

AGENDA ITEM 1 C  
Consent Item

**MEMORANDUM**

**DATE:** April 6, 2017  
**TO:** El Dorado County Transit Authority  
**FROM:** Julie Petersen, Fiscal Administration Manager  
**SUBJECT:** Increase Threshold for Capitalization of Equipment

**REQUESTED ACTION:**

**BY MOTION,**

**Threshold for Capitalization of Equipment at \$1,000**

**BACKGROUND**

The El Dorado County Transit Authority (El Dorado Transit) was formed on November 4, 1993 as a Joint Exercise of Powers Agreement (JPA) between the County of El Dorado and the City of Placerville. As a JPA El Dorado Transit is required to follow the State Controller's Accounting Standard for Special Districts.

**DISCUSSION**

Under the State Controller's Uniform System of Accounts for Public Transit Operators; Appendix B of General Fixed Assets Accounting for California Special Districts states: *Definitions: Equipment: "Relatively permanent" is defined as a useful life of one year or longer. "Significant Value" is defined as a minimum of \$100 to \$1,000 as establishment by the fiscal officer of the district.*

The current threshold level for the capitalization of equipment established in 1993 is \$500.

Staff recommends the Board approve this threshold at \$1,000.

**FISCAL IMPACT**

None