



STATE CONTROLLER'S BULLETIN

Edward Karass
State Controller

Rebecca M. Wyke, Commissioner
Administrative & Financial Services

Bulletin #FY06-14

SUBJECT: Governmental Accounting Standards Board (GASB) Statement Number 42 – Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries

DATE: June 28, 2006

TO: All Departments and Agencies

FROM: Edward A. Karass, State Controller

The State must implement GASB Statement No. 42, for the reporting period ending June 30, 2006. This statement establishes guidance for the accounting and reporting for the impairment of capital assets and insurance recoveries. Information on how to implement this statement is provided in the attached document.

Agencies must provide financial information on impaired capital assets to the Office of the State Controller's Financial Reporting Team as part of their FY 2006 GAAP Closing Package reporting. This information is due no later than September 1, 2006. However, if you believe that your agency may have a capital asset impairment to report, please contact a member of the financial reporting team as soon as possible, so that we can assist in determining the best method of accounting and reporting for the impairment.