



Redevelopment Agency
of the City of Sparks
Area 2
2017-2018
Final Budget



June 1, 2017

Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7921

The **Redevelopment Agency of the City of Sparks - Area 2** herewith submits the **FINAL** budget for the fiscal year ending **June 30, 2017**.

This budget contains **2** funds, including Debt Service, requiring property tax revenues totaling **\$2,770,000**

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed _____. If the final computation requires, the tax rate will be lowered.

This budget contains **2** governmental type funds with estimated expenditures of **\$1,635,200** and **0** proprietary funds with estimated expenses of **\$0**.

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local Government Budget and Finance Act).

CERTIFICATION

I Jeff Cronk, CPA
(Printed Name)
Chief Financial Officer
(Title)
certify that all applicable funds and financial
operations of this Local Government are
listed herein

Signed _____

Dated: _____

APPROVED BY THE GOVERNING BOARD

SCHEDULED PUBLIC HEARING:

Date and Time: tentatively **May 22, 2017, 2:00 pm**

Publication Date May 10, 2017

Place: City of Sparks Council Chambers, 745 Fourth St, Sparks, NV

Redevelopment Agency of the City of Sparks - Area 2

2017-2018 FINAL Budget

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Redevelopment Agency of the City of Sparks - Area 2 Budget Message - FINAL Fiscal Year 2017/2018 (FY18)

This message is intended to convey the underlying assumptions used in the preparation of this document so that elected officials, City staff and other interested parties may have a brief summary of the Redevelopment Agency Area 2's (RA2) FY18 budget process.

Combined Fund Overview

The following table provides a snapshot of the projected fiscal outcomes for the current fiscal year and next and provides a comparison to FY16 actual results. This look combines the results of both the operating and Debt Service Funds to give an overall view of the entire Redevelopment Agency Area 2.

Redevelopment Area 2 - Summary of Revenues, Expenses & Fund Balance

	FY16 Actuals	FY17 Estimates	FY18 Budget
Property Tax Revenues	2,666	2,680	2,770
Other Revenue	73	56	44
Debt Service	(\$2,902)	(\$2,290)	(\$1,541)
Other Expenditures	(\$19)	(\$175)	(\$94)
Change in Fund Balance	(\$183)	271	1,179
Beginning Fund Balance	4,171	3,988	4,259
Ending Fund Balance	3,988	4,259	5,438
Less Bond Reserves	(\$2,464)	(\$3,024)	(\$3,250)
Less Land Sale Receivable	(\$1,300)	(\$1,000)	0
Unrestricted Fund Balance	225	235	2,187

All figures shown in \$000's

REVENUES

For operating and debt service purposes, the effective tax rate in this budget document is \$3.1994. This rate includes reductions for amounts "carved out" after being levied and collected in accordance with the 1997 Session's SB 312. These amounts generally relate to voter-approved bonds or overrides on or after the November 5, 1996 general election. The "carve out" rates were provided to us by the Department of Taxation. We are not sure if all entities, entitled to the carve outs, had notified the Department of Taxation by the time this rate was furnished to us.

Assessed value information for the City's redevelopment districts was determined from information provided by the Department of Taxation as well as the Washoe County Assessor's and Treasurer's Office. Assessed value in Redevelopment Area 2 is expected to increase 7.8% in FY18 to \$99.0M.

Due to a lack of growth of property valuations and tax receipts, a \$250k subsidy was required from the General Fund in FY13 and another \$786k subsidy was required in FY14 to pay for City issued debt service

which previously has been paid by RA2. Further subsidies are not expected due to rising property tax assessments and the sale of 10.2 acres of land owned by RA2. Additionally, the 2007 refunding bonds that were issued by the City for the benefit of RA2 mature in FY17, freeing up nearly \$1.1M in annual debt service costs.

EXPENDITURES

Of the FY18 total expenditure budget (including transfers out) of \$1.6M, \$1.5M is slated for debt service.

ENDING FUND BALANCE

Amounts budgeted as ending fund balances in Funds which receive ad valorem taxes are those amounts deemed appropriate for carrying on the activities of the Funds given cash flow requirements.

Per bond covenants, reserves in our Debt Service Fund (3606) exceed one year of debt requirements. This is attributable to capitalized interest and cash flow needs.

In light of the foregoing, the FY18 Final Budget for the Redevelopment Agency Area 2 of the City of Sparks is submitted to the Nevada State Department of Taxation in accordance with state statutes.

