

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SUMMARY OF AGENCY RESPONSIBILITIES	ISSUE DATE:	SECTION
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THE CLOSING PROCESS--AGENCIES

The annual GAAP closing process begins June 30 with the end of the fiscal year. The Office of Management and Budget will send blank closing package forms to agencies at that time. Agencies can begin to complete some of the closing packages soon after June 30. They may not be able to complete others until September and October. Due dates of the closing package forms vary. The following schedule summarizes these due dates by agency and fund.

Remember that each agency should complete only the forms that apply to their funds. The Special Government Unit Checklist will help you determine which of the packages to read and complete.

SPECIAL GOVERNMENT UNIT CHECKLIST

Agencies complete only those closing packages that apply to their funds. No agency (except Sample Agency, our comprehensive case example) will complete all closing packages. Every agency, however, must complete the Special Government Unit Checklist for each fund.

Completing the Special Government Unit Checklist will help each agency determine which of the other closing packages it must complete for each fund. The completed Checklist will also help the Office of Management and Budget control the closing process.

Complete the Special Government Unit Checklist prior to completing other closing packages and return to the Office of Management and Budget by the scheduled due date listed for your agency and fund.

CLOSING PACKAGES

Agencies who prepare financial statements may submit a copy of these statements in place of the financial statement closing packages. There are now separate sets of statements for governmental funds, for proprietary funds, and for trust funds: a Balance Sheet and an Operating Statement for governmental funds; a Statement of Net Assets, an Operating Statement, and a Statement of Cash Flows (using the direct method) for proprietary funds; a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets for trust funds.

If information requested on individual closing packages is included in the notes to the financial statements, with the exception of the Interfund Activity Schedules, please indicate the page number of the specific note on the closing package and return it to the Office of Management and Budget. You do not need to duplicate this information on the closing package, however; be sure to identify where in the notes this information is presented and please make sure it is complete.

The Cash and Investments Footnote Package must be completed for each fund if the fund reports Cash and/or Investments. Due to the specific information the Office of Management and Budget must have regarding cash and investments, every agency must complete the cash and investments summary forms for each fund if your financial statements do not include a note for cash and investments.

The Schedule of Interfund Balances (Due To/Due From) and the Schedule of Transfers must be completed for each fund that reports these transactions. It is important that these schedules are returned to the Office of Management and Budget by the scheduled due date listed for your agency and fund (see Schedule of Due Dates).

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NOTE: OMB may request that agencies with audited financial reports submit their interfund activity schedules prior to the due date for their report.

SCHEDULE OF CLOSING PACKAGE DUE DATES	DUE DATE
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SPECIAL GOVERNMENT UNIT CLOSING MANUAL

A.	For funds submitting audited financial reports	September 30
B.	For the following Proprietary Funds:	
	-Central Services (Fund 790/927)	September 9
	-Fleet Services (Fund 700/918)	September 9
	-Information Technology Department (Fund 780/929)	September 9
	-ITD HIT Planning Loan Fund (Fund 987)	September 9
	-Roughrider Industries (Fund 926)	September 9
	-State Lottery Fund (Fund 292/966)	September 9
	-Risk Management (Fund 288 & 275/912)	September 16
	-State Bonding (Fund 210/924)	September 16
	-Fire and Tornado (Fund 211/923)	September 16
C.	Other Special Government Units	
	-Cash Bonds - Industrial Commission (944)	August 19
	-Commandants Fund (Fund 941)	August 19
	-Developmental Center Residents Funds (Fund 986)	August 19
	-Developmental Center Residents Welfare Fund (Fund 996)	August 19
	-Donor Implied Trust - HSC (Fund 931)	August 19
	-ITD Thordarson Scholarship Trust Fund (Fund 937)	August 19
	-Home Quarter Purchase Fund (Fund 972)	August 19

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SCHEDULE OF CLOSING PACKAGE DUE DATES

DUE DATE

-Industrial School Student Accounts (Fund 993)	August 19
-Insurance Company Deposits (Fund 945)	August 19
-Judges Retirement Fund (Fund 922)	August 19
-District Court Collection Fund (Fund 946)	August 19
-District Court Bond Fund (Fund 947)	August 19
-Agriculture Cash and Investments (Fund 942)	August 19
-Prisoner Accounts (Fund 992)	August 19
-PSC Trustee Accounts (Fund 939)	August 19
-School for the Blind - Federal Quota (Fund 948)	August 19
-School for the Deaf Non-Expendable Trusts (Fund 988)	August 19
-School for the Deaf Student Expendable Trust (Fund 989)	August 19
-School for the Deaf Students Personal Accts. (Fund 994)	August 19
-Five State Judicial Conference (Fund 935)	August 19
-State Hospital - Special Revenue Funds (Fund 938)	August 19
-State Hospital - Patient Funds (Fund 991)	August 19
-Veteran's Home - Custodial (Fund 990)	August 19
-Water Commission Debt Service Fund (Fund 962)	September 16
-Dept. of Transportation Debt Service Fund (Fund 949)	September 16

