

Purpose: To determine the reporting status of the entity under consideration, Culture, Art & Heritage Commission 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)	
Joint Venture with Equity Interest	
Joint Venture with no equity interest	
Discretely Presented Component Unit	YES
Bonded 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 If NO: go to step 2	GASB 14, par 15, 2013-2014 GASB Comprehensive Implementation Guide 4.8	Per Ordinance M-4271 the commission may acquire and manage real property and perform other functions.
2	Does the primary government hold the corporate powers of the entire entity under consideration?	N/A	If YES: done If NO: go to step 14	GASB 14, 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?	Yes	If YES: go to step 5 If NO: go to step 4	GASB 14, par 22-24	Per Ordinance M-4271, Charter 2.88.080, the City appoints the nine members of the Culture, Arts, & Heritage Commission.
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	Commission is able to issue debt per Ordinance M-4271
5	Does the entity under consideration provide specific financial benefits to the primary government?	No	If YES: go to step 10 If NO: go to step 6	GASB 14, par 27-33	Per Charter 2.88.050(D), all funds, assets, or credit of the Commission shall be applied toward or expended upon services, projects and activities authorized in the Commission Charter. The purpose of the Culture, Arts and Heritage Commission is to undertake, assist with and otherwise facilitate the development and promotion of a thriving cultural, arts and heritage environment in the City of Vancouver through programs, ownership of physical assets including buildings and public art, and through community partnerships. The Commission may acquire and manage real property; secure financing; undertake the development or redevelopment, construction and maintenance of structures and facilities, including public amenities; and enter into agreements with cultural, public and other not-for-profit entities or with private developers proposing to develop public facilities or retail for the purposes of promoting art, culture and/or heritage in the City of Vancouver. We did not note any language in the Charter which appeared to indicate that the City would be provided specific financial benefits from the Commission.
6	Does the entity under consideration impose specific financial burdens on the primary government?	No	If YES: go to step 10 If NO: go to step 9	GASB 14, par 27-33	Per Charter 2.88.030, the authority is an independent legal entity exclusively responsible for its own debts, obligations and liabilities. All liabilities incurred by the authority shall be satisfied exclusively from the assets and properties of the authority and no creditor or other person shall have right of action against the city, town, or county creating the authority on account of any debts, obligations, or liabilities of the authority.
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 consultants; (2) the primary government or its component units 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+E26	
8	Did the primary government determine it is 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?	Yes	If YES: go to step 10 If NO: done	GASB 14, par 25-26	The City Council may remove any member of the Commission with or without cause by resolution of the City Council.
10	Are the two boards (or executive management, if no board exists) substantially the same?	No	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?	No	If YES: done If NO: go to step 13	GASB 61, par 8	The purpose of the Culture, Arts and Heritage Commission is to undertake, assist with and otherwise facilitate the development and promotion of a thriving cultural, arts and heritage environment in the City of Vancouver through programs, ownership of physical assets including buildings and public art, and through community partnerships.
13	Are the liabilities of the entity under consideration expected to be repaid almost entirely by the primary government?	No	If YES: done If NO: done	GASB 61, par 8	The authority is an independent legal entity exclusively responsible for its own debts, obligations and liabilities. All liabilities incurred by the authority shall be satisfied exclusively from the assets and properties of the authority and no creditor or other person shall have right of action against the city, town, or county creating the authority on account of any debts, obligations, or liabilities of the authority.
14	Is the arrangement a "cost-sharing project" or "joint purchasing agreement" or a multi-employer PERS?	N/A	If YES: done If NO: go to step 15	GASB 14, par 81	
15	Does the primary government participate in the joint control of the operations of the entity under consideration?	N/A	If YES: step 16 or 17 depending on step 1 If NO: go to step 20	GASB 14, 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 If NO: done	GASB 14, par 80	
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	