Respectfully submitted,

Jeff Cronk, CPA
Chief Financial Officer

Budget Summary for Redevelopment Agency of the City of Sparks - Area 2
Schedule S-1

	GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS			PROPRIETARY FUNDS BUDGET YEAR 06/30/2018 (4)	TOTAL (MEMO ONLY) COLUMNS 3+4 (5)
	ACTUAL PRIOR YEAR 06/30/16 (1)	ESTIMATED CURRENT YEAR 06/30/17 (2)	BUDGET YEAR 06/30/18 (3)		
REVENUES:					
Property Taxes	2,665,920	2,680,000	2,770,000	0	2,770,000
Intergovernmental Revenues	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeits	0	0	0	0	0
Miscellaneous Revenue	72,524	56,000	44,000	0	44,000
TOTAL REVENUES	2,738,444	2,736,000	2,814,000	0	2,814,000
EXPENDITURES-EXPENSES:					
General Government	0	0	0	0	0
Community Support	14,782	86,809	90,406	0	90,406
Debt Service	4,363	88,068	3,500	0	3,500
Principal	915,000	859,000	1,130,000	0	1,130,000
Interest	913,769	353,573	411,294	0	411,294
TOTAL EXPENDITURES-EXPENSES	1,847,914	1,387,450	1,635,200	0	1,635,200
Excess of Revenues over (under)					
Expenditures/Expenses	890,530	1,348,550	1,178,800	0	1,178,800

Budget Summary for Redevelopment Agency of the City of Sparks - Area 2
Schedule S-1

	GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS			PROPRIETARY FUNDS BUDGET YEAR 06/30/2018 (4)	TOTAL (MEMO ONLY) COLUMNS 3+4 (5)
	ACTUAL PRIOR YEAR 06/30/16 (1)	ESTIMATED CURRENT YEAR 06/30/17 (2)	BUDGET YEAR 06/30/18 (3)		
OTHER FINANCING SOURCES (USES):					
Bond Sales Proceeds	0	0	0	0	0
Refunding Bond Proceeds	0	0	0	0	0
Sale Of General Fixed Assets	0	0	0	0	0
Operating Transfers (in)	1,400,000	0	0	0	0
Operating Transfers (out)	(2,473,725)	(1,077,853)	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	(1,073,725)	(1,077,853)	0	0	0
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (Net Income)	(183,195)	270,697	1,178,800	0	XXXXXXXXXXXX
FUND BALANCE JULY 1, BEGINNING OF YEAR:	4,171,442	3,988,247	4,258,943		
Prior Period Adjustments	0	0	0	0	
Residual Equity Transfers				XXXXXXXXXXXX	XXXXXXXXXXXX
FUND BALANCE JUNE 30, END OF YEAR	3,988,247	4,258,943	5,437,743	XXXXXXXXXXXX	XXXXXXXXXXXX
TOTAL ENDING FUND BALANCE	3,988,247	4,258,943	5,437,743	XXXXXXXXXXXX	XXXXXXXXXXXX

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	BUDGET YEAR ENDING 06/30/18
General Government			
Judicial			
Public Safety			
Public Works			
Culture and Recreation			
Community Support			
Total General Government	0.0	0.0	0.0
Utilities			
Hospitals			
Transit Systems			
Airports			
Other			
TOTAL FTE's	0.0	0.0	0.0

POPULATION (AS OF JULY 1)	92,396	93,581	95,726
SOURCE OF POPULATION ESTIMATE*	Dept of Taxation- FY 2016 Final Revenue Projections Part B	Dept of Taxation- FY 2017 Final Revenue Projections Part B	Dept of Taxation- FY 2018 Final Revenue Projections Part B
Assessed Valuation (Secured and Unsecured Only)	90,319,684	91,818,461	99,020,928
Net Proceeds of Mines			
TOTAL ASSESSED VALUE	90,319,684	91,818,461	99,020,928
TAX RATE			
General Fund			
Special Revenue Funds			
Capital Projects Funds	0.8184	1.0491	1.1608
Debt Service Funds	2.3756	2.1503	2.0386
Enterprise Fund			
Other			
TOTAL TAX RATE	3.1940	3.1994	3.1994

*Use the population certified by the state in March each year. Small districts may use a number developed per the instructions (page 6) or the best information available

