public works	11,950,915	3,203,990	-	5,470,492
Sanitation	-	94,195	-	-
Culture and recreation	10,422,820	4,099,920	40,458	721,375
Community support	5,645,107	27,500	903,921	-
Debt service				
Interest and fiscal charges	6,545,310	-	-	-
Total governmental activities	<u>108,242,530</u>	<u>27,736,626</u>	<u>1,493,963</u>	<u>7,793,920</u>
Business-type activities				
Sewer	26,977,731	27,840,612	-	8,713,716
Development services	5,190,503	5,782,060	-	-
Total business-type activities	<u>32,168,234</u>	<u>33,622,672</u>	<u>-</u>	<u>8,713,716</u>
Total primary government	<u>\$ 140,410,764</u>	<u>\$ 61,359,298</u>	<u>\$ 1,493,963</u>	<u>\$ 16,507,636</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
- 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, 2020  
(with Comparative Totals for the Year Ended June 30, 2019)

Net (Expenses) Revenues and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	2019
\$ 4,876,817	\$ -	\$ 4,876,817	\$ 5,878,278
(2,071,131)	-	(2,071,131)	(1,825,928)
(31,839,713)	-	(31,839,713)	(28,182,166)
(20,556,975)	-	(20,556,975)	(18,943,057)
(106,688)	-	(106,688)	-
(1,518,030)	-	(1,518,030)	(1,013,314)
(3,276,433)	-	(3,276,433)	17,077,607
94,195	-	94,195	117,145
(5,561,067)	-	(5,561,067)	(3,631,521)
(4,713,686)	-	(4,713,686)	(2,306,656)
(6,545,310)	-	(6,545,310)	(7,987,116)
(71,218,021)	-	(71,218,021)	(40,816,728)
-	9,576,597	9,576,597	17,292,894
-	591,557	591,557	510,099
-	10,168,154	10,168,154	17,802,993
(71,218,021)	10,168,154	(61,049,867)	(23,013,735)
32,559,240	-	32,559,240	29,945,770
324,269	-	324,269	361,665
29,030,989	-	29,030,989	27,846,670
13,019,211	-	13,019,211	13,192,358
2,179,912	-	2,179,912	2,066,717
2,526,092	-	2,526,092	2,641,830
281,505	-	281,505	360,150
122,991	-	122,991	123,068
1,229,150	-	1,229,150	1,368,646
177,572	-	177,572	177,572
1,350,566	1,510,252	2,860,818	3,851,301
868,239	81,768	950,007	588,569
280,773	(280,773)	-	-
83,950,509	1,311,247	85,261,756	82,524,316
12,732,488	11,479,401	24,211,889	59,510,581
228,943,526	239,280,590	468,224,116	408,713,535
\$ 241,676,014	\$ 250,759,991	\$ 492,436,005	\$ 468,224,116

City of Sparks  
Balance Sheet  
Governmental Funds  
June 30, 2020

(with Comparative Totals for June 30, 2019)

	General Fund	General Obligation Debt Service	NonMajor Governmental Funds	Total Governmental Funds	2019
<b>Assets</b>					
Cash and investments	\$ 4,213,473	\$ 4,371,056	\$ 31,975,054	\$ 40,559,583	\$ 40,619,223
Accounts receivable, net	1,920,741	6,167,957	845,008	8,933,706	9,516,383
Due from other funds	21,450	-	-	21,450	18,778
Due from other governments	6,406,983	2,541,123	1,237,709	10,185,815	9,924,095
Notes receivable, net	-	-	1,322,268	1,322,268	1,341,055
Restricted cash and investments	-	8,481,069	2,907,250	11,388,319	11,396,872
<b>Total assets</b>	<b>\$ 12,562,647</b>	<b>\$ 21,561,205</b>	<b>\$ 38,287,289</b>	<b>\$ 72,411,141</b>	<b>\$ 72,816,406</b>
<b>Liabilities</b>					
Accounts payable	\$ 759,581	\$ -	\$ 249,674	\$ 1,009,255	\$ 1,294,400
Accrued liabilities	2,148,572	-	252,618	2,401,190	2,176,852
Contracts payable	33,026	-	2,125,098	2,158,124	338,722
Contract retentions payable	-	-	251,553	251,553	40,209
Refundable deposits	20,975	-	1,000	21,975	24,129
Unearned revenues	155,668	-	381,967	537,635	788,883
Due to other funds	-	-	21,450	21,450	168,778
Due to other governments	2,238,773	-	182,641	2,421,414	2,550,095
<b>Total liabilities</b>	<b>5,356,595</b>	<b>-</b>	<b>3,466,001</b>	<b>8,822,596</b>	<b>7,382,068</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - grants	-	-	1,381,332	1,381,332	1,447,500
Unavailable revenue - property taxes and other	214,727	-	85,892	300,619	162,994
Unavailable revenue - special assessments	-	6,167,959	-	6,167,959	6,892,660
Unavailable revenue - other	130,541	-	-	130,541	-
<b>Total deferred inflows of resources</b>	<b>345,268</b>	<b>6,167,959</b>	<b>1,467,224</b>	<b>7,980,451</b>	<b>8,503,154</b>
<b>Fund Balances</b>					
<b>Restricted for</b>					
Grants and donations	-	-	224,380	224,380	53,884
Law enforcement	-	-	426,852	426,852	455,170
Promotion of special events	-	-	136,867	136,867	123,103
Various judicial uses	-	-	274,185	274,185	251,717
Municipal facilities construction	-	-	180,576	180,576	151,264
Court fee collection programs	-	-	665,371	665,371	695,561
Developer agreements	-	-	2,978,716	2,978,716	2,522,018
Bond proceeds defined projects	-	-	-	-	19,288
Debt service reserve	-	15,393,246	5,288,083	20,681,329	21,178,013
Parks and recreation	-	-	5,146,860	5,146,860	4,653,765
Street improvements & rehabilitation	-	-	355,507	355,507	829,216
Capital projects	-	-	579,701	579,701	523,372
Improvements to Victorian Square	-	-	4,838,017	4,838,017	5,103,856
<b>Committed for</b>					
Economic development	-	-	64,000	64,000	77,581
Parks and recreation	-	-	57,236	57,236	503,151
Road surface repairs	-	-	773,692	773,692	759,967
Economic Stabilization	-	-	812,101	812,101	601,750
<b>Assigned for</b>					
Purchases on order	510,439	-	-	510,439	119,484
Specific capital projects	-	-	2,447,903	2,447,903	2,104,890
Other capital projects	-	-	8,104,017	8,104,017	7,967,117
Unassigned	6,350,345	-	-	6,350,345	8,237,017
<b>Total fund balances</b>	<b>6,860,784</b>	<b>15,393,246</b>	<b>33,354,064</b>	<b>55,608,094</b>	<b>56,931,184</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,562,647</b>	<b>\$ 21,561,205</b>	<b>\$ 38,287,289</b>	<b>\$ 72,411,141</b>	<b>\$ 72,816,406</b>

City of Sparks  
 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
 June 30, 2020

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

Total fund balances - total governmental funds		\$ 55,608,094
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	597,356,664	
Less accumulated depreciation	<u>(187,725,501)</u>	409,631,163
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	(92,793,284)	
Tax allocation bonds payable	(22,188,460)	
Compensated absences payable	(13,935,574)	
Net pension liability	(81,422,872)	
Total OPEB liability	(41,221,624)	
Sick leave conversion payable	(4,810,920)	
Financial incentive agreement payable	<u>(684,160)</u>	(257,056,894)
Interest payable		(331,162)
Unavailable revenue represents amounts that are not available to fund current expenditures and , therefore, are not reported in the governmental funds.		
		7,980,451
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	12,618,675	
Deferred outflows of resources related to OPEB	9,786,409	
Deferred outflows of resources related to bond refundings	1,368,711	
Deferred inflows of resources related to pensions	(7,744,817)	
Deferred inflows of resources related to OPEB	<u>(4,023,798)</u>	12,005,180
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.		
		13,909,729
Internal balances is a receivable from/(payable to) business-type activities		<u>(70,547)</u>
Net position of governmental activities		<u>\$ 241,676,014</u>

City of Sparks  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2020  
(with Comparative Totals for Year Ended June 30, 2019)

	General Fund	General Obligation Debt Service	NonMajor Governmental Funds	Total Governmental Funds	2019
<b>Revenues</b>					
Taxes	\$ 24,766,389	\$ 1,048,969	\$ 9,360,730	\$ 35,176,088	\$ 33,018,266
Licenses and permits	14,896,343	-	5,014,450	19,910,793	20,025,849
Intergovernmental revenues	32,336,933	13,019,211	4,832,310	50,188,454	50,827,309
Charges for services	3,013,150	-	1,956,570	4,969,720	6,050,050
Fines and forfeits	574,214	-	12,000	586,214	584,391
Miscellaneous	483,502	191,263	1,132,879	1,807,644	1,752,147
<b>Total revenues</b>	<b>76,070,531</b>	<b>14,259,443</b>	<b>22,308,939</b>	<b>112,638,913</b>	<b>112,258,012</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	13,475,055	-	1,002,276	14,477,331	12,839,338
Judicial	2,333,523	-	214,147	2,547,670	2,538,257
Public safety	49,892,079	-	935,378	50,827,457	47,535,551
Public works	1,882,897	-	3,904,258	5,787,155	4,872,701
Culture and recreation	3,255,140	-	4,310,688	7,565,828	7,781,638
Community support	439,446	-	5,751,386	6,190,832	2,289,008
<b>Total current expenditures</b>	<b>71,278,140</b>	<b>-</b>	<b>16,118,133</b>	<b>87,396,273</b>	<b>77,856,493</b>
<b>Capital outlay</b>					
General government	-	-	1,174,337	1,174,337	517,213
Judicial	-	-	-	-	66,200
Public safety	158,774	-	132,683	291,457	546,135
Public works	-	-	2,544,525	2,544,525	2,904,378
Culture and recreation	25,073	-	1,630,854	1,655,927	2,352,132
Community support	-	-	1,774,996	1,774,996	1,231,041
<b>Total capital outlay</b>	<b>183,847</b>	<b>-</b>	<b>7,257,395</b>	<b>7,441,242</b>	<b>7,617,099</b>
<b>Debt service</b>					
Principal	-	8,879,988	5,245,000	14,124,988	11,476,169
Interest	-	4,792,511	765,544	5,558,055	7,673,052
Fiscal charges and other	-	-	3,200	3,200	6,238
Refunding bond issuance costs	-	1,066,498	-	1,066,498	-
<b>Total debt service</b>	<b>-</b>	<b>14,738,997</b>	<b>6,013,744</b>	<b>20,752,741</b>	<b>19,155,459</b>
<b>Total expenditures</b>	<b>71,461,987</b>	<b>14,738,997</b>	<b>29,389,272</b>	<b>115,590,256</b>	<b>104,629,051</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>4,608,544</b>	<b>(479,554)</b>	<b>(7,080,333)</b>	<b>(2,951,343)</b>	<b>7,628,961</b>
<b>Other Financing Sources (Uses)</b>					
Refunding bonds issued	-	92,725,392	3,883,955	96,609,347	-
Payments to refunded bond escrow agent	-	(93,513,935)	-	(93,513,935)	-
Transfers					
Transfers in	1,111,580	1,054,829	6,615,138	8,781,547	5,255,809
Transfers out	(7,215,841)	(2,764)	(3,030,101)	(10,248,706)	(5,496,173)
<b>Total other financing sources (uses)</b>	<b>(6,104,261)</b>	<b>263,522</b>	<b>7,468,992</b>	<b>1,628,253</b>	<b>(240,364)</b>
<b>Net Change in Fund Balances</b>	<b>(1,495,717)</b>	<b>(216,032)</b>	<b>388,659</b>	<b>(1,323,090)</b>	<b>7,388,597</b>
<b>Fund Balances, Beginning of Year</b>	<b>8,356,501</b>	<b>15,609,278</b>	<b>32,965,405</b>	<b>56,931,184</b>	<b>49,542,587</b>
<b>Fund Balances, End of Year</b>	<b>\$ 6,860,784</b>	<b>\$ 15,393,246</b>	<b>\$ 33,354,064</b>	<b>\$ 55,608,094</b>	<b>\$ 56,931,184</b>

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, 2020

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

Net change in fund balances - total governmental funds \$ (1,323,090)

Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when the assets are sold.

Expenditures for capital assets	7,441,242	
Sale/disposition of assets	(309,913)	
Less current year depreciation	<u>(10,470,768)</u>	(3,339,439)

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

Change in unavailable revenue-grants	(66,168)	
Change in unavailable revenue-property & other taxes	137,625	
Change in unavailable revenue-special assessments	(724,701)	
Change in unavailable revenue-other	130,541	
Donated capital assets	<u>7,357,985</u>	6,835,282

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.

Refunding revenue bonds issued	(96,609,348)	
Revenue bonds refunded	93,513,935	
Principal payments	<u>14,124,988</u>	11,029,575

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of current year bond discounts	(855)	
Amortization of bond refundings	(174,828)	
Change in financial incentive/assistance agreements	1,095,840	
Change in accrued interest	258,126	
Change in long-term compensated absences payable	(429,630)	
Change in OPEB liability related amounts	(2,069,756)	
Change in sick leave conversion payable	<u>(49,356)</u>	(1,370,459)

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

City pension contributions	5,927,647	
City pension expense	<u>(7,618,077)</u>	(1,690,430)

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.

2,591,049

Change in net position of governmental activities \$ 12,732,488

City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	2019
Revenues					
Taxes					
Real property	\$ 23,200,000	\$ 23,200,000	\$ 23,187,925	\$ (12,075)	\$ 21,686,605
Personal property	1,675,000	1,675,000	1,578,464	(96,536)	1,548,773
	<u>24,875,000</u>	<u>24,875,000</u>	<u>24,766,389</u>	<u>(108,611)</u>	<u>23,235,378</u>
Licenses and permits					
Business licenses and permits					
Business licenses	7,872,000	7,872,000	7,466,727	(405,273)	7,613,103
Business license penalties	107,700	107,700	124,068	16,368	196,442
Liquor licenses	290,000	290,000	307,129	17,129	284,776
City gaming licenses	538,000	538,000	459,580	(78,420)	504,371
Telecommunication licenses	955,000	955,000	995,392	40,392	953,825
Franchise fees					
Gas	463,335	463,335	597,665	134,330	460,536
Electric	1,627,143	1,627,143	1,431,145	(195,998)	1,538,770
Water	488,969	488,969	474,735	(14,234)	474,059
Sanitation	1,757,300	1,757,300	1,763,509	6,209	1,639,206
Other	910,300	910,300	916,202	5,902	869,580
Other licenses and permits	266,800	266,800	360,191	93,391	324,821
	<u>15,276,547</u>	<u>15,276,547</u>	<u>14,896,343</u>	<u>(380,204)</u>	<u>14,859,489</u>
Intergovernmental revenues					
Federal and state grants	-	-	-	-	96,138
State shared revenue					
Consolidated taxes payment	29,350,000	29,350,000	29,030,989	(319,011)	27,846,670
Fair share distribution	2,250,000	2,250,000	2,179,912	(70,088)	2,066,717
Marijuana shared revenue	118,000	118,000	122,991	4,991	123,068
Other local government shared revenues					
County gaming licenses (City's share)	400,000	400,000	281,505	(118,495)	360,150
Other	599,376	599,376	721,536	122,160	564,158
	<u>32,717,376</u>	<u>32,717,376</u>	<u>32,336,933</u>	<u>(380,443)</u>	<u>31,056,901</u>
Charges for services					
General government					
Building and zoning fees	5,300	5,250	60	(5,190)	2,960
Other	3,071,894	3,071,944	3,013,090	(58,854)	2,805,743
	<u>3,077,194</u>	<u>3,077,194</u>	<u>3,013,150</u>	<u>(64,044)</u>	<u>2,808,703</u>
Fines and forfeits					
Fines - Court	607,000	607,000	542,215	(64,785)	598,894
Forfeits - Bail	3,000	3,000	-	(3,000)	5,000
Forfeits - Other	100,000	100,000	31,999	(68,001)	(23,553)
	<u>710,000</u>	<u>710,000</u>	<u>574,214</u>	<u>(135,786)</u>	<u>580,341</u>
Miscellaneous					
Investment income	100,000	100,000	111,921	11,921	224,550
Rents and royalties	40,330	40,330	60,228	19,898	57,421
Other	36,700	36,700	311,353	274,653	29,991
	<u>177,030</u>	<u>177,030</u>	<u>483,502</u>	<u>306,472</u>	<u>311,962</u>
Total revenues	<u>\$ 76,833,147</u>	<u>\$ 76,833,147</u>	<u>\$ 76,070,531</u>	<u>\$ (762,616)</u>	<u>\$ 72,852,774</u>

City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	2019
<b>Expenditures</b>					
<b>General government</b>					
<b>Executive (Mayor)</b>					
Salaries and wages	\$ 68,025	\$ 68,025	\$ 66,552	\$ 1,473	\$ 66,333
Employee benefits	45,609	45,609	45,539	70	46,439
Services and supplies	7,960	7,960	5,019	2,941	3,809
	<u>121,594</u>	<u>121,594</u>	<u>117,110</u>	<u>4,484</u>	<u>116,581</u>
<b>Legislative (City Council)</b>					
Salaries and wages	287,540	287,540	283,120	4,420	275,037
Employee benefits	183,816	183,816	200,306	(16,490)	175,335
Services and supplies	37,374	37,374	20,498	16,876	28,200
	<u>508,730</u>	<u>508,730</u>	<u>503,924</u>	<u>4,806</u>	<u>478,572</u>
<b>Management services</b>					
Salaries and wages	1,831,500	1,621,351	1,783,670	(162,319)	1,760,620
Employee benefits	2,219,631	2,109,720	1,991,626	118,094	1,998,127
Services and supplies	2,634,693	2,594,332	2,326,931	267,401	2,173,700
Capital outlay	-	-	-	-	8,490
	<u>6,685,824</u>	<u>6,325,403</u>	<u>6,102,227</u>	<u>223,176</u>	<u>5,940,937</u>
<b>Legal (City Attorney)</b>					
Salaries and wages	1,171,749	1,171,749	1,184,823	(13,074)	1,074,697
Employee benefits	580,631	580,631	601,267	(20,636)	527,790
Services and supplies	120,283	120,283	90,718	29,565	98,158
	<u>1,872,663</u>	<u>1,872,663</u>	<u>1,876,808</u>	<u>(4,145)</u>	<u>1,700,645</u>
<b>Finance</b>					
Salaries and wages	2,080,672	2,199,704	2,199,625	79	1,830,006
Employee benefits	1,066,160	1,129,580	1,086,984	42,596	905,336
Services and supplies	894,684	935,045	803,010	132,035	802,708
Capital outlay	-	-	-	-	2,000
	<u>4,041,516</u>	<u>4,264,329</u>	<u>4,089,619</u>	<u>174,710</u>	<u>3,540,050</u>
<b>Community services</b>					
Salaries and wages	439,567	439,567	451,444	(11,877)	427,513
Employee benefits	234,724	234,724	234,099	625	219,563
Services and supplies	353,099	353,099	99,824	253,275	55,837
	<u>1,027,390</u>	<u>1,027,390</u>	<u>785,367</u>	<u>242,023</u>	<u>702,913</u>
<b>Total general government</b>					
	<u>14,257,717</u>	<u>14,120,109</u>	<u>13,475,055</u>	<u>645,054</u>	<u>12,479,698</u>
<b>Judicial</b>					
<b>Municipal Court</b>					
Salaries and wages	1,373,742	1,373,742	1,352,762	20,980	1,302,579
Employee benefits	814,069	814,069	769,779	44,290	713,928
Services and supplies	231,555	231,555	210,982	20,573	220,678
	<u>2,419,366</u>	<u>2,419,366</u>	<u>2,333,523</u>	<u>85,843</u>	<u>2,237,185</u>
<b>Public safety</b>					
<b>Police department</b>					
Salaries and wages	17,607,976	17,607,976	17,063,672	544,304	15,857,436
Employee benefits	10,376,759	10,376,759	9,631,557	745,202	8,678,932
Services and supplies	3,491,722	3,491,722	3,340,533	151,189	3,385,404
Capital outlay	36,000	36,000	122,064	(86,064)	35,935
	<u>31,512,457</u>	<u>31,512,457</u>	<u>30,157,826</u>	<u>1,354,631</u>	<u>27,957,707</u>

City of Sparks

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	2019
Fire department					
Salaries and wages	\$ 10,092,288	\$ 10,183,405	\$ 10,175,910	\$ 7,495	\$ 9,675,418
Employee benefits	6,556,800	6,603,291	6,195,636	407,655	5,700,276
Services and supplies	2,307,069	2,307,069	2,166,751	140,318	1,971,823
Capital outlay	-	-	36,710	(36,710)	15,717
	<u>18,956,157</u>	<u>19,093,765</u>	<u>18,575,007</u>	<u>518,758</u>	<u>17,363,234</u>
Community services					
Salaries and wages	78,539	78,539	73,129	5,410	72,974
Employee benefits	50,896	50,896	50,496	400	48,802
Services and supplies	1,325,578	1,325,578	1,194,395	131,183	1,176,688
	<u>1,455,013</u>	<u>1,455,013</u>	<u>1,318,020</u>	<u>136,993</u>	<u>1,298,464</u>
Total public safety	<u>51,923,627</u>	<u>52,061,235</u>	<u>50,050,853</u>	<u>2,010,382</u>	<u>46,619,405</u>
Public works					
Community services					
Salaries and wages	530,163	530,163	528,429	1,734	476,486
Employee benefits	312,296	312,296	310,935	1,361	277,932
Services and supplies	1,241,656	1,241,656	1,043,533	198,123	956,701
Total public works	<u>2,084,115</u>	<u>2,084,115</u>	<u>1,882,897</u>	<u>201,218</u>	<u>1,711,119</u>
Culture and recreation					
Community services					
Salaries and wages	829,995	829,995	678,675	151,320	575,337
Employee benefits	608,371	608,371	458,610	149,761	401,639
Services and supplies	2,125,101	2,125,101	2,117,855	7,246	1,895,578
Capital outlay	60,000	60,000	25,073	34,927	-
Total culture and recreation	<u>3,623,467</u>	<u>3,623,467</u>	<u>3,280,213</u>	<u>343,254</u>	<u>2,872,554</u>
Community support					
Management services					
Services and supplies	382,862	382,862	439,446	(56,584)	310,721
Total expenditures	<u>74,691,154</u>	<u>74,691,154</u>	<u>71,461,987</u>	<u>3,229,167</u>	<u>66,230,682</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,141,993</u>	<u>2,141,993</u>	<u>4,608,544</u>	<u>2,603,544</u>	<u>6,622,092</u>
Other Financing Sources (Uses)					
Contingency	(1,000,000)	(1,000,000)	-	1,000,000	-
Transfers					
Transfers in	1,000,000	1,000,000	1,111,580	111,580	-
Transfers out	(5,815,841)	(5,815,841)	(7,215,841)	(1,400,000)	(5,080,804)
Total other financing sources (uses)	<u>(5,815,841)</u>	<u>(5,815,841)</u>	<u>(6,104,261)</u>	<u>(288,420)</u>	<u>(5,080,804)</u>
Net Change in Fund Balances	(3,673,848)	(3,673,848)	(1,495,717)	2,315,124	1,541,288
Fund Balances, Beginning of Year	8,145,075	8,145,075	8,356,501	211,426	6,815,213
Fund balances, End of Year	<u>\$ 4,471,227</u>	<u>\$ 4,471,227</u>	<u>\$ 6,860,784</u>	<u>\$ 2,526,550</u>	<u>\$ 8,356,501</u>

City of Sparks  
Statement of Net Position - Proprietary Funds  
June 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Operations	Nonmajor Development Services	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>				
<b>Current assets</b>				
Cash and investments	\$ 63,131,784	\$ 7,878,666	\$ 71,010,450	\$ 16,530,533
Accounts receivable, net	2,342,686	15,799	2,358,485	389,857
Notes receivable	488,224	-	488,224	-
Due from other governments	273,980	-	273,980	54,426
Deposits	-	-	-	19,072
Inventory of supplies	-	-	-	199,814
<b>Total current assets</b>	<b>66,236,674</b>	<b>7,894,465</b>	<b>74,131,139</b>	<b>17,193,702</b>
<b>Noncurrent assets</b>				
<b>Capital assets</b>				
Land	1,873,105	-	1,873,105	-
Construction in progress	848,029	18,450	866,479	2,079,657
Intangible assets	2,648	-	2,648	-
Buildings	982,424	-	982,424	475,005
Site improvements	3,657,382	70,045	3,727,427	245,445
Machinery and equipment	852,504	122,439	974,943	29,152,398
Water rights	7,026,502	-	7,026,502	-
Roads and streets	10,448,547	-	10,448,547	-
Storm drains	130,568,415	-	130,568,415	-
Sewer lines	149,668,628	-	149,668,628	-
	<u>305,928,184</u>	<u>210,934</u>	<u>306,139,118</u>	<u>31,952,505</u>
Less accumulated depreciation	<u>(127,772,056)</u>	<u>(91,388)</u>	<u>(127,863,444)</u>	<u>(21,707,229)</u>
<b>Capital assets, net</b>	<b>178,156,128</b>	<b>119,546</b>	<b>178,275,674</b>	<b>10,245,276</b>
<b>Other noncurrent assets</b>				
Investment - Truckee Meadows Water Reclamation Facility	39,538,710	-	39,538,710	-
Notes receivable	2,995,268	-	2,995,268	-
<b>Total other noncurrent assets</b>	<b>42,533,978</b>	<b>-</b>	<b>42,533,978</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>220,690,106</b>	<b>119,546</b>	<b>220,809,652</b>	<b>10,245,276</b>
<b>Total assets</b>	<b>286,926,780</b>	<b>8,014,011</b>	<b>294,940,791</b>	<b>27,438,978</b>
<b>Deferred outflows of resources</b>				
Deferred outflows related to pension	927,892	465,336	1,393,228	195,088
Deferred outflows related to OPEB	434,182	253,013	687,195	49,230
<b>Total deferred outflows of resources</b>	<b>1,362,074</b>	<b>718,349</b>	<b>2,080,423</b>	<b>244,318</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>288,288,854</b>	<b>8,732,360</b>	<b>297,021,214</b>	<b>27,683,296</b>



