INSTRUCTIONS FOR COMPLETING THE SITE STATUS REPORT

For a brief overview of GASB Statement 49 – Accounting and Financial Reporting for Pollution Remediation Obligations, refer to the State Administrative and Accounting Manual (SAAM) subsection 85.74.50. For more complete information, refer to GASB Statement 49 which can be ordered through the GASB website: www.gasb.org.

GENERAL INSTRUCTIONS:

1. Agencies should start with their prior year Site Status Report submitted to OFM (Miscellaneous Disclosure form question #6)

2. Agencies are responsible for updating their prior year information for each site listed on the Site Status Report AND for adding any additional sites they are aware of that are not on the new Site Status Report provided by OFM. All sites should be included regardless of whether or not the obligations are estimable and regardless of whether or not the agency has any actual plans for remediation activity.

3. Agencies are responsible for determining their own estimates. Calculations for determining estimates for each site should be clearly documented and should be maintained by the agency for audit purposes or for OFM review.

4. Agencies are responsible to attach a completed Site Status Report to their Financial Disclosure Certification that is submitted to OFM annually. Agencies should also send the report electronically to their OFM Accounting Consultant.

5. If Agencies have No Further Action (NFA) sites, they need to report that site as a NFA for one year. The site does not drop off the report until the Department of Ecology has issued the NFA and it has been reported on the Site Status Report as such.

INSTRUCTIONS FOR SPECIFIC FIELDS:

6. STATUS/Recognition Benchmarks – Each site should be reviewed annually to determine the status as of the end of the fiscal year (June 30th). Report the specific status (i.e. feasibility study in progress; waiting for site hazard assessment; ongoing monitoring, etc.). Do NOT report “same as last year.”

7. ACTION PLAN/Timeframe – Specify the expected timeframe for the next pollution remediation activity for each site. If an activity is in progress, record “in progress.” If nothing is currently in progress or planned, record “no current plans.” If nothing is in progress but there is a plan, record the expected timeframe, in years, for commencing the activity.

8. ESTIMATED TOTAL LIABILITY – For each site, consider the various components that make up the total remaining obligation: legal services, site
assessments, feasibility studies, cleanup activities, post-remediation monitoring, etc. Evaluate each component to determine if it can be reasonably estimated or not. Include only those components that can be reasonably estimated. Document which components are being included, which are not, and why. This documentation will be helpful in subsequent years when sites must be re-evaluated and may be requested by auditors.

a. Some costs can be reasonably estimated based on actual expenditures in previous similar situations. For example, if you have recently contracted for a feasibility study on a similar site, you could use the actual contract costs for an estimate on another site.

b. For some sites, the entire remediation cost can be reasonably estimated upfront because it is a common situation to the agency.

c. When estimating the cost of post-remediation monitoring, include the estimated annual cost multiplied by the number of years monitoring is expected to be required.

Note that liabilities should be measured at their current value and should be based on reasonable and supportable assumptions, which should also be documented.

When there is a range of possible estimated amounts, the liabilities should be measured using the expected cash flow technique. This technique measures the sum of probability-weighted amounts. Refer to GASB Statement 49 for instructions and examples.

9. REPORTABLE AMOUNT – the criteria for determining if a specific site is reportable in the State of Washington Comprehensive Annual Financial Report (CAFR) is:

a. The estimated cost remaining for the pollution remediation of the site, including post-remediation monitoring, is $100,000 or greater.

b. Remediation activity is in progress or is expected to begin within the next 3 years.

Note that either or both of these can change from one year to the next. Therefore, it is important to evaluate each site annually to determine if it is reportable.

If this site meets the above criteria, the amount in this column will be the same as the “Estimated Total Liability.” If it does not meet these criteria, enter “0” (zero).

10. REASON NOT REPORTABLE – If the reportable amount is zero, enter the reason why this site is not reportable:

- Less than $100,000 (if estimated total liability is less than $100,000, site does not meet dollar threshold)
- No action planned (if remediation activity will not commence within the next 3 years)
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- Unable to estimate (if no part of obligation is reasonably estimable as of June 30th)
- No liability (if remediation is complete or agency is not responsible for remediation)

11. RECOVERABLE AMOUNT, IF ANY – If some or all liability amounts are expected to be recovered from another responsible party, other government, or insurance company, record the estimated amount of expected recovery. Estimate the recoveries using the same methods used to estimate the liability (i.e. measure at current value using expected cash flow technique). If no recovery is expected, enter “none.”

12. Contact your OFM accounting consultant with specific questions.