

SANTA FE COUNTY

RESOLUTION NO. 2007-82

A RESOLUTION FOR IMPLEMENTATION OF A GASB 34/35 POLICY & PROCEDURE

WHEREAS, Santa Fe County is requesting approval to implement a policy & procedure regarding the Government Accounting Standards Board (GASB) Statements No. 34 & 35.

WHEREAS, the attached policy specifies Santa Fe County's approach and implementation of GASB 34 and 35, and describes all processes that support these procedures.

WHEREAS, the requested policy & procedure will be implemented in correlation to the Fixed Assets and Inventory Exempt Items Policy & Procedure, in that it details asset types and useful lives with the addition of Capitalized Infrastructure.

WHEREAS, the requested policy & procedure describes Infrastructure to be Roadways, Bridges, Right-of-Ways, and Signage, and details costs and depreciation methods to be used for each.

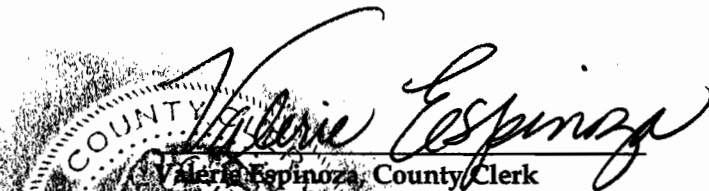
WHEREAS, the requested policy & procedure describes additional financial reporting requirements in accordance with GASB Statement No. 34.


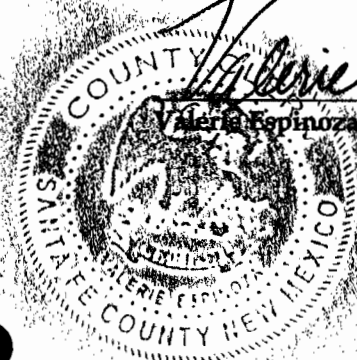
NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners of Santa Fe County that this Resolution to approve and implement the GASB 34/35 Implementation Policy & Procedure governed by the Government Accounting Standards Board, is hereby adopted.

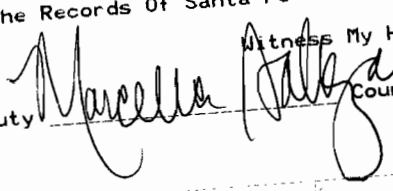
APPROVED, ADOPTED AND PASSED this 29th day of May 2007.

BOARD OF COUNTY COMMISSIONERS


Virginia Vigil, Chairman


Valerie Espinoza, County Clerk

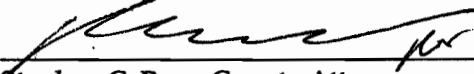


COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss
I Hereby Certify That This Instrument Was Filed for
Record On The 30TH Day Of May, A.D., 2007 at 14:09
And Was Duly Recorded as Instrument # 1485322
Of The Records Of Santa Fe County
Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM
Deputy 

BCC RESOLUTIONS
PAGES: 7

SFC CLERK RECORDED 05/31/2007

Approved As To Form


for Stephen C. Ross
Stephen C. Ross, County Attorney

Finance Department Approval


Teresa C. Martinez, Finance Director

SFC CLERK RECORDED 05/20/2007

**FINANCE DEPARTMENT
ACCOUNTING SECTION**

PROCEDURE NO.: _____ COUNTY WIDE

TITLE: **GASB 34/35 IMPLEMENTATION**

EFFECTIVE DATE: _____ APPROVED BY: _____

I. Purpose:

To specify Santa Fe County's approach and implementation of GASB 34 and 35. To also specify future calculation and recording of infrastructure assets based on actual costs.

II. Applicability:

This procedure applies to the staff of the Finance Department and County departments dealing with infrastructure assets.

III. Scope:

This procedure provides a working definition of all terms related to the implementation of GASB 34 and 35, and describes all required processes that support these procedures.