PROPERTY TAX RATE AND REVENUE RECONCILIATION

Fiscal Year 2017-2018

	(1) ALLOWED TAX RATE	(2) ASSESSED VALUATION	(3) ALLOWED AD VALOREM REVENUE [(1) X (2)/100]	(4) TAX RATE LEVIED	(5) TOTAL PREABATED AD VALOREM REVENUE [(2)X(4)/100]	(6) AD VALOREM TAX ABATEMENT [(5)-(7)]	(7) BUDGETED AD VALOREM REVENUE WITH CAP
OPERATING RATE:							
A. PROPERTY TAX Subject to Revenue Limitations	1.1608	99,020,928	1,149,432	1.1608	1,149,432	144,430	1,005,002
B. PROPERTY TAX Outside Revenue Limitations: Net Proceeds of Mines							
VOTER APPROVED:							
C. Voter Approved Overrides							
LEGISLATIVE OVERRIDES Area #2							
E. Medical Indigent (NRS 428.285)							
F. Capital Acquisition (NRS 354.59815)							
G. Youth Services Levy (NRS 62B.150, 62B.160)							
H. Legislative Overrides							
I. SCCRT Loss (NRS 354.59813)							
J. Other:							
K. Other:							
L. SUBTOTAL LEGISLATIVE OVERRIDES							
M. SUBTOTAL A, C, L	1.1608	99,020,928	1,149,432	1.1608	1,149,432	144,430	1,005,001
N. Debt	2.0386	99,020,928	2,018,644	2.0386	2,018,644	253,646	1,765,000
O. TOTAL M AND N	3.1994	99,020,928	3,168,076	3.1994	3,168,076	398,076	2,770,000

Note:

Final carveout rates for Redevelopment Areas 1 & 2 are subject to change per the State's final revenue projections

Redevelopment Agency of the City of Sparks - Area 2

SCHEDULE S-3 - PROPERTY TAX RATE

AND REVENUE RECONCILIATION

SCHEDULE A - ESTIMATED REVENUES & OTHER RESOURCES - GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS & TAX SUPPORTED PROPRIETARY FUND TYPES

Budget For Fiscal Year Ending June 30, 2018

Budget Summary for Redevelopment Agency of the City of Sparks - Area 2

GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUNDS	Beginning Balances (1)	Consolidated Tax Revenue (2)	Property Tax Required (3)	Tax Rate (4)	Other Revenue (5)	Other Financing Sources Other Than Transfers In (6)	Operating Transfers In (7)	Total (8)
R/A 2 Revolving Fund	1,234,857	0	1,005,000	1.1608	38,000	0	0	2,277,857
R/A 2 Debt Service Fund	3,024,086	0	1,765,000	2.0386	6,000	0	0	4,795,086
Subtotal Governmental Fund Types, Expendable Trust Funds	4,258,943	0	2,770,000	3.1994	44,000	0	0	7,072,943
TOTAL ALL FUNDS	XXXXXXXXXX	0	2,770,000	3.1994	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX

SCHEDULE A-1 ESTIMATED EXPENDITURES AND OTHER FINANCING USES

Budget For Fiscal Year Ending June 30, 2018

Budget Summary for Redevelopment Agency of the City of Sparks - Area 2

GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUNDS	*	Salaries and Wages (1)	Employee Benefits (2)	Supplies and Other Charges ** (3)	Capital Outlay *** (4)	Contingencies and Uses Other Than Operating Transfers Out (5)	Operating Transfers Out (6)	Ending Fund Balances (7)	Total (8)
R/A 2 Revolving Fund	CP	0	0	90,406	0	0	0	2,187,451	2,277,857
R/A 2 Debt Service Fund	DS	0	0	1,544,794	0	0	0	3,250,292	4,795,086
TOTAL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS		0	0	1,635,200	0	0	0	5,437,743	7,072,943

