

Purpose: To determine the reporting status of the entity under consideration (SWWR SWAT) in relation to the primary government (City of Vancouver)

Conclusion: Based on our understanding below, we determined that the entity under consideration is:

Part of the Primary Government	YES
Undivided Interest (Joint Operation)	
Joint Venture with Equity Interest	
Joint Venture with no equity interest	
Discretely Presented Component Unit	
Blended Component Unit	
Jointly Governed Organization	
Related Organization	
Only a Related Party	
Separate entity not subject to any reporting requirements	

Step	Assessment Step	Determination	Instructions	Criteria	Auditor's Notes
1	Is the entity under consideration legally separate from the primary government?	NO	If YES: go to step 3 If NO: go to step 2	GASB 14 par 15, 2013-2014 GASB Comprehensive Implementation Guide 4.8	This is specifically stated in the SWAT agreement.
2	Does the primary government hold the corporate powers of the entire entity under consideration?	NO	If YES: done If NO: go to step 14	GASB 14, par 15	The City passes a budget for the entity and manages the finances but cannot make unilateral decisions for the entity.
3	Does the primary government have or appoint a voting majority of the board (or have ultimate judgment in appointing executive management if no board exists) of the entity under consideration?	N/A	If YES: go to step 5 If NO: go to step 4	GASB 14, par 22-24	
4	Is the entity under consideration fiscally dependent upon the primary government, as evidenced by any one of the following factors: (1) the primary government determines or has the substantive authority to approve or modify the budget of the entity under consideration, (2) the entity under consideration is not able to set rates and charges without substantive approval from the primary government, or (3) the entity under consideration is not able to issue bonded debt without the substantive approval of the primary government.	N/A	If YES: go to step 5 If NO: go to step 7	GASB 14, par 21b	
5	Does the entity under consideration provide specific financial benefits to the primary government?	N/A	If YES: go to step 10 If NO: go to step 6	GASB 14, par 27-33	
6	Does the entity under consideration impose specific financial burdens on the primary government?	N/A	If YES: go to step 10 If NO: go to step 9	GASB 14, par 27-33	
7	Is the entity a tax-exempt organization that meets all of the following three criteria: (1) economic resources received or held are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents, (2) the primary government is entitled to or has the ability to access a majority of the resources received or held by the separate organization and (3) the resources received or held by the organization are significant to the primary government	N/A	If YES: done If NO: go to step 8	GASB 39, par 5	
8	Did the primary government determine it be misleading to exclude the entity under consideration because of its relationship with the primary government?	N/A	If YES: go to step 10 If NO: go to step 14	GASB 61 par 4c	
9	Is the primary government able to impose its will on the entity under consideration?	N/A	If YES: go to step 10 If NO: done	GASB 14, par 25-26	
10	Are the two boards (or executive management, if no board exists) substantially the same?	N/A	If YES: done or step 11 depending on steps 5 & 6 If NO: go to step 12	GASB 14, par 53	
11	Does management of the primary government has operational responsibility for the entity under consideration?	N/A	If YES: done If NO: go to step 12	GASB 61, par 8	
12	Does the entity under consideration provide services or benefits almost entirely to the primary government?	N/A	If YES: done If NO: go to step 13	GASB 61, par 8	
13	Are the liabilities of the entity under consideration expected to be repaid almost entirely by the primary government?	N/A	If YES: done If NO: done	GASB 61, par 8	
14	Is the arrangement a "cost-sharing project" or "joint purchasing agreement" or a multi-employer PERS?	NO	If YES: done If NO: go to step 15	GASB 14, par 81	No.
15	Does the primary government participate in the joint control of the operations of the entity under consideration?	YES	If YES: step 16 or 17 depending on step 1 If NO: go to step 19	GASB 14, par 69	Yes, the City is responsible for budgeting and managing finances, however the operations are subject to joint control between the City and County.
16	Is the title to assets (if any) and obligations for liabilities (if any) held by or identifiable to individual members of the arrangement, but governance of the resources and obligations subject to joint control via contract?	NO	If YES: done If NO: done	GASB 14, par 80	Although some assets are identifiable, other assets are jointly owned and are not specifically split between the agencies. Currently, in order to split the assets, the City and County would have to perform an analysis to determine an equitable method for dividing the assets. This method is not already written into a contract, nor is the way to divide jointly owned assets, which makes this appear to NOT be an undivided interest. If it were an undivided interest, the City and County would already be able to identify exactly who the assets belong to.
17	Does the primary government retain an ongoing financial responsibility for the entity under consideration?	N/A	If YES: go to step 19 If NO: go to step 18	GASB 14, par 69-71	
18	Does the primary government retain an ongoing financial interest in the entity under consideration?	N/A	If YES: go to step 19 If NO: done	GASB 14, par 69-71	
19	Does the primary government have an equity interest (an explicit, measurable right to the net resources of a joint venture)?	N/A	If YES: done If NO: done	GASB 14, par 72	
20	Does the primary government have the ability to significantly influence the policies of the entity under consideration or vice versa or does another party have the ability to significantly influence both the primary government and the entity under consideration?	N/A	If YES: done If NO: done	GASB 62, par 57	