City of Sparks  
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds  
Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer Operations	Nonmajor Development Services	Total Enterprise Funds	Internal Service Funds
Operating revenues				
Licenses and permits	\$ 127,264	\$ 2,826,038	\$ 2,953,302	\$ -
Charges for services	27,713,348	2,956,019	30,669,367	20,159,273
Miscellaneous	61,861	-	61,861	428,115
Total operating revenues	<u>27,902,473</u>	<u>5,782,057</u>	<u>33,684,530</u>	<u>20,587,388</u>
Operating Expenses				
Salaries and wages	3,414,174	2,091,377	5,505,551	603,289
Employee benefits	2,015,332	1,124,534	3,139,866	403,305
Services and supplies	12,135,960	2,031,233	14,167,193	16,565,598
Depreciation	6,965,843	12,125	6,977,968	2,014,041
Net loss from Truckee Meadows Water Reclamation Facility	2,500,089	-	2,500,089	-
Total operating expenses	<u>27,031,398</u>	<u>5,259,269</u>	<u>32,290,667</u>	<u>19,586,233</u>
Operating Income (Loss)	<u>871,075</u>	<u>522,788</u>	<u>1,393,863</u>	<u>1,001,155</u>
Non-operating Revenues (Expenses)				
Investment income	1,283,599	226,653	1,510,252	327,377
Interest expense	(488,816)	-	(488,816)	-
Miscellaneous/Other	16,827	3,081	19,908	-
Gain (loss) on disposition of assets	(83,447)	(622)	(84,069)	112,477
Total nonoperating revenues (expenses)	<u>728,163</u>	<u>229,112</u>	<u>957,275</u>	<u>439,854</u>
Income (Loss) Before Capital Contributions and Transfers	<u>1,599,238</u>	<u>751,900</u>	<u>2,351,138</u>	<u>1,441,009</u>
Capital Contributions				
Vehicles	-	-	-	97,428
Sewer connection fees	6,720,318	-	6,720,318	-
Sewer lines and storm drains	1,993,398	-	1,993,398	-
Total capital contributions	<u>8,713,716</u>	<u>-</u>	<u>8,713,716</u>	<u>97,428</u>
Transfers				
Transfers in	95,136	-	95,136	1,747,932
Transfers out	(316,117)	(59,792)	(375,909)	-
Total transfers	<u>(220,981)</u>	<u>(59,792)</u>	<u>(280,773)</u>	<u>1,747,932</u>
Change in Net Position	<u>10,091,973</u>	<u>692,108</u>	<u>10,784,081</u>	<u>3,286,369</u>
Net Position, Beginning of Year	<u>236,222,517</u>	<u>3,682,846</u>		<u>10,623,360</u>
Net Position, End of Year	<u>\$ 246,314,490</u>	<u>\$ 4,374,954</u>		<u>\$ 13,909,729</u>
			Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>695,320</u>
			Change in net position of business-type activities	<u>\$ 11,479,401</u>

City of Sparks  
Statement of Cash Flows - Proprietary Funds - Proprietary Funds  
Year Ended June 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Sewer Operations	Other Nonmajor Funds	Total Enterprise Funds	
<b>Operating activities</b>				
Cash received from customers and users	\$ 28,198,563	\$ 5,814,766	\$ 34,013,329	\$ 4,664,977
Cash received from interfund services provided	-	-	-	16,404,318
Cash received from reimbursements of insurance claims	-	-	-	285,373
Cash paid to employees	(5,145,317)	(3,060,522)	(8,205,839)	(1,002,837)
Cash paid to suppliers	(11,568,862)	(2,082,220)	(13,651,082)	(15,156,091)
Cash paid to Truckee Meadows Water Reclamation Facility	(1,982,593)	-	(1,982,593)	-
Miscellaneous cash receipts (expenses)	(1,793)	-	(1,793)	-
<b>Net cash from operating activities</b>	<u>9,499,998</u>	<u>672,024</u>	<u>10,172,022</u>	<u>5,195,740</u>
<b>Noncapital financing activities</b>				
Transfers in	95,136	-	95,136	1,400,000
Transfers out	(3,997)	(23,980)	(27,977)	-
<b>Net cash from (used for) noncapital financing activities</b>	<u>91,139</u>	<u>(23,980)</u>	<u>67,159</u>	<u>1,400,000</u>
<b>Capital and related financing activities</b>				
Bond and capital lease obligation principal payments	(5,800,408)	-	(5,800,408)	-
Bond and capital lease interest expense paid	(543,279)	-	(543,279)	-
Proceeds from sale of capital assets	-	-	-	153,612
Acquisition of capital assets	(2,913,541)	(54,262)	(2,967,803)	(2,213,189)
Cash contributions - sewer connection fees	6,720,318	-	6,720,318	-
<b>Net cash used for capital and related financing activities</b>	<u>(2,536,910)</u>	<u>(54,262)</u>	<u>(2,591,172)</u>	<u>(2,059,577)</u>
<b>Investing activities</b>				
Investment income (loss)	1,283,599	226,653	1,510,252	327,377
Principal received on notes receivable	913,927	-	913,927	-
<b>Net cash from investing activities</b>	<u>2,197,526</u>	<u>226,653</u>	<u>2,424,179</u>	<u>327,377</u>
<b>Net change in cash and cash equivalents</b>	9,251,753	820,435	10,072,188	4,863,540
<b>Cash and cash equivalents, Beginning of Year</b>	<u>53,880,031</u>	<u>7,058,231</u>	<u>60,938,262</u>	<u>11,666,993</u>
<b>Cash and cash equivalents, End of Year</b>	<u>\$ 63,131,784</u>	<u>\$ 7,878,666</u>	<u>\$ 71,010,450</u>	<u>\$ 16,530,533</u>

City of Sparks  
Statement of Cash Flows - Proprietary Funds  
Year Ended June 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer Operations</u>	<u>Other Nonmajor Funds</u>	<u>Total Enterprise Funds</u>	
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 871,075	\$ 522,788	\$ 1,393,863	\$ 1,001,155
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	6,965,843	12,125	6,977,968	2,014,041
Miscellaneous cash receipts/payments	16,827	3,081	19,908	-
Changes in				
Accounts receivable	211,512	(8,551)	202,961	615,016
Due from other funds	-	-	-	150,000
Due from other governments	69,379	-	69,379	2,264
Inventory of supplies	-	-	-	(23,990)
Investment in Truckee Meadows Water Reclamation Facility	517,496	-	517,496	-
Pension related amounts	77,680	35,312	112,992	27,515
OPEB related amounts	72,482	42,555	115,037	735
Accounts payable	262,945	(30,989)	231,956	556,273
Accrued liabilities	44,551	22,845	67,396	6,411
Contracts payable	343,171	(32,440)	310,731	(35,307)
Unearned revenue	(7)	-	(7)	-
Due to other governments	(42,432)	9,801	(32,631)	1,485
Refundable deposits	-	40,820	40,820	-
Compensated absences	119,711	77,990	197,701	(30,904)
Sick leave conversion payable	(30,235)	(23,313)	(53,548)	-
Claims liabilities	-	-	-	911,046
Total adjustments	<u>8,628,923</u>	<u>149,236</u>	<u>8,778,159</u>	<u>4,194,585</u>
Net cash from operating activities	<u>\$ 9,499,998</u>	<u>\$ 672,024</u>	<u>\$ 10,172,022</u>	<u>\$ 5,195,740</u>
Noncash investing and capital and related financing activities:				
Contributions of capital assets from (to) other funds	<u>\$ (312,120)</u>	<u>\$ (35,812)</u>	<u>\$ (347,932)</u>	<u>\$ 445,360</u>
Contributions of capital assets from developers	<u>\$ 1,993,398</u>	<u>\$ -</u>	<u>\$ 1,993,398</u>	<u>\$ -</u>

City of Sparks  
Statement of Fiduciary Net Position  
Agency Funds  
June 30, 2020

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	<u>Agency Funds</u>
Assets	
Cash and investments	\$ <u>4,015,931</u>
Liabilities	
Accounts payable	\$ 186,224
Group insurance premiums payable	237,698
Due to other governments	<u>3,592,009</u>
Total liabilities	<u>\$ 4,015,931</u>

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## Note 1 - Summary of Significant Accounting Policies

### Reporting Entity

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

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

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

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

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

### Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Eliminations have been made to minimize the double counting of internal activities.

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

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

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

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise fund:

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

Additionally, the City reports the following fund types:

*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.

*Agency funds* account for cash held by the City of Sparks for others in a custodial capacity prior to allocation to various special districts and other governmental agencies.

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

#### Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and investments, which is managed by the City's Chief Financial Officer. Investments consist primarily of money market mutual funds, negotiable certificates of deposits, corporate notes and obligations of agencies of the United States. Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurements and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Investment income earned is distributed to the appropriate funds based on each fund's equity in the investment. Pursuant to Section 1 of NRS 355 and NRS 355.170, the City of Sparks may only invest in the following types of securities:

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

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

#### Cash Equivalents

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

#### Receivables and Payables

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

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

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

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

#### Inventories and Prepaids

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

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

Restricted Assets

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

Capital Assets

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

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

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

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

Long-Term Liabilities

Government-wide and proprietary fund type financial statements:

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

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

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

Governmental fund type financial statements:

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

### *Pensions*

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

### Deferred Inflows and Outflows of Resources

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

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

### Equity Classifications

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

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

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

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

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

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

#### Estimates

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

#### **Comparative Data**

Comparative data shown for the prior year has been extracted from the 2018-2019 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 2018-2019. Such information can only be obtained by referring to the audited financial statements for that year.

### **Implementation of GASB Statement No. 95**

As of May 8, 2020, the City adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The implementation of this standard is to provide temporary relief in light of the COVID-19 pandemic. The City has elected to delay implementation of GASB Statement No. 84, *Fiduciary Activities*.

### **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 exception for an apparent violation of NRS 354.626:

Actual expenditures exceeded those budgeted for the year in the community support function of the General Fund by \$56,584.

**Deficit Fund Equity**

The Workers' Compensation Insurance Internal Service Fund has a deficit net position of \$8,238,313 at June 30, 2020.

**Note 3 - Cash and Investments**

**Deposits**

At June 30, 2020, the City's carrying amount of deposits was \$4,200,023 and the bank balance was \$4,304,845. 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 \$104,822.

**Investments**

At June 30, 2020, 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	\$ 12,148,140	\$ 3,030,200	\$ 4,031,420	\$ 5,086,520
Negotiable certificates of deposit	13,603,260	2,971,390	10,378,724	253,146
Money market mutual funds	113,553,393	113,553,393	-	-
	<u>\$ 139,304,793</u>	<u>\$ 119,554,983</u>	<u>\$ 14,410,144</u>	<u>\$ 5,339,666</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, 2020, the following investments in a single issuer exceeded 5% of the City's total investments:

U.S. Agency security - Federal Home Loan Bank	5.09 %
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External Investment Pool – In addition to the cash and investments of the City of Sparks, the City administers the cash deposits and investments of the Redevelopment Agency Areas and the Truckee Meadows Water Reclamation Facility (TMWRF). The deposits and investments of these entities are pooled with those of the City. As the Redevelopment Agency Areas are blended component units, and the investment activity by the City on behalf of TMWRF is de minimus, the cash and investments pooled by the City for these agency areas do not constitute an external investment pool.

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

As of June 30, 2020, the City had the following recurring fair value measurements:

	June 30, 2020	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	\$ 12,148,140	\$ -	\$ 12,148,140	\$ -
Negotiable certificates of deposit	13,603,260	-	13,603,260	-
Money market mutual funds	113,553,393	113,553,393	-	-
Total investment measured at fair value	<u>\$ 139,304,793</u>	<u>\$ 113,553,393</u>	<u>\$ 25,751,400</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, 2020 follows:

Deposits	\$ 4,200,023
Investments	139,304,793
	<u>\$ 143,504,816</u>
Governmental activities	
Cash and investments	\$ 57,090,116
Cash and investments - restricted	11,388,319
Business-type activities	
Cash and investments	71,010,450
Fiduciary Funds	4,015,931
	<u>\$ 143,504,816</u>

**Note 4 - Accounts Receivable and Notes Receivable**

Governmental Activities

	<u>General Fund</u>	<u>General Obligation Debt Service</u>	<u>NonMajor Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total Governmental Activities</u>
Accounts receivable, net						
Miscellaneous	\$ 1,920,741	\$ -	\$ 845,008	\$ 2,765,749	\$ 389,857	\$ 3,155,606
Special Assessments	<u>-</u>	<u>6,167,957</u>	<u>-</u>	<u>6,167,957</u>	<u>-</u>	<u>6,167,957</u>
Total accounts receivable	<u>\$ 1,920,741</u>	<u>\$ 6,167,957</u>	<u>\$ 845,008</u>	<u>\$ 8,933,706</u>	<u>\$ 389,857</u>	<u>\$ 9,323,563</u>

Accounts receivable not expected to be collected within one year are \$5,407,834 of special assessments reported in the General Obligation Debt Service Fund.

	<u>NonMajor Governmental Funds</u>
<b>Notes receivable, net</b>	
Housing Rehab Notes	\$ 1,391,524
Housing Rehab Notes - allowance for doubtful	<u>(69,256)</u>
Total notes receivable	<u>\$ 1,322,268</u>

Notes receivable related to housing rehabilitation loans of \$1,391,524 less the allowance of \$69,256 are reported in the Community Development Block Grant Special Revenue Fund (Nonmajor Governmental Fund).

Business-type Activities

	<u>Sewer Operations</u>	<u>Nonmajor Development Services</u>	<u>Total Business-Type Activities</u>
Accounts receivable, net			
Sewer services	\$ 2,342,686	\$ -	\$ 2,342,686
Miscellaneous	<u>-</u>	<u>15,799</u>	<u>15,799</u>
Total accounts receivable	<u>\$ 2,342,686</u>	<u>\$ 15,799</u>	<u>\$ 2,358,485</u>
Notes receivable			
Effluent connection fees	\$ 642,252	\$ -	\$ 642,252
Sun Valley GID	<u>2,841,240</u>	<u>-</u>	<u>2,841,240</u>
Total notes receivable	<u>\$ 3,483,492</u>	<u>\$ -</u>	<u>\$ 3,483,492</u>

The current portion of notes receivable was \$488,224 as of June 30, 2020. These notes receivable include Sun Valley GID notes with interest rates ranging from 1.25% to 1.61%, principal and interest payable semi-annually through January 2024 and 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, 2020 is as follows:

Due From	Due To		Total
	General Fund	Internal Service Funds	
Nonmajor Governmental Funds	\$ 21,450	\$ -	\$ 21,450
Total	<u>\$ 21,450</u>	<u>\$ -</u>	<u>\$ 21,450</u>

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, 2020 are as follows :

Transfers Out	Transfers In						
	General Fund	General Obligation Debt Service	Nonmajor Governmental	Total Governmental	Sewer	Internal Service	Total
General Fund	\$ -	\$ 710,841	\$ 5,105,000	\$ 5,815,841	\$ -	\$ 1,400,000	\$ 7,215,841
General Obligation Debt Service	-	-	2,764	2,764	-	-	2,764
Nonmajor Governmental	<u>1,111,580</u>	<u>316,011</u>	<u>1,507,374</u>	<u>2,934,965</u>	<u>95,136</u>	<u>-</u>	<u>3,030,101</u>
Total governmental	<u>1,111,580</u>	<u>1,026,852</u>	<u>6,615,138</u>	<u>8,753,570</u>	<u>95,136</u>	<u>1,400,000</u>	<u>10,248,706</u>
Sewer	-	3,997	-	3,997	-	312,120	316,117
Nonmajor Enterprise	-	23,980	-	23,980	-	35,812	59,792
Total business-type	<u>-</u>	<u>27,977</u>	<u>-</u>	<u>27,977</u>	<u>-</u>	<u>347,932</u>	<u>375,909</u>
Total	<u>\$ 1,111,580</u>	<u>\$ 1,054,829</u>	<u>\$ 6,615,138</u>	<u>\$ 8,781,547</u>	<u>\$ 95,136</u>	<u>\$ 1,747,932</u>	<u>\$ 10,624,615</u>

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, and (2) unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**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, 2020, the City of Sparks' share of TMWRF's net loss, recorded in the Sewer Operations Enterprise Fund, was \$2,500,089.

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, 2020, is \$39,538,710.

Summary June 30, 2020 financial information for TMWRF is as follows:

Assets	
Current assets	\$ 6,810,705
Capital assets, net of accumulated depreciation	<u>133,707,203</u>
Total assets	<u>140,517,908</u>
Deferred Outflows of Resources	
Deferred outflows related to pension	1,320,254
Deferred outflows related to OPEB	<u>939,291</u>
Total deferred outflows of resources	<u>2,259,545</u>
Total assets and deferred outflows of resources	<u>142,777,453</u>
Liabilities	
Current liabilities	2,323,536
Noncurrent liabilities	<u>10,252,207</u>
Total liabilities	<u>12,575,743</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	618,773
Deferred inflows related to OPEB	<u>127,785</u>
Total liabilities and deferred inflows of resources	<u>13,322,301</u>
Net Position	
Net investment in capital assets	133,707,203
Unrestricted	<u>(4,252,051)</u>
Total net position	<u>\$ 129,455,152</u>
Operating revenues	
Operating revenues	\$ 23,055,551
Operating expenses before depreciation	(23,238,802)
Depreciation	(7,744,042)
Non-operating revenues (expenses)	(269,783)
Capital contributions	<u>6,320,028</u>
Change in net position	<u>\$ (1,877,048)</u>

Commitments outstanding for construction projects at TMWRF at June 30, 2020 totaled approximately \$6.55 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, 2020, the City of Sparks has recorded \$3,470,629 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, 2020, 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, 2020, 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, 2020, 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, 2020, was as follows:

Governmental Activities

	Balance June 30, 2019	Additions or Transfers In	Deletions or Transfers Out	Completed Construction	Balance June 30, 2020
Capital assets, not being depreciated					
Land	\$ 36,665,436	\$ 1,735,378	\$ -	\$ 890,258	\$ 39,291,072
Construction in progress	21,336,608	3,827,827	-	(20,496,450)	4,667,985
Intangible assets	3,229,365	-	-	-	3,229,365
Water rights	88,881	-	-	-	88,881
Total capital assets, not being depreciated	<u>61,320,290</u>	<u>5,563,205</u>	<u>-</u>	<u>(19,606,192)</u>	<u>47,277,303</u>
Capital assets, being depreciated					
Intangible assets	712,984	16,380	-	-	729,364
Buildings	39,120,386	223,678	(37,251)	32,987	39,339,800
Improvements other than buildings	99,448,674	2,174,937	(124,187)	53,000	101,552,424
Machinery and equipment	36,665,934	1,720,195	(999,697)	777,695	38,164,127
Infrastructure	375,982,429	7,661,947	(140,742)	18,742,510	402,246,144
Total capital assets, being depreciated	<u>551,930,407</u>	<u>11,797,137</u>	<u>(1,301,877)</u>	<u>19,606,192</u>	<u>582,031,859</u>
Less accumulated depreciation for					
Intangible assets	(478,328)	(72,903)	-	-	(551,231)
Buildings	(22,938,194)	(1,024,286)	37,244	-	(23,925,236)
Improvements other than buildings	(65,795,097)	(3,579,133)	119,539	-	(69,254,691)
Machinery and equipment	(24,995,480)	(2,785,971)	848,469	-	(26,932,982)
Infrastructure	(83,789,079)	(5,022,516)	43,005	-	(88,768,590)
Total accumulated depreciation	<u>(197,996,178)</u>	<u>(12,484,809)</u>	<u>1,048,257</u>	<u>-</u>	<u>(209,432,730)</u>
Total capital assets, being depreciated, net	<u>353,934,229</u>	<u>(687,672)</u>	<u>(253,620)</u>	<u>19,606,192</u>	<u>372,599,129</u>
Governmental activities capital assets, net	<u>\$ 415,254,519</u>	<u>\$ 4,875,533</u>	<u>\$ (253,620)</u>	<u>\$ -</u>	<u>\$ 419,876,432</u>

Business-type Activities

	Balance June 30, 2019	Additions or Transfers In	Deletions or Transfers Out	Completed Construction	Balance June 30, 2020
Capital assets, not being depreciated					
Construction in progress	\$ 2,261,478	\$ 657,417	\$ (82,923)	\$ (1,969,493)	\$ 866,479
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>11,163,733</u>	<u>657,417</u>	<u>(82,923)</u>	<u>(1,969,493)</u>	<u>9,768,734</u>
Capital assets, being depreciated					
Buildings	982,424	-	-	-	982,424
Improvements other than buildings	3,727,427	-	-	-	3,727,427
Machinery and equipment	882,942	81,357	(1,812)	12,456	974,943
Roads and streets	9,441,454	1,007,093	-	-	10,448,547
Storm drains	128,913,570	1,628,999	-	25,846	130,568,415
Sewer lines	146,499,034	1,238,403	-	1,931,191	149,668,628
Total capital assets, being depreciated	<u>290,446,851</u>	<u>3,955,852</u>	<u>(1,812)</u>	<u>1,969,493</u>	<u>296,370,384</u>
Less accumulated depreciation for					
Buildings	(417,119)	(28,290)	-	-	(445,409)
Improvements other than buildings	(3,000,570)	(80,568)	-	-	(3,081,138)
Machinery and equipment	(484,369)	(51,208)	666	-	(534,911)
Roads and streets	(1,886,741)	(623,463)	-	-	(2,510,204)
Storm drains	(43,784,730)	(3,123,506)	-	-	(46,908,236)
Sewer lines	(71,312,613)	(3,070,933)	-	-	(74,383,546)
Total accumulated depreciation	<u>(120,886,142)</u>	<u>(6,977,968)</u>	<u>666</u>	<u>-</u>	<u>(127,863,444)</u>
Total capital assets, being depreciated, net	<u>169,560,709</u>	<u>(3,022,116)</u>	<u>(1,146)</u>	<u>1,969,493</u>	<u>168,506,940</u>
Business-type activities capital assets, net	<u>\$ 180,724,442</u>	<u>\$ (2,364,699)</u>	<u>\$ (84,069)</u>	<u>\$ -</u>	<u>\$ 178,275,674</u>

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

Governmental Activities	
General Government	\$ 362,331
Judicial	95,235
Public Safety	908,384
Public works	5,711,656
Culture and recreation	2,851,714
Community support	541,448
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>2,014,041</u>
Total depreciation expenses - governmental activities	<u>\$ 12,484,809</u>
Business-type Activities	
Sewer	\$ 6,965,843
Development Services	<u>12,125</u>
Total depreciation expenses - business-type activities	<u>\$ 6,977,968</u>

**Note 8 - Leases**

**Operating Lease**

The City has a non-cancelable operating lease for an office building with total costs for this lease of \$49,247 for the year ended June 30, 2020. The future minimum lease payments for the operating lease expiring June 30, 2023 are as follows based upon the amended lease agreement:

Fiscal Year Ended June 30,

2021	\$	50,724
2022		52,246
2023		44,620
		<u>147,590</u>

**Note 9 - Long-Term Liabilities**

Changes to Long-Term Liabilities as of June 30, 2020, are as follows:

	Issue Date	Interest Rate	Final Maturity Date
<b>Governmental Activities</b>			
<b>Governmental Long-Term Debt</b>			
<b>Revenue Bonds Payable</b>			
Supported by Tourism Improvement District 1 sales tax revenue			
Senior Sales Tax Anticipation Revenue Bonds, Series A	6/19/2008	6.95-7.20%	6/15/2028
Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A	12/19/2019	2.50-2.75%	6/15/2028
Supported by Tourism Improvement District 1 sales tax revenue			
Subordinate Sales Tax Anticipation Revenue Bonds, Series A	5/1/2008	5.75%	6/15/2028
Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019B (Tax-Exempt)	12/19/2019	3.5%	6/15/2028
Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019C (Taxable)	12/19/2019	5.25%	6/15/2028
Supported by consolidated tax revenues			
Consolidated Tax Revenue Refunding Bonds, Series 2014	5/29/2014	3.09%	5/1/2026
Less deferred amounts for issuance discounts			
<b>Direct Placement Tax Allocation Bonds</b>			
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			
<b>Other Long-Term Liabilities</b>			
Financial Incentive Agreement - Syufy			
Financial Assistance Agreement - Nugget Event Center			
Compensated Absences Payable			
Sick Leave Conversion Payable			
Claims Liabilities			
Total other governmental long-term liabilities			
Total governmental debt and long-term liabilities			

For governmental activities, compensated absences and sick leave conversion payables are liquidated by those funds with salaries and related benefits; resulting in the majority of these obligations being liquidated by the General Fund. Claims liabilities are liquidated by the respective Internal Service Fund to which the claim relates (see Note 13).

