

Sacramento Suburban Water District

## **Impaired Capital Asset Policy**

Adopted: July 16, 2007

Ratified without changes: July 15, 2019

---

### **100.00 Purpose of the Policy**

To implement the requirements of Governmental Accounting Standards Board (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 (design capacity or capability) 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.