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GENERAL RESPONSIBILITIES

Each agency's Executive Director and Finance Director are responsible for submitting to the Office of Management and Budget closing package forms and/or financial statements that are:

- Accurate.
- Complete
- Completed in accordance with instructions.
- Timely.

If your agency is unable to submit data by the required date, call the Office of Management and Budget as soon as possible.

IMPORTANCE OF APPROVALS

It is important that the "approved" line on each closing package form bear the signature of the agency's Finance Director or Executive Director. Auditors will expect these to be "live" signatures--not rubber stamped or typewritten.

WORKING PAPERS

Preparation and maintenance of working papers is a primary responsibility of each agency. Include a copy of each completed closing package form with the working papers.

NAMES AND NUMBERS

Contact the Financial Reporting/GAAP Compliance staff in the Office of Management and Budget on comments relating to this manual.

Telephone: 328-2680

Mailing Address: CAFR Reporting
Office of Management and Budget
600 East Boulevard, Dept. 110
Bismarck, ND 58505-0400

Physical Location: Fourth Floor, State Capitol Building

STATE OF NORTH DAKOTA CONTROL LIST OF ENTITIES WITH FINANCIAL STATEMENTS 6/30/2011					
Input			**		Governmental (G)
Dept	State		Fund	Year	Proprietary (P)
No.	Fund	DESCRIPTION	Type	End	Fiduciary (F)
110	912	RISK MANAGEMENT FUND	IS	6/30/2011	P
110	927	CENTRAL SERVICES	IS	6/30/2011	P
112	929	INFORMATION TECHNOLOGY DEPARTMENT	IS	6/30/2011	P
112	937	THORDARSON SCHOLARSHIP FUND	PP	6/30/2011	F
112	987	HIT PLANNING LOAN FUND	E	6/30/2011	P
125	966	STATE LOTTERY FUND	E	6/30/2011	P
180	922	JUDGES RETIREMENT FUND	PT	6/30/2011	F
180	935	FIVE STATE JUDICIAL COUNCIL	SR	6/30/2011	G
180	946	CLERK OF COURT COLLECTION FUND	A	6/30/2011	F
180	947	CLERK OF COURT BOND FUND	A	6/30/2011	F
190		RETIREMENT AND INVESTMENT OFFICE			F
190	913	City Of Bismarck Investments	PT	6/30/2011	F
190	911	Association of Counties Investments	PT	6/30/2011	F
190	936	City of Grand Forks	PT	6/30/2011	F
190	950	City of Fargo	PT	6/30/2011	F
190	964	Teachers' Fund for Retirement	PT	6/30/2011	F
192		PERS			F
192	920	Job Service Retirement Fund	PT	6/30/2011	F
192	930	Defined Contribution	PT	6/30/2011	F
192	932	Flex Program	PT	6/30/2011	F
192	933	Prefunded Retiree Health Program	PT	6/30/2011	F
192	980	Pers Group Insurance	E	6/30/2011	P
192	981	Deferred Compensation	PT	6/30/2011	F
192	982	Highway Patrolmen Retirement	PT	6/30/2011	F
192	983	Public Employees Retirement System	PT	6/30/2011	F
215	978	UNIVERSITY SYSTEM	E	6/30/2011	P
215	963	UNIVERSITY SYSTEM COMPONENT UNITS	CU	6/30/2011	P
226		BOARD OF UNIVERSITY AND SCHOOL LANDS			G
226	925	Energy Development Impact Fund	SR	6/30/2011	G
226	955	Land and Minerals Trust Fund	SR	6/30/2011	G
226	956	Coal Severance Tax Trust Fund	SR	6/30/2011	G
226	957	Permanent Fund	PERM	6/30/2011	G
226	959	Maintenance Fund	SR	6/30/2011	G
226	997	Capitol Building Fund	SR	6/30/2011	G
252	988	SCHOOL FOR THE DEAF SCHOLARSHIP FUND	PP	6/30/2011	F
252	989	SCHOOL FOR THE DEAF STUDENT TRUST	PP	6/30/2011	F
252	994	SCHOOL FOR THE DEAF STUDENTS	A	6/30/2011	F
253	948	SCHOOL FOR THE BLIND - FEDERAL QUOTA	SR	6/30/2011	G
301	943	MANDAN REMEDIATION TRUST	PP	12/31/2010	F
313	941	COMMANDANTS FUND	SR	6/30/2011	G
313	990	VETERAN'S HOME - CUSTODIAL	A	6/30/2011	F
325	931	DONOR IMPLIED TRUST - H S C	SR	6/30/2011	G
325	938	STATE HOSPITAL-SPECIAL REVENUE FUNDS	SR	6/30/2011	G
325	986	DEVELOPMENTAL CTR RESIDENTS' CUSTODIAL ACCT	A	6/30/2011	F
325	991	STATE HOSPITAL PATIENTS	A	6/30/2011	F
325	996	DEVELOPMENTAL CENTER RESIDENTS WELFARE	SR	6/30/2011	G
380		JOB SERVICE		6/30/2011	G/P
380	967	Unemployment Trust Fund	E	6/30/2011	P
380	968	Other Special Revenue	SR	6/30/2011	G
380	921	Federal	SR	6/30/2011	G
385	910	CHAND	CU	12/31/2010	P

