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FAF to Conduct Post-Implementation Review of GASB Standard on Impairment of Capital Assets.

Norwalk, CT, July 17, 2013—The Financial Accounting Foundation (FAF) today announced that it will conduct a Post-Implementation Review (PIR) of an accounting and financial reporting standard for state and local governments regarding the impairment of capital assets and insurance recoveries.

Issued in 2003, Governmental Accounting Standards Board (GASB) Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, <http://www.gasb.org/cs/BlobServer?blobkey=id&blobwhere=1175824062940&blobheader=application%2Fpdf&blobcol=urldata&blobtable=MungoBlobs> establishes measurement guidance for capital asset impairments and requires governments to report the effects of those impairments when they occur, rather than as a part of the ongoing depreciation expense for the capital asset or upon disposal of the capital asset. It also provides uniform reporting guidance for insurance recoveries of state and local governments.

Stakeholders who would like the opportunity to participate in PIR surveys on GASB Statement 42, conducted by an independent survey firm on behalf of the FAF, should register online. <http://www.accountingfoundation.org/cs/ContentServer?c=Page&pagename=Foundation%2FPage%2FFAFSectionPage&cid=1176159648816>

The PIR team recently completed its review of GASB Statements No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, <http://www.gasb.org/cs/BlobServer?blobkey=id&blobwhere=1175824062544&blobheader=application%2Fpdf&blobcol=urldata&blobtable=MungoBlobs> and No. 30, Risk Financing Omnibus, <http://www.gasb.org/cs/BlobServer?blobkey=id&blobwhere=1175824063444&blobheader=application%2Fpdf&blobcol=urldata&blobtable=MungoBlobs> which establish accounting and financial reporting standards for risk financing and insurance-related activities of state and local governments, including public risk pools. The FAF expects to issue the review report in August.