

Priority: Accountability

Lead Agency: Non-Departmental - All

Program Offer Type: Existing Operating

Program Contact: Mark Campbell

Related Programs:

Program Characteristics: One-Time-Only Request

Executive Summary

This program offer closes the Capital Acquisition Fund, a capital fund that has been used to account for purchases of capital equipment. A recent Government Accounting Standards Board statement (GASB 54) limits the County's ability to reserve funds for future purchases of capital equipment. Dispersing the remaining balance in the fund during FY 2010 will ensure our ability to close out the fund prior to FY 2011, when GASB 54 goes into effect. Funds remaining will be transferred to the Data Processing Fund for District Attorney IT equipment; and to the Facilities Fund for capital items required for "re-stacking" tenants in County facilities.

Program Description

The Capital Acquisition Fund has served as a "savings account" for departments to use for accumulating funds for large pieces of capital equipment. In any given year, capital spending is difficult to accommodate in a department's operating budget, and this capital fund has proven useful for allowing the County to plan its capital purchases in an organized manner.

GASB 54 refines fund balance reporting and governmental fund type definitions. Its intent is to make financial reports more useful to readers by clarifying some and eliminating other restrictions on the use of fund balances. It is very likely that the County will no longer be able to use a general-purpose capital fund such as the Capital Acquisition Fund to set aside funds for future, yet-to-be determined capital purchases. Closing this fund in FY 2010 allows the County a year to understand and implement the new GASB statement properly.

Program Justification

Staying current with accounting standards is a key means of demonstrating fiscal prudence.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output		0	0	0	0
Outcome		0	0	0	0

Performance Measure - Description

Legal/Contractual Obligation

The new accounting standard does not take effect until July 1, 2010. The County's external auditors, however, have encouraged us to begin implementation immediately so that we can have an orderly transition to the new standard.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2009	2009	2010	2010
Program Expenses				
Cash Transfer	\$0	\$0	\$0	\$557,400
Subtotal: Direct Exps:	\$0	\$0	\$0	\$557,400
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$0	\$0
Total GF/non-GF:	\$0	\$0	\$0	\$557,400
Program Total:	\$0		\$557,400	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Fees, Permits & Charges	\$0	\$0	\$0	\$17,400
Other / Miscellaneous	\$0	\$0	\$0	\$540,000
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$0	\$0	\$557,400

Explanation of Revenues

Fund revenues consist of service reimbursements paid by departments for specific capital equipment purchases. Remaining revenues consist of interest earnings and fund balances carried forward from previous fiscal years.

Significant Program Changes

Last year this program was:

This is a one-time-only program for FY 2010.