

Amador Water Agency

Impaired Capital Asset Policy

Reviewed and Adopted

09-10-20

100.00 Purpose of the Policy

To implement the requirements of Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries."

200.00 Policy

The Agency will implement procedures to conform to the requirements of GASB.

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

400.00 Policy Review

This policy shall be reviewed at least every two years.