Cash and cash equivalents

The Company considers cash and cash equivalents to include cash on hand, deposits with banks and all highly liquid investments with an original maturity of three months or less.

Inventories

Inventory is stated at the lower of cost or net realizable value. Cost is determined principally using a weighted-average method for the Energy segment and the first-in-first-out (FIFO) method for the Metal Coatings segment. The Company periodically evaluates inventories for excess quantities and obsolescence based on forecasted demand within specific time horizons, technological obsolescence, and an assessment of any inventory that is not in sellable condition, and establishes reserves for obsolescence until inventories are formally disposed of, then the Company writes-down disposed inventories.

Property, plant and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings and structures	10-25 years
Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years
Automotive equipment	3 years
Computers and software	3-7 years

Repairs and maintenance are charged to expense as incurred; renewals and betterments that significantly extend the useful life of the asset are capitalized.

Amortizable Intangible and Long-lived assets

Purchased intangible assets on the consolidated balance sheets are comprised of customer relationships, backlogs, engineering drawings and non-compete agreements. Such intangible assets (excluding indefinite-lived intangible assets) are amortized on a straight-line basis over the estimated useful lives of the assets ranging from two to nineteen years. The Company records impairment losses on long-lived assets, including identifiable intangible assets, when events and circumstances indicate that the assets might be impaired and the undiscounted projected cash flows associated with those assets are less than their carrying amount. In those situations, impairment loss on a long-lived asset is measured based on the excess of the carrying amount of the asset over the asset’s fair value, which is determined using Level 3 fair value inputs. For fiscal year 2020, 2019 and 2018 the Company recorded impairment losses of $9.2 million, $0.8 million and $10.8 million respectively, related to the impairment of certain property, plant and equipment and other intangible assets. See note 5 for more information about the impairment charges.

Goodwill and Other Indefinite-Lived Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in a business combination. Goodwill is not subject to amortization but is subject to an annual impairment test during December of each fiscal year, or earlier if indicators of potential impairment exist. Goodwill is tested for impairment at the reporting unit level. A reporting unit is an operating segment or a component of an operating segment. The test is calculated using an income approach and market approach, which are Level 3 fair value inputs. Based on the results of its analysis, the Company determines whether an impairment may exist. A significant change in projected cash flows or cost of capital for future years could result in an impairment of goodwill in future years. Variables impacting future cash flows include, but are not limited to, the level of customer demand for and response to products and services we offer to the power generation market, the electrical transmission and distribution markets, the general industrial market and the hot dip galvanizing market; changes in economic conditions of these various markets; raw material and natural gas costs and availability of experienced labor and management to implement our growth strategies. For fiscal years 2020, 2019 and 2018 no goodwill impairment loss was recorded. See note 8 for information about the goodwill write-off related to the divestiture of the nuclear logistics business.

Other indefinite-lived intangible assets consist of certain tradenames acquired as part prior acquisitions. The Company tests the carrying value of these tradenames during December of each fiscal year, or more frequently when an event occurs or circumstances change that indicates the carrying value may not be recoverable by comparing the asset's fair value to its carrying value. Fair value, using Level 3 inputs, is measured using a relief-from-royalty approach, which assumes the fair value of the