



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Ande Banks, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: June 4, 2024
RE: Supplemental Appropriation – Leases and Subscription Agreements

Summary: Consider a supplemental appropriation for lease and subscription-based IT agreements.

Background: The City and the Harrisonburg City Public Schools (HCPS) have entered into several lease agreements during the current fiscal year. The City and HCPS have both added additional connections to the dark fiber network under the City and HCPS's lease agreements with Shentel.

Key Issues: The city is required to follow Government Accounting Standards Board (GASB) Statements No. 87, *Leases* and No. 96, *Subscription-Based Information Technology Arrangements*. Under both of these GASB standards, local governments must account for lease and subscription-based IT agreements that meet certain criteria as financing type transactions. This supplemental appropriation is part of the process of complying with the standards.

Environmental Impact: None.

Fiscal Impact: The General Fund and School Fund budgets will increase \$421,839.21 and \$210,798.09, respectively.

Prior Actions: None.

Alternatives: Do not approve the supplemental appropriation.

Community Engagement: None.

Recommendation: Staff recommends approval of the supplemental appropriation.

Attachments: Supplemental Appropriation.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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