* FUND TYPES: SR - Special Revenue

CP - Capital Projects

DS - Debt Service

T - Expendable Trust

** Include Debt Service Requirements in this column

*** Capital Outlay must agree with CIP.

<u>REVENUES</u>	(1)	(2)	(3) (4) Budget Year Ending 06/30/18	
	ACTUAL PRIOR YEAR ENDING 06/30/2016	ESTIMATED CURRENT YEAR ENDING 06/30/2017	TENTATIVE APPROVED	FINAL APPROVED
<u>Taxes</u>				
Real Property Taxes	556,526	780,000	950,000	950,000
Personal Property Taxes	124,393	45,000	55,000	55,000
Total Taxes	680,920	825,000	1,005,000	1,005,000
<u>Miscellaneous Revenue</u>				
Interest Earned	1,440	1,000	1,000	1,000
Note/Loan Investment Interest Earned	61,567	49,000	37,000	37,000
Total Miscellaneous Revenue	63,007	50,000	38,000	38,000
Total Revenue	743,927	875,000	1,043,000	1,043,000
<u>Other Financing Sources(Specify)</u>				
Operating Transfers In (Schedule T)				
T/I from R/A 2 Debt Svc 3606	750,000	0	0	0
Total Other Financing Sources	750,000	0	0	0
<u>Beginning Fund Balance</u>	1,769,100	1,524,519	1,234,856	1,234,856
Prior Period Adjustment(s)	0	0	0	0
Residual Equity Transfers	0	0	0	0
Total Beginning Fund Balance	1,769,100	1,524,519	1,234,856	1,234,856
Total Resources	3,263,026	2,399,519	2,277,856	2,277,856

Redevelopment Agency of the City of Sparks - Area 2
SCHEDULE B - Capital Projects Fund
R/A 2 Revolving Fund (3601)

<u>EXPENDITURES</u>	(1)	(2)	(3) (4) Budget Year Ending 06/30/18	
	ACTUAL PRIOR YEAR ENDING 06/30/2016	ESTIMATED CURRENT YEAR ENDING 06/30/2017	TENTATIVE APPROVED	FINAL APPROVED
<u>Community Support Function</u>				
Services and Supplies	14,352	86,556	90,006	90,006
Non-discretionary Services & Supplies	430	253	400	400
Total Community Support Function	14,782	86,809	90,406	90,406
Total Expenditures	14,782	86,809	90,406	90,406
Other Uses				
Contingency (not to exceed 3% of total expenditures)	0	0	0	0
Operating Transfers Out (Schedule T)				
T/O to Debt Svc GO 1301	1,073,725	1,077,853	0	0
T/O to R/A 2 Debt Svc 3606	650,000	0	0	0
Total Other Uses	1,723,725	1,077,853	0	0
<i>Ending Fund Balance</i>	<i>1,524,519</i>	<i>1,234,856</i>	<i>2,187,450</i>	<i>2,187,450</i>
Total Commitments and Fund Balance	3,263,026	2,399,519	2,277,856	2,277,856

<u>REVENUES</u>	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/18	
	ACTUAL PRIOR YEAR ENDING 06/30/2016	ESTIMATED CURRENT YEAR ENDING 06/30/2017	TENTATIVE APPROVED	FINAL APPROVED

Taxes

Real Property Taxes	1,850,717	1,640,000	1,550,000	1,550,000
Personal Property Taxes	134,283	215,000	215,000	215,000
Subtotal	1,985,000	1,855,000	1,765,000	1,765,000

Miscellaneous Revenue

Interest Earned	9,518	6,000	6,000	6,000
Miscellaneous Revenue	0	0	0	0
Subtotal	9,518	6,000	6,000	6,000

Total All Revenue	1,994,517	1,861,000	1,771,000	1,771,000
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Other Financing Sources

Operating Transfers In (Schedule T)				
T/I from R/A2 Revolving 3601	650,000	0	0	0
Bond Proceeds	0	0	0	0
Bond Proceeds	0	0	0	0
Subtotal Other Financing Sources	650,000	0	0	0

Beginning Fund Balance	2,402,342	2,463,728	3,112,155	3,024,087
Prior Period Adjustment(s)	0	0	0	0
Residual Equity Transfers	0	0	0	0
Total Beginning Fund Balance	2,402,342	2,463,728	3,112,155	3,024,087

Total Available Resources	5,046,859	4,324,728	4,883,155	4,795,087
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Redevelopment Agency of the
City of Sparks - Area 2
Schedule C - Debt Service Fund
RA2 TAX REVENUE DEBT (3606)

<u>EXPENDITURES and RESERVES</u>	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/18	
	ACTUAL PRIOR YEAR ENDING 06/30/2016	ESTIMATED CURRENT YEAR ENDING 06/30/2017	TENTATIVE APPROVED	FINAL APPROVED