City of Sparks  
Notes to the Financial Statements  
June 30, 2020

Authorized	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due in 2020-2021
\$ 83,290,000	\$ 63,425,000	\$ -	\$ 63,425,000	\$ -	\$ -
79,905,000	-	79,905,000	3,465,000	76,440,000	7,090,000
36,600,000	28,009,979	3,883,955	31,893,934	-	-
8,926,847	-	8,926,847	-	8,926,847	-
3,886,437	-	3,886,437	2,055,000	1,831,437	-
7,330,000	6,433,000	-	838,000	5,595,000	865,000
219,938,284	97,867,979	96,602,239	101,676,934	92,793,284	7,955,000
-	1,547,955	-	1,547,955	-	-
219,938,284	96,320,024	96,602,239	100,128,979	92,793,284	7,955,000
13,498,290	7,091,667	-	716,988	6,374,679	735,798
9,660,000	7,682,000	-	775,000	6,907,000	794,000
22,165,000	8,105,000	-	4,055,000	4,050,000	1,975,000
7,285,000	5,280,000	-	415,000	4,865,000	430,000
52,608,290	28,158,667	-	5,961,988	22,196,679	3,934,798
-	11,766	-	3,547	8,219	-
52,608,290	28,146,901	-	5,958,441	22,188,460	3,934,798
272,546,574	124,466,925	96,602,239	106,087,420	114,981,744	11,889,798
1,500,000	500,000	-	100,000	400,000	100,000
1,280,000	1,280,000	-	995,840	284,160	142,080
-	13,779,668	3,215,629	2,816,902	14,178,395	4,483,292
-	4,788,513	1,018,351	968,994	4,837,870	865,372
-	10,311,545	12,760,294	11,849,248	11,222,591	2,719,629
2,780,000	30,659,726	16,994,274	16,730,984	30,923,016	8,310,373
\$ 275,326,574	\$ 155,126,651	\$ 113,596,513	\$ 122,818,404	\$ 145,904,760	\$ 20,200,171

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

City of Sparks  
Notes to the Financial Statements  
June 30, 2020

Authorized	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due in 2020-2021
\$ 18,010,000	\$ 13,330,000	\$ -	\$ 1,710,000	\$ 11,620,000	\$ 1,795,000
-	303,168	-	147,312	155,856	-
<u>18,010,000</u>	<u>13,633,168</u>	<u>-</u>	<u>1,857,312</u>	<u>11,775,856</u>	<u>1,795,000</u>
27,099,691	19,508,338	-	3,195,453	16,312,885	3,048,015
5,998,790	4,218,271	-	747,642	3,470,629	769,289
<u>33,098,481</u>	<u>23,726,609</u>	<u>-</u>	<u>3,943,095</u>	<u>19,783,514</u>	<u>3,817,304</u>
<u>51,108,481</u>	<u>37,359,777</u>	<u>-</u>	<u>5,800,407</u>	<u>31,559,370</u>	<u>5,612,304</u>
-	1,485,668	633,622	435,922	1,683,368	560,049
-	491,395	97,425	150,973	437,847	171,020
<u>-</u>	<u>1,977,063</u>	<u>731,047</u>	<u>586,895</u>	<u>2,121,215</u>	<u>731,069</u>
<u>51,108,481</u>	<u>39,336,840</u>	<u>731,047</u>	<u>6,387,302</u>	<u>33,680,585</u>	<u>6,343,373</u>
<u>\$ 326,435,055</u>	<u>\$ 194,463,491</u>	<u>\$ 114,327,560</u>	<u>\$ 129,205,706</u>	<u>\$ 179,585,345</u>	<u>\$ 26,543,544</u>

### Payment Requirements for Debt Service

The annual requirements to pay principal and interest on all bonds, notes and financial incentive agreements outstanding at June 30, 2020 are as follows:

Year Ending June 30	Governmental Activities					
	Revenue Bonds		Direct Placement Tax Allocation Bonds		Financial Incentive Agreements	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 7,955,000	\$ 2,610,542	\$ 3,934,798	\$ 751,557	\$ 242,080	\$ -
2022	8,487,000	2,406,563	4,094,842	591,675	242,080	-
2023	8,918,000	2,189,125	2,072,063	424,973	100,000	-
2024	9,304,000	1,960,759	2,126,961	360,332	100,000	-
2025	9,703,000	1,722,590	2,196,302	293,867	-	-
2026-2030	48,426,284	3,530,174	7,771,713	498,321	-	-
Total	\$ 92,793,284	\$ 14,419,753	\$ 22,196,679	\$ 2,920,725	\$ 684,160	\$ -

Year Ending June 30	Business-Type Activities*			
	General Obligation Bonds		Private Placement Bond and Note from Direct Borrowing	
	Principal	Interest	Principal	Interest
2021	\$ 1,795,000	\$ 276,333	\$ 3,817,304	\$ 222,014
2022	1,885,000	203,933	3,659,252	172,114
2023	1,920,000	166,000	3,288,466	127,763
2024	1,960,000	127,333	3,069,151	84,747
2025	2,000,000	81,200	2,194,809	53,630
2026-2030	2,060,000	27,467	3,754,532	63,259
Total	\$ 11,620,000	\$ 882,266	\$ 19,783,514	\$ 723,527

\*Full accrual basis of accounting.

### Compliance

For the fiscal year ending June 30, 2020, 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, 2020, the legal debt margin is \$656,197,503.

### 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 will provide \$1,000,000 upon opening the cinema to the public and \$100,000 per year for five years. During fiscal year 2020, a payment of \$100,000 was made and \$400,000 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 will provide \$853,760 once Marnell Gaming has met their financial obligation and opened the amphitheater to the public, and \$142,080 per year for three years. During fiscal year 2020, a payment of \$995,840 was made and \$284,160 of the \$1,280,000 commitment remains outstanding.

### Current Refunding

During fiscal year 2020, the City issued Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A, Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series B (Tax-Exempt), and Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series C (Taxable), (2019AB&C Bonds) to refund the existing Senior Sales Tax Anticipation Revenue Bonds, Series A, and Subordinate Sales Tax Anticipation Revenue Bonds, Series A that were issued in 2008 (2008 Bonds). The proceeds of the 2019AB&C Bonds were used to extinguish the outstanding principal amount of the 2008 Bonds and to pay closing costs of the 2019AB&C Bonds. The 2019AB&C Bonds were issued at a reduced interest rate and will reduce total debt service over the next eight years by \$18,568,940 resulting in an economic gain of \$17,130,983.

### 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 \$6,214,916 payable through fiscal year 2026. During fiscal year 2020 principal and interest paid for the bonds totaled \$1,036,780 and pledged revenues totaled \$4,354,648.

In fiscal year 2020, the City issued Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A, Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series B (Tax-Exempt), and Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series C (Taxable), (2019AB&C Bonds) to refund the existing Senior Sales Tax Anticipation Revenue Bonds, Series A, and Subordinate Sales Tax Anticipation Revenue Bonds, Series A that were issued in 2008 (2008 Bonds). The proceeds of the 2008 Bonds were used to acquire, improve, and equip certain real and personal properties at the Legends at Sparks Marina. A final draw authorized on the 2008 Bonds in the amount of \$3,883,995 was made in November 2019, before the refunding occurred. The City may prepay the bonds prior to their maturity date at a redemption price equal to the principal and accrued interest without paying a premium. The City has pledged 75% of the State Sales & Use Taxes (less a State collection fee), the Local School Support Sales & Use Taxes, and the City-County Relief Taxes, that are collected in the Tourism Improvement District, for the repayment of the bonds. Sales tax revenues collected after the Sales Tax Pledge Termination Date of June 30, 2028 will not be available to pay debt service on the 2019AB&C Bonds, even if debt service on the 2019AB&C Bonds are delinquent at that time. The bonds are secured and payable solely from pledged revenues and the City has no obligation to pay the debt from any other source. Nonpayment of principal and interest due to insufficient pledged Net Sales Tax Revenues is not considered a default under the indenture. There are no acceleration clauses upon default, however, the Trustee may pursue legal remedies to enforce payment from pledged revenues. The total principal and interest remaining to be paid on the bonds is \$100,998,121 payable through fiscal year 2028. During fiscal year 2020, principal and interest due on the bonds totaled \$11,660,851, which included a \$2,055,000 turbo payment on the 2019 Series C bonds, and pledged revenues totaled \$13,019,211 at June 30, 2020.

On May 11, 2010, the Redevelopment Agency of the City of Sparks issued the *Tax Increment Refunding Revenue Bonds, Series 2010*. Proceeds from the bonds were used to refund all of the Redevelopment Agency's *Tax Allocation Refunding Revenue Bonds, Series 2000A*. On or after January 15, 2021, the City may prepay the bonds at a redemption price equal to the principal and accrued interest without paying a premium. There are no acceleration clauses upon default, however, the Trustee, on behalf of the bond holders, may pursue legal remedies to enforce payment. The City has pledged revenues comprised of the incremental property tax revenues, governmental services tax revenues, and all income from the investment and reinvestment of any debt service and reserve accounts collected within the Redevelopment Area No. 1. The pledged property taxes are derived by applying applicable ad valorem tax rates to the portion of the assessed value of all taxable property that is in excess of a base value established in the year the area was created. The bond is a limited obligation of the Redevelopment Agency and the Redevelopment Agency is not obligated to pay for them except from pledged revenues. The total principal and interest remaining to be paid on the bonds is \$4,356,250, payable through fiscal year 2022. During fiscal year 2020, principal and

interest paid for the bonds totaled \$4,470,006 which included an early bond call payment of \$2,180,000 paid from accumulated pledged revenues received in prior years. Current year pledged revenues totaled \$3,514,553.

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 \$13,394,776, payable through fiscal year 2029. During fiscal year 2020, principal and interest paid for the two bonds totaled \$1,540,538 and pledged revenues totaled \$4,086,610.

#### 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 \$7,366,377. During fiscal year 2020, principal and interest paid for the bonds totaled \$974,869 and pledged revenues totaled \$1,048,969.

### Business-type activities

On February 18, 2016, the City issued the *Medium-Term Flood Control Bonds, Series 2016*. On or after March 1, 2021, the City may prepay the bonds at a redemption price equal to the principal and accrued interest without paying a premium. The City has pledged its full faith and credit for the repayment of the bonds.

Through the Nevada State Revolving Fund, the City issued the *General Obligation Sewer Refunding Bonds, Series 2016* during fiscal year 2016-2017. Proceeds from the bonds provided financing for expansion of, and improvements to, the utility system. The City may prepay the bonds prior to their maturity date with the approval of the Nevada State Treasurer at a redemption price equal to the principal and accrued interest without paying a premium. If the City defaults on the bonds a penalty of one-tenth of one percent of the defaulted payment will be due for each day of nonpayment beyond the 10 day grace period. There are no payment acceleration clauses should the City default on the bond agreement. The City has pledged future sewer utility customer revenues and connection fees, net of specified operating expenses, to repay the sewer utility general obligation bonds through fiscal year 2030. The total principal and interest to be paid on the bonds is \$17,028,290. During fiscal year 2020, principal and interest paid for the bonds totaled \$3,429,395. Net pledged revenues totaled \$16,995,464.

### **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, 2020, the Stabilization Special Revenue Fund has a committed fund balance of \$812,101.

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, 2020, the statutory employer-pay contribution (EPC) rate was 29.25% for Regular members and 42.50% for Police/Fire. For the fiscal year ended June 30, 2019, the statutory EPC rate was 28.00% for Regular members and 40.50% for Police/Fire.

The City's contributions were \$13,459,992 for the year ended June 30, 2020. Of this amount, \$6,729,996 was classified as Employer contributions and \$6,729,996 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, 2019:

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

As of June 30, 2019, PERS' long-term inflation assumption was 2.75%.

Net Pension Liability - At June 30, 2020, the City reported a liability for its proportionate share of the net pension liability of \$89,439,220. The net pension liability was measured as of June 30, 2019, 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, 2019, the City's proportion was 0.65591 percent, which was an increase of 0.00556 from its proportion measured as of June 30, 2018.

Pension Liability Discount Rate Sensitivity - The following presents the net pension liability of the City as of June 30, 2020, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	<u>1% Decrease in Discount Rate (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase in Discount Rate (8.50%)</u>
Net Pension Liability	\$ 138,485,808	\$ 89,439,220	\$ 48,669,060

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

Actuarial Assumptions - The City's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Payroll Growth	5.00%
Investment Rate of Return	7.50%, including inflation
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.25% to 9.15% depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include inflation and productivity increases
Other Assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

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

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016.

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

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019. 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, 2019, 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, 2019.

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, 2020, the City recognized pension expense of \$8,559,519. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,289,561	\$ 2,580,106
Changes of assumptions or other inputs	3,570,019	-
Net difference between projected and actual earnings on pension plan investments	-	4,449,874
Changes in the employer's proportion and differences between contributions and the employer's proportionate contributions	617,415	1,492,670
City contributions subsequent to the measurement date	<u>6,729,996</u>	<u>-</u>
	<u>\$ 14,206,991</u>	<u>\$ 8,522,650</u>

Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date in the amount of \$6,729,996 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

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</u>	
2021	\$ (208,871)
2022	(2,240,671)
2023	269,058
2024	611,572
2025	460,947
Thereafter	62,310

The average of the expected remaining service lives of active employees that will be provided with pensions through PERS as determined at June 30, 2019 is 6.18 years.

Additional Information – The PERS Comprehensive Annual Financial Report (CAFR) is available on the PERS website at [www.nvpers.org](http://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, 2020, 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, 2020 is \$2,988,456.

**Note 13 - Commitments**

As of June 30, 2020, 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 is 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.

Significant commitments, other than the P25 radio system, include the encumbrances outstanding in the General Fund, which have been included in the appropriate classifications, are shown below.

	<u>Encumbrances</u>
General fund	\$ <u>510,439</u>

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

**Note 14 - Risk Management**

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

Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal Year Ended June 30, 2020			
	Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year
Group Insurance Self-Insurance Fund	\$ 1,199,619	\$ 8,521,765	\$ (8,879,178)	\$ 842,206
Municipal Self-Insurance Fund	170,000	336,560	(465,684)	40,876
Workers' Compensation Fund	8,941,926	3,901,969	(2,504,386)	10,339,509
	<u>\$ 10,311,545</u>	<u>\$ 12,760,294</u>	<u>\$ (11,849,248)</u>	<u>\$ 11,222,591</u>
	Fiscal Year Ended June 30, 2019			
Group Insurance Self-Insurance Fund	\$ 1,051,220	\$ 9,406,097	\$ (9,257,698)	\$ 1,199,619
Municipal Self-Insurance Fund	-	805,282	(635,282)	170,000
Workers' Compensation Fund	6,688,884	3,407,294	(1,154,252)	8,941,926
	<u>\$ 7,740,104</u>	<u>\$ 13,618,673</u>	<u>\$ (11,047,232)</u>	<u>\$ 10,311,545</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, 2020, the City paid \$1,119,967 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 2020 by the City to NPEBP range from \$4.16 to \$2,293.92. 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 \$1,327.67 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, 2020, is shown below:

	Employee or Surviving Spouse only	Employee & Spouse	Employee & Child	Employee & Family
Active employees	\$ 849.45	\$ 1,560.10	\$ 1,486.41	\$ 2,217.62
Retiree, No Medicare	845.40	1,555.24	1,481.53	2,212.79
Spouse, with Medicare	674.86	1,404.82	-	2,045.66
Retiree, Medicare	678.29	1,237.72	1,314.42	1,895.24
Spouse, no Medicare	841.97	1,388.13	-	2,045.66

At June 30, 2020, the following employees were covered by the benefit terms:

	Sparks Plan	NPEBP	Totals
Inactive employees or beneficiaries currently receiving benefits	157	90	247
Active employees	428	-	428
	<u>585</u>	<u>90</u>	<u>675</u>

Total OPEB Liability - The City's total OPEB liability of \$43,493,794, of which \$35,685,573 is related to the Sparks Plan and \$7,808,221 is related to NPEBP, was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2018.

Actuarial assumptions and other inputs - The total OPEB liability in the actuarial valuation determined on July 1, 2018 for both plans was based on the following actuarial assumptions and other inputs:

	Sparks Plan	NPEBP
Inflation	2.40%	2.40%
Salary increases, based on years of service	Range from 4.25% to 9.15% for regular employees and from 4.55% to 13.90% for police and fire	N/A
Discount rate	2.21%	2.21%
Healthcare cost trend rate*	1.50% for initial year of two year study followed by 5.4% for 2020, declining gradually to 3.94% by 2075	1.50% for initial year of two year study followed by 5.4% for 2020, declining gradually to 3.94% by 2075
Retiree share of benefit costs	Range from \$183.07 to \$2,212.79	Range from \$0 to \$1,992.55

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

Mortality rates for employees were based on the RP-2014 Headcount-Weighted Employee Table, projected to 2020 with Scale MP-2016 and for retirees were based on the RP-2014 Headcount-Weighted Healthy Annuitant Table, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries.

The demographic and payroll growth actuarial assumptions used in the July 1, 2018 valuation are based on the same assumptions used in the Public Employees' Retirement System of Nevada (PERS) actuarial valuation as of June 30, 2018, which was based on the results of an experience review completed in 2017.

Changes in the Total OPEB Liability

	<u>Sparks Plan</u>	<u>NPEBP</u>	<u>Total</u>
Balance at June 30, 2019	\$ 29,113,582	\$ 6,721,632	\$ 35,835,214
Changes for the year:			
Service Costs	1,134,315	-	1,134,315
Interest	1,045,020	230,094	1,275,114
Differences between expected and actual experience	(1,091,105)	28,399	(1,062,706)
Changes in assumptions or other inputs	6,442,521	1,163,476	7,605,997
Benefit payments	(958,760)	(335,380)	(1,294,140)
Net changes	<u>6,571,991</u>	<u>1,086,589</u>	<u>7,658,580</u>
Balance at June 30, 2020	<u>\$ 35,685,573</u>	<u>\$ 7,808,221</u>	<u>\$ 43,493,794</u>

Significant changes of assumptions and other inputs since the measurement date of June 30, 2019 are noted below:

- Discount rate has been updated from 3.51% to 2.21% based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2020. This change caused an increase in liability during the year.
- Initial health care trend rate has been updated from 5.40% to 1.50% based on actual premium rates increase from 2018 to 2019. This change 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 2.21%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	Discount Rate		
	<u>1% Decrease (1.21%)</u>	<u>(2.21%)</u>	<u>1% Increase (3.21%)</u>
Sparks Plan	\$ 41,897,006	\$ 35,685,573	\$ 30,732,662
NPEBP	9,167,321	7,808,221	6,724,494
Total OPEB Liability	<u>\$ 51,064,327</u>	<u>\$ 43,493,794</u>	<u>\$ 37,457,156</u>

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 1.50% for 2019 followed by 5.40% decreasing to an ultimate rate of 3.94% by 2075, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.4% decreasing to 2.94%) or 1-percentage-point higher (6.4% decreasing to 4.94%) than the current healthcare cost trend rates:

	1% Decrease (4.4% decreasing to 2.94% by 2075)	Healthcare Cost Trend Rates (5.4% decreasing to 3.94% by 2075)	1% Increase (6.4% decreasing to 4.94% by 2075)
Sparks Plan	\$ 29,631,788	\$ 35,685,573	\$ 43,524,143
NPEBP	6,483,616	7,808,221	9,523,348
Total OPEB Liability	<u>\$ 36,115,404</u>	<u>\$ 43,493,794</u>	<u>\$ 53,047,491</u>

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - For the year ended June 30, 2020 the City recognized an OPEB expense of \$3,479,668, of which \$3,113,017 is related to the Sparks Plan and \$366,651 is related to NPEBP. At June 30, 2020, 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	\$ -	\$ (3,615,816)
Differences between changes of economic and demographic assumptions or of other inputs	8,991,978	
NPEBP		
Differences between expected and actual experience	4,380	(689,843)
Differences between changes of economic and demographic assumptions or of other inputs	1,526,476	-
Total	<u>\$ 10,522,834</u>	<u>\$ (4,305,659)</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>
2021	\$ 933,682	\$ 136,557
2022	933,682	136,557
2023	933,682	136,557
2024	933,682	136,557
2025	876,952	124,512
Thereafter	764,482	170,273

**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 2020 intergovernmental revenues of the City by \$684,559.

State of Nevada Tax Abatements

Aviation Tax Abatement (NRS 360.753)	\$ 38,613
Data Centers Abatement (NRS 360.754)	24,067
Local Sales and Use Tax Abatement*	470,385
Renewable Energy Abatement (NRS 701A.370)	151,494

\*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 \$193,087 on the following:

City Hall Human Resources Carpet Replacement	\$ 18,665
Citywide Re-Keying/Security Infrastructure	125,346
Fire Station 1 Heat Pump and Future HVAC System Pumping	37,798
Fire Station 1 - Paging System Upgrade	3,050
Fire Station 4 - Paging System Upgrade	8,228
	\$ 193,087

**Note 18 - Subsequent Events**

Under the CARES Act, the State of Nevada received \$836 million directly from the Coronavirus Relief Fund (CRF), of which \$148.5 million was paid to local governments with populations less than 500,000. The State allocated a maximum of \$19,176,261 to the City of Sparks. To the extent actual qualified expenditures are less than the amount allocated to the City of Sparks and/or if funds have not been used to cover necessary expenditures pursuant to the State's terms and conditions by December 30, 2020, the City must return the balance of unspent funds to the State. The City anticipates using the amount allocated before December 30, 2020.

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Required Supplementary Information

	2020		2019	
	Sparks Plan	NPEBP	Sparks Plan	NPEBP
Total OPEB Liability				
Service Cost	\$ 1,134,315	\$ -	\$ 784,223	\$ -
Interest	1,045,020	230,094	1,077,848	269,030
Differences between expected and actual experience	(1,091,105)	28,399	(3,752,815)	(993,729)
Changes of assumptions or other inputs	6,442,521	1,163,476	4,415,457	646,898
Benefit payments	(958,760)	(335,380)	(947,571)	(301,682)
Net change in total OPEB liability	6,571,991	1,086,589	1,577,142	(379,483)
Total OPEB liability-beginning	29,113,582	6,721,632	27,536,440	7,101,115
Total OPEB liability-ending	<u>\$ 35,685,573</u>	<u>\$ 7,808,221</u>	<u>\$ 29,113,582</u>	<u>\$ 6,721,632</u>
Covered-employee payroll	44,517,475	-	42,302,486	-
Total OPEB liability as a percentage of covered-employee payroll	80.16 %	-	68.82 %	-

\*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:

	2020	2019
Discount rate	2.21%	3.51%
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 & from 4.55% to 13.9% for Police and Fire, based on years of service
Healthcare cost trend rate	Initial rate of 1.5% followed by 5.4% declining gradually to an ultimate rate of 3.94% by 2075	5.4% declining gradually to an ultimate rate of 3.94% by 2075
Mortality Table - Employee's	RP-2014 Headcount-Weighted Employee Table, projected to 2020 with Scale MP-2016	RP-2014 Headcount-Weighted Employee Table, projected to 2020 with Scale MP-2016
Mortality Table - Retiree's	RP-2014 Headcount-Weighted Healthy Annuitant Table, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries	RP-2014 Headcount-Weighted Healthy Annuitant Table, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries

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

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2018	
Sparks Plan	NPEBP
\$ 785,174	\$ -
1,019,654	274,311
-	-
539,508	114,654
(598,390)	(291,307)
1,745,946	97,658
25,790,494	7,003,457
\$ 27,536,440	\$ 7,101,115
40,116,014	-
68.64 %	-

---

2018

3.87%

4.5%

5.9% declining gradually over  
 60 years. to an ultimate rate of  
 3.94%

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-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

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's portion of the net pension liability	0.65591 %	0.65035 %	0.65133 %	0.63750 %
City's proportionate share of the net pension liability	\$ 89,439,220	\$ 88,692,434	\$ 86,625,696	\$ 87,624,211
City's covered payroll	\$ 36,201,228	\$ 34,483,164	\$ 34,821,590	\$ 32,837,554
City's proportional share of the net pension liability as a percentage of its covered payroll	247.06 %	257.21 %	248.77 %	266.84 %
Plan fiduciary net position as a percentage of the total pension liability	76.50 %	75.20 %	74.40 %	72.20 %

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

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

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<u>2015</u>	<u>2014</u>
0.66963 %	0.68240 %
\$ 77,407,621	\$ 71,650,806
\$ 31,672,326	\$ 31,931,910
244.40 %	224.39 %
75.10 %	76.30 %

---

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 6,729,996	\$ 6,194,100	\$ 5,901,799	\$ 5,718,019
Contributions in relation to the statutorily required contribution	\$ 6,729,996	\$ 6,194,100	\$ 5,901,799	\$ 5,718,019
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 37,976,678	\$ 36,201,228	\$ 34,483,164	\$ 34,821,590
Contributions as a percentage of covered payroll	17.72 %	17.11 %	17.12 %	16.42 %

\* 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\*

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<u>2016</u>	<u>2015</u>
\$ 5,405,048	\$ 5,168,048
\$ 5,405,048	\$ 5,168,048
\$ -	\$ -
\$ 32,837,554	\$ 31,672,326
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, 2020

	Non Major Special Revenue Funds	Non Major Debt Service Funds	Non Major Capital Projects Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 6,936,166	\$ 2,351,238	\$ 22,687,650	\$ 31,975,054
Accounts receivable, net	2,433	-	842,575	845,008
Due from other governments	569,955	29,595	638,159	1,237,709
Notes receivable, net	1,322,268	-	-	1,322,268
Restricted cash and investments	-	2,907,250	-	2,907,250
Total assets	<u>\$ 8,830,822</u>	<u>\$ 5,288,083</u>	<u>\$ 24,168,384</u>	<u>\$ 38,287,289</u>
<b>Liabilities</b>				
Accounts payable	\$ 193,615	\$ -	\$ 56,059	\$ 249,674
Accrued liabilities	178,062	-	74,556	252,618
Contracts payable	423,851	-	1,701,247	2,125,098
Contract retentions payable	21,310	-	230,243	251,553
Refundable deposits	-	-	1,000	1,000
Unearned revenues	376,937	-	5,030	381,967
Due to other funds	21,450	-	-	21,450
Due to other governments	124,735	-	57,906	182,641
Total liabilities	<u>1,339,960</u>	<u>-</u>	<u>2,126,041</u>	<u>3,466,001</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - grants	1,381,332	-	-	1,381,332
Unavailable revenue - property taxes and other	-	-	85,892	85,892
Total deferred inflows of resources	<u>1,381,332</u>	<u>-</u>	<u>85,892</u>	<u>1,467,224</u>
<b>Fund Balances</b>				
Restricted for				
Grants and donations	224,380	-	-	224,380
Law enforcement	426,852	-	-	426,852
Promotion of special events	136,867	-	-	136,867
Various judicial uses	274,185	-	-	274,185
Municipal facilities construction	180,576	-	-	180,576
Court fee collection programs	665,371	-	-	665,371
Developer agreements	2,494,270	-	484,446	2,978,716
Debt service reserve	-	5,288,083	-	5,288,083
Parks and recreation	-	-	5,146,860	5,146,860
Street improvements & rehabilitation	-	-	355,507	355,507
Capital projects	-	-	579,701	579,701
Improvements to Victorian Square	-	-	4,838,017	4,838,017
Committed for				
Economic development	64,000	-	-	64,000
Parks and recreation	57,236	-	-	57,236
Road surface repairs	773,692	-	-	773,692
Economic Stabilization	812,101	-	-	812,101
Assigned for				
Specific capital projects	-	-	2,447,903	2,447,903
Other capital projects	-	-	8,104,017	8,104,017
Total fund balances	<u>6,109,530</u>	<u>5,288,083</u>	<u>21,956,451</u>	<u>33,354,064</u>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<u>\$ 8,830,822</u>	<u>\$ 5,288,083</u>	<u>\$ 24,168,384</u>	<u>\$ 38,287,289</u>

