



December 11, 2017

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, 2017.

**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, with the following exception for an apparent violation of NRS 354.626:

Actual operating and non-operating expenses exceeded those budgeted for the year in the Motor Vehicle Maintenance Fund by \$39,237.

**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 2017, the City underestimated the amount of depreciation expense that would be recorded within the Motor Vehicle Maintenance Fund and due to restrictions on budget augmentations was unable to augment the budget. Henceforth, the City will employ a more conservative method of projecting depreciation.

This plan was approved by Sparks Council on December 11, 2017. 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,

Jeff Cronk, CPA  
Financial Services Director