

REPORTING

Note X - Financial Guarantees

INSTRUCTIONS TO PREPARER

Guarantors

Regardless of the likelihood of a payment being required, a guarantor should disclose the following information, by type of guarantee, for all non-exchange financial guarantees:

- A description of the non-exchange financial guarantee, identifying:
 - The legal authority and limits for extending the guarantees and types of obligations guaranteed.
 - The relationship of the government to the issuer or issuers of the obligations that are guaranteed.
 - The length of time of the guarantees.
 - Arrangements for recovering payments from the issuer or issuers of the obligations that are guaranteed.
- The total amount of all guarantees extended that are outstanding at the reporting date.

A guarantor that recognizes a liability or has made payments during the reporting period should disclose the following information:

- A brief description of the timing of recognition and measurement of the liabilities and information about the changes in recognized guarantee liabilities, including the following:
 - Beginning of period balances.
 - Increases – including initial recognition and adjustments increasing estimates.
 - Guarantee payments made and adjustments increasing estimates.
 - End of period balances.
- Cumulative amounts of indemnification payments that have been made on guarantees extended that are outstanding at the reporting date.
- Amounts expected to be recovered from indemnification payments that have been made through the reporting date.

Original Issuer of the Obligation

A government that has outstanding obligations that have been guaranteed by another entity should disclose the following information for each guarantee:

- The name of the entity providing the guarantee.
- The amount of the guarantee.
- The length of time of the guarantee.
- The amount paid, if any, by the guarantor during the current reporting period.
- The cumulative amount paid by the guarantor.
- A description of requirements to repay the guarantor.
- The outstanding amounts, if any, required to be repaid to the guarantor.

If a government has issued a guaranteed obligation for which payments have been made by the guarantor and the obligation is no longer outstanding, it should disclose:

- The amount paid by the guarantor on obligations during the current reporting period.
- The cumulative amount paid by the guarantor.
- A description of requirements to repay the guarantor.
- The outstanding amounts, if any, required to be repaid to the guarantor.

For a detailed discussion of the financial guarantees see BARS Manual and GASB Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees.