



**THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER**  
**POTENTIAL FINANCIAL REPORTING ENTITY QUESTIONNAIRE**  
**(GASB Statement No. 14, as Amended)**

**ORGANIZATION NAME** \_\_\_\_\_

**PREPARER'S NAME** \_\_\_\_\_

**PREPARER'S TITLE (or affiliation to organization)** \_\_\_\_\_

**PREPARER'S PHONE NUMBER** \_\_\_\_\_

**PREPARER'S EMAIL ADDRESS** \_\_\_\_\_

**DATE PREPARED** \_\_\_\_\_

Please complete this Questionnaire and forward it by email to the [Technical and Professional Standards Unit](mailto:directives@comptroller.nyc.gov) (directives@comptroller.nyc.gov) or by mail to: The Office of the Comptroller, Attention: Technical & Professional Standards Unit, Bureau of Accountancy, David N. Dinkins Municipal Building, One Centre Street, Room 200 South, New York, NY 10007.

**GENERAL**

1. What is your organization's fiscal year end (e.g. June 30)? \_\_\_\_\_.

2. Does your organization currently have an independent certified public accountant (CPA) or CPA firm or firms serving as your auditors? (If yes, please include a contact name and telephone number.)

Yes  No

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3. Does your organization have an audit committee?

Yes  No

If so, does your audit committee have a charter? (If yes, please attach a copy.)

Yes  No

4. Does your organization issue, or expect to issue, annual financial statements prepared in accordance with generally accepted accounting principles (GAAP)?

Yes  No

If GAAP financial statements have been prepared in the past, which set of standards were followed?

- Governmental Accounting Standards Board (GASB)
- Financial Accounting Standards Board (FASB)
- Other (Please specify) \_\_\_\_\_

5. Is your organization included, or has your organization been notified that it will be included, as a Component Unit or otherwise, in another entity's financial statements? (For example, as a Component Unit of New York State.) If yes, please explain.

Yes  No

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**PRIMARY GOVERNMENT CHARACTERISTICS**

[Throughout the remainder of this questionnaire, parenthetical paragraph references cite GASB Statement No. 14, as amended.]

6. Does your organization have a separately elected governing body? (par. 13)

Yes  No

**Separate Legal Standing (par. 15)**

7. Was your organization created as a body corporate or a body corporate and politic? (Please attach a copy of the creating law, statute, City Council resolution, executive order, corporate charter, etc.)

Yes  No

8. Does your organization have the legal capacity to have a name?

Yes  No

9. Does your organization have the legal right to sue and be sued in its own name, without recourse to a state or local governmental unit?

Yes  No

10. Does your organization have the legal right to buy, sell, lease, and mortgage property in its own name?

Yes  No

**Fiscal Independence (par. 16)**

11. Can your organization determine its budget without the City having the authority to approve and modify that budget?

Yes  No

12. Can your organization levy taxes or set rates or charges without approval by the City?

Yes  No  N/A

13. Can your organization issue bonded debt without approval by the City?

Yes                       No                       N/A

**FINANCIAL ACCOUNTABILITY TO THE CITY**

**Appointment of a Voting Majority**

14. Does the City appoint a majority of your organization’s board of directors or similar governing body (Board)? [Appointment by the City includes all members who are appointed by one or more City elected officials, or the inclusion of a City elected or appointed official or officials – or their designees – as ex-officio member(s) of the Board.] (par. 22) If no, go to question 25.

Yes                       No

15. Do financial decisions require more than a simple majority of your organization’s board? (par. 22) If yes, explain.

Yes                       No

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16. Does the City appoint enough board members for a voting majority? (par. 22)

Yes                       No

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17. If the City has appointment authority, is it limited by a nomination process? (par. 23)

Yes                       No

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18. Can the City unilaterally abolish your organization? (par. 24)

Yes  No

**Imposition of Will (par. 26)**

19. Does the City have the ability to remove appointed members of your organization's governing board at will?

Yes  No

20. Does the City have the ability to modify or approve the budget of your organization?

Yes  No

21. Does the City have the ability to modify or approve rate or fee changes affecting revenues, such as water usage rate increases?

Yes  No  N/A

22. Does the City have the ability to veto, overrule, or modify the decisions (other than those cited in questions #20 and #21) of your organization's governing body?

Yes  No  N/A

23. Does the City have the ability to appoint, hire, reassign, or dismiss those persons responsible for the day-to-day operations (management) or your organization?

Yes  No

24. Are there any other conditions which may indicate that the City has the ability to impose its will on your organization? If yes, explain.

