

PLACER COUNTY
SHERIFF
CORONER-MARSHAL



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EDWARD N. BONNER
SHERIFF-CORONER-MARSHAL

STEPHEN L. D'ARCY
UNDER-SHERIFF

To: Honorable Board of Supervisors
From: Edward N. Bonner, Sheriff-Coroner-Marshall
Date: April 15, 2008
Subject: Budget revision to capitalize vehicles acquired through lease purchase

A handwritten signature in black ink that reads "Edward N. Bonner".

Action Requested:

Your Board is requested to approve the attached budget revision to capitalize thirteen vehicles acquired through lease purchase in the amount not-to-exceed \$350,000. The Master Fixed Asset List and the offsetting revenue need to be updated in order to capitalize the leased vehicles approved by your Board in FY 2006/2007. Delivery of the vehicles did not occur until FY 2007/2008. The vehicles could not be capitalized until they were received.

Background:

Your Board approved the lease-purchase of thirteen vehicles as part of the expenditures approved in FY 2006/2007 in the amount of \$336,000 and \$28,000 for a total of \$364,000. Twelve were for patrol and one for the South Placer Courthouse. The actual capitalized cost of the vehicles is \$350,000. Because these are acquired via a lease purchase where the vehicle is owned by the County at the end of the term, the vehicles are capitalized when received with the fixed asset approved as part of the budget approval process. This was done in FY 2006/2007. The bid and documents to lease the vehicles was completed in FY 2006/2007. However, the vehicles were not delivered until FY 2007/2008. Per the Auditor, lease purchase vehicles cannot be capitalized until the vehicle is actually received. Although the lease payments for these vehicles were included in the budget, the vehicles were not carried over on the fixed asset list or offsetting revenue. This is an accounting process to book and capitalize the asset but has no net affect to the budget. Your approval to add these vehicles to the Master Fixed Asset List and the related budget revision to capitalize the vehicles in an amount not-to-exceed \$350,000 is requested.

Fiscal Impact:

There is no impact to the General Fund. No additional funds are being requested. The increased appropriation in fixed assets for the leased vehicles added will be offset by the revenue account established to properly capitalize these costs.

