

TORRANCE COUNTY
RESOLUTION NO. 2024 - 41

**A RESOLUTION AMENDING THE TORRANCE COUNTY
FINANCE AND PURCHASING POLICY TO ESTABLISH
REQUIREMENTS FOR THE CAPITALIZATION OF ASSETS
THAT ARE SIGNIFICANT IN THE AGGREGATE**

WHEREAS, Torrance County finance and purchasing practices must comply with the Torrance County Finance and Purchasing Policy (“Policy”);

WHEREAS, Section V of the Policy discusses Torrance County financial policies related to capital assets; and

WHEREAS, in May of 2021, the Governmental Accounting Standards Board (“GASB”) published Implementation Guidance Update – 2021 (“2021 GASB Guidance”); and

WHEREAS, the 2021 GASB Guidance clarified the capitalization requirements for capital assets that are significant in the aggregate; and

WHEREAS, local governments within the State of New Mexico are required update their capital assets policies to address capital assets that are significant in the aggregate; and

WHEREAS, the County is requesting amendment to Section V of the Policy to establish language that conforms to the 2021 GASB Guidance and is consistent with the capital asset policy adopted by the New Mexico Department of Finance and Administration.

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Torrance County amends the Torrance County Finance and Purchasing Policy, inserting Section 5.1.6 which shall read:

“5.1.6 - Pursuant to GASB Implementation Guide No. 2021-1, assets should be capitalized if the aggregate acquisition cost is deemed significant at the time of purchase, even if the individual cost falls below the state’s threshold of \$5,000. Beginning with fiscal year 2024, the significant threshold related to aggregate capital asset acquisition for Torrance County is \$200,000. If a similar grouping of capital asset acquisitions exceeds this amount in total at the time of purchase, the acquisition should be capitalized. (For example, if the County acquires 100 computers at a cost of \$2,500 each, the aggregate value would be \$250,000 and would need to be capitalized.)

PASSED, APPROVED, AND ADOPTED THIS 11 DAY OF December, 2024.

BOARD OF COUNTY COMMISSIONERS OF TORRANCE COUNTY:



Ryan Schwebach, Chair, District 2



Kevin McCall, Vice Chair, District 1



Samuel Schropp, Member, District 3

ATTEST:



Linda Jaramillo, Torrance County Clerk

12/11/24
Date



APPROVED AS TO FORM:



Michael Garcia, Torrance County Attorney