

item # 4-3B

**City of Carson City
Agenda Report**

Date Submitted: February 12, 2008

Agenda Date Requested: February 21, 2008

Time Requested: Consent Agenda

To: Mayor and Supervisors

From: Finance Department

Subject Title: Action to allow the Finance Department to delete fixed assets from the Enterprise Funds Fixed Asset Listing for fiscal year 2006-2007

Staff Summary: The Finance Department, in concurrence with our auditors, Kafoury, Armstrong & Co. request that they be allowed to delete from the Water Fund net book value of \$142,347.00 out of \$79,205,536.00 and Sewer Fund net book value of \$139,219.71 out of \$106,471,214.00 of total assets.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (Specify)

Does this action require a Business Impact Statement: () Yes (X) No

Recommended Board Action: I move to allow the Finance Department to delete fixed assets from the Enterprise Funds Fixed Asset Listing for Fiscal Year 2006-2007.

Explanation for Recommended Board Action: Each year it is the responsibility of the Finance Department to delete any fixed assets from their respective funds that have become obsolete or worn out, and after the annual audit has been performed.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 332.185 and Generally Accepted Accounting Principles.

Fiscal Impact: \$281,566.71 deleted out of \$197,149,726.00 of total assets.

Explanation of Impact: Net effect on operating income of \$281,566.71.

Funding Source: N/A

Alternatives:

- 1) Leave fixed asset listings as it is now.
- 2) Modify fixed asset listings.

Supporting Material: Detailed list of items being deleted totaling \$281,566.71

Prepared by: Deborah Devall

Reviewed by:

(Department Head)

(City Manager)

(District Attorney)

(Finance Director)

Date:

2-12-08

Date:

2/14/08

Date:

2-12-08

Date:

2-12-08

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

ENTERPRISE FUND FIXED ASSETS
DELETION RECAP 6-30-07

1. SALVAGED/JUNKED

\$281,566.71

GRAND TOTAL

\$281,566.71

FIXED ASSETS THAT NEED TO BE
REMOVED FROM LISTING FOR VARIOUS REASONS
WATER DEPARTMENT

Description	Asset #	Date Acqrd	Initial Cost	Salvage Value	Accum Depr	Book Value	Reason
2006 LAKEVIEW/TIMBERLINE IMPROVEMENTS	910588	Jun-07	1,249.75	0.00	0.00	0.00	CREDIT FOR PREVIOUS FY WIP
CONTRIBUTED WATER LINES FY 84-85	903073	Jun-85	245,426.00	0.00	103,079.00	142,347.00	SALVAGED/JUNKED
			246,675.75	0.00	103,079.00	142,347.00	

Although the initial cost was \$246,675.75, all we request to be removed from the fixed assets is \$142,347.00, which is the current value per books.

Water lines Abandonment
FY 2007 Deletions

Water Lines	Abandonment Lines (feet)	FY 07 Replacement Cost/sq foot	(1985/2007)			Estimated Historical Cost (F X E)	Cost to be Depreciated over 50 Years	Years of Accumulated Depreciation @ 6/30/2006	Total Accumulated Depreciation @ 6/30/06
			FY 07 Replacement Cost (B X C)	Deflation Factor (yr of acq index/ current yr index)	*				
10" Line	1195	75.98	90,796	0.4204		38,175	763	21	16,033
12" Line	1943	86.53	168,128	0.4204		70,689	1,414	21	29,689
16" Line	3419	95.00	324,805	0.4204		136,563	2,731	21	57,356
			583,729			245,426	4,909		103,079
1985 Water Line Addition									
						288,533	# 903,073		121,184
Remaining Balance									
						43,107			18,105

FIXED ASSETS THAT NEED TO BE
REMOVED FROM LISTING FOR VARIOUS REASONS
SEWER DEPARTMENT

Description	Asset #	Date Acqrd	Initial Cost	Salvage Value	Accum Depr	Book Value	Reason
CONTRIBUTED SEWER LINES FY 84-85	903071	Jun-85	195,408.28	0.00	82,071.57	113,336.71	SALVAGED/JUNKED
CONTRIBUTED SEWER LINES FY 85-86	903072	Jun-86	43,138.00	0.00	17,255.00	25,883.00	SALVAGED/JUNKED
			238,546.28	0.00	99,326.57	139,219.71	

Although the initial cost was \$238,546.28, all we request to be removed from the fixed assets is \$139,219.71, which is the current value per books.

