



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

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August 9, 2022

Board of Supervisors
330 Fair Lane
Placerville, California 95667

Subject: Budget Adjustment re: GASB 87

Agenda Date: August 30, 2022

Dear Board Members:

Recommendation

The Auditor-Controller recommends that the Board of Supervisors approve the attached Budget Transfer which recognizes the long-term debt proceeds along with an equal increase in capital expenditure appropriations to comply with the requirements of GASB 87.

Reason for Recommendation

With the implementation of GASB 87 qualifying leases must be recorded as capital expenditures. To do so requires both the recognition of revenue as if the County had entered into a loan agreement to finance these acquisitions and the recognition of a capital expenditure per GAAP.

Fiscal Impact – The net impact will be zero, however it will require a 4/5 Board of Supervisors approval.

Sincerely,


Joe Harn
Auditor-Controller