City of Sparks  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
Year Ended June 30, 2020

	Non Major Special Revenue Funds	Non Major Debt Service Funds	Non Major Capital Projects Funds	Total
Revenues				
Taxes	\$ 196,000	\$ 3,965,000	\$ 5,199,730	\$ 9,360,730
Licenses and permits	1,192,468	-	3,821,982	5,014,450
Intergovernmental revenues	1,796,315	177,572	2,858,423	4,832,310
Charges for services	1,851,079	-	105,491	1,956,570
Fines and forfeits	-	-	12,000	12,000
Miscellaneous	309,007	83,146	740,726	1,132,879
Total revenues	<u>5,344,869</u>	<u>4,225,718</u>	<u>12,738,352</u>	<u>22,308,939</u>
Expenditures				
Current				
General government	50	-	1,002,226	1,002,276
Judicial	214,147	-	-	214,147
Public safety	808,591	-	126,787	935,378
Public works	415,430	-	3,488,828	3,904,258
Culture and recreation	3,687,366	-	623,322	4,310,688
Community support	4,450,500	-	1,300,886	5,751,386
Total current expenditures	<u>9,576,084</u>	<u>-</u>	<u>6,542,049</u>	<u>16,118,133</u>
Capital outlay				
General government	-	-	1,174,337	1,174,337
Public safety	5,185	-	127,498	132,683
Public works	-	-	2,544,525	2,544,525
Culture and recreation	23,624	-	1,607,230	1,630,854
Community support	542,637	-	1,232,359	1,774,996
Total capital outlay	<u>571,446</u>	<u>-</u>	<u>6,685,949</u>	<u>7,257,395</u>
Debt service				
Principal	-	5,245,000	-	5,245,000
Interest	-	765,544	-	765,544
Fiscal charges and other	-	3,200	-	3,200
Total debt service	<u>-</u>	<u>6,013,744</u>	<u>-</u>	<u>6,013,744</u>
Total expenditures	<u>10,147,530</u>	<u>6,013,744</u>	<u>13,227,998</u>	<u>29,389,272</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,802,661)</u>	<u>(1,788,026)</u>	<u>(489,646)</u>	<u>(7,080,333)</u>
Other Financing Sources (Uses)				
Refunding bonds issued	3,883,955	-	-	3,883,955
Transfers				
Transfers in	1,405,000	1,507,374	3,702,764	6,615,138
Transfers out	(113,185)	-	(2,916,916)	(3,030,101)
Total other financing sources (uses)	<u>5,175,770</u>	<u>1,507,374</u>	<u>785,848</u>	<u>7,468,992</u>
Net Change in Fund Balances	373,109	(280,652)	296,202	388,659
Fund Balances, Beginning of Year	<u>5,736,421</u>	<u>5,568,735</u>	<u>21,660,249</u>	<u>32,965,405</u>
Fund Balances, End of Year	<u>\$ 6,109,530</u>	<u>\$ 5,288,083</u>	<u>\$ 21,956,451</u>	<u>\$ 33,354,064</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.

**Sparks Grants and Donations Fund**

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.

**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 to be collected in the Northern Sparks Sphere of Influence.

**Tourism Improvement District 1 Fund**

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

**Stabilization Fund**

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

	Community Development Block Grant	Community Development Entitlement Grant	Sparks Grants & Donations	Tourism and Marketing
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ 491,804	\$ 344,867
Accounts receivable, net	-	-	-	-
Due from other governments	-	279,867	290,088	-
Notes receivable, net	1,322,268	-	-	-
Total assets	<u>\$ 1,322,268</u>	<u>\$ 279,867</u>	<u>\$ 781,892</u>	<u>\$ 344,867</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 240	\$ 53,232	\$ 12,000
Accrued liabilities	-	511	2,256	-
Contracts payable	-	244,157	13,438	-
Contract retentions payable	-	12,850	-	-
Unearned revenues	-	-	-	196,000
Due to other funds	-	21,450	-	-
Due to other governments	-	659	2,670	-
Total liabilities	<u>-</u>	<u>279,867</u>	<u>71,596</u>	<u>208,000</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - grants	<u>1,322,268</u>	<u>-</u>	<u>59,064</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted for				
Grants and donations	-	-	224,380	-
Law enforcement	-	-	426,852	-
Promotion of special events	-	-	-	136,867
Various judicial uses	-	-	-	-
Municipal facilities construction	-	-	-	-
Court fee collection programs	-	-	-	-
Developer agreements	-	-	-	-
Committed for				
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Road surface repairs	-	-	-	-
Economic Stabilization	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>651,232</u>	<u>136,867</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 1,322,268</u>	<u>\$ 279,867</u>	<u>\$ 781,892</u>	<u>\$ 344,867</u>

City of Sparks  
Combining Balance Sheet - Nonmajor Special Revenue Funds  
June 30, 2020

Parks & Recreation Program	Court Administrative Assessment	Street Cut	Impact Fee Service Area No. 1	Tourism Improvement District 1	Stabilization	Total
\$ 719,842	\$ 1,125,822	\$ 947,460	\$ 2,494,270	\$ -	\$ 812,101	\$ 6,936,166
2,063	-	370	-	-	-	2,433
-	-	-	-	-	-	569,955
-	-	-	-	-	-	1,322,268
<u>\$ 721,905</u>	<u>\$ 1,125,822</u>	<u>\$ 947,830</u>	<u>\$ 2,494,270</u>	<u>\$ -</u>	<u>\$ 812,101</u>	<u>\$ 8,830,822</u>
\$ 127,867	\$ 210	\$ 66	\$ -	\$ -	\$ -	\$ 193,615
172,082	-	3,213	-	-	-	178,062
-	5,480	160,776	-	-	-	423,851
-	-	8,460	-	-	-	21,310
180,937	-	-	-	-	-	376,937
-	-	-	-	-	-	21,450
119,783	-	1,623	-	-	-	124,735
<u>600,669</u>	<u>5,690</u>	<u>174,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,339,960</u>
-	-	-	-	-	-	1,381,332
-	-	-	-	-	-	224,380
-	-	-	-	-	-	426,852
-	-	-	-	-	-	136,867
-	274,185	-	-	-	-	274,185
-	180,576	-	-	-	-	180,576
-	665,371	-	-	-	-	665,371
-	-	-	2,494,270	-	-	2,494,270
64,000	-	-	-	-	-	64,000
57,236	-	-	-	-	-	57,236
-	-	773,692	-	-	-	773,692
-	-	-	-	-	812,101	812,101
<u>121,236</u>	<u>1,120,132</u>	<u>773,692</u>	<u>2,494,270</u>	<u>-</u>	<u>812,101</u>	<u>6,109,530</u>
<u>\$ 721,905</u>	<u>\$ 1,125,822</u>	<u>\$ 947,830</u>	<u>\$ 2,494,270</u>	<u>\$ -</u>	<u>\$ 812,101</u>	<u>\$ 8,830,822</u>

	Community Development Block Grant	Community Development Entitlement Grant	Sparks Grants & Donations	Tourism and Marketing
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 196,000
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	845,548	782,627	-
Charges for services	77,159	-	4,002	-
Miscellaneous	-	-	233,349	2,814
<b>Total revenues</b>	<b>77,159</b>	<b>845,548</b>	<b>1,019,978</b>	<b>198,814</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	50	-
Judicial	-	-	67,597	-
Public safety	-	-	775,791	-
Public works	-	-	-	-
Culture and recreation	-	-	29,177	-
Community support	77,159	302,911	-	185,050
<b>Total current</b>	<b>77,159</b>	<b>302,911</b>	<b>872,615</b>	<b>185,050</b>
<b>Capital outlay</b>				
Public safety	-	-	5,185	-
Culture and recreation	-	-	-	-
Community support	-	542,637	-	-
<b>Total capital outlay</b>	<b>-</b>	<b>542,637</b>	<b>5,185</b>	<b>-</b>
<b>Total expenditures</b>	<b>77,159</b>	<b>845,548</b>	<b>877,800</b>	<b>185,050</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>142,178</b>	<b>13,764</b>
<b>Other Financing Sources (Uses)</b>				
Refunding bonds issued	-	-	-	-
<b>Transfers</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>142,178</b>	<b>13,764</b>
<b>Fund Balances, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>509,054</b>	<b>123,103</b>
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 651,232</b>	<b>\$ 136,867</b>

City of Sparks  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Nonmajor Special Revenue Funds  
 Year Ended June 30, 2020

Parks & Recreation Program	Court Administrative Assessment	Street Cut	Impact Fee Service Area No. 1	Tourism Improvement District 1	Stabilization	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,000
19,145	-	419,600	553,723	-	200,000	1,192,468
-	168,140	-	-	-	-	1,796,315
1,769,918	-	-	-	-	-	1,851,079
4,630	-	9,555	48,122	186	10,351	309,007
<u>1,793,693</u>	<u>168,140</u>	<u>429,155</u>	<u>601,845</u>	<u>186</u>	<u>210,351</u>	<u>5,344,869</u>
-	-	-	-	-	-	50
-	146,550	-	-	-	-	214,147
-	-	-	32,800	-	-	808,591
-	-	415,430	-	-	-	415,430
3,658,189	-	-	-	-	-	3,687,366
-	-	-	-	3,885,380	-	4,450,500
<u>3,658,189</u>	<u>146,550</u>	<u>415,430</u>	<u>32,800</u>	<u>3,885,380</u>	<u>-</u>	<u>9,576,084</u>
-	-	-	-	-	-	5,185
-	-	-	23,624	-	-	23,624
-	-	-	-	-	-	542,637
-	-	-	23,624	-	-	571,446
<u>3,658,189</u>	<u>146,550</u>	<u>415,430</u>	<u>56,424</u>	<u>3,885,380</u>	<u>-</u>	<u>10,147,530</u>
<u>(1,864,496)</u>	<u>21,590</u>	<u>13,725</u>	<u>545,421</u>	<u>(3,885,194)</u>	<u>210,351</u>	<u>(4,802,661)</u>
-	-	-	-	3,883,955	-	3,883,955
1,405,000	-	-	-	-	-	1,405,000
-	-	-	(95,136)	(18,049)	-	(113,185)
<u>1,405,000</u>	<u>-</u>	<u>-</u>	<u>(95,136)</u>	<u>3,865,906</u>	<u>-</u>	<u>5,175,770</u>
(459,496)	21,590	13,725	450,285	(19,288)	210,351	373,109
<u>580,732</u>	<u>1,098,542</u>	<u>759,967</u>	<u>2,043,985</u>	<u>19,288</u>	<u>601,750</u>	<u>5,736,421</u>
<u>\$ 121,236</u>	<u>\$ 1,120,132</u>	<u>\$ 773,692</u>	<u>\$ 2,494,270</u>	<u>\$ -</u>	<u>\$ 812,101</u>	<u>\$ 6,109,530</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Community Development Block Grant  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Charges for services				
Federal grant-Housing Rehab loan reimbursements	\$ 85,000	\$ 77,159	\$ (7,841)	\$ 73,491
Expenditures				
Community support				
Services and supplies	85,000	77,159	7,841	73,491
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  
Community Development Entitlement Grant  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Intergovernmental revenues				
Community Development Block and Entitlement grants	\$ 1,030,023	\$ 845,548	\$ (184,475)	\$ 759,823
Expenditures				
Community support				
Salaries and wages	104,106	88,214	15,892	79,392
Employee benefits	48,632	40,263	8,369	36,435
Services and supplies	254,850	174,434	80,416	214,927
Capital outlay	622,435	542,637	79,798	429,069
Total expenditures	1,030,023	845,548	184,475	759,823
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  
Sparks Grants & Donations  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Intergovernmental revenues				
Federal grants				
Department of Justice	\$ 90,889	\$ 31,296	\$ (59,593)	\$ 145,852
Department of Transportation, Traffic Safety	46,000	73,584	27,584	279,732
Department of Homeland Security	9,447	9,447	-	-
Department of Health and Human Services	-	-	-	274
Executive Office of the President	8,446	6,994	(1,452)	11,171
National Endowment for the Arts	2,550	49,507	46,957	762
State and County grants				
Council of the Arts	4,950	4,950	-	-
Washoe County	325,371	377,848	52,477	517,803
Other local government shared revenues				
Crime forfeitures	160,709	158,709	(2,000)	304,277
Other	86,187	70,292	(15,895)	80,187
Charges for services				
Recreation	-	4,002	4,002	-
Miscellaneous				
Investment income (loss)	-	5,435	5,435	8,354
Other	223,989	227,914	3,925	181,702
Total revenues	<u>958,538</u>	<u>1,019,978</u>	<u>61,440</u>	<u>1,530,114</u>
<b>Expenditures</b>				
General government				
Services and supplies	30,461	50	30,411	85
Judicial				
Services and supplies	97,805	67,597	30,208	77,001
Public safety				
Salaries and wages	136,614	101,684	34,930	238,635
Employee benefits	34,215	37,364	(3,149)	107,602
Services and supplies	760,332	636,743	123,589	602,043
Capital outlay	208,319	5,185	203,134	359,346
Total public safety	<u>1,139,480</u>	<u>780,976</u>	<u>358,504</u>	<u>1,307,626</u>
Culture and recreation				
Salaries and wages	-	-	-	304
Employee benefits	-	-	-	67
Services and supplies	96,994	29,177	67,817	84,728
Capital outlay	200,000	-	200,000	-
Total culture and recreation	<u>296,994</u>	<u>29,177</u>	<u>267,817</u>	<u>85,099</u>
Total expenditures	<u>1,564,740</u>	<u>877,800</u>	<u>686,940</u>	<u>1,469,811</u>
Net Change in Fund Balances	(606,202)	142,178	748,380	60,303
Fund Balances, Beginning of Year	917,787	509,054	(408,733)	448,751
Fund Balances, End of Year	<u>\$ 311,585</u>	<u>\$ 651,232</u>	<u>\$ 339,647</u>	<u>\$ 509,054</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Tourism and Marketing  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Room taxes	\$ 196,000	\$ 196,000	\$ -	\$ 196,000
Miscellaneous				
Investment income (loss)	2,100	2,814	714	3,806
Total revenues	<u>198,100</u>	<u>198,814</u>	<u>714</u>	<u>199,806</u>
Expenditures				
Community support				
Services and supplies	<u>277,000</u>	<u>185,050</u>	<u>91,950</u>	<u>174,903</u>
Net Change in Fund Balances	(78,900)	13,764	92,664	24,903
Fund Balances, Beginning of Year	<u>105,500</u>	<u>123,103</u>	<u>17,603</u>	<u>98,200</u>
Fund Balances, End of Year	<u>\$ 26,600</u>	<u>\$ 136,867</u>	<u>\$ 110,267</u>	<u>\$ 123,103</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Parks & Recreation Program  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Licenses and permits				
Concession franchise fees	\$ 21,000	\$ 19,145	\$ (1,855)	\$ 22,623
Charges for services				
Recreation program fees	2,631,580	1,731,660	(899,920)	2,687,781
Administrative service charges	2,500	425	(2,075)	1,314
Other	51,000	37,833	(13,167)	340,799
Miscellaneous				
Other	16,000	4,630	(11,370)	122
Total revenues	<u>2,722,080</u>	<u>1,793,693</u>	<u>(928,387)</u>	<u>3,052,639</u>
<b>Expenditures</b>				
Culture and recreation				
Salaries and wages	2,622,181	2,269,638	352,543	2,740,081
Employee benefits	711,922	674,452	37,470	673,534
Services and supplies	914,364	714,099	200,265	719,624
Total expenditures	<u>4,248,467</u>	<u>3,658,189</u>	<u>590,278</u>	<u>4,133,239</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,526,387)</u>	<u>(1,864,496)</u>	<u>(338,109)</u>	<u>(1,080,600)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers				
Transfers in	1,405,000	1,405,000	-	1,422,000
Net Change in Fund Balances	(121,387)	(459,496)	(338,109)	341,400
Fund Balances, Beginning of Year	<u>254,837</u>	<u>580,732</u>	<u>325,895</u>	<u>239,332</u>
Fund Balances, End of Year	<u>\$ 133,450</u>	<u>\$ 121,236</u>	<u>\$ (12,214)</u>	<u>\$ 580,732</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Court Administrative Assessment  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Intergovernmental revenues				
Municipal court administrative assessments	\$ 32,600	\$ 25,412	\$ (7,188)	\$ 31,696
Court collection fees	150,000	106,821	(43,179)	153,996
Court facility administrative assessments	45,000	35,907	(9,093)	43,755
Total revenues	<u>227,600</u>	<u>168,140</u>	<u>(59,460)</u>	<u>229,447</u>
<b>Expenditures</b>				
Judicial				
Salaries and wages	12,000	10,053	1,947	13,296
Employee benefits	174	-	174	-
Services and supplies	1,250,900	136,497	1,114,403	210,775
Capital outlay	-	-	-	66,200
Total expenditures	<u>1,263,074</u>	<u>146,550</u>	<u>1,116,524</u>	<u>290,271</u>
Net Change in Fund Balances	(1,035,474)	21,590	1,057,064	(60,824)
Fund Balances, Beginning of Year	<u>1,052,136</u>	<u>1,098,542</u>	<u>46,406</u>	<u>1,159,366</u>
Fund Balances, End of Year	<u>\$ 16,662</u>	<u>\$ 1,120,132</u>	<u>\$ 1,103,470</u>	<u>\$ 1,098,542</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Street Cut  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Licenses and permits				
Street cuts	\$ 280,000	\$ 419,600	\$ 139,600	\$ 325,144
Miscellaneous				
Investment income (loss)	6,400	9,555	3,155	13,928
Total revenues	<u>286,400</u>	<u>429,155</u>	<u>142,755</u>	<u>339,072</u>
<b>Expenditures</b>				
Public works				
Salaries and wages	41,324	40,494	830	39,701
Employee benefits	20,451	20,191	260	19,372
Services and supplies	436,108	354,745	81,363	130,835
Total expenditures	<u>497,883</u>	<u>415,430</u>	<u>82,453</u>	<u>189,908</u>
Net Change in Fund Balances	(211,483)	13,725	225,208	149,164
Fund Balances, Beginning of Year	<u>638,099</u>	<u>759,967</u>	<u>121,868</u>	<u>610,803</u>
Fund Balances, End of Year	<u>\$ 426,616</u>	<u>\$ 773,692</u>	<u>\$ 347,076</u>	<u>\$ 759,967</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, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Licenses and permits				
Flood control fees	\$ 70,000	\$ 43,477	\$ (26,523)	\$ 173,852
Public facility fees	200,000	103,841	(96,159)	172,861
Park fees	200,000	312,210	112,210	297,787
Sanitary sewer fees	220,000	94,195	(125,805)	117,145
Miscellaneous				
Investment income (loss)	18,700	48,122	29,422	37,167
Total revenues	<u>708,700</u>	<u>601,845</u>	<u>(106,855)</u>	<u>798,812</u>
<b>Expenditures</b>				
Public safety				
Services and supplies	150,000	32,800	117,200	-
Public works				
Services and supplies	-	-	-	8,400
Culture and recreation				
Services and supplies	-	-	-	3,807
Capital outlay	35,000	23,624	11,376	-
Total culture and recreation	<u>35,000</u>	<u>23,624</u>	<u>11,376</u>	<u>3,807</u>
Total expenditures	<u>185,000</u>	<u>56,424</u>	<u>128,576</u>	<u>12,207</u>
Excess (Deficiency) of Revenues over Expenditures	<u>523,700</u>	<u>545,421</u>	<u>21,721</u>	<u>786,605</u>
<b>Other Financing Sources (Uses)</b>				
Transfers				
Transfers out	(220,000)	(95,136)	124,864	(118,261)
Net Change in Fund Balances	303,700	450,285	146,585	668,344
Fund Balances, Beginning of Year	<u>1,778,940</u>	<u>2,043,985</u>	<u>265,045</u>	<u>1,375,641</u>
Fund Balances, End of Year	<u>\$ 2,082,640</u>	<u>\$ 2,494,270</u>	<u>\$ 411,630</u>	<u>\$ 2,043,985</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Tourism Improvement District 1  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Miscellaneous				
Investment income (loss)	\$ 100	\$ 186	\$ 86	\$ 415
Expenditures				
Community support				
Services and supplies	17,000	3,885,380	(3,868,380)	2,575
Excess (deficiency) of revenues over expenditures	(16,900)	(3,885,194)	(3,868,294)	(2,160)
Other Financing Sources (Uses)				
Refunding bonds issued	-	3,883,955	(3,883,955)	-
Transfers out	-	(18,049)	(18,049)	-
Total other financing sources (uses)	-	3,865,906	(3,902,004)	-
Net change in fund balances	(16,900)	(19,288)	(2,388)	(2,160)
Fund Balances, Beginning of Year	18,047	19,288	1,241	21,448
Fund balances, end of year	\$ 1,147	\$ -	\$ (1,147)	\$ 19,288

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Stabilization  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Licenses and permits				
Business licenses and permits	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
Miscellaneous				
Investment income (loss)	5,000	10,351	5,351	11,073
Total revenues	<u>205,000</u>	<u>210,351</u>	<u>5,351</u>	<u>211,073</u>
Fund Balances, Beginning of Year	<u>595,677</u>	<u>601,750</u>	<u>6,073</u>	<u>390,677</u>
Fund Balances, End of Year	<u>\$ 800,677</u>	<u>\$ 812,101</u>	<u>\$ 11,424</u>	<u>\$ 601,750</u>

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**Major Debt Service Fund**

**General Obligation Debt Service Fund**

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

- Consolidated Tax Refunding Revenue Bonds, Series 2014

Consolidated taxes are used to service the debt.

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

Sales taxes are used to service the debt.

- 2016 Limited Obligation Improvement Refunding Bond

Special assessments are used to service the debt.

**Nonmajor Debt Service Funds**

**Redevelopment Agency Area No. 1 Tax Revenue Fund**

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

- 2010 Tax Increment Refunding Revenue Bonds

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

**Redevelopment Agency Area No. 2 Debt Service Fund**

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

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

Ad valorem taxes are used to service the debt.