STATE OF NORTH DAKOTA CONTROL LIST OF ENTITIES WITH FINANCIAL STATEMENTS 6/30/2011					
Input			**		Governmental (G)
Dept	State		Fund	Year	Proprietary (P)
No.	Fund	DESCRIPTION	Type	End	Fiduciary (F)
401	923	STATE FIRE AND TORNADO FUND	E	6/30/2011	P
401	924	STATE BONDING FUND	E	6/30/2011	P
401	945	INSURANCE CO DEPOSITS	A	6/30/2011	F
405	919	BUILDING AUTHORITY^^	E	6/30/2011	G
405	944	CASH BONDS - INDUSTRIAL COMM	A	6/30/2011	F
408	939	PUBLIC SERVICE COMM. (PSC) TRUSTEE ACCT	A	6/30/2011	F
471	916	PARTNERSHIP IN ASSISTING COMMUNITY EXP FUND	SR	6/30/2011	G
471	917	AGRICULTURE PACE FUND	SR	6/30/2011	G
471	940	COLLEGE SAVE	PP	12/31/2010	F
471	969	GUARANTEED STUDENT LOAN	E	9/30/2010	P
471	971	DEVELOPMENTALLY DISABLED FACILITY LOAN FUND	E	12/31/2010	P
471	973	BEGINNING FARMER REVOLVING LOAN FUND	E	12/31/2010	P
471	974	COMMUNITY WATER FACILITY LOAN FUND	E	12/31/2010	P
471	975	STUDENT LOAN TRUST	E	6/30/2011	P
471	999	BANK OF NORTH DAKOTA	E	12/31/2010	P
472	976	PUBLIC FINANCE AUTHORITY	CU	12/31/2010	P
473	998	HOUSING AND FINANCE AGENCY	E	6/30/2011	P
475	970	MILL AND ELEVATOR	E	6/30/2011	P
485	965	WORKERS COMPENSATION	E	6/30/2011	P
530	926	ROUGH RIDER INDUSTRIES	E	6/30/2011	P
530	992	PRISONER ACCOUNTS	A	6/30/2011	F
530	993	INDUSTRIAL SCHOOL STUDENT ACCOUNTS	A	6/30/2011	F
601	915	NORTH DAKOTA DEVELOPMENT FUND	CU	6/30/2011	P
602	942	AGRICULTURE CASH AND INVESTMENT - BNK OF ND	A	6/30/2011	F
602	972	HOME QUARTER PURCHASE FUND	SR	6/30/2011	G
665	977	STATE FAIR	E	9/30/2010	P
770	962	WATER COMM DEBT SERVICE FUND	DS	6/30/2011	G
801	918	FLEET SERVICES	IS	6/30/2011	P
801	949	DOT DEBT SERVICE	DS	6/30/2011	G
		^^For CAFR, Report Building Authority as Debt Service (fund 919) and Capital Projects (fund 960)			
		**			
		SR - Special Revenue			
		DS - Debt Service			
		CP - Capital Projects			
		E - Enterprise			
		IS - Internal Service			
		A - Agency			
		PP-Private Purpose Trust			
		PERM-Permanent fund			
		PT - Pension or Investment Trust			
		CU-Component Unit			

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SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
CHECKLIST

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PURPOSE AND OBJECTIVES

The State plans to prepare its financial statements in accordance with Accounting Principles Generally Accepted (GAAP). GAAP requires that financial information for entities with separate financial statements be combined with the State's financial information to prepare the Comprehensive Annual Financial Report.

