Attachment 1

ASSET IMPAIRMENT DECISION PROCESS

Prominent event or change in circumstance affecting a capital asset

Evidence of physical damage  Enactment or approval of laws or regulations or other changes in environmental factors  Technological development or evidence of obsolescence  Change in manner or duration of use  Construction stoppage

Is the magnitude of the event significant?

No

Event is not impairment. Reevaluate remaining estimated useful life and salvage value.

Yes

Is the decline in service utility unexpected?

No

Event is not impairment. Reevaluate remaining estimated useful life and salvage value.

Yes

Asset is impaired.

Is evidence of temporary nature of impairment unavailable?

No

Disclose if asset is idle.

Yes

Will the asset continue to be used by the government?

No

Write down to lower of carrying value or fair value.

Yes

Measure impairment. (See next page.)