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
General Obligation Debt Service  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Special assessments	\$ 1,048,969	\$ 1,048,969	\$ -	\$ 1,328,071
Intergovernmental revenues				
Dedicated sales tax - improvement districts	14,560,000	13,019,211	(1,540,789)	14,394,394
Miscellaneous				
Investment income (loss)	247,300	191,263	(56,037)	320,870
Total revenues	<u>15,856,269</u>	<u>14,259,443</u>	<u>(1,596,826)</u>	<u>16,043,335</u>
Expenditures				
Debt service				
Principal	8,109,988	8,879,988	(770,000)	8,522,169
Interest	6,460,353	4,792,511	1,667,842	6,791,640
Fiscal charges and other	3,040	-	3,040	3,038
Refunding bond issuance costs	-	1,066,498	(1,066,498)	-
Total expenditures	<u>14,573,381</u>	<u>14,738,997</u>	<u>(165,616)</u>	<u>15,316,847</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,282,888</u>	<u>(479,554)</u>	<u>(1,762,442)</u>	<u>726,488</u>
Other Financing Sources (Uses)				
Refunding bonds issued	-	92,725,392	92,725,392	-
Payments to refunded bond escrow agent	-	(93,513,935)	(93,513,935)	-
Transfers				
Transfers in	1,036,780	1,054,829	18,049	1,033,809
Transfers out	-	(2,764)	(2,764)	-
Total other financing sources (uses)	<u>1,036,780</u>	<u>263,522</u>	<u>(773,258)</u>	<u>1,033,809</u>
Net Change in Fund Balances	2,319,668	(216,032)	(2,535,700)	1,760,297
Fund Balances, Beginning of Year	<u>14,662,505</u>	<u>15,609,278</u>	<u>946,773</u>	<u>13,848,981</u>
Fund Balances, End of Year	<u>\$ 16,982,173</u>	<u>\$ 15,393,246</u>	<u>\$ (1,588,927)</u>	<u>\$ 15,609,278</u>

City of Sparks  
Combining Balance Sheet - Nonmajor Debt Service Funds  
June 30, 2020

	Redevelopment Agency Area No. 1 Tax Revenue Fund	Redevelopment Agency Area No. 2 Debt Service Fund	Total
<b>Assets</b>			
Cash and investments	\$ 718,635	\$ 1,632,603	\$ 2,351,238
Due from other governments	29,595	-	29,595
Restricted assets			
Cash and investments	<u>2,178,750</u>	<u>728,500</u>	<u>2,907,250</u>
Total assets	<u>\$ 2,926,980</u>	<u>\$ 2,361,103</u>	<u>\$ 5,288,083</u>
<b>Fund Balances</b>			
Restricted for			
Debt service reserve	<u>2,926,980</u>	<u>2,361,103</u>	<u>5,288,083</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,926,980</u>	<u>\$ 2,361,103</u>	<u>\$ 5,288,083</u>

City of Sparks  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Non Major Debt Service Funds  
Year Ended June 30, 2020

	Redevelopment Agency Area No. 1 Tax Revenue Fund	Redevelopment Agency Area No. 2 Debt Service Fund	Total
Revenues			
Taxes	\$ 2,200,000	\$ 1,765,000	\$ 3,965,000
Intergovernmental revenues	177,572	-	177,572
Miscellaneous	26,712	56,434	83,146
Total revenues	<u>2,404,284</u>	<u>1,821,434</u>	<u>4,225,718</u>
Expenditures			
Debt service			
Principal	4,055,000	1,190,000	5,245,000
Interest	415,006	350,538	765,544
Fiscal charges and other	1,100	2,100	3,200
Total expenditures	<u>4,471,106</u>	<u>1,542,638</u>	<u>6,013,744</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,066,822)</u>	<u>278,796</u>	<u>(1,788,026)</u>
Other Financing Sources (Uses)			
Transfers			
Transfers in	<u>1,507,374</u>	<u>-</u>	<u>1,507,374</u>
Net Change in Fund Balances	(559,448)	278,796	(280,652)
Fund Balance, Beginning of Year	<u>3,486,428</u>	<u>2,082,307</u>	<u>5,568,735</u>
Fund Balances, End of Year	<u>\$ 2,926,980</u>	<u>\$ 2,361,103</u>	<u>\$ 5,288,083</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, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 2,200,000	\$ 2,200,000	\$ -	\$ 2,205,000
Intergovernmental revenues				
Motor vehicle privilege tax	177,572	177,572	-	177,572
Miscellaneous				
Investment income (loss)	21,200	26,712	5,512	40,947
Total revenues	<u>2,398,772</u>	<u>2,404,284</u>	<u>5,512</u>	<u>2,423,519</u>
Expenditures				
Debt service				
Principal	1,875,000	4,055,000	(2,180,000)	1,790,000
Interest	415,006	415,006	-	500,031
Fiscal charges and other	1,100	1,100	-	1,100
Total expenditures	<u>2,291,106</u>	<u>4,471,106</u>	<u>(2,180,000)</u>	<u>2,291,131</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>107,666</u>	<u>(2,066,822)</u>	<u>(2,174,488)</u>	<u>132,388</u>
Other Financing Sources (Uses)				
Transfers				
Transfers in	-	1,507,374	1,507,374	-
Net Change in Fund Balances	107,666	(559,448)	(667,114)	132,388
Fund Balances, Beginning of Year	3,466,082	3,486,428	20,346	3,354,040
Fund Balances, End of Year	<u>\$ 3,573,748</u>	<u>\$ 2,926,980</u>	<u>\$ (646,768)</u>	<u>\$ 3,486,428</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, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 1,765,000	\$ 1,765,000	\$ -	\$ 1,765,000
Miscellaneous				
Investment income (loss)	18,400	56,434	38,034	60,123
Total revenues	<u>1,783,400</u>	<u>1,821,434</u>	<u>38,034</u>	<u>1,825,123</u>
Expenditures				
Debt service				
Principal	1,190,000	1,190,000	-	1,164,000
Interest	350,538	350,538	-	381,381
Fiscal charges and other	2,200	2,100	100	2,100
Total expenditures	<u>1,542,738</u>	<u>1,542,638</u>	<u>100</u>	<u>1,547,481</u>
Net Change in Fund Balances	240,662	278,796	38,134	277,642
Fund Balances, Beginning of Year	<u>2,040,483</u>	<u>2,082,307</u>	<u>41,824</u>	<u>1,804,665</u>
Fund Balances, End of Year	<u>\$ 2,281,145</u>	<u>\$ 2,361,103</u>	<u>\$ 79,958</u>	<u>\$ 2,082,307</u>

## **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 and franchise 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.

### **Parks 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
<b>Assets</b>					
Cash and investments	\$ 1,159,131	\$ 827,581	\$ 1,943,940	\$ 1,024,690	\$ 3,555,165
Accounts receivable, net	-	-	-	617,901	1,510
Due from other governments	-	-	-	359,892	-
<b>Total assets</b>	<b>\$ 1,159,131</b>	<b>\$ 827,581</b>	<b>\$ 1,943,940</b>	<b>\$ 2,002,483</b>	<b>\$ 3,556,675</b>
<b>Liabilities</b>					
Accounts payable	\$ 3	\$ -	\$ -	\$ 2,471	\$ 36,089
Accrued liabilities	-	-	-	62,932	-
Contracts payable	-	2,258	-	1,404,341	79,317
Contract retentions payable	8,292	17,506	-	128,738	10,717
Refundable deposits	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	48,494	-
<b>Total liabilities</b>	<b>8,295</b>	<b>19,764</b>	<b>-</b>	<b>1,646,976</b>	<b>126,123</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes and other	-	-	-	-	-
<b>Fund Balances</b>					
Restricted for					
Developer agreements	-	-	-	-	-
Parks and recreation	1,150,836	807,817	1,943,940	-	-
Street improvements & rehabilitation	-	-	-	355,507	-
Capital projects	-	-	-	-	-
Improvements to Victorian Square	-	-	-	-	-
Assigned for					
Specific capital projects	-	-	-	-	502,169
Other capital projects	-	-	-	-	2,928,383
<b>Total fund balances</b>	<b>1,150,836</b>	<b>807,817</b>	<b>1,943,940</b>	<b>355,507</b>	<b>3,430,552</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,159,131</b>	<b>\$ 827,581</b>	<b>\$ 1,943,940</b>	<b>\$ 2,002,483</b>	<b>\$ 3,556,675</b>

City of Sparks  
 Combining Balance Sheet - Nonmajor Capital Projects Funds  
 June 30, 2020

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
\$ 578,223	\$ 3,037,398	\$ 484,495	\$ 258,888	\$ 5,025,634	\$ 4,792,505	\$ 22,687,650
-	221,876	-	1,288	-	-	842,575
1,478	-	-	89,037	113,589	74,163	638,159
<u>\$ 579,701</u>	<u>\$ 3,259,274</u>	<u>\$ 484,495</u>	<u>\$ 349,213</u>	<u>\$ 5,139,223</u>	<u>\$ 4,866,668</u>	<u>\$ 24,168,384</u>
\$ -	\$ 11,003	\$ 49	\$ 3,305	\$ 3,109	\$ 30	\$ 56,059
-	11,178	-	446	-	-	74,556
-	-	-	197,639	-	17,692	1,701,247
-	33,762	-	20,299	-	10,929	230,243
-	1,000	-	-	-	-	1,000
-	3,780	-	1,250	-	-	5,030
-	8,550	-	862	-	-	57,906
<u>-</u>	<u>69,273</u>	<u>49</u>	<u>223,801</u>	<u>3,109</u>	<u>28,651</u>	<u>2,126,041</u>
-	-	-	39,393	46,499	-	85,892
-	-	484,446	-	-	-	484,446
-	1,244,267	-	-	-	-	5,146,860
-	-	-	-	-	-	355,507
579,701	-	-	-	-	-	579,701
-	-	-	-	-	4,838,017	4,838,017
-	1,945,734	-	-	-	-	2,447,903
-	-	-	86,019	5,089,615	-	8,104,017
<u>579,701</u>	<u>3,190,001</u>	<u>484,446</u>	<u>86,019</u>	<u>5,089,615</u>	<u>4,838,017</u>	<u>21,956,451</u>
<u>\$ 579,701</u>	<u>\$ 3,259,274</u>	<u>\$ 484,495</u>	<u>\$ 349,213</u>	<u>\$ 5,139,223</u>	<u>\$ 4,866,668</u>	<u>\$ 24,168,384</u>

	Recreation & Parks District 1	Recreation & Parks District 2	Recreation & Parks District 3	Road Fund	Capital Projects
<b>Revenues</b>					
Taxes	\$ 227,249	\$ 140,740	\$ 340,000	\$ -	\$ -
Licenses and permits	-	-	-	2,740,913	-
Intergovernmental revenues	-	-	-	2,619,479	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Miscellaneous	27,339	36,970	37,060	172,567	64,492
<b>Total revenues</b>	<b>254,588</b>	<b>177,710</b>	<b>377,060</b>	<b>5,532,959</b>	<b>64,492</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	-	-	-	-	983,561
Public safety	-	-	-	-	106,801
Public works	-	-	-	3,462,143	26,685
Culture and recreation	17,073	41,892	23,502	-	30,175
Community support	-	-	-	-	-
<b>Total current</b>	<b>17,073</b>	<b>41,892</b>	<b>23,502</b>	<b>3,462,143</b>	<b>1,147,222</b>
<b>Capital outlay</b>					
General government	-	-	-	-	1,048,991
Public safety	-	-	-	-	98,408
Public works	-	-	-	2,544,525	-
Culture and recreation	258,396	359,488	44,594	-	-
Community support	-	-	-	-	-
<b>Total capital outlay</b>	<b>258,396</b>	<b>359,488</b>	<b>44,594</b>	<b>2,544,525</b>	<b>1,147,399</b>
<b>Total expenditures</b>	<b>275,469</b>	<b>401,380</b>	<b>68,096</b>	<b>6,006,668</b>	<b>2,294,621</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(20,881)</b>	<b>(223,670)</b>	<b>308,964</b>	<b>(473,709)</b>	<b>(2,230,129)</b>
<b>Other Financing Sources (Uses)</b>					
<b>Transfers</b>					
Transfers in	-	-	-	-	2,817,242
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,817,242</b>
<b>Net Change in Fund Balances</b>	<b>(20,881)</b>	<b>(223,670)</b>	<b>308,964</b>	<b>(473,709)</b>	<b>587,113</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,171,717</b>	<b>1,031,487</b>	<b>1,634,976</b>	<b>829,216</b>	<b>2,843,439</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,150,836</b>	<b>\$ 807,817</b>	<b>\$ 1,943,940</b>	<b>\$ 355,507</b>	<b>\$ 3,430,552</b>

City of Sparks  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Nonmajor Capital Projects Funds  
 Year Ended June 30, 2020

Capital Facilities	Park & Recreation Project	Local Improvement District 3	Redevelopment Area No. 1 Revolving	Redevelopment Agency Area No. 2 Revolving	Victorian Square Room Tax	Total
\$ -	\$ -	\$ -	\$ 1,136,981	\$ 2,321,610	\$ 1,033,150	\$ 5,199,730
-	1,081,069	-	-	-	-	3,821,982
231,636	7,308	-	-	-	-	2,858,423
-	105,491	-	-	-	-	105,491
-	-	-	-	12,000	-	12,000
17,780	73,045	5,183	51,277	121,589	133,424	740,726
<u>249,416</u>	<u>1,266,913</u>	<u>5,183</u>	<u>1,188,258</u>	<u>2,455,199</u>	<u>1,166,574</u>	<u>12,738,352</u>
18,665	-	-	-	-	-	1,002,226
19,986	-	-	-	-	-	126,787
-	-	-	-	-	-	3,488,828
-	510,680	-	-	-	-	623,322
-	-	1,534	141,589	58,628	1,099,135	1,300,886
<u>38,651</u>	<u>510,680</u>	<u>1,534</u>	<u>141,589</u>	<u>58,628</u>	<u>1,099,135</u>	<u>6,542,049</u>
125,346	-	-	-	-	-	1,174,337
29,090	-	-	-	-	-	127,498
-	-	-	-	-	-	2,544,525
-	944,752	-	-	-	-	1,607,230
-	-	-	899,081	-	333,278	1,232,359
<u>154,436</u>	<u>944,752</u>	<u>-</u>	<u>899,081</u>	<u>-</u>	<u>333,278</u>	<u>6,685,949</u>
193,087	1,455,432	1,534	1,040,670	58,628	1,432,413	13,227,998
<u>56,329</u>	<u>(188,519)</u>	<u>3,649</u>	<u>147,588</u>	<u>2,396,571</u>	<u>(265,839)</u>	<u>(489,646)</u>
-	882,758	2,764	-	-	-	3,702,764
-	-	-	(1,805,336)	(1,111,580)	-	(2,916,916)
-	882,758	2,764	(1,805,336)	(1,111,580)	-	785,848
56,329	694,239	6,413	(1,657,748)	1,284,991	(265,839)	296,202
<u>523,372</u>	<u>2,495,762</u>	<u>478,033</u>	<u>1,743,767</u>	<u>3,804,624</u>	<u>5,103,856</u>	<u>21,660,249</u>
<u>\$ 579,701</u>	<u>\$ 3,190,001</u>	<u>\$ 484,446</u>	<u>\$ 86,019</u>	<u>\$ 5,089,615</u>	<u>\$ 4,838,017</u>	<u>\$ 21,956,451</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Recreation & Parks District 1  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Residential park construction tax	\$ 340,000	\$ 227,249	\$ (112,751)	\$ 169,500
Miscellaneous				
Investment income (loss)	5,900	27,339	21,439	31,334
Total revenues	<u>345,900</u>	<u>254,588</u>	<u>(91,312)</u>	<u>200,834</u>
Expenditures				
Culture and recreation				
Services and supplies	48,962	17,073	31,889	18,889
Capital outlay	715,495	258,396	457,099	-
Total expenditures	<u>764,457</u>	<u>275,469</u>	<u>488,988</u>	<u>18,889</u>
Net Change in Fund Balances	(418,557)	(20,881)	397,676	181,945
Fund Balances, Beginning of Year	<u>1,096,743</u>	<u>1,171,717</u>	<u>74,974</u>	<u>989,772</u>
Fund Balances, End of Year	<u>\$ 678,186</u>	<u>\$ 1,150,836</u>	<u>\$ 472,650</u>	<u>\$ 1,171,717</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Recreation & Parks District 2  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Residential park construction tax	\$ 308,000	\$ 140,740	\$ (167,260)	\$ 76,337
Miscellaneous				
Investment income (loss)	-	36,970	36,970	49,054
Total revenues	<u>308,000</u>	<u>177,710</u>	<u>(130,290)</u>	<u>125,391</u>
Expenditures				
Culture and recreation				
Services and supplies	42,093	41,892	201	23,966
Capital outlay	741,732	359,488	382,244	207,037
Total expenditures	<u>783,825</u>	<u>401,380</u>	<u>382,445</u>	<u>231,003</u>
Net Change in Fund Balances	(475,825)	(223,670)	252,155	(105,612)
Fund Balances, Beginning of Year	<u>803,269</u>	<u>1,031,487</u>	<u>228,218</u>	<u>1,137,099</u>
Fund Balances, End of Year	<u>\$ 327,444</u>	<u>\$ 807,817</u>	<u>\$ 480,373</u>	<u>\$ 1,031,487</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Recreation & Parks District 3  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Residential park construction tax	\$ 200,000	\$ 340,000	\$ 140,000	\$ 346,000
Miscellaneous				
Investment income (loss)	9,100	37,060	27,960	66,341
Total revenues	<u>209,100</u>	<u>377,060</u>	<u>167,960</u>	<u>412,341</u>
Expenditures				
Culture and recreation				
Services and supplies	69,458	23,502	45,956	384
Capital outlay	1,181,400	44,594	1,136,806	48,050
Total expenditures	<u>1,250,858</u>	<u>68,096</u>	<u>1,182,762</u>	<u>48,434</u>
Net Change in Fund Balances	(1,041,758)	308,964	1,350,722	363,907
Fund Balances, Beginning of Year	<u>1,059,081</u>	<u>1,634,976</u>	<u>575,895</u>	<u>1,271,069</u>
Fund Balances, End of Year	<u>\$ 17,323</u>	<u>\$ 1,943,940</u>	<u>\$ 1,926,617</u>	<u>\$ 1,634,976</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Road Fund  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Licenses and permits				
Right of way toll fees	\$ 733,450	\$ 712,103	\$ (21,347)	\$ 711,089
Electric franchise fees	1,627,143	1,431,145	(195,998)	1,538,769
Gas franchise fees	463,335	597,665	134,330	460,536
Intergovernmental revenues				
State shared revenues				
Motor vehicle fuel tax	2,839,930	2,526,092	(313,838)	2,641,830
Other local government shared revenues	-	93,387	93,387	11,301
Miscellaneous				
Investment income (loss)	8,400	10,361	1,961	37,606
Other	236,660	162,206	(74,454)	-
Total revenues	<u>5,908,918</u>	<u>5,532,959</u>	<u>(375,959)</u>	<u>5,401,131</u>
<b>Expenditures</b>				
Public works				
Salaries and wages	1,242,177	1,151,886	90,291	1,113,454
Employee benefits	760,985	659,028	101,957	656,585
Services and supplies	1,911,501	1,651,229	260,272	1,156,116
Capital outlay	2,777,629	2,544,525	233,104	2,904,378
Total expenditures	<u>6,692,292</u>	<u>6,006,668</u>	<u>685,624</u>	<u>5,830,533</u>
Net Change in Fund Balances	(783,374)	(473,709)	309,665	(429,402)
Fund Balances, Beginning of Year	<u>978,057</u>	<u>829,216</u>	<u>(148,841)</u>	<u>1,258,618</u>
Fund Balances, End of Year	<u>\$ 194,683</u>	<u>\$ 355,507</u>	<u>\$ 160,824</u>	<u>\$ 829,216</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Capital Projects  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Miscellaneous				
Investment income (loss)	\$ 4,400	\$ 61,906	\$ 57,506	\$ 72,218
Other	-	2,586	2,586	-
Total revenues	<u>4,400</u>	<u>64,492</u>	<u>60,092</u>	<u>72,218</u>
<b>Expenditures</b>				
General government				
Services and supplies	1,613,278	983,561	629,717	366,039
Capital outlay	1,953,807	1,048,991	904,816	506,723
Total general government	<u>3,567,085</u>	<u>2,032,552</u>	<u>1,534,533</u>	<u>872,762</u>
Public safety				
Services and supplies	391,432	106,801	284,631	13,437
Capital outlay	1,022,280	98,408	923,872	12,610
Total public safety	<u>1,413,712</u>	<u>205,209</u>	<u>1,208,503</u>	<u>26,047</u>
Public works				
Services and supplies	31,885	26,685	5,200	37,119
Culture and recreation				
Services and supplies	110,000	30,175	79,825	81
Capital outlay	-	-	-	346,853
Total culture and recreation	<u>110,000</u>	<u>30,175</u>	<u>79,825</u>	<u>346,934</u>
Total expenditures	<u>5,122,682</u>	<u>2,294,621</u>	<u>2,828,061</u>	<u>1,282,862</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,118,282)</u>	<u>(2,230,129)</u>	<u>2,888,153</u>	<u>(1,210,644)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers				
Transfers in	2,817,242	2,817,242	-	2,300,000
Net Change in Fund Balances	(2,301,040)	587,113	2,888,153	1,089,356
Fund Balances, Beginning of Year	2,587,174	2,843,439	256,265	1,754,083
Fund Balances, End of Year	<u>\$ 286,134</u>	<u>\$ 3,430,552</u>	<u>\$ 3,144,418</u>	<u>\$ 2,843,439</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Capital Facilities  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Intergovernmental revenues				
County ad valorem taxes	\$ 211,000	\$ 231,636	\$ 20,636	\$ 215,983
Miscellaneous				
Investment income (loss)	3,700	17,780	14,080	18,528
Total revenues	<u>214,700</u>	<u>249,416</u>	<u>34,716</u>	<u>234,511</u>
<b>Expenditures</b>				
General government				
Services and supplies	20,000	18,665	1,335	4,006
Capital outlay	194,637	125,346	69,291	-
Total general government	<u>214,637</u>	<u>144,011</u>	<u>70,626</u>	<u>4,006</u>
Public safety				
Services and supplies	3,050	19,986	(16,936)	6,081
Capital outlay	110,197	29,090	81,107	122,527
Total public safety	<u>113,247</u>	<u>49,076</u>	<u>64,171</u>	<u>128,608</u>
Culture and recreation				
Services and supplies	121,030	-	121,030	27,234
Total expenditures	<u>448,914</u>	<u>193,087</u>	<u>255,827</u>	<u>159,848</u>
Net Change in Fund Balances	(234,214)	56,329	290,543	74,663
Fund Balances, Beginning of Year	538,452	523,372	(15,080)	448,709
Fund Balances, End of Year	<u>\$ 304,238</u>	<u>\$ 579,701</u>	<u>\$ 275,463</u>	<u>\$ 523,372</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Park & Recreation Project  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Licenses and permits				
Concession franchise fees	\$ 100,000	\$ 66,664	\$ (33,336)	\$ 99,996
Electric franchise fees	813,571	715,572	(97,999)	769,385
Gas franchise fees	231,656	298,833	67,177	230,268
Park fees	52,700	-	(52,700)	46,905
Federal grants	-	7,308	7,308	-
Charges for services				
Other	137,000	105,491	(31,509)	137,962
Miscellaneous				
Investment income (loss)	15,500	73,045	57,545	79,726
Total revenues	<u>1,350,427</u>	<u>1,266,913</u>	<u>(83,514)</u>	<u>1,364,242</u>
<b>Expenditures</b>				
Culture and recreation				
Salaries and wages	280,387	235,199	45,188	276,586
Employee benefits	144,553	104,297	40,256	135,434
Services and supplies	357,245	171,184	186,061	204,365
Capital outlay	2,215,757	944,752	1,271,005	1,750,192
Total expenditures	<u>2,997,942</u>	<u>1,455,432</u>	<u>1,542,510</u>	<u>2,366,577</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,647,515)</u>	<u>(188,519)</u>	<u>1,458,996</u>	<u>(1,002,335)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers				
Transfers in	882,758	882,758	-	500,000
Net Change in Fund Balances	(764,757)	694,239	1,458,996	(502,335)
Fund Balances, Beginning of Year	<u>1,841,163</u>	<u>2,495,762</u>	<u>654,599</u>	<u>2,998,097</u>
Fund Balances, End of Year	<u>\$ 1,076,406</u>	<u>\$ 3,190,001</u>	<u>\$ 2,113,595</u>	<u>\$ 2,495,762</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Local Improvement District 3  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Miscellaneous				
Investment income (loss)	\$ 3,200	\$ 5,183	\$ 1,983	\$ 7,820
Other	-	-	-	3,037
Total revenues	<u>3,200</u>	<u>5,183</u>	<u>1,983</u>	<u>10,857</u>
Expenditures				
Community support				
Services and supplies	<u>471,100</u>	<u>1,534</u>	<u>469,566</u>	<u>3,125</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(467,900)</u>	<u>3,649</u>	<u>471,549</u>	<u>7,732</u>
Other Financing Sources (Uses)				
Transfers				
Transfers in	<u>-</u>	<u>2,764</u>	<u>2,764</u>	<u>-</u>
Net Change in Fund Balances	(467,900)	6,413	474,313	7,732
Fund Balances, Beginning of Year	<u>470,534</u>	<u>478,033</u>	<u>7,499</u>	<u>470,301</u>
Fund Balances, End of Year	<u>\$ 2,634</u>	<u>\$ 484,446</u>	<u>\$ 481,812</u>	<u>\$ 478,033</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Redevelopment Area No. 1 Revolving  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
<b>Revenues</b>				
Taxes				
Ad valorem	\$ 1,045,000	\$ 1,136,981	\$ 91,981	\$ 892,923
Miscellaneous				
Investment income (loss)	6,200	35,738	29,538	76,893
Rents and royalties	15,000	15,500	500	16,200
Other	-	39	39	-
Total revenues	<u>1,066,200</u>	<u>1,188,258</u>	<u>122,058</u>	<u>986,016</u>
<b>Expenditures</b>				
Community support				
Salaries and wages	16,378	16,517	(139)	15,303
Employee benefits	8,363	8,421	(58)	7,770
Services and supplies	172,887	116,651	56,236	196,531
Capital outlay	1,311,681	899,081	412,600	451,825
Total expenditures	<u>1,509,309</u>	<u>1,040,670</u>	<u>468,639</u>	<u>671,429</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(443,109)</u>	<u>147,588</u>	<u>590,697</u>	<u>314,587</u>
<b>Other Financing Sources (Uses)</b>				
Transfers				
Transfers out	<u>(297,962)</u>	<u>(1,805,336)</u>	<u>(1,507,374)</u>	<u>(297,108)</u>
Net Change in Fund Balances	(741,071)	(1,657,748)	(916,677)	17,479
Fund Balances, Beginning of Year	<u>2,760,529</u>	<u>1,743,767</u>	<u>(1,016,762)</u>	<u>1,726,288</u>
Fund Balances, End of Year	<u>\$ 2,019,458</u>	<u>\$ 86,019</u>	<u>\$ (1,933,439)</u>	<u>\$ 1,743,767</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, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Ad valorem	\$ 1,695,000	\$ 2,321,610	\$ 626,610	\$ 1,631,411
Fines and forfeits				
Forfeits - Other	-	12,000	12,000	4,050
Miscellaneous				
Investment income (loss)	-	121,589	121,589	94,501
Total revenues	<u>1,695,000</u>	<u>2,455,199</u>	<u>760,199</u>	<u>1,729,962</u>
Expenditures				
Community support				
Services and supplies	94,998	58,628	36,370	139,372
Excess (Deficiency) of Revenues Over Expenditures	<u>1,600,002</u>	<u>2,396,571</u>	<u>796,569</u>	<u>1,590,590</u>
Other Financing Sources (Uses)				
Transfers out	-	(1,111,580)	(1,111,580)	-
Net Change in Fund Balances	1,600,002	1,284,991	(315,011)	1,590,590
Fund Balances, Beginning of Year	<u>3,549,372</u>	<u>3,804,624</u>	<u>255,252</u>	<u>2,214,034</u>
Fund Balances, End of Year	<u>\$ 5,149,374</u>	<u>\$ 5,089,615</u>	<u>\$ (59,759)</u>	<u>\$ 3,804,624</u>