The purpose of this closing package is to account for all entities that prepare separate financial statements and to determine which closing packages/statements, and disclosures are required.

AGENCY ACTION REQUIRED

- Read this Checklist and the **Key Terms** below before you begin work on any other closing package.
- Complete the Checklist by the scheduled due date listed for your agency and fund (see Schedule of Due Dates).

KEY TERMS

Advance Refunding/Defeasance: Bonds issued to refinance an outstanding bond issue before the date the outstanding bond becomes due. Proceeds of the advance refunding bonds are deposited in a trust, or with a fiduciary and are used to redeem the underlying bonds at their maturity, or to pay interest on the bonds.

Arbitrage Rebate Payable: Arbitrage as it applies to government financing refers to the ability of state governments to obtain funds at a tax-exempt rate of interest and to then invest these funds in investments which earn a higher yield, resulting in a profit to the issuer.

The arbitrage rebate rules require that any earnings from the investment of the tax-exempt bond proceeds which exceed the yield on the bonds be remitted to the Federal government.

Capital Grants and Contributions: Capital grants and contributions are grants and contributions, including capital assets, that are awarded solely for the purchase, construction or renovation of capital assets associated with a particular program. If an award can be used for either operating or capital assets or both, the revenue is an operating grant or contribution.

Current Assets: Current assets are those assets (or portion of assets) that will be liquidated within one year of the end of the fiscal year. Assets to be liquidated in more than one year are to be classified as noncurrent.

Current Liabilities: Current liabilities are those liabilities (or portion of liabilities) that will be paid within one year of the end of the fiscal year. Liabilities to be paid more than one year after the fiscal year end are to be classified as noncurrent.

Due From Other Funds: For those services provided between funds, a due from other funds should be established for those revenues earned but not yet received at the close of the fiscal year. Activity between funds that are represent of short-term or long-term lending (previously entitled "Advances") should also be classified as due from other funds at the close of the fiscal year. If there is little or no intention of repaying the funds, then the transaction should be classified as a transfer of funds rather

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than a lending transaction with a receivable. The purpose for which a due from other funds exists should be explained in the notes to the financial statements. In addition, balances not expected to be repaid within one year of the fiscal year end need to be explained.

Due To Other Funds: For services received from another fund, a due to other funds should be established for the expenses incurred but not yet paid at the close of the fiscal year. Activity between funds that represent short-term or long-term borrowings (previously known as “Advances”) should also be classified as a due to other funds at the close of the fiscal year. If there is little or no expectation of the fund being repaid, the transaction should be classified as a transfer of funds rather than a lending transaction with a payable. The purpose for which the balance exists should be explained in the notes to the financial statements. In addition, balances not expected to be received within one year of the fiscal year end need to be explained.

Extraordinary Items: Extraordinary items are transactions or other events that are **both** unusual in nature and infrequent in occurrence.

General Grants and Contributions: General unrestricted grants and contributions are those that are not for specific program use. An example of such would be a grant that was award to the state of North Dakota to use as the state desired. Because the grant does not specify a program use, it is a general grant.

Impaired Asset. An asset may be considered impaired due to physical damage; new laws, regulations or environmental factors making the asset partially or totally unusable; technology or other circumstances making the asset obsolete; construction stopping before fully complete, or using the asset in a different manner at less than full capacity or the estimated useful life of the asset decreased.

Net Assets, Invested in Capital Assets, Net of Related Debt: Net assets invested in capital assets is the value of your funds capital assets, net of accumulated depreciation, and net of any debt on those capital assets.

Net Working Capital: The excess of current assets over current liabilities (current assets - current liabilities).

Non-Arms Length Transactions: Transactions mandated by the Legislature or governing board, which are not made in the normal course of business and should be classified as interfund transactions.

Non-Cash Transactions: Transactions which do not involve cash but which have an effect on the various Statements. A common example is acquiring assets by directly assuming a liability. This includes purchasing an asset through a capital lease.

Operating Revenues: Sales of goods and services, quasi-external operating transactions with other funds, grant revenues for specific activities that are considered to be operating activities of the grantor, and other miscellaneous revenue should be classified as operating. Grants that would qualify as an operating activity are those that do not subsidize an existing program, rather they finance a program the agency would otherwise not undertake. For certain loan and investment programs, revenue that would normally be classified as non-operating should be classified as operating. An example of this would be interest income from program loans. All other revenues that do not meet the above criteria should be classified as non-operating.

