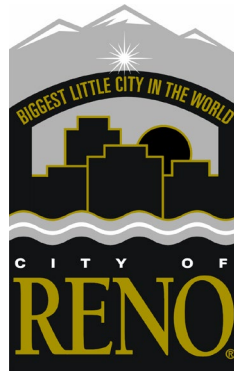


December 11, 2024

Ms. Kellie Grahmann
State of Nevada
Department of Taxation
Carson City Office
3850 Arrowhead Drive
Carson City, NV 89706



Dear Ms. Grahmann:

In response to our auditor's conclusion regarding the city of Reno's compliance with Nevada Revised Statutes (NRS) and Administrative Code (NAC), we offer the following plan of correction action for the specific exceptions noted in Note 2 beginning on page 41 of our Annual Comprehensive Finance Report (ACFR) for the fiscal year ended June 30, 2024. The Reno City Council approved this plan on December 11, 2024. An excerpt of the minutes will be sent once they become available in approximately 60 days. However, a copy of the agenda from the meeting is attached that shows the action item for the plan.

Note 2 Excess of Expenditures over Appropriations

For the year ended June 30, 2024, there were no funds and/or functions where total expenditures/expenses exceeded appropriations, which would be a potential violation of NRS 354.626.

The following expenditures in excess of budget were cited as a violation in Note 2, but fall under NRS 354.626 as exemptions:

Expenditures were in excess of budget in the Redevelopment Agency Debt Service Fund, Debt Service Function by \$17,773.

Expenditures were in excess of budget in the Self-Funded Workers Compensation, Internal Service Fund by \$18,246,308.

Corrective Plan

The City puts forth every effort to ensure compliance with NRS and NAC. Staff are required to present budget augmentations and revisions to City Council prior to June 30th of the year. However, to ensure compliance with GAAP and GASB pronouncements, the City's books are not closed until the end of August, with accounts payable invoices due to the Finance Department by August 15. Furthermore, if there is a material expenditure that is incurred in the fiscal year, but an invoice is not received for processing or an adjustment is not otherwise identified after the August date and up to September 8th, staff is required to record the expenditure back to June 30 of the appropriate fiscal year.

Expenditures were over budget in the Redevelopment Agency Debt Service Fund due to an interest payment due on an internal loan from the Redevelopment Agency Debt Service Two Fund that was not budgeted. This has been corrected in the current budget and will be included going forward.

The overage in the Self-Funded Workers Compensation Fund is the result of an IBNR liability adjustment that was not known until the City received the draft actuarial valuation in October.

The City of Reno will continue to refine policies and procedures with the goal of eliminating future expenditures in excess of budget.

Sincerely,

A handwritten signature in blue ink, appearing to read "V. Van Buren", with a long, sweeping horizontal line extending to the right.

Vicki Van Buren
Director of Finance

Enclosure