City of Sparks  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Victorian Square Room Tax  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Revenues				
Taxes				
Room taxes	\$ 1,217,882	\$ 1,033,150	\$ (184,732)	\$ 1,172,646
Miscellaneous				
Investment income (loss)	21,800	133,424	111,624	208,420
Total revenues	<u>1,239,682</u>	<u>1,166,574</u>	<u>(73,108)</u>	<u>1,381,066</u>
Expenditures				
Community support				
Services and supplies	1,018,149	1,099,135	(80,986)	1,034,463
Capital outlay	800,000	333,278	466,722	350,147
Total expenditures	<u>1,818,149</u>	<u>1,432,413</u>	<u>385,736</u>	<u>1,384,610</u>
Net Change in Fund Balances	(578,467)	(265,839)	312,628	(3,544)
Fund Balances, Beginning of Year	<u>4,137,201</u>	<u>5,103,856</u>	<u>966,655</u>	<u>5,107,400</u>
Fund Balances, End of Year	<u>\$ 3,558,734</u>	<u>\$ 4,838,017</u>	<u>\$ 1,279,283</u>	<u>\$ 5,103,856</u>

**Major Enterprise Fund**

**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.

**Nonmajor Enterprise Fund**

**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, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Operating revenues				
Licenses and permits				
Sanitary sewer fees	\$ 215,000	\$ 127,264	\$ (87,736)	\$ 167,532
Charges for services				
Sewer charges	28,874,261	27,713,348	(1,160,913)	25,962,151
Miscellaneous	72,719	61,861	(10,858)	69,153
Total operating revenues	<u>29,161,980</u>	<u>27,902,473</u>	<u>(1,259,507)</u>	<u>26,198,836</u>
Operating Expenses				
Salaries and wages	3,506,756	3,414,174	92,582	2,839,267
Employee benefits	2,112,581	2,015,332	97,249	1,638,666
Services and supplies	15,205,326	12,135,960	3,069,366	10,817,700
Depreciation	11,200,100	6,965,843	4,234,257	7,238,804
Net loss from Truckee Meadows Water Reclamation Facility	2,850,000	2,500,089	349,911	2,318,494
Total operating expenses	<u>34,874,763</u>	<u>27,031,398</u>	<u>7,843,365</u>	<u>24,852,931</u>
Operating Income (Loss)	<u>(5,712,783)</u>	<u>871,075</u>	<u>6,583,858</u>	<u>1,345,905</u>
Non-operating Revenues (Expenses)				
Investment income	159,725	1,283,599	1,123,874	1,710,357
Interest Expense	(690,631)	(488,816)	201,815	(557,616)
Miscellaneous/Other	-	16,827	16,827	(213)
Gain (loss) on disposition of assets	-	(83,447)	(83,447)	(39,718)
Total non-operating revenues (expenses)	<u>(530,906)</u>	<u>728,163</u>	<u>1,259,069</u>	<u>1,112,810</u>
Income Before Capital Contributions and Transfers	<u>(6,243,689)</u>	<u>1,599,238</u>	<u>7,842,927</u>	<u>2,458,715</u>
Capital Contributions				
Sewer connection fees	4,181,679	6,720,318	2,538,639	7,174,498
Sewer lines and storm drains	-	1,993,398	1,993,398	8,946,089
Total capital contributions	<u>4,181,679</u>	<u>8,713,716</u>	<u>4,532,037</u>	<u>16,120,587</u>
Transfers				
Transfers in	220,000	95,136	(124,864)	118,261
Transfers out	(3,997)	(316,117)	(312,120)	(3,985)
Total transfers	<u>216,003</u>	<u>(220,981)</u>	<u>(436,984)</u>	<u>114,276</u>
Change in Net Position	<u>\$ (1,846,007)</u>	<u>10,091,973</u>	<u>\$ 11,937,980</u>	<u>\$ 18,693,578</u>
Net Position, Beginning of Year		<u>236,222,517</u>		
Net Position, End of Year		<u>\$ 246,314,490</u>		

City of Sparks  
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
Development Services  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Operating revenues				
Licenses and permits				
Building permits	\$ 2,015,000	\$ 2,773,301	\$ 758,301	\$ 2,334,526
Other	40,200	52,737	12,537	43,081
Charges for services				
Building and planning fees	1,899,125	2,442,147	543,022	2,309,069
Engineering fees	748,100	513,872	(234,228)	739,887
Miscellaneous	-	-	-	10,835
Total operating revenues	<u>4,702,425</u>	<u>5,782,057</u>	<u>1,079,632</u>	<u>5,437,398</u>
Operating Expenses				
Salaries and wages	2,352,968	2,091,377	261,591	1,784,985
Employee benefits	1,255,829	1,124,534	131,295	862,058
Services and supplies	3,095,781	2,031,233	1,064,548	2,290,417
Depreciation	100,000	12,125	87,875	9,986
Total operating expenses	<u>6,804,578</u>	<u>5,259,269</u>	<u>1,545,309</u>	<u>4,947,446</u>
Operating Income (Loss)	<u>(2,102,153)</u>	<u>522,788</u>	<u>2,624,941</u>	<u>489,952</u>
Non-operating Revenues (Expenses)				
Investment income	35,000	226,653	191,653	272,775
Miscellaneous/Other	100	3,081	2,981	160
Gain (loss) on disposition of assets	-	(622)	(622)	-
Total non-operating revenues (expenses)	<u>35,100</u>	<u>229,112</u>	<u>194,012</u>	<u>272,935</u>
Income (Loss) Before Transfers	<u>(2,067,053)</u>	<u>751,900</u>	<u>2,818,953</u>	<u>762,887</u>
Transfers				
Transfers out	<u>(23,980)</u>	<u>(59,792)</u>	<u>(35,812)</u>	<u>(135,557)</u>
Change in Net Position	<u>\$ (2,091,033)</u>	<u>692,108</u>	<u>\$ 2,783,141</u>	<u>\$ 627,330</u>
Net Position, Beginning of Year		<u>3,682,846</u>		
Net Position, End of Year		<u>\$ 4,374,954</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
<b>Assets</b>			
Current assets			
Cash and investments	\$ 5,321,568	\$ 8,348,338	\$ 2,656,119
Accounts receivable, net	22,993	350,844	-
Due from other governments	-	-	54,426
Deposits	-	9,072	10,000
Inventory of supplies	199,814	-	-
Total current assets	<u>5,544,375</u>	<u>8,708,254</u>	<u>2,720,545</u>
Noncurrent assets			
Capital Assets:			
Construction in progress	2,079,657	-	-
Buildings	475,005	-	-
Site improvements	245,445	-	-
Machinery and equipment	29,152,398	-	-
Less accumulated depreciation	(21,707,229)	-	-
Total noncurrent assets	<u>10,245,276</u>	<u>-</u>	<u>-</u>
Total assets	<u>15,789,651</u>	<u>8,708,254</u>	<u>2,720,545</u>
Deferred outflows of resources			
Deferred outflows related to pension	195,088	-	-
Deferred outflows related to OPEB	49,230	-	-
Total deferred outflows of resources	<u>244,318</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>16,033,969</u>	<u>8,708,254</u>	<u>2,720,545</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	152,950	27,388	619,349
Accrued liabilities	39,588	-	-
Due to other governments	29,393	-	-
Contracts payable	38,100	-	-
Compensated absences payable (current maturities)	77,707	-	-
Claims liabilities (current maturities)	-	842,206	1,836,547
Total current liabilities	<u>337,738</u>	<u>869,594</u>	<u>2,455,896</u>
Noncurrent liabilities			
Compensated absences payable (net of current maturities)	165,114	-	-
Total OPEB liability	159,283	-	-
Sick leave conversion payable (net of current maturities)	26,950	-	-
Claims liabilities (net of current maturities)	-	-	8,502,962
Net pension liability	1,044,444	-	-
Total noncurrent liabilities	<u>1,395,791</u>	<u>-</u>	<u>8,502,962</u>
Total liabilities	<u>1,733,529</u>	<u>869,594</u>	<u>10,958,858</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions	106,760	-	-
Deferred inflows related to OPEB	40,567	-	-
Total deferred inflows of resources	<u>147,327</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,880,856</u>	<u>869,594</u>	<u>10,958,858</u>
<b>Net Position</b>			
Net investment in capital assets	10,245,274	-	-
Restricted for claims	-	7,838,660	-
Unrestricted	3,907,839	-	(8,238,313)
Total Net Position	<u>\$ 14,153,113</u>	<u>\$ 7,838,660</u>	<u>\$ (8,238,313)</u>

Municipal Self- Insurance	Total
\$ 204,508	\$ 16,530,533
16,020	389,857
-	54,426
-	19,072
-	199,814
<u>220,528</u>	<u>17,193,702</u>
-	2,079,657
-	475,005
-	245,445
-	29,152,398
-	(21,707,229)
-	<u>10,245,276</u>
<u>220,528</u>	<u>27,438,978</u>
-	195,088
-	49,230
-	<u>244,318</u>
<u>220,528</u>	<u>27,683,296</u>
23,383	823,070
-	39,588
-	29,393
-	38,100
-	77,707
40,876	2,719,629
<u>64,259</u>	<u>3,727,487</u>
-	165,114
-	159,283
-	26,950
-	8,502,962
-	1,044,444
-	<u>9,898,753</u>
<u>64,259</u>	<u>13,626,240</u>
-	106,760
-	40,567
-	<u>147,327</u>
<u>64,259</u>	<u>13,773,567</u>
-	10,245,274
156,269	7,994,929
-	(4,330,474)
<u>\$ 156,269</u>	<u>\$ 13,909,729</u>

	Motor Vehicle Maintenance	Group Insurance Self- Insurance	Workers' Compensation Insurance
Operating Revenues			
Charges for services	\$ 5,314,480	\$ 12,059,808	\$ 1,584,890
Miscellaneous	8,195	285,373	29,575
Total operating revenues	<u>5,322,675</u>	<u>12,345,181</u>	<u>1,614,465</u>
Operating Expenses			
Salaries and wages	603,289	-	-
Employee benefits	403,305	-	-
Services and supplies	1,502,584	9,599,298	4,270,984
Depreciation	2,014,041	-	-
Total operating expenses	<u>4,523,219</u>	<u>9,599,298</u>	<u>4,270,984</u>
Operating Income (Loss)	<u>799,456</u>	<u>2,745,883</u>	<u>(2,656,519)</u>
Nonoperating Revenues (Expenditures)			
Investment income	104,238	152,181	68,298
Gain (loss) on disposition of assets	112,477	-	-
Total nonoperating revenues (expenditures)	<u>216,715</u>	<u>152,181</u>	<u>68,298</u>
Income (Loss) Before Capital Contributions and Transfers	<u>1,016,171</u>	<u>2,898,064</u>	<u>(2,588,221)</u>
Capital Contributions			
Vehicles	<u>97,428</u>	<u>-</u>	<u>-</u>
Transfers			
Transfers in	<u>347,932</u>	<u>-</u>	<u>1,400,000</u>
Change in net position	<u>1,461,531</u>	<u>2,898,064</u>	<u>(1,188,221)</u>
Net position, Beginning of year	<u>12,691,582</u>	<u>4,940,596</u>	<u>(7,050,092)</u>
Net position, End of Year	<u>\$ 14,153,113</u>	<u>\$ 7,838,660</u>	<u>\$ (8,238,313)</u>

City of Sparks  
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds  
Year Ended June 30, 2020

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Municipal Self- Insurance	Total Internal Service Funds
\$ 1,200,095	\$ 20,159,273
<u>104,972</u>	<u>428,115</u>
1,305,067	20,587,388
-	603,289
-	403,305
1,192,732	16,565,598
<u>-</u>	<u>2,014,041</u>
1,192,732	19,586,233
<u>112,335</u>	<u>1,001,155</u>
2,660	327,377
<u>-</u>	<u>112,477</u>
2,660	439,854
<u>114,995</u>	<u>1,441,009</u>
-	97,428
<u>-</u>	<u>1,747,932</u>
114,995	3,286,369
<u>41,274</u>	<u>10,623,360</u>
<u>\$ 156,269</u>	<u>\$ 13,909,729</u>

	Motor Vehicle Maintenance	Group Insurance Self- Insurance
Operating activities		
Cash received from customers and users	\$ (10,754)	\$ 2,970,050
Cash received from interfund services provided	5,314,480	9,739,743
Cash received from reimbursements of insurance claims	-	285,373
Cash paid to employees	(1,002,837)	-
Cash paid to suppliers	(1,451,134)	(10,027,978)
Net cash from (used for) operating activities	<u>2,849,755</u>	<u>2,967,188</u>
Noncapital financing activities		
Transfers in	-	-
Net cash from (used for) noncapital financing activities	<u>-</u>	<u>-</u>
Capital and related financing activities		
Proceeds from sale of capital assets	153,612	-
Acquisition of capital assets	(2,213,189)	-
Net cash used for capital and related financing activities	<u>(2,059,577)</u>	<u>-</u>
Investing activities		
Investment income (loss)	104,238	152,181
Net cash used for investing activities	<u>104,238</u>	<u>152,181</u>
Net change in cash and cash equivalents	894,416	3,119,369
Cash and cash equivalents, Beginning of Year	<u>4,427,152</u>	<u>5,228,969</u>
Cash and cash equivalents, End of Year	<u>\$ 5,321,568</u>	<u>\$ 8,348,338</u>

City of Sparks  
Combining Statement of Cash Flows - Internal Service Funds  
Year Ended June 30, 2020

Workers' Compensation Insurance	Municipal Self- Insurance	Total
\$ 1,598,730	\$ 106,951	\$ 4,664,977
-	1,350,095	16,404,318
-	-	285,373
-	-	(1,002,837)
<u>(2,254,112)</u>	<u>(1,422,867)</u>	<u>(15,156,091)</u>
<u>(655,382)</u>	<u>34,179</u>	<u>5,195,740</u>
<u>1,400,000</u>	<u>-</u>	<u>1,400,000</u>
<u>1,400,000</u>	<u>-</u>	<u>1,400,000</u>
-	-	153,612
<u>-</u>	<u>-</u>	<u>(2,213,189)</u>
<u>-</u>	<u>-</u>	<u>(2,059,577)</u>
<u>68,298</u>	<u>2,660</u>	<u>327,377</u>
<u>68,298</u>	<u>2,660</u>	<u>327,377</u>
812,916	36,839	4,863,540
<u>1,843,203</u>	<u>167,669</u>	<u>11,666,993</u>
<u>\$ 2,656,119</u>	<u>\$ 204,508</u>	<u>\$ 16,530,533</u>

	Motor Vehicle Maintenance	Group Insurance Self- Insurance
Reconciliation of operating income (loss) to net cash from (used for) operating activities:		
Operating income (loss)	\$ 799,456	\$ 2,745,883
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities		
Depreciation	2,014,041	-
Changes in		
Accounts receivable	(18,949)	649,985
Due from other funds	-	-
Due from other governments	-	-
Inventory of supplies	(23,990)	-
Pension related amounts	27,515	-
OPEB related amounts	735	-
Accounts payable	62,242	(71,267)
Accrued liabilities	6,411	-
Contracts payable	11,713	-
Due to other governments	1,485	-
Compensated absences	(30,904)	-
Claims liabilities	-	(357,413)
Total adjustments	<u>2,050,299</u>	<u>221,305</u>
Net cash from (used for) operating activities	<u>\$ 2,849,755</u>	<u>\$ 2,967,188</u>
Noncash investing and capital and related financing activities		
Contributions of capital assets from other funds	<u>\$ 445,360</u>	<u>\$ -</u>

City of Sparks  
Combining Statement of Cash Flows - Internal Service Funds  
Year Ended June 30, 2020

Workers' Compensation Insurance	Municipal Self- Insurance	Total
\$ (2,656,519)	\$ 112,335	\$ 1,001,155
-	-	2,014,041
-	(16,020)	615,016
-	150,000	150,000
(15,735)	17,999	2,264
-	-	(23,990)
-	-	27,515
-	-	735
619,289	(53,991)	556,273
-	-	6,411
-	(47,020)	(35,307)
-	-	1,485
-	-	(30,904)
<u>1,397,583</u>	<u>(129,124)</u>	<u>911,046</u>
<u>2,001,137</u>	<u>(78,156)</u>	<u>4,194,585</u>
<u>\$ (655,382)</u>	<u>\$ 34,179</u>	<u>\$ 5,195,740</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445,360</u>

City of Sparks  
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
Motor Vehicle Maintenance  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Equipment rent	\$ 4,698,951	\$ 4,820,296	\$ 121,345	\$ 4,459,310
Fuel	504,552	494,184	(10,368)	590,107
Other	150,000	-	(150,000)	216,862
Miscellaneous	-	8,195	8,195	3,362
Total operating revenues	<u>5,353,503</u>	<u>5,322,675</u>	<u>(30,828)</u>	<u>5,269,641</u>
Operating Expenses				
Salaries and wages	722,088	603,289	118,799	619,444
Employee benefits	395,869	403,305	(7,436)	341,834
Services and supplies	1,642,444	1,502,584	139,860	1,562,574
Depreciation	2,139,500	2,014,041	125,459	1,879,329
Total operating expenses	<u>4,899,901</u>	<u>4,523,219</u>	<u>376,682</u>	<u>4,403,181</u>
Operating Income (Loss)	<u>453,602</u>	<u>799,456</u>	<u>345,854</u>	<u>866,460</u>
Non-operating Revenues (Expenses)				
Investment income	24,100	104,238	80,138	107,635
Gain (loss) on disposition of assets	(50,000)	112,477	162,477	6,673
Total non-operating revenues (expenses)	<u>(25,900)</u>	<u>216,715</u>	<u>242,615</u>	<u>114,308</u>
Income before Capital Contributions and Transfers	<u>427,702</u>	<u>1,016,171</u>	<u>588,469</u>	<u>980,768</u>
Capital Contributions				
Vehicles	-	97,428	97,428	51,652
Transfers				
Transfers in	-	347,932	347,932	111,645
Transfers out	(1,000,000)	-	1,000,000	-
Total transfers	<u>(1,000,000)</u>	<u>347,932</u>	<u>1,347,932</u>	<u>111,645</u>
Change in Net Position	<u>\$ (572,298)</u>	<u>1,461,531</u>	<u>\$ 2,033,829</u>	<u>\$ 1,144,065</u>
Net Position, Beginning of Year		<u>12,691,582</u>		
Net Position, End of Year		<u>\$ 14,153,113</u>		

City of Sparks  
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
Group Insurance Self- Insurance  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Other	\$ 12,590,974	\$ 12,059,808	\$ (531,166)	\$ 11,719,035
Miscellaneous				
Reimbursement from insurance claims	200,000	285,373	85,373	255,434
Total operating revenues	<u>12,790,974</u>	<u>12,345,181</u>	<u>(445,793)</u>	<u>11,974,469</u>
Operating Expenses				
Services and supplies	<u>11,721,685</u>	<u>9,599,298</u>	<u>2,122,387</u>	<u>10,317,720</u>
Operating Income (Loss)	<u>1,069,289</u>	<u>2,745,883</u>	<u>1,676,594</u>	<u>1,656,749</u>
Non-operating Revenues (Expenses)				
Investment income	<u>12,300</u>	<u>152,181</u>	<u>139,881</u>	<u>184,101</u>
Change in Net Position	<u>\$ 1,081,589</u>	2,898,064	<u>\$ 1,816,475</u>	<u>\$ 1,840,850</u>
Net Position, Beginning of Year		<u>4,940,596</u>		
Net Position, End of Year		<u>\$ 7,838,660</u>		

City of Sparks  
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
Workers' Compensation Insurance  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Contributions and reimbursements	\$ 1,555,061	\$ 1,584,890	\$ 29,829	\$ 973,186
Miscellaneous				
Reimbursement from insurance claims	-	29,575	29,575	45,690
Total operating revenues	<u>1,555,061</u>	<u>1,614,465</u>	<u>59,404</u>	<u>1,018,876</u>
Operating Expenses				
Services and supplies	<u>2,525,435</u>	<u>4,270,984</u>	<u>(1,745,549)</u>	<u>3,772,149</u>
Operating Income (Loss)	<u>(970,374)</u>	<u>(2,656,519)</u>	<u>(1,686,145)</u>	<u>(2,753,273)</u>
Non-operating Revenues (Expenses)				
Investment income	<u>26,700</u>	<u>68,298</u>	<u>41,598</u>	<u>109,784</u>
Transfers				
Transfers in	<u>-</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>
Change in Net Position	<u><u>\$ (943,674)</u></u>	<u><u>(1,188,221)</u></u>	<u><u>\$ (244,547)</u></u>	<u><u>\$ (2,643,489)</u></u>
Net Position, Beginning of Year		<u>(7,050,092)</u>		
Net Position, End of Year		<u><u>\$ (8,238,313)</u></u>		

City of Sparks  
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
Municipal Self-Insurance  
Year Ended June 30, 2020  
(with Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	
Operating revenues				
Charges for services				
Interfund services provided	\$ 1,200,095	\$ 1,200,095	\$ -	\$ 1,072,989
Miscellaneous				
Reimbursement from insurance claims	70,000	104,972	34,972	80,699
Total operating revenues	<u>1,270,095</u>	<u>1,305,067</u>	<u>34,972</u>	<u>1,153,688</u>
Operating Expenses				
Services and supplies	<u>1,293,519</u>	<u>1,192,732</u>	<u>100,787</u>	<u>1,268,040</u>
Operating Income (Loss)	<u>(23,424)</u>	<u>112,335</u>	<u>135,759</u>	<u>(114,352)</u>
Non-operating Revenues (Expenses)				
Investment income	<u>300</u>	<u>2,660</u>	<u>2,360</u>	<u>2,976</u>
Income before Transfers	<u>(23,124)</u>	<u>114,995</u>	<u>138,119</u>	<u>(111,376)</u>
Transfers				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Change in Net Position	<u>\$ (23,124)</u>	<u>114,995</u>	<u>\$ 138,119</u>	<u>\$ 38,624</u>
Net Position, Beginning of Year		<u>41,274</u>		
Net Position, End of Year		<u>\$ 156,269</u>		

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**Agency Funds**

**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.

**Truckee Meadows Water Reclamation Facility**

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

**Regional Transportation Commission Road Impact Fund**

To account for assets held to be distributed on a quarterly basis to the Regional Transportation Commission.

**Others**

The following funds are maintained to account for the accumulation of resources to perform limited maintenance of landscaping within the respective subdivisions:

- Mesa Meadows Landscape Maintenance Fund
- Promontory Landscape Maintenance Fund
- Triple Crown Landscape Maintenance Fund

City of Sparks  
Combining Statement of Changes in Assets and Liabilities - Agency Funds  
Year Ended June 30, 2020

City of Sparks  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Sick Leave Retirement Fund</b>				
Assets				
Cash and investments	\$ 16,432	\$ -	\$ 2,900	\$ 13,532
Liabilities				
Group insurance premiums payable	\$ 16,432	\$ -	\$ 2,900	\$ 13,532
<b>Post Employment Medical Benefits Fund</b>				
Assets				
Cash and equivalents	\$ 289,586	\$ 243,450	\$ 308,870	\$ 224,166
Liabilities				
Group insurance premiums payable	\$ 289,586	\$ 243,450	\$ 308,870	\$ 224,166
<b>Truckee Meadows Water Reclamation Facility</b>				
Assets				
Cash and equivalents	\$ 3,324,970	\$ 20,887,209	\$ 20,820,650	\$ 3,391,529
Liabilities				
Due to other governments	\$ 3,324,970	\$ 20,887,209	\$ 20,820,650	\$ 3,391,529
<b>Regional Transportation Commission Road Impact Fund</b>				
Assets				
Cash and equivalents	\$ 90,100	\$ 1,665,044	\$ 1,554,664	\$ 200,480
Liabilities				
Due to other governments	\$ 90,100	\$ 1,665,044	\$ 1,554,664	\$ 200,480
<b>Mesa Meadows Landscape Maintenance Fund</b>				
Assets				
Cash and equivalents	\$ 9,076	\$ 90,568	\$ 80,025	\$ 19,619
Liabilities				
Accounts payable	\$ 9,076	\$ 90,568	\$ 80,025	\$ 19,619
<b>Promontory Landscape Maintenance Fund</b>				
Assets				
Cash and equivalents	\$ 15,703	\$ 30,230	\$ 39,992	\$ 5,941
Liabilities				
Accounts payable	\$ 15,703	\$ 30,230	\$ 39,992	\$ 5,941
<b>Triple Crown Landscape Maintenance Fund</b>				
Assets				
Cash and equivalents	\$ 165,642	\$ 49,516	\$ 54,494	\$ 160,664
Liabilities				
Accounts payable	\$ 165,642	\$ 49,516	\$ 54,494	\$ 160,664

City of Sparks  
 Combining Statement of Changes in Assets and Liabilities - Agency Funds  
 Year Ended June 30, 2020

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City of Sparks  
 Combining Statement of Changes in Fiduciary Assets and Liabilities  
 Agency Funds  
 June 30, 2020

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	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Total All Agency Funds</b>	<hr/>			
<b>Assets</b>				
Cash and equivalents	\$ 3,911,509	\$ 22,966,017	\$ 22,861,595	\$ 4,015,931
<b>Liabilities</b>				
Account payable	\$ 190,421	\$ 170,314	\$ 174,511	\$ 186,224
Group insurance premiums payable	306,018	243,450	311,770	237,698
Due to other governments	3,415,070	22,552,253	22,375,314	3,592,009
Total liabilities	\$ 3,911,509	\$ 22,966,017	\$ 22,861,595	\$ 4,015,931

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This part of the City of Sparks' comprehensive annual 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

<b>Section Contents</b>	<b>Schedule #</b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> 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
<b>Operating Information</b> 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 comprehensive annual financial reports for the relevant year.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 401,168,954	\$ 392,011,088	\$ 363,842,341	\$ 377,956,278
Restricted	44,717,383	40,809,634	38,126,693	36,694,210
Unrestricted	<u>(204,210,323)</u>	<u>(203,877,196)</u>	<u>(212,691,309)</u>	<u>(136,693,294)</u>
<b>Total Governmental Activities</b>	<u>\$ 241,676,014</u>	<u>\$ 228,943,526</u>	<u>\$ 189,277,725</u>	<u>\$ 277,957,194</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 151,475,847	\$ 147,778,186	\$ 137,394,248	\$ 136,405,793
Restricted	-	-	-	-
Unrestricted	<u>99,284,144</u>	<u>91,502,404</u>	<u>82,041,562</u>	<u>67,633,391</u>
<b>Total business-type activities net position</b>	<u>\$ 250,759,991</u>	<u>\$ 239,280,590</u>	<u>\$ 219,435,810</u>	<u>\$ 204,039,184</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 552,644,801	\$ 539,789,274	\$ 501,236,589	\$ 514,362,071
Restricted	44,717,383	40,809,634	38,126,693	36,694,210
Unrestricted	<u>(104,926,179)</u>	<u>(112,374,792)</u>	<u>(130,649,747)</u>	<u>(69,059,903)</u>
<b>Total primary government</b>	<u>\$ 492,436,005</u>	<u>\$ 468,224,116</u>	<u>\$ 408,713,535</u>	<u>\$ 481,996,378</u>

