



County of El Dorado

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August 29, 2022

**Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, California 95667**

Subject: BOS Agenda 8-30-2022-GASB 87-Leases

Ladies and Gentlemen:

I am required to maintain the County's accounting records in accordance with Generally Accepted Accounting Standards (GAAP). The Governmental Accounting Standards Board (GASB) establishes GAAP for states, cities, and counties.

GASB recently issued Statement 87 which requires the County to change the way it accounts for certain leases. The GASB now considers certain leases to be in substance the purchase of property and the issuance of debt. Accordingly, although the Budget Transfer before you indicates the recognition of the proceeds from the issuance of debt and the acquisition of fixed assets, in terms of economic reality nothing has changed.

Sincerely,

**Joe Harn, CPA
Auditor-Controller**

CC: Don Ashton, CAO