Type: 4 Revenue Bonds

Principal	915,000	859,000	1,130,000	1,130,000
Interest	913,769	353,573	411,294	411,294
Fiscal Agent Charges	4,362	88,068	0	3,500
Payments to Refunded Bond Escrow Agent	0	0	0	0
Transfers Out	750,000	0	0	0
Reserves - increase or (decrease)	0	0	0	0
Other (Specify)	0	0	0	0
Subtotal	2,583,131	1,300,641	1,541,294	1,544,794

TOTAL RESERVED (MEMO ONLY)	2,463,728	3,024,087	3,253,793	3,250,293
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Ending Fund Balance

Reserved	2,463,728	3,024,087	3,341,861	3,250,293
Unreserved	0	0	0	0
Total Ending Fund Balance	2,463,728	3,024,087	3,341,861	3,250,293

Total Commitments & Fund Balance	5,046,859	4,324,728	4,883,155	4,795,087
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Redevelopment Agency of the
City of Sparks - Area 2
Schedule C - Debt Service Fund
RA2 TAX REVENUE DEBT (3606)

ALL EXISTING OR PROPOSED
GENERAL OBLIGATION BONDS, REVENUE BONDS,
MEDIUM-TERM FINANCING, CAPITAL LEASES AND
SPECIAL ASSESSMENT BONDS

- * - Type
1 - General Obligation Bonds
2 - G. O. Revenue Supported Bonds
3 - G. O. Special Assessment Bonds
4 - Revenue Bonds
5 - Medium-Term Financing
6 - Medium-Term Financing - Lease Purchases
7 - Capital Leases
8 - Special Assessment Bonds
9 - Mortgages
10 - Other (Specify type)
11 - Proposed (Specify type)

(1) NAME OF BOND OR LOAN (List and Subtotal By Fund)	(2) *	(3) TERM	(4) ORIGINAL AMOUNT OF ISSUE	(5) ISSUE DATE	(6) FINAL PAYMENT DATE	(7) INTEREST RATE	(8) BEGINNING OUTSTANDIN G BALANCE 07/01/2017	(9)	(10)	(11)
								FISCAL YEAR ENDING 06/30/2018		(9) + (10)
								INTEREST PAYABLE	PRINCIPAL PAYABLE	
R/A 2 Debt Service Fund 3606										
<u>Type 4 Revenue Bonds</u>										
- Tax Increment Revenue Refunding Bonds Series 2014	4	15	7,285,000	08/14/2014	06/01/2029	3.249%	6,075,000	197,377	390,000	587,377
- Tax Increment Revenue Refunding Bonds Series 2016	4	12	9,660,000	10/11/2016	06/01/2028	2.33%	9,181,000	213,917	740,000	953,917
Total Type 4 Revenue Bonds			16,945,000				15,256,000	411,294	1,130,000	1,541,294

SCHEDULE C-1 - INDEBTEDNESS

Transfer Schedule for Fiscal Year 2017-2018

FUND TYPE	TRANSFERS IN				TRANSFERS OUT		
	FROM FUND	PAGE	AMOUNT		TO FUND	PAGE	AMOUNT
Total Transfers			0				0

Schedule of Existing Contracts
Budget Year 2017-2018

Local Government: Redevelopment Agency of the City of Sparks - Area 2

Contact: Stacie Hemmerling

E-mail Address: shemmerling@cityofsparks.us

Daytime Telephone: 775-353-2246

Total Number of Existing Contracts: 1

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2015-16	Proposed Expenditure FY 2016-17	Reason or need for contract:
1	<i>None</i>	<i>N/A</i>	<i>N/A</i>	0	0	
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	Total Proposed Expenditures			0	0	

Additional Explanations (Reference Line Number and Vendor):

Schedule 31

Schedule of Privatization Contracts
Budget Year 2017-2018

Local Government: Redevelopment Agency of the City of Sparks - Area 2
Contact: Stacie Hemmerling
E-mail Address: shemmerling@cityofsparks.us
Daytime Telephone: 775-353-2246

Total Number of Privatization Contracts: 0

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Duration (Months/ Years)	Proposed Expenditure FY 2015-16	Proposed Expenditure FY 2016-17	Position Class or Grade	Number of FTEs employed by Position Class or Grade	Equivalent hourly wage of FTEs by Position Class or Grade	Reason or need for contract:
1	<i>None</i>									
2										
3										
4										
5										
6										
7										
8										
9										
10										
11	Total				0	0		0		

Attach additional sheets if necessary.

Schedule 32

Proof of Publication to be attached when available