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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 364,071,812	\$ 349,494,836	\$ 333,680,025	\$ 276,456,276	\$ 244,417,470	\$ 248,628,684
35,374,824	35,589,211	41,194,330	42,903,334	51,091,604	54,408,668
<u>(163,874,191)</u>	<u>(162,908,270)</u>	<u>(113,144,667)</u>	<u>(101,758,726)</u>	<u>(103,675,703)</u>	<u>(106,405,447)</u>
<u>\$ 235,572,445</u>	<u>\$ 222,175,777</u>	<u>\$ 261,729,688</u>	<u>\$ 217,600,884</u>	<u>\$ 191,833,371</u>	<u>\$ 196,631,905</u>
\$ 133,052,926	\$ 132,378,854	\$ 124,836,498	\$ 118,604,065	\$ 117,872,586	\$ 116,663,143
-	-	-	-	-	-
<u>61,224,746</u>	<u>52,757,466</u>	<u>62,226,339</u>	<u>62,724,798</u>	<u>64,634,725</u>	<u>65,174,839</u>
<u>\$ 194,277,672</u>	<u>\$ 185,136,320</u>	<u>\$ 187,062,837</u>	<u>\$ 181,328,863</u>	<u>\$ 182,507,311</u>	<u>\$ 181,837,982</u>
\$ 497,124,738	\$ 481,873,690	\$ 458,516,523	\$ 395,060,341	\$ 362,290,056	\$ 365,291,827
35,374,824	35,589,211	41,194,330	42,903,334	51,091,604	54,408,668
<u>(102,649,445)</u>	<u>(110,150,804)</u>	<u>(50,918,328)</u>	<u>(39,033,928)</u>	<u>(39,040,978)</u>	<u>(41,230,608)</u>
<u>\$ 429,850,117</u>	<u>\$ 407,312,097</u>	<u>\$ 448,792,525</u>	<u>\$ 398,929,747</u>	<u>\$ 374,340,682</u>	<u>\$ 378,469,887</u>

	2020	2019	2018	2017
<b>Expenses</b>				
<b>Governmental Activities</b>				
General government	\$ 15,441,627	\$ 13,973,087	\$ 13,621,461	\$ 13,628,107
Judicial	2,795,918	2,675,432	2,462,689	2,351,052
Public safety	55,440,833	50,137,012	45,421,001	44,774,035
Public works	11,950,915	10,831,434	9,069,840	9,177,840
Culture and recreation	10,422,820	10,712,073	10,788,462	10,092,377
Community support	5,645,107	3,152,349	2,025,939	3,298,425
Intergovernmental	-	-	-	-
Interest and fiscal charges	6,545,310	7,987,116	10,352,937	10,501,091
<b>Total governmental activities</b>	<b>108,242,530</b>	<b>99,468,503</b>	<b>93,742,329</b>	<b>93,822,927</b>
<b>Business-type Activities</b>				
Sewer	26,977,731	24,957,376	24,247,795	22,922,462
Development services	5,190,503	4,916,464	4,429,416	3,784,497
Special Events	-	-	-	-
<b>Total business-type activities expenses</b>	<b>32,168,234</b>	<b>29,873,840</b>	<b>28,677,211</b>	<b>26,706,959</b>
<b>Total primary government expenses</b>	<b>\$ 140,410,764</b>	<b>\$ 129,342,343</b>	<b>\$ 122,419,540</b>	<b>\$ 120,529,886</b>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
<b>Charges for services</b>				
General Government	\$ 18,789,975	\$ 18,467,769	\$ 17,303,881	\$ 14,401,815
Judicial	724,787	849,504	884,023	858,488
Public Safety	796,259	828,841	961,350	570,336
Public Work	3,203,990	3,163,804	2,033,918	2,725,585
Sanitation	94,195	117,145	254,414	81,760
Culture, recreation, and community support	4,127,420	5,335,121	6,722,371	4,927,851
Operating grants and contributions	1,493,963	1,773,945	1,224,032	1,722,150
Capital grants, interest, and contributions	7,793,920	28,115,646	4,620,380	41,463,235
<b>Total governmental activities program revenues</b>	<b>37,024,509</b>	<b>58,651,775</b>	<b>34,004,369</b>	<b>66,751,220</b>
<b>Business-type Activities</b>				
Charge for Sewer services	27,840,612	26,129,683	25,421,540	24,000,811
Charge for Development services	5,782,060	5,426,563	5,683,897	4,713,487
Operating grants, interest, and contributions	-	-	-	13,729
Capital grants, interest, and contributions	8,713,716	16,120,587	14,538,770	7,648,854
<b>Total business-type activities program revenues</b>	<b>42,336,388</b>	<b>47,676,833</b>	<b>45,644,207</b>	<b>36,376,881</b>
<b>Total primary government program revenue</b>	<b>79,360,897</b>	<b>106,328,608</b>	<b>79,648,576</b>	<b>103,128,101</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(71,218,021)	(40,816,728)	(59,737,960)	(27,071,707)
Business-type Activities	10,168,154	17,802,993	16,966,996	9,669,922
<b>Total primary government net expense</b>	<b>\$ (61,049,867)</b>	<b>\$ (23,013,735)</b>	<b>\$ (42,770,964)</b>	<b>\$ (17,401,785)</b>

Prepared on the accrual basis of accounting.

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

	2016	2015	2014	2013	2012	2011
\$	17,259,801	\$ 12,531,485	\$ 10,756,417	\$ 10,863,112	\$ 8,817,144	\$ 10,025,892
	2,085,243	2,119,937	2,213,707	2,225,488	2,054,034	2,158,409
	41,989,882	39,489,038	44,473,405	40,779,887	37,286,519	36,969,841
	8,564,996	6,300,571	13,107,396	13,780,817	14,071,989	14,151,854
	10,163,718	9,829,803	10,230,616	9,672,978	9,149,895	9,899,309
	2,577,879	1,384,932	1,949,757	1,568,970	2,473,833	3,206,527
	-	-	-	-	-	-
	9,827,453	11,187,762	10,748,859	13,158,074	13,480,497	12,860,069
	<u>92,468,972</u>	<u>82,843,528</u>	<u>93,480,157</u>	<u>92,049,326</u>	<u>87,333,911</u>	<u>89,271,901</u>
	23,863,114	22,442,881	24,153,084	24,622,329	20,399,005	21,680,905
	2,871,068	1,991,181	1,624,933	1,780,442	1,468,521	1,653,448
	-	-	-	-	-	-
	<u>26,734,182</u>	<u>24,434,062</u>	<u>25,778,017</u>	<u>26,402,771</u>	<u>21,867,526</u>	<u>23,334,353</u>
\$	<u>119,203,154</u>	<u>\$ 107,277,590</u>	<u>\$ 119,258,174</u>	<u>\$ 118,452,097</u>	<u>\$ 109,201,437</u>	<u>\$ 112,606,254</u>
\$	14,374,893	\$ 13,190,273	\$ 12,019,773	\$ 11,417,822	\$ 11,607,851	\$ 11,639,553
	940,585	959,730	988,053	991,278	1,032,788	1,317,073
	718,541	972,957	960,766	728,109	880,505	2,014,994
	3,124,194	3,246,022	3,040,582	3,055,505	2,835,071	2,695,408
	112,103	89,864	37,520	6,300	15,330	-
	4,703,917	4,520,065	4,446,327	4,197,108	5,295,120	4,114,266
	1,534,679	1,234,890	1,867,496	2,184,401	1,940,111	2,445,242
	14,611,760	23,015,112	56,827,683	37,135,600	6,441,089	16,900,744
	<u>40,120,672</u>	<u>47,228,913</u>	<u>80,188,200</u>	<u>59,716,123</u>	<u>30,047,865</u>	<u>41,127,280</u>
	22,858,463	21,956,804	21,209,352	21,114,955	19,851,753	18,827,593
	4,153,119	3,266,871	2,317,542	2,117,900	2,013,713	1,410,322
	-	-	-	-	-	-
	6,490,750	5,509,920	7,746,694	2,246,382	589,860	797,086
	<u>33,502,332</u>	<u>30,733,595</u>	<u>31,273,588</u>	<u>25,479,237</u>	<u>22,455,326</u>	<u>21,035,001</u>
	<u>73,623,004</u>	<u>77,962,508</u>	<u>111,461,788</u>	<u>85,195,360</u>	<u>52,503,191</u>	<u>62,162,281</u>
	(52,348,300)	(35,614,615)	(13,291,957)	(32,333,203)	(57,286,046)	(48,144,621)
	6,768,150	6,299,533	5,495,571	(923,534)	587,800	(2,299,352)
\$	<u>(45,580,150)</u>	<u>\$ (29,315,082)</u>	<u>\$ (7,796,386)</u>	<u>\$ (33,256,737)</u>	<u>\$ (56,698,246)</u>	<u>\$ (50,443,973)</u>

	2020	2019	2018	2017
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities</b>				
Taxes				
Ad valorem taxes	\$ 32,559,240	\$ 29,945,770	\$ 27,562,058	\$ 26,361,970
Special assessments - taxes	324,269	361,665	342,080	889,479
Unrestricted intergovernmental - consolidated taxes	29,030,989	27,846,670	26,549,389	23,195,337
Other taxes	19,536,433	19,930,341	18,804,468	17,167,022
Unrestricted investment income	1,350,566	1,868,169	393,507	243,579
Other	868,239	508,633	(582,679)	1,625,010
Transfers	280,773	21,281	(228,473)	(25,941)
<b>Total governmental activities</b>	<b>83,950,509</b>	<b>80,482,529</b>	<b>72,840,350</b>	<b>69,456,456</b>
<b>Business-type Activities</b>				
Unrestricted investment income	1,510,252	1,983,132	69,182	(39,993)
Other	81,768	79,936	92,497	105,642
Transfers	(280,773)	(21,281)	228,473	25,941
<b>Total business-type activities</b>	<b>1,311,247</b>	<b>2,041,787</b>	<b>390,152</b>	<b>91,590</b>
<b>Total primary government</b>	<b>85,261,756</b>	<b>82,524,316</b>	<b>73,230,502</b>	<b>69,548,046</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ 12,732,488	\$ 39,665,801	\$ 13,102,390	\$ 42,384,749
Business-Type Activities	11,479,401	19,844,780	17,357,148	9,761,512
<b>Total primary government change in net position</b>	<b>\$ 24,211,889</b>	<b>\$ 59,510,581</b>	<b>\$ 30,459,538</b>	<b>\$ 52,146,261</b>

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

	2016	2015	2014	2013	2012	2011
\$	25,735,620	\$ 24,206,813	\$ 23,423,624	\$ 23,200,778	\$ 23,935,797	\$ 25,692,651
	1,197,930	1,082,636	1,188,135	1,830,467	1,895,243	1,960,106
	22,695,286	20,916,103	19,356,294	18,252,243	17,513,809	16,725,697
	16,199,616	15,418,511	14,282,782	13,571,789	11,119,363	11,418,369
	506,173	254,882	378,347	3,638	367,254	475,772
	215,107	584,991	778,449	776,389	480,804	(4,471,332)
	53,047	714,946	342,882	465,412	13,273	(183,529)
	<u>66,602,779</u>	<u>63,178,882</u>	<u>59,750,513</u>	<u>58,100,716</u>	<u>55,325,543</u>	<u>51,617,734</u>
	493,674	246,574	454,632	19,311	399,619	382,358
	126,503	154,962	126,653	191,187	371,133	299,956
	(53,047)	(714,946)	(342,882)	(465,412)	(13,273)	183,529
	<u>567,130</u>	<u>(313,410)</u>	<u>238,403</u>	<u>(254,914)</u>	<u>757,479</u>	<u>865,843</u>
	<u>67,169,909</u>	<u>62,865,472</u>	<u>59,988,916</u>	<u>57,845,802</u>	<u>56,083,022</u>	<u>52,483,577</u>
\$	14,254,479	\$ 27,564,267	\$ 46,458,556	\$ 25,767,513	\$ (1,960,503)	\$ 3,473,113
	7,335,280	5,986,123	5,733,974	(1,178,448)	1,345,279	(1,433,509)
	<u>21,589,759</u>	<u>33,550,390</u>	<u>52,192,530</u>	<u>24,589,065</u>	<u>(615,224)</u>	<u>2,039,604</u>

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	510,439	119,485	955,058	332,086
Unassigned	<u>6,350,345</u>	<u>8,237,017</u>	<u>5,860,155</u>	<u>2,381,986</u>
Total general fund <sup>(1)</sup>	<u>\$ 6,860,784</u>	<u>\$ 8,356,502</u>	<u>\$ 6,815,213</u>	<u>\$ 2,714,072</u>
All Other Governmental Funds				
Restricted	36,488,361	36,560,228	33,709,418	32,696,433
Committed	1,707,029	1,942,449	1,240,812	913,386
Assigned	<u>10,551,920</u>	<u>10,072,007</u>	<u>7,777,144</u>	<u>6,407,484</u>
Total all other governmental funds <sup>(1)</sup>	<u>\$ 48,747,310</u>	<u>\$ 48,574,684</u>	<u>\$ 42,727,374</u>	<u>\$ 40,017,303</u>

Notes:

- <sup>1)</sup> 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)

2016	2015	2014	2013	2012	2011
\$ -	\$ 333	\$ -	\$ -	\$ 1,268	\$ 788
-	-	-	-	13,571	346,058
2,345,634	2,499,431	1,101,885	1,693,859	2,153,036	1,336,536
<u>3,661,772</u>	<u>3,946,852</u>	<u>3,762,386</u>	<u>4,113,903</u>	<u>4,324,416</u>	<u>5,161,421</u>
<u>\$ 6,007,406</u>	<u>\$ 6,446,616</u>	<u>\$ 4,864,271</u>	<u>\$ 5,807,762</u>	<u>\$ 6,492,291</u>	<u>\$ 6,844,803</u>
36,862,093	35,767,128	41,650,718	35,210,268	36,390,477	35,551,672
1,073,424	798,424	1,163,684	1,040,583	837,136	692,616
<u>3,429,725</u>	<u>3,993,693</u>	<u>3,443,911</u>	<u>3,417,542</u>	<u>3,523,829</u>	<u>4,559,865</u>
<u>\$ 41,365,242</u>	<u>\$ 40,559,245</u>	<u>\$ 46,258,313</u>	<u>\$ 39,668,393</u>	<u>\$ 40,751,442</u>	<u>\$ 40,804,153</u>

	2020	2019	2018	2017
<b>Revenues</b>				
Taxes	\$ 35,176,088	\$ 33,018,266	\$ 35,540,176	\$ 29,734,198
Licenses and permits	19,910,793	20,025,849	18,919,475	15,476,836
Intergovernmental revenues	50,188,454	50,827,309	45,242,085	41,886,672
Charges for services	4,969,720	6,050,050	5,852,395	5,713,677
Fines and forfeits	586,214	584,391	703,704	622,678
Miscellaneous	1,807,644	1,752,147	770,509	597,537
<b>Total revenues</b>	<b>112,638,913</b>	<b>112,258,012</b>	<b>107,028,344</b>	<b>94,031,598</b>
<b>Expenditures</b>				
General government*	14,477,331	12,839,338	12,773,774	13,009,722
Judicial	2,547,670	2,538,257	2,347,610	2,272,818
Public safety	50,827,457	47,535,551	43,983,575	43,333,646
Public works	5,787,155	4,872,701	4,734,652	4,709,480
Culture and recreation	7,565,828	7,781,638	7,559,359	7,534,030
Community support	6,190,832	2,289,008	1,235,472	994,435
Intergovernmental	-	-	-	-
Capital/Nonoperating	7,441,242	7,617,099	4,268,653	6,726,641
Debt service				
Principal	14,124,988	11,476,169	13,644,519	7,852,000
Interest	5,558,055	7,673,052	9,423,142	10,165,272
Advance Refunding Escrow	-	-	-	2,899,967
Other	1,069,698	6,238	18,153	241,093
<b>Total expenditures</b>	<b>115,590,256</b>	<b>104,629,051</b>	<b>99,988,909</b>	<b>99,739,104</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(2,951,343)</b>	<b>7,628,961</b>	<b>7,039,435</b>	<b>(5,707,506)</b>
<b>Other Financing Sources (Uses)</b>				
Gain (loss) on disposition of assets	-	-	250	1,096,000
Refunding bonds issued	96,609,347	-	-	23,158,290
Bonds issued	-	-	-	-
Proceeds of refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	(93,513,935)	-	-	(23,124,790)
Refunded bonds redeemed	-	-	-	-
Discount on bonds issued	-	-	-	(8,500)
Transfers in	8,781,547	5,255,809	2,939,738	7,099,724
Transfers out	(10,248,706)	(5,496,173)	(3,168,211)	(7,154,491)
Prior period adjustment	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,628,253</b>	<b>(240,364)</b>	<b>(228,223)</b>	<b>1,066,233</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,323,090)</b>	<b>\$ 7,388,597</b>	<b>\$ 6,811,212</b>	<b>\$ (4,641,273)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>19.2 %</b>	<b>19.7 %</b>	<b>24.1 %</b>	<b>22.5 %</b>

\* 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)

	2016	2015	2014	2013	2012	2011
\$	28,969,948	\$ 27,564,923	\$ 32,673,904	\$ 26,825,221	\$ 27,612,851	\$ 29,467,590
	15,892,828	15,806,282	14,636,255	13,878,721	13,721,762	13,238,303
	40,724,097	38,096,816	36,101,825	35,016,415	31,605,381	31,505,744
	5,186,023	5,107,022	5,460,416	5,366,208	6,303,327	7,168,837
	663,882	653,313	662,907	686,356	707,145	923,884
	846,889	435,736	950,298	440,595	1,624,222	2,187,918
	<u>92,283,667</u>	<u>87,664,092</u>	<u>90,485,605</u>	<u>82,213,516</u>	<u>81,574,688</u>	<u>84,492,276</u>
	10,979,858	10,113,421	10,013,248	9,484,391	9,538,767	9,303,631
	1,998,477	2,097,670	1,931,962	1,976,186	1,972,078	2,060,499
	41,066,025	39,716,955	38,156,786	35,632,227	35,869,222	35,178,504
	4,827,742	4,774,668	4,539,922	5,737,079	6,274,814	7,983,441
	7,258,973	6,820,522	6,797,156	6,365,455	6,501,064	6,990,564
	1,802,744	901,936	1,117,381	725,288	1,619,322	2,011,557
	-	-	-	-	259,051	295,331
	5,918,626	5,082,673	4,077,064	6,920,081	3,228,900	5,672,383
	7,398,000	13,797,000	13,825,000	6,080,000	5,665,000	5,120,000
	10,920,981	11,208,334	12,003,482	11,135,169	10,068,803	10,427,468
	-	-	-	-	-	-
	4,366	211,815	150,057	95,898	95,907	148,273
	<u>92,175,792</u>	<u>94,724,994</u>	<u>92,612,058</u>	<u>84,151,774</u>	<u>81,092,928</u>	<u>85,191,651</u>
	<u>107,875</u>	<u>(7,060,902)</u>	<u>(2,126,453)</u>	<u>(1,938,258)</u>	<u>481,760</u>	<u>(699,375)</u>
	934,000	2,150,000	100,000	88,258	-	-
	-	-	-	-	-	-
	-	-	-	-	-	4,180,000
	-	7,285,000	7,330,000	-	-	-
	-	(7,132,187)	-	-	-	-
	-	-	-	-	-	(4,120,000)
	-	-	-	-	-	-
	6,542,487	5,749,856	6,207,065	4,643,725	4,699,972	4,911,833
	(7,217,575)	(5,108,490)	(5,864,183)	(4,561,303)	(4,582,435)	(5,095,362)
	-	-	-	-	(1,004,520)	-
	<u>258,912</u>	<u>2,944,179</u>	<u>7,772,882</u>	<u>170,680</u>	<u>(886,983)</u>	<u>(123,529)</u>
\$	<u>366,787</u>	<u>(4,116,723)</u>	<u>5,646,429</u>	<u>(1,767,578)</u>	<u>(405,223)</u>	<u>(822,904)</u>
	<u>21.2 %</u>	<u>27.9 %</u>	<u>29.2 %</u>	<u>22.3 %</u>	<u>20.2 %</u>	<u>19.6 %</u>

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Real Property Assessed Value

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Fiscal Year ended June 30,	Residential	Commercial	Industrial	Other
2020	\$ 2,086,593,940	\$ 574,305,361	\$ 432,462,837	\$ 250,414,488
2019	1,858,722,178	529,486,683	406,704,885	222,187,916
2018	1,898,935,896	488,497,068	384,454,122	152,542,043
2017	1,796,385,878	469,528,526	373,049,844	157,675,703
2016	1,628,545,964	492,592,811	352,196,393	149,463,174
2015	1,412,538,525	491,969,082	346,266,412	139,008,743
2014	1,194,487,527	490,827,042	344,402,528	139,544,675
2013	1,205,915,561	484,053,275	333,460,281	135,939,375
2012	1,297,586,987	485,223,299	335,130,418	134,354,569
2011	1,438,907,544	466,143,248	326,211,878	128,602,963

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)

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Personal Property Assessed Value	Less Tax Exempt Property	Taxable Assessed Value	Estimated Actual Value	Percentage of Taxable Value to Actual Value	Total Direct Tax Rate
\$ 5,862,990	\$ 194,266,121	\$ 3,155,373,495	9,015,352,843	35.00 %	0.9598
5,748,029	183,618,052	2,839,231,639	8,112,090,397	35.00 %	0.9598
5,635,323	152,542,043	2,777,522,409	7,935,432,597	35.00 %	0.9598
5,524,826	157,699,419	2,644,465,358	7,555,615,314	35.00 %	0.9598
5,416,496	158,289,982	2,469,924,856	7,056,928,160	35.00 %	0.9598
5,310,290	158,289,982	2,236,803,070	6,390,865,914	35.00 %	0.9598
5,206,167	158,470,881	2,015,997,058	5,759,991,594	35.00 %	0.9161
5,004,005	151,109,413	2,013,263,084	5,752,180,239	35.00 %	0.9161
4,905,887	153,036,305	2,104,164,855	6,011,899,586	35.00 %	0.9161
4,809,693	142,328,445	2,222,346,881	6,349,562,516	35.00 %	0.9161

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</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	0.1384	0.1384	0.1384	0.1384
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
Washoe Regional Water Planning Board/Special Districts	-	-	-	-
State of Nevada	0.1700	0.1700	0.1700	0.1700
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>3.1808</u>	<u>3.1778</u>	<u>3.2085</u>	<u>3.2085</u>

Source: Nevada Department of Taxation

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

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

2016	2015	2014	2013	2012	2011
0.7109	0.7109	0.6672	0.6672	0.6672	0.6672
0.1105	0.1105	0.1105	0.1105	0.1105	0.1105
0.1384	0.1384	0.1384	0.1384	0.1384	0.1384
0.9598	0.9598	0.9161	0.9161	0.9161	0.9161
1.3917	1.3917	1.3917	1.3917	1.3917	1.3917
1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
-	-	-	-	-	0.0005
0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
2.7002	2.7002	2.7002	2.7002	2.7002	2.7007
3.6600	3.6600	3.6163	3.6163	3.6163	3.6168
3.2085	3.1940	3.1238	3.1336	3.1336	3.2075

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

Taxpayer	2020			2011		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
RED Sparks SPE LLC	\$ 33,446,142	1	1.06%	\$ -	-	-%
Smooth Bourbon LLC	22,431,133	2	0.71%	-	-	-%
ICON Reno Property Owner Pool 3	17,538,557	3	0.56%	-	-	-%
Sunroad Lumina Apartments Partners	17,008,240	4	0.54%	-	-	-%
Lennar Reno LLC	16,212,923	5	0.51%	-	-	-%
Prime Park Vista LLC	14,772,596	6	0.47%	13,219,600	5	0.59%
Toll NV Limited Partnership	14,461,215	7	0.46%	-	-	-%
RCG-Sparks LLC	14,217,552	8	0.45%	-	-	-%
Sparks Marina JV LLC	13,916,484	9	0.44%	-	-	-%
BL Road LLC	13,626,617	10	0.43%	-	-	-%
Prologis NA3 LLC	-	-	-%	33,910,191	1	1.53%
Northwestern Mutual Life Insurance Co.	-	-	-%	16,216,011	2	0.73%
Sparks Nugget, Inc.	-	-	-%	15,416,310	3	0.69%
Inland American Sparks Crossing	-	-	-%	14,618,203	4	0.66%
Sparks Galleria Investors LLC	-	-	-%	12,621,048	6	0.57%
Sparks Family Hospital Inc	-	-	-%	12,317,137	7	0.55%
Prologis NA3 NV LLC	-	-	-%	10,528,880	8	0.47%
US INST Real Est Equities LP	-	-	-%	10,074,825	9	0.45%
Pioneer Meadows Apartments LLC	-	-	-%	8,079,750	10	0.36%
Total, Ten Largest Taxpayers	177,631,459		5.63%	147,001,955		6.61%
Total, Other Taxpayers	<u>2,977,742,036</u>		<u>94.37%</u>	<u>2,075,344,926</u>		<u>93.39%</u>
Total Assessed Valuations	<u>\$ 3,155,373,495</u>		<u>100.00%</u>	<u>\$ 2,222,346,881</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
2020	\$ 29,230,408	\$ 29,146,606	99.71	\$ -	\$ 29,146,606	99.71%
2019	26,972,304	26,892,344	99.70	48,214	26,940,558	99.88%
2018	24,822,400	24,741,565	99.67	75,175	24,816,740	99.98%
2017	23,816,110	23,725,954	99.62	87,044	23,812,998	99.99%
2016	23,092,284	23,012,450	99.65	79,128	23,091,578	100.00%
2015	22,185,805	22,076,170	99.51	108,930	22,185,100	100.00%
2014	22,220,370	21,302,629	95.87	917,385	22,220,014	100.00%
2013	22,131,906	21,370,949	96.56	760,957	22,131,906	100.00%
2012	21,867,752	21,720,508	99.33	147,244	21,867,752	100.00%
2011	23,635,725	23,309,474	98.62	326,251	23,635,725	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.

