

# 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\275 (912) - Risk Management Fund

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, 2011

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
<b>ASSETS</b>					
Current Assets:					
Cash Deposits at the Bank of ND	\$ 835,301	\$ 444,847	\$ 6,025,344	\$ 3,657,426	\$ 10,962,918
Cash and Cash Equivalents	3,845	-	-	988	4,833
Investments	-	-	-	7,666,076	7,666,076
Accounts Receivable - Net	29,173	83,300	245,151	-	357,624
Interest Receivable - Net	-	-	-	54,602	54,602
Intergovernmental Receivable - Net	32,098	-	197,418	-	229,516
Due from Other Funds	245,411	1,495,351	4,600,796	18,903	6,360,461
Prepaid Items	4,295	-	2,044,594	-	2,048,889
Inventory	90,928	-	-	-	90,928
Total Current Assets	1,241,051	2,023,498	13,113,303	11,397,995	27,775,847
Noncurrent Assets:					
Unamortized Bond Issuance Costs	-	-	26,597	-	26,597
Capital Assets:					
Depreciable, Net	232,633	72,836,670	11,234,851	48,737	84,352,891
Total Noncurrent Assets	232,633	72,836,670	11,261,448	48,737	84,379,488
Total Assets	1,473,684	74,860,168	24,374,751	11,446,732	112,155,335
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	117,678	1,361,901	925,626	5,330	2,410,535
Accrued Payroll	75,192	159,229	1,666,747	33,608	1,934,776
Securities Lending Collateral	-	-	-	153	153
Interest Payable	-	-	-	3,872	3,872
Intergovernmental Payable	-	-	583	-	583
Due to Other Funds	7,922	3,081,873	32,988	10,442	3,133,225
Claims/Judgments Payable	-	-	-	1,634,505	1,634,505
Compensated Absences Payable	3,628	3,617	83,744	2,066	93,055
Capital Leases Payable	94,519	-	-	1,560	96,079
Bonds Payable	-	-	710,658	-	710,658
Total Current Liabilities	298,939	4,606,620	3,420,346	1,691,536	10,017,441
Noncurrent Liabilities:					
Claims/Judgments Payable	-	-	-	4,967,616	4,967,616
Compensated Absences Payable	68,935	66,339	1,555,084	38,366	1,728,724
Capital Leases Payable	143,529	-	-	-	143,529
Bonds Payable	-	-	1,530,222	-	1,530,222
Total Noncurrent Liabilities	212,464	66,339	3,085,306	5,005,982	8,370,091
Total Liabilities	511,403	4,672,959	6,505,652	6,697,518	18,387,532
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	(5,415)	72,836,670	11,234,850	47,354	84,113,459
Unrestricted	967,696	(2,649,461)	6,634,249	4,701,860	9,654,344
Total Net Assets	\$ 962,281	\$ 70,187,209	\$ 17,869,099	\$ 4,749,214	\$ 93,767,803

# 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, 2011

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
<b>OPERATING REVENUES</b>					
Sales and Services	\$ 2,899,910	\$ 31,453,037	\$ 49,841,497	\$ 5,610,042	\$ 89,804,486
Miscellaneous	-	173,816	-	-	173,816
Total Operating Revenues	2,899,910	31,626,853	49,841,497	5,610,042	89,978,302
<b>OPERATING EXPENSES</b>					
Cost of Sales and Services	1,345,576	-	-	-	1,345,576
Salaries and Benefits	876,743	1,950,024	20,108,001	406,178	23,340,946
Operating	399,950	18,487,855	21,848,028	1,048,974	41,784,807
Claims	-	-	-	6,007,666	6,007,666
Depreciation	126,622	7,868,453	5,383,099	16,901	13,395,075
Total Operating Expenses	2,748,891	28,306,332	47,339,128	7,479,719	85,874,070
Operating Income (Loss)	151,019	3,320,521	2,502,369	(1,869,677)	4,104,232
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and Investment Income	-	-	7,449	1,093,916	1,101,365
Interest Expense	(21,683)	-	(296,376)	(22,092)	(340,151)
Gain (Loss) on Sale of Capital Assets	(438)	177,512	-	-	177,074
Other	-	-	16,108	-	16,108
Total Nonoperating Revenues (Expenses)	(22,121)	177,512	(272,819)	1,071,824	954,396
Income (Loss) Before Contributions and Transfers	128,898	3,498,033	2,229,550	(797,853)	5,058,628
Capital Grants and Contributions	-	98,249	-	-	98,249
Changes in Net Assets	128,898	3,596,282	2,229,550	(797,853)	5,156,877
Total Net Assets - Beginning of Year	833,383	66,590,927	15,639,549	5,547,067	88,610,926
Total Net Assets - End of Year	\$ 962,281	\$ 70,187,209	\$ 17,869,099	\$ 4,749,214	\$ 93,767,803

