

Attachments:

[Corrective Action Plan.doc](#)

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)



CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

MEMO TO: Board of Supervisors
Nancy Paulson, City Manager

FROM: Sheri Russell, Chief Financial Officer

DATE: February 7, 2019

SUBJECT: Plan of Corrective Action for FY17-18 Statutory Violations

As presented to you by Piercy Bowler, Taylor & Kern there were two apparent violations of NRS 354.626 noted in the City's FY17-18 annual audit relative to the excess of expenditures over appropriations in the Ambulance Fund and the Sewer Fund. The following explanation and corrective action is offered in response to the statutory violations:

- Actual expenses exceeded appropriations in the Ambulance Fund by \$561,459. This was the result of a higher than expected adjustment to the OPEB and PERS Liability. This adjustment is difficult to anticipate, but we will budget more conservatively going forward.
- Actual expenses exceeded appropriations in the Sewer Fund by \$841,996. This was the result of an audit adjustment which increased our depreciation significantly. The City originally added the \$33 million Water Resource Recovery Facility as an asset with a 50 year life, seeing it as one large project. However, the Auditor split the project into the various components of the facility, thereby making about two-thirds of the project cost equipment, at a 10-20 year life, as opposed to the 50 year life we originally anticipated. This has been corrected, and our public works department has added a procedure to assess the useful life of the components of any asset addition of more than \$1 million dollars.