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Organizations that are Component Units: Certain legally separate, tax-exempt organizations will be considered component units of the State and will need to be included in the CAFR if the following criteria are met:

1. The resources received or held by the organization are entirely or almost entirely for the benefit of the state agency or its constituents.
2. The state agency is entitled to or can access the majority of the economic resources of the organization.
3. The economic resources of the organization are significant to the state.

Questioned Costs: Those costs for which a governmental agency has previously been reimbursed or will be reimbursed, and are subsequently disallowed. The disallowance results in a liability for the reimbursed agency.

Reimbursements: Reimbursements are payments from other state agencies for their share of an expense that another agency paid. An example would be, if two agencies share an office building and one pays all of the utilities but receives payment from the other agency for its share of the cost.

Related Parties: Entities outside of the State's reporting entity that are affiliated with the reporting entity. Includes parties with which the reporting entity can influence or be influenced by the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Restricted Assets. Monies or other resources which are restricted by legal or contractual requirements.

Restricted Net Assets: Net assets need to be restricted for use by a third party or by enabling legislation. Enabling legislation initially authorizes the government to assess, charge or mandate payment from an external party and restricts the use of those resources. Initially would be in the State's Constitution or an original ND Century Code that set up the revenue source for the fund. It does not include a later change in a law that imposes the restriction, nor Legislative appropriations.

Reverse Repurchase Agreement: An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a governmental entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for the same securities.

Sale or Pledge of Receivables or Future Revenues: Transactions in which an entity receives or is entitled to proceeds in exchange for future cash flows from receivables or from specific revenues. The transferring entity's continuing involvement with these receivables or revenues determines whether there has been a sale or pledge.

Special Items: Special items are significant transactions or other events within the control of management that are **either** unusual in nature or infrequent in occurrence.

Subsequent Events: Subsequent events are events or transactions that both:

- Occur after June 30 but before the State issues its financial statements.
- Have a material effect on the statements and/or the auditor's report.

Transfers In/Out: Flows of assets (cash or goods) between funds that are legally authorized, without equivalent flows of assets in return and without a requirement for repayment. The Transfers In/Out is recorded under the "Nonoperating Revenues (Expenses)" section of the Operating Statement.

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ACCOUNTING PRINCIPLES AND POLICIES

Accounting Principles Generally Accepted in the United States of America (GAAP) requires financial information for entities with separate financial statements be combined with the State's financial information to provide for a complete Comprehensive Annual Financial Report. This includes:

- Management Discussion and Analysis (For agencies submitting an audited financial report)
- Balance Sheet (For governmental funds)
- Statement of Net Assets. (For proprietary and fiduciary funds)
- Operating Statements (For both governmental and proprietary funds)
- Statement of Activities (For agencies with audited financial reports, where applicable)
- Statement of Cash Flows (proprietary funds only).
- Statement of Changes in Fiduciary Net Assets (For fiduciary funds)
- Notes to the Financial Statements. (All funds)

WORKING PAPERS

All working papers may be subject to audit. The agency should keep a copy of the completed financial statements, schedules and other forms. In addition, the agency should keep any documents that support data on the completed forms.

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SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
BALANCE SHEET FOR GOVERNMENTAL FUNDS

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GENERAL INSTRUCTION - SPECIAL GOVERNMENT UNIT CHECKLIST

- Carefully read the definitions that apply to this closing package prior to completing the forms (see key terms section).
- If your agency has audited financial statements, all items applicable to you that are included on the checklist must be included in the audited notes to the financial statements.
- Prepare two or more forms if there is not enough space on one form. (Be sure to make copies of the blank forms before completing them.)
- Balances reported should be as of your fiscal year end.
- The person who completes and signs the forms should retain a copy. The Office of Management and Budget will telephone this person if there are any questions.
- Return the completed statements/forms to the Office of Management and Budget by the scheduled due date listed for your agency and fund (see Schedule of Due Dates). If you can return them at an earlier date, please do so.
- A completed sample of each required form follows. Detailed instructions for completing the form follow the sample.

STATE OF NORTH DAKOTA
SPECIAL GOVERNMENT UNIT CHECKLIST
For the Fiscal Year Ended June 30, 20____

Business Unit #: 45000 Business Unit Name: Example Unit State Fund #: 915

Prepared: 8 / 12 / xx By: Jim Smith Accountant 328-5555
Date Name/Signature Title/Phone

Approved: 8 / 19 / xx By: Fred Jones Supervisor 328-5555
Date Name/Signature Title/Phone

NOTE: If your response to any question requires additional space, please complete your response on additional paper and attach it to the checklist.

1. A Cash and Investment Footnote Package must be completed for each fund reporting cash and/or investments. (See Cash and Investments section of this Closing Manual.)

