

REPORTING

Note X - Other Disclosures

INSTRUCTIONS TO PREPARER

Disclose any additional information that are essential to a user's understanding of the financial statements, for example:

- Corrections of material errors in previous years. A disclosure should be made describing any significant transactions recorded as prior year(s) corrections in the BARS account 3880000 or 5880000.
- If there was a violation of finance-related legal or contractual provisions the city/county/district should disclose both the description of the violation(s) and the action(s) taken to address the violation(s).
- Significant transactions with related parties. These disclosures are required for any transactions with related parties, other than normal transactions conducted in the ordinary course of operations (such as compensation of employees or licensing or permitting for other governments). When evaluating the necessity of a disclosure, governments should consider both the form and substance of the transaction.

Related parties include:

- ❖ A government's related organizations, joint ventures, and jointly governed organizations
- ❖ Elected and appointed officials of the government, executive management and immediate family members of officials and executive managers
- ❖ Other parties that the government can significantly influence
- ❖ Other parties that can significantly influence the government
- ❖ Other parties that are under the influence of a related party to the government

Disclosure should include:

- a. The nature of the relationship(s) involved.
- b. A description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which financial statements are presented, and such other information deemed necessary to gain an understanding of the effects of the transactions on the financial statements.
- c. The dollar amounts of transactions for each of the periods for which financial statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period.
- d. Amounts due from or to related parties as of the date of each statement of net position presented and, if not otherwise apparent, the terms and manner of settlement.

This disclosure could be appropriately combined with other information in other notes, such as a joint venture note or reporting entity note.

- Extraordinary events with a significant effect on reported cash transactions. The disclosure should describe the event and its impact on cash transactions. Extraordinary means both unusual

in nature (possessing a high degree of abnormality and clearly unrelated to, or only incidentally related to the ordinary and typical activities of the entity) and infrequent in occurrence (not reasonably expected to recur in the foreseeable future). For example, this may include a natural disaster, discontinuance of a major program or merger with another government.

- Contingencies and litigations.
- Self insurance. If the city/county/district retained any risk, it should specifically describe the retained risk.
- Subsequent events occurring after the end of period but before issuance of the statements that are essential to a user’s understanding of the financial statements (e.g., issuance of new debt, discontinuation or divestiture of major operations, settlement of major litigation, or an extraordinary event occurring after the end of the period).
- Component units or joint ventures. Component units and joint ventures are any legally separate organization that the government either controls (e.g., because it appoints a voting majority of the board) or holds an ongoing financial interest (e.g., equity interest) or has an ongoing financial responsibility (e.g., government is obligated in some manner for the debts of the organization). The notes should describe the venture and the nature of the relationship with the government.
- Conditions and plans in the event there is substantial doubt about the government’s ability to continue as a going concern for a reasonable period of time. If there is substantial doubt, disclosure should be made of the following:
 - a. Conditions and events giving rise to the substantial doubt
 - b. Possible effects of such conditions or events
 - c. Government officials’ plans
- Significant commitments or obligations which impose restrictions on the future use of financial resources that are not already disclosed in other sections (e.g., OPEB, pollution remediation, construction and other contracts, etc.).

OPEB

The (city/county/district) has a commitment to pay for post employment benefits for employees that belong to (list groups, i.e. LEOFF1, PEBB, etc.). These benefits include (list benefits, i.e. medical, vision, nursing care, etc.). (Number) retirees received benefits during the year and (amount) was paid out for those benefits during the year.

Construction Commitment

The (city/county/district) has active construction projects as of December 31, 20__. The projects include: _____.

At year-end the district’s commitments with contractors are as follows: [1]

Project	Spent to Date	Remaining Commitment
	\$	\$
	\$	\$

(Of the committed balance of \$_____ the (city/county/district) will be required to raise \$_____ in future financing.)

[1] Describe the financing arrangements for each project

Pollution Remediation

List clean-up site(s) and type of contamination. Examples:

The (city/county/district's) airport was found to have pesticide residue from previous agricultural activities.

The (city/county/district) has ground contaminated with oil from oil storage tanks.

List clean-up action(s). Examples:

The (city/county/district) is working with the Washington State Department of Ecology to clean up the site.

No clean-up action is required at this time.

List amount, if any, paid during the year for clean-up.

- Any other items you may consider significant.