

**Purpose:** To determine the reporting status of the entity under consideration (Council for the Homeless) 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                            |            |
| Undivided Interest (Joint Operation)                      |            |
| <b>Joint Venture</b>                                      | <b>YES</b> |
| 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?  | Yes           | If YES: go to step 3<br>If NO: go to step 2                              | GASB 14,<br>par 15    |   |
| 2    | Does the primary government hold the corporate powers of the entire entity under consideration?  | N/A           | If YES: done<br>If NO: go to step 14                                     | GASB 14,<br>par 15    |   |
| 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?  | No            | If YES: go to step 5<br>If NO: go to step 4                              | GASB 14,<br>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 <u>not</u> able to set rates and charges without substantive approval from the primary government, or (3) the entity under consideration is <u>not</u> able to issue bonded debt without the substantive approval of the primary government. | No            | If YES: go to step 5<br>If NO: go to step 7                              | GASB 14,<br>par 21b   |   |
| 5    | Does the entity under consideration provide specific financial benefits to the primary government?   | N/A           | If YES: go to step 10<br>If NO: go to step 6                             | GASB 14,<br>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<br>If NO: go to step 9                             | GASB 14,<br>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  | No            | If YES: done<br>If NO: go to step 8                                      | GASB 39,<br>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?   | No            | If YES: go to step 10<br>If NO: go to step 14                            | GASB 61<br>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<br>If NO: done                                     | GASB 14,<br>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<br>If NO: go to step 12 | GASB 14,<br>par 53    |   |
| 11   | Does management of the primary government has operational responsibility for the entity under consideration?   | N/A           | If YES: done<br>If NO: go to step 12                                     | GASB 61,<br>par 8     |   |
| 12   | Does the entity under consideration provide services or benefits almost entirely to the primary government?  | N/A           | If YES: done<br>If NO: go to step 13                                     | GASB 61,<br>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<br>If NO: done  | GASB 61,<br>par 8     |   |
| 14   | Is the arrangement a "cost-sharing project" or "joint purchasing agreement" or a multi-employer PERS?  | No            | If YES: done<br>If NO: go to step 15                                     | GASB 14,<br>par 81    |   |
| 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<br>If NO: go to step 19        | GASB 14,<br>par 69    |   |
| 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?  | N/A           | If YES: done<br>If NO: done  | GASB 14,<br>par 80    |   |
| 17   | Does the primary government retain an ongoing financial <u>responsibility</u> for the entity under consideration?  | No            | If YES: done<br>If NO: go to step 18                                     | GASB 14,<br>par 69-71 |   |
| 18   | Does the primary government retain an ongoing financial <u>interest</u> in the entity under consideration?   | Yes           | If YES: done<br>If NO: done  | GASB 14,<br>par 69-71 | indirect interest - the City approves their goals per interlocal; however, this seems more of a formality (as the City is ok with any activities so long as they are assisting the homeless), rather than influencing decisions of the Council. The City believes this due to substance over form that they are not operating in a way in which there is any interest between the City and the Council and thus it should be reported as a jointly governed organization. |
| 19   | 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<br>If NO: done  | GASB 62,<br>par 57    |   |