

Purpose: To determine the reporting status of the entity under consideration (City/County Cable TV Office) in relation to the primary government (City of Vancouver)

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

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|---|------------|
| 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 | No agreement has been set up to specifically do this. |
| 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 but the budget must also be approved by the County, and the City does not have authority to 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 it's 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 it's 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 and the County both have input on the operations and finances. |
| 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 | |