

# STATE OF NORTH DAKOTA

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## ***Internal Service Funds***

*Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the State and to other government units, on a cost reimbursement basis.*

### 790 (927) - Central Services

Accounts for the revenues and expenditures associated with central printing and office supply services to state agencies and the Legislative Assembly; a surplus property program for the acquisition, distribution, and disposition of federal and state surplus property and procurement services for all state agencies not exempt by statute.

### 700 (918) - Fleet Services

Accounts for costs of operating and maintaining State-owned vehicles. Costs are billed to user agencies and include depreciation on equipment.

### 780 (929) - Information Technology Department

Accounts used for the procurement and maintenance of data processing equipment and supplies and telecommunications equipment and supplies to provide data processing and telecommunications services to state departments and agencies.

### 288 (912) - Risk Management Fund

This fund provides insurance coverage and loss prevention to all state agencies and the University System for tort liability and employee injury claims. Coverage is provided using an optional combination of self-insurance and private excess insurance.

# STATE OF NORTH DAKOTA

## Combining Statement of Net Assets Internal Service Funds June 30, 2009

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
<b>ASSETS</b>					
Current Assets:					
Cash Deposits at the Bank of ND	\$ 395,843	\$ 5,318,433	\$ 4,204,336	\$ 3,903,824	\$ 13,822,436
Cash and Cash Equivalents	26,453	-	-	-	26,453
Investments	-	-	-	4,971,458	4,971,458
Accounts Receivable - Net	45,732	245,207	235,146	-	526,085
Interest Receivable - Net	-	-	-	54,053	54,053
Intergovernmental Receivable - Net	16,281	-	155,547	-	171,828
Due from Other Funds	238,407	1,473,907	4,805,759	21,549	6,539,622
Prepaid Items	6,312	-	1,524,408	80,394	1,611,114
Inventory	106,305	-	-	-	106,305
Restricted Cash at the Bank of ND	-	-	191,977	-	191,977
Total Current Assets	835,333	7,037,547	11,117,173	9,031,278	28,021,331
Noncurrent Assets:					
Unamortized Bond Issuance Costs	-	-	39,897	-	39,897
Capital Assets:					
Land and Construction in Progress	-	58,904	-	-	58,904
Buildings and Equipment - Net	478,391	61,102,820	13,623,626	82,540	75,287,377
Total Noncurrent Assets	478,391	61,161,724	13,663,523	82,540	75,386,178
Total Assets	1,313,724	68,199,271	24,780,696	9,113,818	103,407,509
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	59,547	739,781	920,261	16,082	1,735,671
Accrued Payroll	64,071	143,101	1,573,932	29,388	1,810,492
Securities Lending Collateral	-	-	-	109,963	109,963
Interest Payable	-	-	302,959	5,783	308,742
Intergovernmental Payable	-	-	35	-	35
Due to Other Funds	11,439	82,798	18,062	17,096	129,395
Claims/Judgments Payable	-	-	-	1,896,767	1,896,767
Compensated Absences Payable	3,054	39,988	79,768	-	122,810
Notes Payable	-	-	1,049,917	-	1,049,917
Capital Leases Payable	160,037	-	-	1,352	161,389
Bonds Payable	-	-	654,108	-	654,108
Total Current Liabilities	298,148	1,005,668	4,599,042	2,076,431	7,979,289
Noncurrent Liabilities:					
Claims/Judgments Payable	-	-	-	4,174,325	4,174,325
Compensated Absences Payable	58,028	-	1,386,551	32,692	1,477,271
Notes Payable	-	-	4,950,083	-	4,950,083
Capital Leases Payable	293,670	-	-	3,251	296,921
Bonds Payable	-	-	2,922,538	-	2,922,538
Total Noncurrent Liabilities	351,698	-	9,259,172	4,210,268	13,821,138
Total Liabilities	649,846	1,005,668	13,858,214	6,286,699	21,800,427
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	24,684	61,102,820	7,623,626	78,073	68,829,203
Unrestricted	639,194	6,090,783	3,298,856	2,749,046	12,777,879
Total Net Assets	\$ 663,878	\$ 67,193,603	\$ 10,922,482	\$ 2,827,119	\$ 81,607,082