Sewer lines Abandonment
FY 2007 Deletions

				(1985/2007)		*			
Water Lines	Abandonment Lines (feet)	FY 07 Replacement Cost/sq foot	FY 07 Replacement Cost (B X C)	Deflation Factor (yr of acq index/ current yr index)	Estimated Historical Cost (F X E)	Cost to be Depreciated over 50 Years	Years of Accumulated Depreciation @ 6/30/2006	Total Accumulated Depreciation @ 6/30/06	
8" Line	125	61.27	7,659	0.4204	3,220	64	21	1,352	
10" Line	1634	66.52	108,694	0.4204	45,700	914	21	19,194	1985
27" Line	2971	100.00	297,100	0.4204	124,914	2,498	21	52,464	
30" Line	1452	106.00	153,912	0.4204	21,574	431	21	9,061	
					43,138	863	20	17,255	1986
			567,364		238,546	4,771		99,326	
1985 Sewer Line Addition					195,408	# 903,071		82,072	
1986 Sewer Line Addition					186,918	# 903,072		74,767	
Remaining Balance					143,780			57,513	

Use same deflation factor

1986 sewer line

FIXED ASSETS THAT NEED TO BE
REMOVED FROM LISTING FOR VARIOUS REASONS
ORMSBY LANDFILL

Description	Asset #	Date Acqrd	Initial Cost	Salvage Value	Accum Depr	Book Value	Reason
1993 CATEPILLAR MDL 936F LOADER	907514	Nov-92	101,271.54	0.00	101,271.54	0.00	SALE
1995 FORD 4WD PICK UP #5308	908017	Jun-95	14,784.00		14,784.00	0.00	SALE
			116,055.54	0.00	116,055.54	0.00	

Items fully depreciated, no book value to record.

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Fixed Assets Disposed of During Selected Date Range by Location/Class (FADEB2)

Asset # Description	Class Loc Location Code # Description	Date Acq.	Initial Cost	Disp Date	Disposition Desc	Disp Auth	Accum. Depr.	Salvage Value	PAGE
908012 853 SKID STEER LOADER W/ATTACHMENTS	98 330 STREET DEPARTMENT	1995/06	41,554.00	2007/06	B TRADE-IN		41,554.00	.00	6
Class: 98									
TOTAL			83,182.36						
COUNT 2							66,531.04	.00	
Location: STREET DEPARTMENT									
TOTAL			89,374.28				69,626.99	.00	
COUNT 3									
908316 1995 GMC DUMP TRUCK W/FLOW UNIT #64	92 46 STREETS AUTOS/TRUCKS	1996/06	96,454.60	2007/06	C SALE		96,454.60	.00	
907488 1992 GMC DUMP TRK EX 11572 UNIT #601	46	1992/06	15,462.86	2007/06	C SALE		15,462.86	.00	
907804 1994 GMC DUMP TRUCK/SPREADER UNIT #6	46	1994/06	61,665.00	2007/06	C SALE		61,665.00	.00	
907803 1994 GMC DUMP TRUCK/SPREADER UNIT #6	46	1994/06	61,645.00	2007/06	C SALE		61,645.00	.00	
907783 1994 GMC TRUCK/SAND-SPREADER UNIT #6	46	1994/06	61,645.00	2007/06	C SALE		61,645.00	.00	
Class: 92									
TOTAL			296,872.46				296,872.46	.00	
COUNT 5									
Location: STREETS AUTOS/TRUCKS									
TOTAL			296,872.46				296,872.46	.00	
COUNT 5									
910263 2005 CHEVY BLAZER UNIT #2210	92 60 VEHICLE MOTOR POOL	2005/06	19,975.25	2007/06	C SALE		19,975.53	.00	
907926 1994 FORD TEMPO N925BYG UNIT 1124	60	1994/06	9,356.05	2007/06	C SALE		9,358.05	.00	
906201 1990 CHEV CAVALIER UNIT #1106	60	1990/06	8,221.30	2007/06	C SALE		8,221.30	.00	
Class: 92									
TOTAL			37,554.60				19,576.88	.00	
COUNT 3									
Location: VEHICLE MOTOR POOL									
TOTAL			37,554.60				19,576.88	.00	
COUNT 3									
906120 1990 CHEV CAVALIER UNIT #1102 - HARV	92 53 WATER MAINTENANCE AUTOS/TRUC		.00	2007/06	C SALE		.00	.00	
Class: 92									
TOTAL			.00				.00	.00	
COUNT 1									
Location: WATER MAINTENANCE AUTOS/TRUC									
TOTAL			.00				.00	.00	
COUNT 1									
FINAL TOTALS									
TOTAL			1,792,246.34				1,089,301.09	930.00	
COUNT 56									

910588 CREDIT RECEIVED FOR PREVIOUS FY ASSET

1249.75

1793.496.09