IV. Specific Steps and Requirements

A. General

1. Capital assets shall be recorded at their historical/original cost.
2. Donations will be reported at fair market value at the time of donation.
3. Santa Fe County has complete fixed asset records for capital assets including acquisition date and cost, asset lives, and accumulated depreciation.
4. Santa Fe County capital assets include:
 - a. Buildings and Structures
 - b. Equipment and Machinery
 - c. Vehicles and Heavy Equipment
 - d. Furniture and Fixtures
 - e. Trails and paths
 - f. Land Acquisitions

SFC CLERK RECORDED 05/30/2007

5. Santa Fe County's asset base will also consist of all existing general infrastructure assets that were acquired, renovated, restored, or improved in fiscal years ending after June 30, 1980.
6. Infrastructure assets shall be reported at an estimated cost based on a Road Condition and Improvement Plan completed by Oden Miller & Associates, (2003).
7. Costs shall include the total cost of construction, addition and improvement necessary to place the asset into its intended condition for use.

B. Depreciation method

1. Straight-line method of depreciation.
2. Useful Life Schedule

| <u>Expenditure</u> <u>Line Item</u> <u>No.</u> | <u>Depreciation</u> <u>Expense</u> <u>Acct No.</u> | <u>Asset Type</u> | <u>Useful</u> <u>Life (in</u> <u>years)</u> |
|--|--|---|---|
| 8001 | 8201 | Buildings & Structures | 40 |
| 8001 | 8201 | Buildings, Storage | 7 |
| 8001 | 8201 | Mobile Buildings | 10 |
| 8003 | 8203 | Equipment & Machinery, Office | 3 |
| 8003 | 8203 | Equipment & Machinery, Office-Heavy (Voting Machines, etc.) | 5 |
| 8003 | 8203 | Equipment & Machinery, Heavy (wastewater flow meter system, etc.) | 7 |
| 8003 | 8203 | Equipment, Light (snowplows, power tools, generators, etc.) | 5 |
| 8003 | 8203 | Equipment, Exercise | 5 |
| 8003 | 8203 | Equipment, Kitchen | 7 |
| 8003 | 8203 | Equipment, Trash/Recycling Containers | 7 |
| 8003 | 8203 | Equipment, Ortho | 10 |
| 8004 | 8204 | Furniture & Fixtures | 5 |
| 8009 | 8209 | Heavy Trucks, Equipment (includes Fire vehicles) | 10 |
| 8009 | 8203 | Vehicles/Equipment (off road) (graders, tractors, trailers, etc.) | 10 |
| 8009 | 8209 | Solid Waste Trucks | 4 |
| 8009 | 8209 | Vehicles (on road) | 5 |
| 8013 | 8213 | Capitalized Infrastructure (Utility systems, sewer lines, etc.) | 25 |
| 8015 | 8203 | Computers & Peripherals | 3 |
| 8017 | 8217 | Equipment, Dental & Medical | 7 |

3. Depreciation of Enterprise Fund assets will be completed via the fixed assets module. Documentation on file to support the accumulated depreciation calculations for prior years through the current fiscal year.
4. Depreciation of General Fixed Assets Account Group (GFAAG) assets will be completed as a manual entry to the financial statements. Documentation on file to support the accumulated depreciation calculations for prior years through the current fiscal year.
5. Calculation of depreciation will commence on the month of acquisition.
6. Assets will be depreciated on a yearly basis until completely depreciated (with no salvage value), disposed of or transferred.

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C. Capital Assets

1. Santa Fe County has a fixed assets database that contains information for all county capital assets. In preparing for GASB34/35 implementation, Santa Fe County reviewed the database and completed the following:
 - a. Removed older assets with an acquisition value less than \$1,000.
 - b. Calculated accumulated depreciation for the general fixed asset account group from acquisition date through June 30, 2003.
 - c. Prepared Enterprise Fund assets for system compliance to allow for the automatic depreciation calculation.
 - d. Entered missing data in the required fields.
 - e. Identified transfers of assets between the general fixed asset account group and enterprise funds.