# STATE OF NORTH DAKOTA

## Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Internal Service Funds For the Fiscal Year Ended June 30, 2009

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
<b>OPERATING REVENUES</b>					
Sales and Services	\$ 2,581,376	\$ 30,650,370	\$ 44,992,103	\$ 5,570,697	\$ 83,794,546
Miscellaneous	-	296,821	-	-	296,821
Total Operating Revenues	<u>2,581,376</u>	<u>30,947,191</u>	<u>44,992,103</u>	<u>5,570,697</u>	<u>84,091,367</u>
<b>OPERATING EXPENSES</b>					
Cost of Sales and Services	1,179,284	-	-	-	1,179,284
Salaries and Benefits	773,112	1,730,713	18,154,771	371,086	21,029,682
Operating	410,918	15,157,477	20,881,523	590,662	37,040,580
Claims	-	-	-	3,378,476	3,378,476
Depreciation	170,003	7,126,264	4,206,325	17,350	11,519,942
Total Operating Expenses	<u>2,533,317</u>	<u>24,014,454</u>	<u>43,242,619</u>	<u>4,357,574</u>	<u>74,147,964</u>
Operating Income	<u>48,059</u>	<u>6,932,737</u>	<u>1,749,484</u>	<u>1,213,123</u>	<u>9,943,403</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and Investment Income	-	-	233,038	(638,882)	(405,844)
Interest Expense	(43,941)	-	(717,817)	(25,940)	(787,698)
Loss on Sale of Capital Assets	(2,821)	(62,212)	(14,442)	-	(79,475)
Other	2,953	-	16,108	-	19,061
Total Nonoperating Revenues (Expenses)	<u>(43,809)</u>	<u>(62,212)</u>	<u>(483,113)</u>	<u>(664,822)</u>	<u>(1,253,956)</u>
Income Before Contributions and Transfers	<u>4,250</u>	<u>6,870,525</u>	<u>1,266,371</u>	<u>548,301</u>	<u>8,689,447</u>
Capital Grants and Contributions	-	142,096	-	-	142,096
Changes in Net Assets	<u>4,250</u>	<u>7,012,621</u>	<u>1,266,371</u>	<u>548,301</u>	<u>8,831,543</u>
Total Net Assets - Beginning of Year	<u>659,628</u>	<u>60,180,982</u>	<u>9,656,111</u>	<u>2,278,818</u>	<u>72,775,539</u>
Total Net Assets - End of Year	<u>\$ 663,878</u>	<u>\$ 67,193,603</u>	<u>\$ 10,922,482</u>	<u>\$ 2,827,119</u>	<u>\$ 81,607,082</u>