2. A Schedule of Interfund Balances (Due To/Due From) must be completed for each fund reporting Due To/Due From balances. (See the Interfund Transactions section of this Closing Manual.)

3. A Schedule of Interfund Activity (transfers) must be completed for each fund reporting transfer activity. (See the Interfund Transactions section of this Closing Manual.)

4. Does your entity have audited financial statements? Yes _____ No X N/A _____

If NO: Please complete the Balance Sheet or Statement of Net Assets and the applicable Operating Statement of Changes in Fiduciary Assets and Liabilities included in this Closing Manual.

5. Does your entity's beginning net assets agree to last year's ending net assets? Yes X No _____ N/A _____

If NO: Please reconcile last year's ending net assets to the current year's beginning net assets.

6. Does your entity report non-arms length transactions as interfund activity in the financial statements (see key terms)? Yes _____ No _____ N/A X

If NO: Please report non-arms length transactions as interfund activity in the financial statements and describe the nature of this activity.

7. Does your entity have Special or Extraordinary items (See Key Terms) reported in your Operating Statement. Yes _____ No X N/A _____

If YES: Please report at the bottom of your statement after other financial sources (uses) or transfers and explain the transaction in the notes to your financial statements or below.

STATE OF NORTH DAKOTA
SPECIAL GOVERNMENT UNIT CHECKLIST
For the Fiscal Year Ended June 30, 20____

Business Unit #: 45000 Business Unit Name: Example Unit State Fund #: 915

8. Does your entity report general fund and federal fund revenue as an "Operating Transfer In" in the Nonoperating Section of the Operating Statement? Yes No N/A

If NO: Please report general fund and federal fund revenue as an "Operating Transfer In" in the Nonoperating Section of the Operating Statement.

9. Does your entity classify revenue according to OMB's policy defining Operating and Nonoperating revenue? Yes No N/A

If NO: Please classify revenue in accordance with OMB policy. (See Key Terms for OMB policy)

10. Does your entity classify expenses that result from the fund's principal ongoing operations as operating expenses? Yes No N/A

If NO: Please classify those types of expenses as operating expenses.

11. If your entity has amounts to be remitted to the Federal government in accordance with arbitrage rebate rules, do you record the funds as a liability (see Key Terms)? Yes No N/A

If NO: Please record these amounts as a liability and describe the nature of the transaction.

The Example Unit received tax-free bond proceeds of \$2,000,000 at a rate of 6%. During the year the proceeds yielded an 8% return. As a result, Example Unit has an arbitrage rebate payable of \$40,000. This amount will be accrued in the financial statements.

12. If your entity is a proprietary fund, is a Statement of Cash Flows included in your financial statements? Yes No N/A

If NO: Please complete the Statement of Cash Flows Closing Package included in this Closing Manual.

13. Does your entity prepare the Cash Flows Statement using the Direct Method beginning with operating activities? Yes No N/A

If NO: Please prepare the Cash Flows Statement using the Direct Method beginning with Operating Activities.

14. Does your entity record loans (greater than 90 days) at gross rather than net on the Cash Flows Statement? Yes No N/A

If NO: Please record program loans at gross rather than net on the Cash Flows Statement.

**STATE OF NORTH DAKOTA
SPECIAL GOVERNMENT UNIT CHECKLIST
For the Fiscal Year Ended June 30, 20____**

Business Unit #: 45000 Business Unit Name: Example Unit State Fund #: 915

15. Does your entity include as part of the Statement of Cash Flows, disclosure for non-cash transactions (see key terms)? Yes No N/A

If NO: Please disclose all non-cash transactions on the Statement of Cash Flows Summary Form included in the Cash Flow section of the Closing Manual.

16. Does your entity report cash and investments separately applying the 90 day rule (i.e. maturity date of 3 months or less report as cash, maturity date of more than 3 months report as an investment)? Yes No N/A

If NO: Please report all investments with maturity dates of three months or less as cash when completing the Cash and Investments Summary Form.

17. If your entity includes in the financial statements any restricted assets, are they identified and is the purpose for their restriction explained (see Key Terms)? Yes No N/A

If NO: Please identify any restricted assets and explain the purpose for their restriction.

Certain proceeds, as well as certain resources set aside for their repayment, are classified as restricted, primarily because their use is limited by applicable bond covenants or pledged for securities sold under agreements to repurchase and for other required purposes. Restricted assets at June 30, 20XX, are as follows:

Cash	\$ 25,000
Investments	100,000
Other Assets	244,000
Total	\$ 369,000

18. Does your entity include in the Notes to the Financial Statements the disclosure requirements for fixed assets and accumulated depreciation? Yes No N/A

If NO: Please complete the disclosure requirements for changes in fixed assets and accumulated depreciation (see Attachment 1).

