



December 9, 2019

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) that were not specifically excluded under NRS 354.626 paragraph 2 for the fiscal year ended June 30, 2019.

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 expenditures exceeded those budgeted for the year in the community support function of the General Fund by \$1,848.

Corrective Plan:

The City puts forth diligent effort to assure compliance with NRS and NAC. However, the code imposes restrictions on functional budget transfers which limit the time available to correct a potential budget violation regardless of whether sufficient excess appropriations are available in other functions. In fiscal year 2019, the City made an unplanned contribution to a Community Triage Center, which resulted in an over budget situation within the Community Support function. Henceforth, the City will work with managers to improve communication regarding late, unplanned expenditures to ensure that a budget transfer from another function can be approved by Council before June 30.

This plan was approved by Sparks Council on December 9, 2019. 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".

Jeff Cronk, CPA
Chief Financial Officer