From:	BURLESOD@sao.wa.gov
To:	sdanielson@cityofpt.us
Cc:	Ard, Sherrie (SAO); Hylton, Scott (SAO); Garza, Deena (SAO); Ehlinger, Carol (SAO); Raske, Christina (SAO); Johnson, Alexandra (SAO); Burleson, Debra (SAO); Pagio, Kayley (SAO); Kostick, Niles (SAO); Fenton, Crystal (SAO)
Subject:	Response to Client Helpdesk Request 86838
Date:	Thursday, November 1, 2018 3:36:18 PM

Your request # 86838 for Port Townsend, Port of has been resolved.

Your question was:
How do I set up an Enterprise Fund - Internal Service Fund with related accounts.

The background information you provided was:
We are requesting that our City Council establish more funds for our Equipment Rental & Replacement. We currently have one internal service ER&R fund for Streets, Storm, Water, Sewer and General Gov't fleet replacement and operating & maintenance. We are planning to separate and create new funds to separate Water / Sewer from Streets & Storm and General Gov't fund ER&R so that we can better account in our general leger for assets of the Water / Sewer Enterprise Fund. My question is can I roll the Water/Sewer ER&R Asset Replacement Fund up with the other Water /Sewer Enterprise Funds in one management fund when preparing the annual report or, do I need to keep the Water / Sewer ER&R Replacement fund separate from the management fund and report it as an internal service fund. Thank you for your assistance. Sheila Danielson

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Our response is as follows:
You can establish as many managerial funds as you think you need. You can either establish the funds you describe as managerial funds and roll them into the relevant enterprise fund, or establish them as internal service funds and report them as such in the proprietary fund financial statements and consolidate them into the business-type activities column in the government wide statements.

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If you have additional follow-up questions, please reference this request number when you contact us again. A copy of this response is provided to your audit team to ensure that we are consistent and efficient when working with you.

Sincerely,
Debra Burleson

Disclaimer: Answers are informational only and are based on the specific circumstances presented. As laws and circumstances change, or additional facts are presented, the answer is subject to change. The information provided by the Washington State Auditor's client helpdesk is not a legal or a binding opinion.

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