

Sacramento Suburban Water District

Impaired Capital Asset Policy

Adopted: July 16, 2007
Amended: August 15, 2011

100.00 Purpose of the Policy

To implement the requirements of GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries” (GASB 42).

200.00 Policy

The District will implement procedures to conform to the requirements of GASB 42.

GASB 42 established accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly.

300.00 Capital Asset Impairment Evaluation

The requirements of GASB 42 only apply to capital assets with material carrying values. If the District has material capital assets that are impaired or potentially impaired, a determination needs to be made as to whether the impairment loss should be reported and disclosed.

400.00 Policy Review

This policy shall be reviewed at least biennially.