

REPORTING

Note X - Bankruptcy

INSTRUCTIONS TO PREPARER

Governments that have filed for bankruptcy should disclose the following:

- a. Pertinent conditions and events giving rise to the petition for bankruptcy,
- b. The expected or known effects of such conditions and events, including:
 1. The principal categories of the claims subject to compromise or that already have been adjusted,
 2. The principal changes in terms and the major features of settlement,
 3. The aggregate gain expected to occur by re-measuring liabilities subject to a proposed Plan of Adjustment, or realized, as appropriate; or a statement that any gain is not yet reasonably estimable and the reasons thereof,
 4. Contingent claims not subject to reasonable estimation, based on the provisions of NCGA Statement 4.
- c. Significance of those conditions and events on the levels of service and operations of the government, and any mitigating factors, such as assumption of services of other governments.
- d. Possibility of termination of the governments, or any plans to terminate the government, as appropriate.
- e. How to obtain a copy of the government's Plan of Adjustment or a statement that a plan is not yet available and an estimate of when it will be completed.