

Comptroller's Directive No. 1-09
Attachment 11
Internal Service Fund Financial Statement Template

Purpose

This attachment is used to obtain the financial statement and footnote information for internal service funds. This attachment is similar to prior year's Attachment 11.

Applicable agencies

The following internal service funds have been identified for fiscal year 2009.

Department of General Services:

- Fleet Management
- Property Management (Real Estate Services, Maintenance & Repair)
- General Services (Virginia Distribution Center, Consolidated Laboratory Water Testing, Graphic Communications, Federal Surplus Property, State Surplus Property, Engineering Services)

Note: DGS will be provided with a combining financial statement template file for the Property Management Fund and the General Services Fund.

Department of Human Resources Management:

- Workers' Compensation
- Health Insurance Fund

Department of Treasury:

- Risk Management

Virginia Correctional Enterprises

Virginia Information Technologies Agency:

- Aggregate of internal service funds
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Due date

August 13, 2009

Certification

The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. **By typing a name, the individual is certifying that all tabs of this attachment have been reviewed; the information is both complete and accurate; the preparer and reviewer were not the same individual for any tab; and that you have read and understand the instructions for the attachment.**

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Submission requirements

Contact DOA if the agency has any problems with the files.

After downloading the file, rename the spreadsheet file using the agency number followed by the internal service acronym followed by Att11. For example, the Department of General Service's (agency 194) Fleet Management fund, should rename its Attachment 11.xls file as DGS-Fleet Management-Att11.xls.

Submit the Excel spreadsheet electronically to finrept-agvatt@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

For your convenience, the yellow contact information cells have been linked to the remaining tabs. However, they remain unlocked to allow for more than one preparer to complete the attachment.

Attachment revisions

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. **Only enter changes for amounts actually keyed.** For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Include “**REVISED – date**” in the **subject line** of the submission e-mail as well as in the **file name**. Resubmit the revised attachment; and ensure that the [Revision Control Log](#) tab has been completed.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates.

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**General
information**

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.
2. Refer to **Attachment 24, Schedule of Cash, Cash Equivalents, and Investments as of June 30** and **GASBS No. 40** for guidance on completing the cash, cash equivalent, and investment footnotes (tabs 1A, 1B, & 1C). In response to agency requests, tab 1b is no longer password-protected so that agencies may add additional rows when needed without having to contact DOA or copy and paste information into the sheet from their own records. In adding rows or copying information, care must be taken to preserve the existing spreadsheet layout and column and row labels. If rows are added, please also copy the “TYPE” and “INVESTMENT” descriptions at columns A and B and the formulas at columns N and P.
3. Due from Other State Agencies must agree to "Part 1 - Internal" worksheet at **Attachment 20 - Internal Service Funds - Conversion to Government-wide Statement of Activities**. All other receivables from component units, higher education agencies, or other agencies not listed on that worksheet may be recorded as Accounts Receivable.
4. Ensure that all footnote tabs applicable to the data entered on the statements are completed. All funds must complete **Tab 6 – Commitments, Tab 7 – Miscellaneous**, and **Tab 13 – Cash Flow Analysis**. All Internal Service Fund agencies must also complete **Attachment 20, Internal Service Fund – Conversion to Government-wide Statement of Activities**.
5. Refer to instructions on the following pages for proper recordation of activities related to Energy Performance Contracts.
6. For additional preparation guidance, refer to **Preparation of GAAP Basis Financial Statement Templates (Attachments 9-13)** in this Directive and **Authoritative Literature / Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**, which can be found on DOA’s website at www.doa.virginia.gov. Click on the “Financial Statement Directives” link.

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General information, continued

7. Each template requires completion of a fluctuation analysis of prior year and current year financial statement template balances. DOA has included prior year amounts in this template for comparison purposes. To determine the dollar and percentage variance that require an explanation, each agency should review the **Fluctuation Analysis Guidelines and Materiality Scopes** section of **Authoritative Literature / Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**, which can be found on DOA's website at www.doa.virginia.gov. Click on the "Financial Statement Directives" link.

 8. Provide explanations for fluctuation analysis in a Microsoft Word document and submit with the template. In the explanations quantify the underlying reasons (i.e. management decision, trend, event) for the change, don't just state the item increased or that the item increased because another item decreased.
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**Energy
Performance
Contracts**

The Treasury Board administers the lease financing program for energy efficiency projects. These projects are intended to reduce energy consumption and demand or allow for the use of an alternative energy source. In some cases these projects are funded through escrow financing. A bank account is established for the agency to purchase equipment or pay for other project expenses over a certain period of time. This type of funding should be reported as installment purchase obligations. Below are example entries of how to record activity related to the escrow funding of these projects. (**Note:** In some cases the specific financial statement template (FST) line item is not provided. Use professional judgment to determine the appropriate FST line item.)

Cash Installment Purchase Obligations	Record escrow funds to be used by the agency for the energy efficiency projects.
Operating Expenses Cash	Record payments to contractors from the escrow funds.
Capital Assets Operating Expenses	Reclassify expenses that meet capitalization threshold.
Operating Expense - Interest Expense Installment Purchase Obligations Cash	Payment on installment purchase obligation.
Cash Nonoperating Revenue – Investment Income	Record investment earnings on escrow funds.
Capital Assets (for capitalizable equipment) Operating Expenses (for noncapitalizable equipment) Accounts Payable	Agency identifies payable vouchers at June 30.

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