# STATE OF NORTH DAKOTA

## Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended June 30, 2009

	Central Services	Fleet Services	Information Technology	Risk Management	Total
<b>Cash Flows from Operating Activities:</b>					
Receipts from Customers and Users	\$ 2,542,826	\$ 30,727,090	\$ 43,693,947	\$ 5,570,697	\$ 82,534,560
Receipts from Other Funds	-	231,145	-	-	231,145
Payments to Other Funds	-	(186,793)	-	-	(186,793)
Payments to Suppliers	(1,561,564)	(15,366,819)	(19,914,106)	(619,860)	(37,462,349)
Payments to Employees	(783,279)	(1,686,122)	(17,955,299)	(362,170)	(20,786,870)
Claim Payments	-	-	-	(484,313)	(484,313)
Payments to Others	-	-	-	(2,745,908)	(2,745,908)
Other	2,953	-	-	-	2,953
Net Cash Provided by (Used for) Operating Activities	200,936	13,718,501	5,824,542	1,358,446	21,102,425
<b>Cash Flows from Noncapital Financing Activities:</b>					
Interest Payments - Notes and Other Borrowings	(2,449)	-	-	-	(2,449)
Proceeds from Advances from Other Funds	-	(5,500,000)	-	-	(5,500,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	(2,449)	(5,500,000)	-	-	(5,502,449)
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and Construction of Capital Assets	(14,401)	(8,397,375)	(5,588,946)	-	(14,000,722)
Proceeds from Sale of Capital Assets	-	1,953,653	-	-	1,953,653
Principal Payments - Notes and Other Borrowings	-	-	(6,613,350)	-	(6,613,350)
Interest Payments - Notes and Other Borrowings	-	-	(935,650)	-	(935,650)
Payment on Capital Leases	(149,026)	-	-	(1,183)	(150,209)
Interest Payments - Capital Leases	(41,491)	-	-	(418)	(41,909)
Net Cash Used for Capital and Related Financing Activities	(204,918)	(6,443,722)	(13,137,946)	(1,601)	(19,788,187)
<b>Cash Flows from Investing Activities:</b>					
Proceeds from Sale and Maturities of Investment Securities	-	-	-	1,060,300	1,060,300
Interest and Dividends on Investments	-	-	233,038	(260,560)	(27,522)
Net Cash Provided by Investing Activities	-	-	233,038	799,740	1,032,778
<b>Net Change in Cash:</b>					
Net Increase (Decrease) in Cash and Cash Equivalents	(6,431)	1,774,779	(7,080,366)	2,156,585	(3,155,433)
Cash and Cash Equivalents at June 30, 2008	428,727	3,543,654	11,476,679	1,747,239	17,196,299
Cash and Cash Equivalents at June 30, 2009	\$ 422,296	\$ 5,318,433	\$ 4,396,313	\$ 3,903,824	\$ 14,040,866
<b>Reconciliation:</b>					
Cash Deposits at the Bank of North Dakota	\$ 395,843	\$ 5,318,433	\$ 4,204,336	\$ 3,903,824	\$ 13,822,436
Cash and Cash Equivalents	26,453	-	-	-	26,453
Restricted Cash Deposits at the Bank of North Dakota	-	-	191,977	-	191,977
Cash and Cash Equivalents	\$ 422,296	\$ 5,318,433	\$ 4,396,313	\$ 3,903,824	\$ 14,040,866
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:</b>					
Operating Income	\$ 48,059	\$ 6,932,737	\$ 1,749,484	\$ 1,213,123	\$ 9,943,403
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	170,003	7,126,264	4,199,675	17,350	11,513,292
Amortization/Accretion	-	-	6,650	-	6,650
Change in Assets and Liabilities:					
Increase in Accounts Receivable	(26,262)	(220,102)	(128,805)	-	(375,169)
Increase in Due From	(15,078)	-	(1,166,030)	(14,386)	(1,195,494)
(Increase) Decrease in Intergovernmental Receivable	2,790	231,145	(3,321)	-	230,614
(Increase) Decrease in Prepaid Items	(2,951)	-	728,297	(30,396)	694,950
Decrease in Inventories	6,225	-	-	-	6,225
Increase in Other Assets	2,953	-	-	-	2,953
Increase (Decrease) in Accounts Payable	24,333	(209,341)	254,272	7,765	77,029
Increase in Claims/Judgments Payable	-	-	-	160,603	160,603
Decrease in Intergovernmental Payable	-	(186,793)	(4,774)	-	(191,567)
Increase (Decrease) in Accrued Payroll	(603)	50,613	140,278	2,349	192,637
Increase (Decrease) in Compensated Absences Payable	(9,566)	(6,022)	59,195	6,567	50,174
Increase (Decrease) in Due To	1,033	-	(10,379)	(3,990)	(13,336)
Decrease in Deferred Revenue	-	-	-	(539)	(539)
Total Adjustments	152,877	6,785,764	4,075,058	145,323	11,159,022
Net Cash Provided by (Used For) Operating Activities	\$ 200,936	\$ 13,718,501	\$ 5,824,542	\$ 1,358,446	\$ 21,102,425
<b>Noncash Transactions:</b>					
Net Decrease in Fair Value of Investments	\$ -	\$ -	\$ -	\$ (409,517)	\$ (409,517)
Change in Securities Lending Collateral	-	-	-	(127,261)	(127,261)
Total Noncash Transactions	\$ -	\$ -	\$ -	\$ (536,778)	\$ (536,778)