Yes  No

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**Financial Benefit or Burden**

25. Is the City legally entitled to or can otherwise access your organization's resources? (par. 29)

Yes  No

26. Is the City legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, your organization? (par. 31)

Yes  No

27. Is the City obligated in any manner for the debt of your organization? (par. 33)

Yes  No

**Consider the following additional indicators of a financial benefit or burden relationship (par. 33):**

28. Is the City legally obligated to honor deficiencies to the extent that proceeds from other default remedies are insufficient?

Yes  No

29. Is the City required to temporarily cover deficiencies with its own resources until funds from the primary repayment source or other default remedies are available?

Yes  No

30. If your organization has outstanding debt:

a. Is the City *required* to provide funding for reserves maintained by your organization, or to establish its own reserve or guarantee fund for the debt?

Yes  No  N/A

b. Is the City *authorized* to provide funding for reserves maintained by your organization or to establish its own reserve or guarantee fund, even if it has no obligation to do so?

Yes  No

c. If yes (to question #30b, above), has the City established such a fund?

Yes  No

d. Is the City *authorized* to provide financing for a fund maintained by your organization for the purpose of purchasing or redeeming your organization's debt, or to establish a similar fund of its own, even if it has no obligation to do so?

Yes  No

e. If yes (to question #30d, above), has the City established such a fund?

Yes  No

f. Does your organization explicitly indicate by contract, such as in a bond indenture or agreement or in an offering statement, that in the event of default the City *may* cover deficiencies, although it has no legal obligation to do so? (The bond offering statement may specifically refer to a law that authorizes the City of New York to include an appropriation in its budget to provide funds, if necessary, to honor the debt of your organization.)

Yes  No

g. Do legal decisions within the New York State or previous actions by the City related to actual or potential defaults on your organization's debt make it probable that the City will assume responsibility for the debt in the event of default?

Yes  No

**FINANCIAL DEPENDENCY AS A RESULT OF FISCAL DEPENDENCY  
(GOVERNING BOARD NOT APPOINTED BY THE CITY)**

31. Does your organization have a separately elected governing board? (par. 35)

Yes  No

32. Is your Board appointed by another government other than the City? (par. 36)

Yes  No

33. Is your organization's board jointly appointed? If yes, please indicate by what governments or officials appointments are made. (par.37)

Yes  No

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**ADDITIONAL CONSIDERATIONS OF SIGNIFICANCE WHEN THE CITY IS NOT FINANCIALLY ACCOUNTABLE**

34. Was your organization's board appointed by New York State and created to provide temporary fiscal assistance to alleviate the fiscal distress of the City? (par. 40)

Yes  No

35. Are the economic resources held or received by your organization entirely or almost entirely for the direct benefit of the City, its Component Units, or its constituents? (par. 40a)

Yes  No

36. Does the City or its Component Units, have the ability to access a majority of the economic resources received or held by your organization? (par. 40a)

Yes  No

37. Are the economic resources received or held by your organization that the City or its Component Units, is entitled to, or has the ability to otherwise access, significant to the City? (par. 40a)

Yes  No

38. Is your organization closely related to or financially integrated with the City in any other way? If yes, explain? (par.41)

Yes  No

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**BLENDING VS. DISCRETE PRESENTATION**

39. Is your organization’s governing body substantially the same as the City’s [i.e., the membership of the Council of the City of New York (the “City Council”)]? (par. 53a)

Yes  No

40. Is there sufficient representation of the City Council on your organization’s governing body so that decisions of the City cannot be overridden by your organization? (par. 53a)

Yes  No

41. Does the City management (at any level) have operational responsibility for your organization? (par. 53a)

Yes  No

42. Does your organization provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefit the City even though it may not provide the service directly to the City?

Yes  No

Please describe your services:

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43. Is your organization's total debt outstanding; including leases, expected to be repaid entirely or almost entirely with resources of the City? (par. 53c)

Yes  No

a. If yes, does the repayment include a continuing pledge and appropriation by the City to your organization that, in turn, pledges those appropriation payments as the primary source of repayment for its debt? (par. 53c)

Yes  No

44. Is your organized as a not-for-profit entity (GASB Statement No. 80, par. 5)?

Yes  No

45. If yes, is the City the sole corporate member as identified in your articles of incorporation or bylaws? (GASB Statement No. 80, par. 5)

Yes  No  N/A

Please provide any additional information pertaining to determining whether your organization is a Component Unit of the City:

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**Note:** In conjunction with completing this questionnaire, please review the Comptroller's Accounting Directive #22, available online on the [Directives and Memoranda Page of the Comptroller's Website](https://comptroller.nyc.gov/services/for-city-agencies/comptrollers-directives-and-memoranda/directives-and-memoranda/) (<https://comptroller.nyc.gov/services/for-city-agencies/comptrollers-directives-and-memoranda/directives-and-memoranda/>). Directive #22 provides information about the City of New York's financial reporting entity, the criteria for evaluation and inclusion of potential Component Units, and requirements applicable to the City's Component Units.