



Agenda Date: 9/6/2017
Agenda Placement: 7C

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors
FROM: Timothy Healy - Director of Administrative Services/CFO
NS-Administration
REPORT BY: Cyndi Bolden, Senior Accountant - 258-6001
SUBJECT: Approve Budget Amendment for FY 2016-17 for Depreciation Expense

RECOMMENDATION

Adopt the accompanying budget amendment resolution authorizing staff to post the FY 2016-17 depreciation expense estimated to be about \$9,000,000.

EXECUTIVE SUMMARY

It is District practice to record the depreciation expense in the General Ledger in the same fiscal year that they are reported in the Audited Financial Statements. To record this expense, it is necessary to increase the appropriations budget for FY 2016-17. The District waits until after the fiscal year is complete to make this adjustment for two reasons. First, the number is not known until the end of the year, when the final debt interest payments are made. Second, having a large budget number for this expense reported during fiscal year would make it appear that the District is significantly underspending its appropriation, and miscommunicating to the Board and the public the real budget vs. actual performance of the District.

This budget amendment will allow staff to process the journal entries to post the FY 2016-17 depreciation expense. The adjustments are noncash adjustments; therefore, there is no fiscal impact.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

None.

SUPPORTING DOCUMENTS

A . Resolution

Napa Sanitation District: Approve

Reviewed By: Timothy Healy