# STATE OF NORTH DAKOTA

## Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended June 30, 2011

	Central Services	Fleet Services	Information Technology	Risk Management	Total
<b>Cash Flows from Operating Activities:</b>					
Receipts from Customers and Users	\$ 2,924,794	\$ 31,599,391	\$ 49,428,788	\$ 5,610,042	\$ 89,563,015
Payments to Other Funds	-	(178,504)	-	-	(178,504)
Payments to Suppliers	(1,712,338)	(17,661,296)	(22,910,500)	(1,038,723)	(43,322,857)
Payments to Employees	(858,403)	(1,930,417)	(19,964,131)	(398,696)	(23,151,647)
Claim Payments	-	-	-	(110,535)	(110,535)
Payments to Others	-	-	-	(4,597,234)	(4,597,234)
Net Cash Provided by (Used for) Operating Activities	354,053	11,829,174	6,554,157	(535,146)	18,202,238
<b>Cash Flows from Noncapital Financing Activities:</b>					
Interest Payments - Notes and Other Borrowings	(2,100)	-	-	-	(2,100)
Collection of Advances to Other Funds	-	(4,000,000)	-	-	(4,000,000)
Net Cash Used for Noncapital Financing Activities	(2,100)	(4,000,000)	-	-	(4,002,100)
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and Construction of Capital Assets	-	(11,743,901)	(2,966,967)	-	(14,710,868)
Proceeds from Sale of Capital Assets	-	2,373,383	-	-	2,373,383
Principal Payments - Notes and Other Borrowings	-	-	(10,537,178)	-	(10,537,178)
Interest Payments - Notes and Other Borrowings	-	-	(324,831)	-	(324,831)
Payment on Capital Leases	(132,226)	-	-	(1,288)	(133,514)
Interest Payments - Capital Leases	(19,583)	-	-	(190)	(19,773)
Net Cash Used for Capital and Related Financing Activities	(151,809)	(9,370,518)	(13,828,976)	(1,478)	(23,352,781)
<b>Cash Flows from Investing Activities:</b>					
Proceeds from Sale and Maturities of Investment Securities	-	-	-	(577,631)	(577,631)
Interest and Dividends on Investments	-	-	7,449	626,762	634,211
Net Cash Provided by Investing Activities	-	-	7,449	49,131	56,580
<b>Net Change in Cash:</b>					
Net Increase (Decrease) in Cash and Cash Equivalents	200,144	(1,541,344)	(7,267,370)	(487,493)	(9,096,063)
Cash and Cash Equivalents at June 30, 2010	639,002	1,986,191	13,292,714	4,145,907	20,063,814
Cash and Cash Equivalents at June 30, 2011	\$ 839,146	\$ 444,847	\$ 6,025,344	\$ 3,658,414	\$ 10,967,751
<b>Reconciliation:</b>					
Cash Deposits at the Bank of North Dakota	\$ 835,301	\$ 444,847	\$ 6,025,344	\$ 3,657,426	\$ 10,962,918
Cash and Cash Equivalents	3,845	-	-	988	4,833
Cash and Cash Equivalents	\$ 839,146	\$ 444,847	\$ 6,025,344	\$ 3,658,414	\$ 10,967,751
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:</b>					
Operating Income (Loss)	\$ 151,019	\$ 3,320,522	\$ 2,502,369	\$ (1,869,677)	\$ 4,104,233
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	126,622	7,868,453	5,376,450	16,901	13,388,426
Amortization\Accretion	-	-	6,649	-	6,649
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	81,712	(27,463)	(71,733)	-	(17,484)
Increase in Due From	(62,327)	-	(343,970)	(7,375)	(413,672)
(Increase) Decrease in Intergovernmental Receivable	5,500	(164,769)	2,994	-	(156,275)
(Increase) Decrease in Prepaid Items	(934)	46,245	77,973	35,190	158,474
Decrease in Inventories	3,158	-	-	-	3,158
Decrease in Other Assets	14,968	-	-	-	14,968
Increase (Decrease) in Accounts Payable	14,992	780,313	(1,177,927)	(245,365)	(627,987)
Increase in Claims\Judgments Payable	-	-	-	1,524,036	1,524,036
Decrease in Intergovernmental Payable	-	(13,735)	(716)	-	(14,451)
Increase in Accrued Payroll	9,863	15,809	65,903	1,951	93,526
Increase in Compensated Absences Payable	8,479	3,799	77,967	5,531	95,776
Increase in Due To	1,001	-	38,198	3,662	42,861
Total Adjustments	203,034	8,508,652	4,051,788	1,334,531	14,098,005
Net Cash Provided by (Used For) Operating Activities	\$ 354,053	\$ 11,829,174	\$ 6,554,157	\$ (535,146)	\$ 18,202,238
<b>Noncash Transactions:</b>					
Net Increase in Fair Value of investments	\$ -	\$ -	\$ -	\$ 440,050	\$ 440,050
Acquisition of Equipment Under Capital Lease	47,859	-	-	-	47,859
Change in Securities Lending Collateral	-	-	-	(52,310)	(52,310)
Total Noncash Transactions	\$ 47,859	\$ -	\$ -	\$ 387,740	\$ 435,599