



December 12, 2016

Ms. Kelly Langley, Analyst
Nevada Department of Taxation
Local Government Budget Section
1550 E College Parkway, Ste 115
Carson City, NV 89706-7937

Dear Ms. Langley,

In response to our auditors' conclusion regarding the City of Sparks' compliance with Nevada Revised Statutes and Administrative Code, we offer the following plan of corrective action for those specific exceptions noted in Note 2 on pages 50 & 51 of our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016.

Note 2 - Excess of Expenditure over Appropriations

Actual expenditures exceeded those budgeted for the year in the community support function of the Tourism Improvement District 1 Special Revenue Fund by \$8,324.

Corrective Plan:

The City puts forth diligent effort to assure compliance with NRS and NAC. However, the code imposes restrictions on budget augmentations. In fiscal year 2016, the City underestimated spending within the Tourism Improvement District 1 Special Revenue Fund and due to restrictions on budget augmentations was unable to augment the budget. Henceforth, the City will budget a sufficient amount of fund balance to ensure adequate appropriations.

Note 2 - Compliance with Nevada Revised Statutes and Administrative Code

The City conformed to all significant statutory constraints in its financial administration during the year.

Corrective Plan:

None needed.

This plan was approved by Sparks Council on December 12, 2016. The City of Sparks corrective plan of action includes continuously monitoring expenditures to ensure adequate resources are available to cover current year activities, and we are confident that this plan will continue to be successful. Please contact me if there are any questions on these compliance issues.

Sincerely,

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

Jeff Cronk, CPA
Financial Services Director