



STAFF REPORT

Report To:	Board of Supervisors	Meeting Date:	February 7, 2019
Staff Contact:	Sheri Russell - Chief Financial Officer (SRussell@Carson.Org)		
Agenda Title:	For Possible Action: To adopt the Carson City Plan of Corrective Action for the FY 17-18 statutory violations included in the annual audit. (Sheri Russell srussell@carson.org)		
	Staff Summary: As required by NRS 354.6245, within 60 days after the delivery of the annual audit to a local government, the governing body of that local government must advise the Department of Taxation what action has been taken to prevent recurrence of each violation of law or regulation included in the annual audit.		
Agenda Action:	Formal Action / Motion	Time Requested:	5 Minutes

Proposed Motion

I move to adopt the Carson City Plan of Corrective Action for the FY 17-18 statutory violations included in the annual audit.

Board's Strategic Goal

Efficient Government

Previous Action

December 6, 2018 - the Board approved the Comprehensive Annual Financial Report and budget violations were discussed at that time.

Background/Issues & Analysis

Applicable Statute, Code, Policy, Rule or Regulation

NRS 354.6245, NRS 354.626

Financial Information

Is there a fiscal impact? No

If yes, account name/number:

Is it currently budgeted? No

Explanation of Fiscal Impact:

Alternatives

N/A

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.