V. Infrastructure

A. Roadways

1. Santa Fe County has an inventory of all roads located in the County, which has been approved by the Board of County Commissioners and the New Mexico Transportation Department.
2. Santa Fe County will categorize roads by surface type, and are defined as follows:

Rural Type Roads:

- a. Base course – Crushed material including aggregate and fines
- b. Chip Seal – Crushed rock surface with an oil adhesive
- c. Cold Millings – Recycled PMBP (PMBP – mixture of bituminous material, aggregate, blending sand, mineral filler and hydrated lime)
- d. Asphalt – PMBP

Urban Type Roads:

- e. Asphalt – PMBP
- f. Asphalt/Curb & Gutter – PMBP with concrete curb and gutter
- g. Asphalt/Curb & Gutter/Sidewalk - PMBP with concrete curb, gutter and sidewalk

3. Santa Fe County has established an average 30-year life cycle of a road in an effort to distinguish between maintenance and improvement.
4. Based on actual cost records maintained by the Santa Fe County Public Works Department via a Plan conducted by Oden Miller & Associates, Santa Fe County has determined the following costs per mile by road surface type:
 - a. Base course - \$ 50,000 per mile
 - b. Paving (asphalt) - \$225,000 per mile

- c. Repaving - \$125,000 per mile
 - d. Paving (cold millings) - \$ 60,000 per mile
 - e. Chip Seal - \$ 75,000 per mile
5. For all roads constructed by the county, the above cost per mile breakdown will be used to determine the estimated cost of the road. Santa Fe County will then deflate that estimated cost back to the acquisition date or last improvement date.
6. Santa Fe County adopted the following assumptions in determining the year of acquisition and/or construction:
- a. 1963 – for roads without acquisition/construction date and appearing on the NM State Transportation Department’s 1963 Road Inventory.
 - b. 1966 – for roads without acquisition/construction date and appearing on the NM State Transportation Department’s 1966 Road Inventory.
 - c. 1981 – for roads designated as more than 10 years old based on the Public Works Department staff knowledge and history.
 - d. 1991 – for roads designated as more that 5 years old based on the Public Works Department staff knowledge and history. (1991 is also the first year that Santa Fe County issued bonds for road construction, improvements, etc.).

B. Bridges

- 1. Santa Fe County constructed a bridge on Bone Yard Road (CR 91A) in 1996 at a cost of \$1,000,000. For those roads acquired from the State containing bridges, the County will use an average cost of \$45 per square foot (concrete, wood, etc.) for current inventory value.
- 2. Based on costs stated from the New Mexico Transportation and Highway Department, bridge replacement will be calculated at a cost of \$65-\$85 per square foot.
- 3. Santa Fe County established a 30- year life for bridges.
- 4. Culverts will not be included in the Santa Fe County capital asset infrastructure.

C. Right-of-Ways

The Santa Fe County Assessor’s Department utilizing the following assumptions made Right-of-Ways valuations.

- 1. Based on the Marshall & Swift 1999 valuation - road type, length and width of an asphalt road will be calculated at a cost price of \$1.77 per square foot.
- 2. Chip Seal surface type is one-third the value of asphalt and is equal to a road cost price of \$0.59 per square foot.

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3. A road easement value with 13' fill slope based on the value of the surrounding comparable residential properties' land values.
4. Assumption that right-of-ways are residential minimum use roads.

D. **Easements**

Santa Fe County will not include easements as part of capital assets given that the County does not have ownership of the underlying property, the owners pay property tax on the easements and most of the easements are prescriptive or acquired many years ago. Considering the above factors, the value of the easements should be immaterial and, therefore not considered as infrastructure capital assets.

E. **Signage**

Santa Fe County will not include signage in the infrastructure capital assets. A total of \$40,000 is budgeted annually for signage, mainly for materials. The amount budgeted is immaterial relative to total fixed assets value.

F. **General**

Santa Fe County has established a \$250,000 threshold to distinguish between improvements versus maintenance.

VI. **Financial Reporting**

GASB Statement 34 establishes that the basic financial statements and required supplementary information for general purpose governments will consist of:

1. Management's Discussion and Analysis
2. Basic Financial Statements –
 - a. Government Wide Statements using the economic resources measurement focus and accrual basis of accounting.
 - b. Fund Financial Statements consisting of a series of statements that provide information about the government's major and nonmajor governmental and enterprise funds.
 - i. Governmental fund financial statements – including the general fund, and special revenue, debt service, and capital project funds will be prepared using the current financial resources measurement focus and modified accrual basis of accounting.
 - ii. Proprietary fund financial statements – including enterprise funds, will be prepared using the economic resources measurement focus and the accrual basis of accounting.
3. Required Supplementary Information