

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)	
Joint Venture	YES
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 If NO: go to step 2	GASB 14, par 15	
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?	No	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 <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 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	No	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?	No	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	
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	
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 <u>responsibility</u> for the entity under consideration?	No	If YES: done If NO: go to step 18	GASB 14, par 69-71	
18	Does the primary government retain an ongoing financial <u>interest</u> in the entity under consideration?	Yes	If YES: done If NO: done	GASB 14, 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 If NO: done	GASB 62, par 57	