19. Does your entity include in the Notes to the Financial Statements the disclosure requirements for construction in progress? Yes No N/A

If NO: Please complete the disclosure requirements for construction in progress (see Attachment 2).

20. If your entity has any significant commitments at June 30, 20XX other than those reported in item 19 above, are they disclosed in the Notes to the Financial Statements? Yes No N/A

If NO: Please describe the situation (including amounts).

Example Unit committed to acquire various agricultural equipment under four long-term contracts with terms extending from three to fourteen years beginning in 20XX. Based on current prices, the purchase commitment approximates \$1.1 billion.

STATE OF NORTH DAKOTA
SPECIAL GOVERNMENT UNIT CHECKLIST
For the Fiscal Year Ended June 30, 20____

Business Unit #: 45000 Business Unit Name: Example Unit State Fund #: 915

21. If your entity reports any reverse repurchase agreements on your balance sheet as of the CAFR year ended June 30, 20XX, are all of following disclosed in the Notes to the Financial Statements (see key terms)? Yes No N/A

a) The amount of liability. **\$100,000**

b) The balance sheet line that the liability is in if not disclosed separately. **Other Liabilities**

c) Legal or contractual provisions for the reverse repurchase agreements and any significant violations of these provisions during the fiscal year.

State statutes permit Example Unit to enter into reverse repurchase agreements; that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest.

d) The difference between the aggregate amount of the reverse repurchase agreements and the market value of the securities underlying those agreements.
(Indicate if the market value of the underlying securities is greater that the reverse repurchase agreements.)

Market value of the underlying securities is greater than the reverse repurchase agreement by \$20,000.

If NO: Please provide the above disclosures as of the CAFR year ended June 30, 20XX.

22. Does your entity include in the Notes to the Financial Statements the lease disclosure requirements established by FASB 13 for lease agreements? Yes No N/A

If NO: Please complete the lease disclosure requirements (see Attachment 3).

23. Does your entity include in the Notes to the Financial Statements the disclosure requirements for reporting debt service to maturity separately disclosing principal and interest payments? Yes No N/A

If NO: Please complete the Long-term and Short-term debt form (Attachment 4) in this Closing Manual.

24. Does your entity include in the Notes to the Financial Statements all the required note disclosures for debt, specifically bonds payable (i.e. revenue bond indenture information, a description of the issues), and short-term debt? (Any short-term debt activity during the fiscal year must be disclosed even if there is no outstanding balance at fiscal year end.) Yes No N/A

If NO: Please complete the Long-term and Short-term debt form (Attachment 4 in this Closing Manual.

25. Does your entity include in the Notes to the Financial Statements the purpose and amount for any authorized, unissued debt? Yes No N/A

If NO: Please indicate the purpose and amount of any authorized, unissued debt.

STATE OF NORTH DAKOTA
SPECIAL GOVERNMENT UNIT CHECKLIST
For the Fiscal Year Ended June 30, 20____

Business Unit #: 45000 Business Unit Name: Example Unit State Fund #: 915

26. Does your entity include the following information regarding any newly defeased debt as a result of advance refunding (see key terms)? Yes No N/A

- a) The nature of the transaction.
- b) Any economic gain/loss.
- c) The amount of defeased debt in-substance outstanding at June 30.

If NO: Please indicate the necessary information for each debt.

During the current year, Example Unit issued \$89 million in expansion bonds to advance refund \$72 million of existing bonds. The new bonds bear an interest rate of approximately 7.8%, while the original bonds averaged 9.3%. Example Unit advance refunded these bonds to reduce our total debt service payments over the next 36 years by approximately \$10 million and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$1.5 million.

27. Does your entity include the following information regarding any guaranteed debt, moral obligation debt, or no-commitment debt? Yes No N/A

- a) The nature of each debt.
- b) The amount of each debt.

If NO: Please indicate the nature and amount of each debt.

State law authorizes the issuance of bonds that provide low-cost financing for construction of private facilities deemed to be in public interest. The State assumes no responsibility for this debt, therefore, there is no liability reflected in the financial statements. No commitment debt amounts to \$2,000,000 at June 30, 20XX.

28. If your entity includes in the Notes to the Financial Statements any litigation and/or unasserted claims against your entity existing at June 30 or up to the date this form was completed, is the situation described? Yes No N/A

If NO: Please describe the situation.