General Bonded Debt

Fiscal Year Ended June 30,	General Obligation		Redevelopment		Total General Bonded Debt	Available to Repay General Bonded Debt	Net General Bonded Debt	Percentage of Actual Property Value <sup>(1)</sup>	Per Capita <sup>(2)</sup>
	Bonds	Notes	Bonds	Notes					
2020	\$ -	\$ -	\$ 22,188,460	\$ -	\$ 22,188,460	\$ 18,215,706	\$ 3,972,754	0.04%	\$ 221.57
2019	-	-	28,146,901	-	28,146,901	18,776,147	9,370,754	0.12%	290.39
2018	-	-	31,969,961	-	31,969,961	17,865,984	14,103,977	0.18%	333.97
2017	-	-	40,340,988	-	40,340,988	19,752,855	20,588,133	0.27%	431.08
2016	1,035,000	-	43,497,856	-	44,532,856	18,910,066	25,622,790	0.36%	481.98
2015	2,025,000	-	46,722,399	-	48,747,399	17,298,588	31,448,811	0.49%	532.46
2014	2,975,000	-	55,592,348	-	58,567,348	22,921,066	35,646,282	0.62%	649.20
2013	3,890,000	-	58,713,918	-	62,603,918	22,373,617	40,230,301	0.70%	694.83
2012	4,770,000	-	61,675,488	-	66,445,488	23,585,259	42,860,229	0.71%	719.87
2011	5,610,000	-	64,542,058	-	70,152,058	26,898,775	43,253,283	0.68%	777.19

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 <sup>(2)</sup>	Per Capita <sup>(2)</sup>
Revenue Bonds	Capital Leases	Sewer Utility Bonds	Sewer Utility Notes					
\$ 92,793,284	\$ -	\$ 28,088,741	\$ 3,470,629	\$	146,541,114	0.52%	\$ 1,463.36	
96,320,024	-	33,141,506	4,218,271		161,826,702	0.63%	1,669.56	
103,776,530	-	38,082,582	4,945,551		178,774,624	0.79%	1,867.60	
108,853,102	-	42,928,969	5,652,641		197,775,700	0.92%	2,113.42	
112,162,608	-	46,817,980	6,356,605		209,870,049	1.10%	2,271.42	
115,117,114	171,670	32,329,748	7,057,710		203,423,641	1.07%	2,221.97	
117,730,620	744,875	35,923,567	7,739,883		220,706,294	1.16%	2,446.47	
119,952,126	1,292,535	39,407,646	8,403,635		231,659,861	1.23%	2,571.14	
121,953,240	1,891,690	42,785,394	9,049,464		242,125,277	1.29%	2,623.19	
123,674,746	2,464,385	46,060,110	9,680,647		252,031,947	1.38%	2,792.16	

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City of Sparks  
Schedule 3.2 – General Obligation Direct and Overlapping Debt  
Year Ended June 30, 2020 (Unaudited)

Name of Government Unit	Debt Outstanding	Presently Self-Supporting Debt Outstanding	Percentage Applicable <sup>(1)</sup>	Applicable Net Debt
<b>Direct</b>				
City of Sparks <sup>(2)</sup>				
Governmental activity				
Revenue bonds	\$ 92,793,284	\$ 92,793,284	100.00%	\$ 92,793,284
Tax allocation bonds & notes	<u>22,188,460</u>	<u>22,188,460</u>	100.00%	<u>22,188,460</u>
<b>Total direct debt</b>	<u>114,981,744</u>	<u>114,981,744</u>		<u>114,981,744</u>
<b>Overlapping</b>				
Washoe County School District	1,035,502,000	-	14.14%	146,419,983
Washoe County	120,853,000	36,421,000	14.14%	17,088,614
State of Nevada	<u>1,283,145,000</u>	<u>349,439,000</u>	2.43%	<u>31,180,424</u>
<b>Total overlapping</b>	<u>2,439,500,000</u>	<u>385,860,000</u>		<u>194,689,021</u>
<b>Total general obligation direct and overlapping</b>	<u>\$2,554,481,744</u>	<u>\$ 500,841,744</u>		<u>\$ 309,670,765</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, 2020

Assessed value of taxable property, including redevelopment	<u>\$ 3,421,431,221</u>
Debt limit - (20% of total assessed value)	\$ 684,286,244
Debt Applicable to Limit	
Governmental GO Debt	
Business-type Activities GO Debt	<u>28,088,741</u>
Total Net Debt Subject to Limitation	<u>28,088,741</u>
Legal debt margin	<u>\$ 656,197,503</u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 684,286,244	\$ 613,381,910	\$ 595,228,536	\$ 564,422,667
Total net debt subject to limitation	<u>28,088,741</u>	<u>33,141,506</u>	<u>37,566,649</u>	<u>42,145,498</u>
Available General Obligation Debt Limit	<u>\$ 656,197,503</u>	<u>\$ 580,240,404</u>	<u>\$ 557,661,887</u>	<u>\$ 522,277,169</u>
Total Net Debt Subject to limitation as a Percentage of Debt Limit	<u>4.1 %</u>	<u>5.4 %</u>	<u>6.3 %</u>	<u>7.5 %</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)

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<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 493,984,971	\$ 479,349,402	\$ 434,121,479	\$ 434,924,468	\$ 454,847,772	\$ 484,829,014
<u>47,852,980</u>	<u>41,412,458</u>	<u>46,638,450</u>	<u>51,701,282</u>	<u>56,607,529</u>	<u>61,350,874</u>
<u>\$ 446,131,991</u>	<u>\$ 437,936,944</u>	<u>\$ 387,483,029</u>	<u>\$ 383,223,186</u>	<u>\$ 398,240,243</u>	<u>\$ 423,478,140</u>
<u>9.7 %</u>	<u>8.6 %</u>	<u>10.7 %</u>	<u>11.9 %</u>	<u>12.4 %</u>	<u>12.7 %</u>

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

Fiscal Year Ended June 30,	Pledged Revenues <sup>(1)</sup>	Less: Operating Expenses <sup>(2)</sup>	Net Revenues Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
Sewer Utility Bonds <sup>(3)</sup>							
2020	\$ 34,560,930	\$ 17,565,466	\$ 16,995,464	\$ 3,195,453	\$ 213,970	\$ 3,409,423	5.0
2019	33,304,181	15,295,633	18,008,548	3,103,311	253,623	3,356,934	5.4
2018	36,224,774	14,598,519	21,626,255	3,013,849	292,133	3,305,982	6.5
2017	29,281,895	14,052,528	15,229,367	3,056,723	816,603	3,873,326	3.9
2016	27,458,269	14,382,880	13,075,389	3,521,768	907,329	4,429,097	3.0
2015	25,717,679	13,434,169	12,283,510	3,593,820	964,405	4,558,225	2.7
2014	23,371,365	14,341,132	9,030,233	3,484,079	1,075,889	4,559,968	2.0
2013	23,097,560	15,017,616	8,079,944	3,377,748	1,183,914	4,561,662	1.8
2012	20,441,613	11,666,850	8,774,763	3,274,716	1,288,578	4,563,294	1.9
2011	19,542,426	12,398,442	7,143,984	2,877,236	1,380,953	4,258,189	1.7

- 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 <sup>(1)</sup>	City Area Square Miles <sup>(6)</sup>	Total Personal Income <sup>(3)</sup>	Per Capita Personal Income <sup>(3)</sup>
2020	100,140	36.50	\$ 28,016,338,000	\$ 59,639
2019	96,928	35.81	25,556,498,000	55,487
2018	95,726	35.81	22,724,381,000	49,653
2017	93,581	35.81	21,428,813,000	47,526
2016	92,396	35.81	19,165,475,745	43,805
2015	91,551	35.81	19,089,119,268	43,311
2014	90,214	35.81	19,013,067,000	42,823
2013	90,100	35.81	18,868,025,416	43,317
2012	92,302	35.81	18,792,854,000	43,317
2011	90,264	35.81*	18,258,112,000	42,524

\* Copper Canyon Annexation detached to Washoe County FY 11

Sources:

- 1) Nevada Department of Taxation.
- 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<sup>(4)</sup></u>	<u>Public School Enrollment<sup>(5)</sup></u>	<u>Business Licenses Issued<sup>(2)</sup></u>	<u>Total Construction Permits<sup>(6)</sup></u>	<u>Total Construction Value<sup>(6)</sup></u>
8.7	18,890	8,249	4,103	401,232,440
3.2	18,813	8,123	3,935	325,105,877
3.5	18,503	7,378	3,935	344,557,136
4.2	18,780	7,372	3,636	259,406,469
5.1	18,058	6,966	3,712	232,467,828
6.4	17,927	7,053	3,581	175,692,045
7.6	17,737	6,529	2,579	125,653,129
9.7	18,401	6,377	2,393	124,334,661
11.1	18,401	6,084	2,463	110,712,242
12.6	17,862	4,956	1,763	60,711,375

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

Employer	March, 2020			2011		
	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment <sup>(2)</sup>	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment <sup>(2)</sup>
Sparks Nugget, Inc.	1000-1499	1	0.54%	1000-1499	1	0.59%
United Parcel Service	1000-1499	2	0.54%	900-990	2	0.44%
City of Sparks	500-999	3	0.32%	600-699	3	0.30%
Western Village	500-999	4	0.32%	400-499	6	0.21%
Q&D Construction	500-999	5	0.32%			-%
Northern Nevada Medical Center	500-999	6	0.32%	400-499	4	0.21%
Baldini's	250-499	7	0.16%			-%
Rail City	250-499	8	0.16%	300-399	9	0.16%
Wal-mart Superstore	250-499	9	0.16%	400-499	7	0.21%
Swift Transportation	250-499	10	0.16%			-%
Henry Schein Inc			-%	400-499	5	0.21%
Department of Transportation			-%	300-399	8	0.16%
Scheels			-%	200-299	10	0.12%
Total Reno/Sparks Metropolitan Area Covered Employment	230,900			213,505		

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

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

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Function	2020	2019	2018	2017
General government	62.2	59.5	58.5	58.6
Judicial	16.0	15.5	15.5	15.5
Public safety	269.0	254.5	250.5	250.3
Public works	22.5	23.0	21.5	21.0
Culture and recreation	95.2	96.8	89.0	93.0
Community support	1.2	1.2	1.0	0.1
Sewer - Business Type	108.9	102.1	100.0	95.2
Development services - Business Type	33.3	33.8	31.0	29.3
Total	608.3	586.4	567.0	563.0

Source: City of Sparks Financial Services Department, Budget Document

City of Sparks  
 Schedule 5.1 – Full Time Equivalent City Government Employees by Function  
 Last Ten Fiscal Years (Unaudited)

2016	2015	2014	2013	2012	2011
59.7	56.5	55.0	57.5	57.5	69.5
17.0	15.5	15.5	15.5	15.5	15.0
245.3	241.0	243.0	243.0	243.0	235.0
21.5	42.7	52.5	95.5	95.5	22.0
91.0	53.0	82.0	100.5	100.5	140.5
0.0	0.0	0.0	0.0	0.0	0.0
93.6	91.0	77.0	37.0	37.0	82.0
23.9	18.5	18.0	10.0	10.0	15.5
<u>552.0</u>	<u>518.2</u>	<u>543.0</u>	<u>559.0</u>	<u>559.0</u>	<u>579.5</u>

Function/Program	2020	2019	2018	2017
General Government				
Business licenses issued <sup>(3)</sup>	8,249	8,123	7,378	7,694
Judicial <sup>(1)</sup>				
Municipal Court Cases Filed				
Misdemeanor, non-traffic	1,974	1,975	1,802	1,731
Traffic and parking violations	3,455	3,906	3,679	4,140
Public Safety				
Police <sup>(5)</sup>				
Number of sworn personnel	118	112	112	112
Number of cases	11,208	11,984	11,565	12,283
Calls for service	92,136	84,676	82,386	78,604
Fire <sup>(6)</sup>				
Number of firefighters	77	86	87	87
Emergency responses	12,608	12,029	12,685	13,724
Average response time (minutes)	5.5	4.2	3.9	3.8
Public Works <sup>(2)</sup>				
Labor hours for graffiti removal	1,134	1,623	1,675	1,565
Pounds of material used for filling potholes	79,000	91,485	32,183	12,789
Tons of sand used during snow removal	258	670	664	279
Pounds of material used for pavement crack sealing	127,839	117,105	270,743	298,160
Street sweeper operator miles	6,311	5,933	8,014	8,238
Culture and Recreation <sup>(7)</sup>				
Adult softball league number of participants	768	83,352	85,096	85,812
Before and after school program enrollment	1,749	1,801	17,194	15,937
Community "Fun Run" number of participants	1,279	1,502	1,634	1,720
Utilities				
Sewer residential accounts <sup>(3)</sup>	31,596	31,143	30,697	29,494
Sewer commercial accounts <sup>(3)</sup>	1,830	1,817	1,814	1,816
Treatment Plant Flows (millions of gallons) <sup>(4)</sup>	10,926.0	11,516.8	10,633.4	10,918.7
Development Services <sup>(2)</sup>				
Building permits issued	4,103	3,890	3,935	3,636

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)

2016	2015	2014	2013	2012	2011
6,966	7,053	6,529	7,067	6,084	4,956
1,778	1,999	1,923	1,977	1,999	2,320
4,366	4,635	5,158	5,044	4,945	7,618
110	108	108	108	105	105
11,815	12,656	11,850	11,845	11,598	12,400
80,345	79,176	76,962	76,566	79,568	77,554
86	86	87	87	87	89
12,882	11,163	10,055	9,415	8,831	8,198
3.7	3.5	3.5	5.5	5.4	4.9
1,623	2,180	2,427	2,045	1,369	1,854
13,365	15,211	16,254	112979	154592	N/R
428	145	350	804	187	452
205,705	57,756	283,600	255,159	152,445	168,147
8,872	10,190	9,509	9,458	1,372	700
71,211	67,692	82,840	78,086	69,436	65,839
15,933	15,319	15,265	14,465	14,302	12,010
1,054	2,330	2,303	2,400	1,885	1,739
29,647	28,956	28,643	29,127	28,975	28,794
1,813	1,803	1,790	1,730	1,723	1,709
9,879.0	9,787.0	9,706.0	10,227.0	10,659.0	9,626.0
3,712	3,581	2,579	2,393	2,463	1,763

Function/Program	2020	2019	2018	2017
General Government				
City owned facilities <sup>(1)</sup>	48	48	48	48
Number of networked computers <sup>(5)</sup>	450	450	450	425
Public Safety				
Police <sup>(2)</sup>				
Marked police vehicles	54	49	62	56
Police motorcycles	6	6	6	10
Fire <sup>(3)</sup>				
Fire stations	5	5	5	5
Fire engines	19	19	17	17
Public Works <sup>(1)</sup>				
Paved streets (miles)	734.1	734.1	734.1	734.1
Culture and Recreation <sup>(4)</sup>				
Parks	50	50	50	50
Acreage of parks - developed	617.7	617.7	617.7	618.6
Acreage of parks - undeveloped	598.0	598.0	598.0	579.2
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	-	-	-
Sand volleyball courts	6	12	12	12
Utilities <sup>(1)</sup>				
Sewer lines (miles)	374.0	373.2	372.6	359.8
Storm drains (miles)	271.0	268.7	268.5	259.8

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)

2016	2015	2014	2013	2012	2011
48	48	48	48	48	48
460	408	352	352	352	400
45	30	30	29	29	29
6	5	5	5	5	5
5	5	5	5	5	5
17	17	17	17	17	17
734.1	656.0	656.0	656.0	656.0	656.0
52	56	56	56	56	55
616.0	591.0	591.0	591.0	591.0	587.0
582.4	616.0	616.0	693.7	697.0	697.0
1	1	1	1	1	2
2	2	2	2	2	1
26	26	26	26	24	24
28	28	28	28	28	28
12	12	12	12	12	12
3	3	3	3	3	3
1	1	1	1	1	1
34	34	34	34	34	34
3	3	3	4	4	3
-	-	-	-	1	1
12	7	8	10	10	10
357.5	356.1	395.0	346.8	346.8	344.8
254.7	253.7	250.0	248.6	248.6	247.3

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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, 2020, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated November 30, 2020.

**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 of Sparks, Nevada’s internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2020-001 that we consider to be a material weakness.

**Compliance and Other Matters**

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

**City of Spark, Nevada’s Response to Findings**

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

**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 30, 2020



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

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

### **Report on Compliance for the Major Federal Program**

We have audited the City of Sparks, Nevada's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

### **Opinion on the Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

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### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section 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 discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2020-003 and 2020-004 to be material weaknesses.

*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 2020-002 to be a significant deficiency.

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

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



Reno, Nevada  
November 30, 2020



## 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, 2020, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the City failed to comply with the specific requirements of Nevada Revised Statutes cited below other than the violations reported in Note 2 to the financial statements. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

### Statute Compliance

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

### Progress on Prior Year Statute Compliance

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

### Prior Year Recommendations

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

### Current Year Recommendations

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

### Nevada Revised Statute 354.6115

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

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

Reno, Nevada  
November 30, 2020

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City of Sparks  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass- through Number	Federal Expenditures	Payments to Subrecipients
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Direct Award				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants / Entitlement Grants	14.218	B-19-MC-32-0004	445,198	111,870
Community Development Block Grants / Entitlement Grants	14.218	B-18-MC-32-0004	400,351	-
Community Development Block Grants / Program Income	14.218	--	77,159	-
Total CDBG - Entitlement Grants Cluster			<u>922,708</u>	<u>111,870</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>922,708</u></b>	<b><u>111,870</u></b>
<b><u>U.S. Department of Justice</u></b>				
Direct Award				
Office of Justice Programs / Bureau of Justice Assistance				
Bulletproof Vest Partnership Program	16.607	2017 / 2018 BVP	139	-
Equitable Sharing Program	16.922	--	193,083	-
COVID-19 BJA FY 20 Coronavirus Emergency Supplemental Fu	16.034	2020-VD-BX-1517	36,988	-
Total U.S. Department of Justice Direct Awards			<u>230,211</u>	<u>-</u>
Pass-through from State of Nevada				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0396	26,234	-
<b>Total U.S. Department of Justice</b>			<b><u>256,445</u></b>	<b><u>-</u></b>
<b><u>U.S. Department of Transportation</u></b>				
Pass-through from State of Nevada				
Department of Public Safety, Office of Traffic Safety				
Highway Safety Cluster:				
National Priority Safety Programs	20.616	JF-2020-SPD-00007	917	-
Total National Priority Safety Programs			<u>917</u>	<u>-</u>
State and Community Highway Safety				
State and Community Highway Safety	20.600	JF-2020-SPD-00007	5,567	-
State and Community Highway Safety	20.600	JF-2019-SPD-00007	5,752	-
Total State and Community Highway Safety			<u>13,153</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>			<b><u>14,070</u></b>	<b><u>-</u></b>
<b><u>Executive Office of the President</u></b>				
Pass-through from Las Vegas Metropolitan Police Department				
High Intensity Drug Trafficking Areas Program	95.001	G14NV0001A	8,636	-
<b>Total Executive Office of the President</b>			<b><u>8,636</u></b>	<b><u>-</u></b>
<b><u>U.S. Department of Homeland Security</u></b>				
Pass-through from Washoe County Division of Emergency Management				
Homeland Security Grant Program	97.067	EMW-2017-SS-00006	9,447	-
<b>Total U.S. Department of Homeland Security</b>			<b><u>9,447</u></b>	<b><u>-</u></b>
<b><u>National Endowment for the Arts</u></b>				
Direct Award				
National Endowment for the Arts	45.024	1809521-42	10,113	-
			<u>10,113</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 1,221,418</u></b>	<b><u>\$ 111,870</u></b>

**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.

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance?	Yes

**Identification of major program:**

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
CDBG – Entitlement Grants Cluster	
Community Development Block Grants/Entitlement Grants	14.218
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:**

**2020-002: U.S. Department of Housing and Urban Development  
Community Development Block Grant – Entitlement Grants Cluster: Community  
Development Block Grants/Entitlement Grants, CFDA 14.218**

**Reporting  
Significant Deficiency in Internal Control over Compliance**

*Grant Award Number:* Affects all grant awards included under CFDA 14.218 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 underlying accounting information and are presented in accordance with program requirements.

*Condition:* Amounts reported on the C04PR03 – Activity Summary Report were not supported by the underlying information and therefore, were not reported in accordance with program requirements.

*Cause:* The City of Sparks did not have adequate internal controls to ensure the C04PR03 demographic information was maintained to support the amounts reported.

*Effect:* Inaccurate information may have been reported to the federal awarding agency.

*Questioned Costs:* None.

*Context/Sampling:* The annual report submitted during fiscal year 2020 based on program year 2018 was selected for testing. The number of individuals assisted by the program was not supported by the underlying information for 5 out of the 7 activities reported.

*Repeat Finding from Prior Year:* Yes – prior year finding 2019-001.

*Recommendation:* We recommend the City of Sparks enhance internal controls to ensure the C04PR03 demographic information is maintained to support the amounts reported.

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

**2020-003: U.S. Department of Housing and Urban Development  
Community Development Block Grant – Entitlement Grants Cluster: Community  
Development Block Grants/Entitlement Grants, CFDA 14.218**

**Special Tests and Provisions – Wage Rate Requirements  
Material Weakness in Internal Control over Compliance**

<i>Grant Award Number:</i>	Affects all grant awards included under CFDA 14.218 on the Schedule of Expenditures of Federal Awards.
<i>Criteria:</i>	The OMB Compliance Supplement states that non-Federal entities shall include in their construction contracts subject to the Wage Rate Requirements (which still may be referenced as the Davis-Bacon Act), a provision that the contractor or subcontractor comply with those requirements and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).
<i>Condition:</i>	Certain certified payrolls were not submitted weekly as required and in certain instances, there was no documentation of timely follow up with contractors to support efforts to ensure future reports would be submitted weekly as required.
<i>Cause:</i>	The City of Sparks did not have adequate internal controls to ensure timely follow up with the contractor was performed when the required certified payrolls were not received weekly.
<i>Effect:</i>	Noncompliance with the Wage Rate Requirements by a contractor or subcontractor could occur and not be detected or followed up on by the City of Sparks in a timely manner.
<i>Questioned Costs:</i>	None.
<i>Context/Sampling:</i>	Two contracts were subject to the wage rate requirements, which included the two prime contractors and six subcontractors. A nonstatistical sample of seven out of 29 certified payroll submissions was selected for testing. Although all certified payrolls were received, three payrolls were not submitted timely as required. Documentation was not available to evidence follow up that were not submitted timely.
<i>Repeat Finding from Prior Year:</i>	Yes – prior year finding 2019-002.
<i>Recommendation:</i>	We recommend that the City of Sparks enhance internal controls to ensure timely follow up with the contractor is performed when the required certified payrolls are not received weekly as required.
<i>Views of Responsible Officials:</i>	The City of Sparks agrees with this finding.

**2020-004: U.S. Department of Housing and Urban Development  
Community Development Block Grant – Entitlement Grants Cluster:  
Community Development Block Grants/Entitlement Grants, CFDA 14.218**

**Special Tests and Provisions – Environmental Reviews  
Material Weakness in Internal Control over Compliance**

<i>Grant Award Number:</i>	Affects all grant awards included under CFDA 14.218 on the Schedule of Expenditures of Federal Awards.
<i>Criteria:</i>	Projects must have an environmental review unless they meet the criteria specified in the regulations that would exempt or exclude them from a Request for Release of Funds (RROF) and environmental certification requirements (24 CFR sections 58.1, 58.22, 58.34, 58.35, and 570.604).
<i>Condition:</i>	The City of Sparks had expenditures towards projects that were not included in the analysis of whether an environmental review was required or exempt.
<i>Cause:</i>	The City of Sparks did not have adequate internal controls to ensure modifications to existing projects were included within the environmental review assessment.
<i>Effect:</i>	Project costs may be ineligible for reimbursement.
<i>Questioned Costs:</i>	Undeterminable.
<i>Context/Sampling:</i>	No sampling was used; we examined the two projects that were required to be included in the environmental review assessment. The City had completed an environmental review assessment, which was submitted and approved. However, the scope of the street improvement project was expanded and the additional streets were not included within the previously completed environmental review assessment.
<i>Repeat Finding from Prior Year:</i>	No.
<i>Recommendation:</i>	We recommend the City of Sparks enhance internal controls to ensure modifications to existing projects are included within the environmental review assessment.
<i>Views of Responsible Officials:</i>	The City of Sparks agrees with this finding.

City of Sparks  
 Schedule of Fees Imposed Subject to NRS 354.5989 - Limitation of Fees for Business Licenses  
 Year Ended June 30, 2020

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Flat Fixed Fees

Business license revenue adjusted base at June 30, 2019 (Base Year) \$ 859,244

Adjustment to Base

Percentage increase in population of the local government 3.31 %

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) 2.77 % 6.08 %

52,242

Adjusted base at June 30, 2020 911,486

Actual Revenue 781,215

Amount under allowable amount \$ (130,271)

Fee Calculated on a Percentage of Gross Revenue

Base Revenue at June 30, 2019 \$ 5,244,589

Percentage change in CPI 1.028 %

Adjusted base at June 30, 2020 5,391,437

Actual Revenue 5,179,032

Actual amount over allowable amount \$ (212,405)