29. If your entity reported Restricted Net Assets (See Key Terms) on your Statement of Net Assets, did you include an explanation for the amounts restricted? Yes No N/A

If NO: Please describe the reason why Net Assets were restricted.
(See Key Terms) as of CAFR year June 30, 20XX.

Net assets of \$52,000 are restricted for debt requirements per mortgage agreement.

30. If your entity reported deficit Net Assets on your Statement of Net Assets as of CAFR year ended June 30, 20XX, did you explain what steps are being taken to eliminate the deficit? Yes No N/A

If NO: Please describe what steps are being taken to eliminate any deficit at CAFR year ended June 30, 20XX.

**STATE OF NORTH DAKOTA
SPECIAL GOVERNMENT UNIT CHECKLIST
For the Fiscal Year Ended June 30, 20____**

Business Unit #: 45000 Business Unit Name: Example Unit State Fund #: 915

31. If your entity includes in the Notes to the Financial Statements any related party transactions made during the fiscal year, are the transactions described (see Key Terms)? Yes No N/A

If NO: Please describe the nature of these transactions.

32. Does your entity include in the Notes to the Financial Statements the disclosure requirements of FASB 105 "Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk?" Yes No N/A

If NO: Please complete the disclosure requirements of FASB 105 (see Attachment 5).

33. Does your entity include in the Notes to the Financial Statements the nature and amount of any federal monies spent which are considered "questioned costs" as a result of recent audits (see key terms)? Yes No N/A

If NO: Please indicate the nature and amount of any questioned costs.

Example Unit currently faces disallowances of federal funds for Medicaid and Emergency Management. The total amount in question is \$6.5 million as a result of federal audits and state reviews. Additional audits and reviews are pending. ALL amounts are being or will be contested by the State. We are unable to determine the effect on the State, if any, of any resulting liabilities.

34. If your entity includes in the Notes to the Financial Statements any violations of finance related legal or contractual provisions affecting your entity, is the situation described? Yes No N/A

If NO: Please describe the situation.

35. If your entity reports subsequent events, do the Notes to the Financial Statements include the required disclosure (see key terms)? Yes No N/A

If NO: Please complete the required disclosure information for subsequent events.

36. Has your entity included in your financial statements receivables for donations or other revenue that has been pledged but not yet received at June 30? Yes No N/A

If NO: Please record a receivable if the pledged amounts can reasonably be expected to be received.

City XX pledged \$100,000 for new bike path construction. The path is on our agency's land within the city limits. The pledge was made prior to June 30, 20XX, and anticipated to be received within 6 months of fiscal year end.

STATE OF NORTH DAKOTA
SPECIAL GOVERNMENT UNIT CHECKLIST
For the Fiscal Year Ended June 30, 20____

Business Unit #: 45000 Business Unit Name: Example Unit State Fund #: 915

37. Has your entity received from or paid to another state agency a reimbursement payment (see Key Terms) in excess of \$50,000 during the fiscal year ended June 30, 20XX? Yes No N/A

If YES: Please report the amount received or paid, the other state agency involved in the transaction, and the purpose of the payment.

Our agency paid Agency X \$175,000 for our share of construction costs of a road that we share with Agency X.

38. Does your agency have any affiliated tax-exempt organizations that may be component units (See Key Terms) which have annual revenues, expenses, assets **or** liabilities that are significant to your agency that are not included in your financial statements as component units? Yes No N/A

If YES: Describe the situation below.

39. Does your agency have any individual assets with original costs of \$1 million or more that are impaired or potentially impaired (see Key Terms)? Yes No N/A

If YES: Provide a brief description of each asset and a brief description of the circumstances surrounding each asset.

Our Administration building is structurally unsound and has been abandoned. Original cost was \$1.5 million. Peoplesoft ID is 1234.

40. Has your agency sold or pledged its receivables or future revenues to another agency or third party? Yes No N/A

If YES: Describe the situation below.

Future fishing license revenues have been pledged to repay \$2.8 million in revenue bonds issued in August of 2003 to build new boat ramps on the Missouri River. The bonds are payable solely from fishing license revenue. Annual principal and interest payments on the bonds are expected to require less than 50 percent of revenues. Total principal and interest paid and total fishing license revenue were 385,000 and 400,000, respectively.

ATTACHMENT 1

FIXED ASSETS

The following is a summary of activity and beginning and ending balances of fixed assets for the year ended June 30, 20XX:

	<u>Land</u>	<u>Infrastructure</u>	<u>Buildings And Building Improvements</u>	<u>Equipment</u>	<u>Computer Software Intangibles</u>	<u>Other *** Intangibles</u>	<u>Construction In Progress</u>	<u>Total</u>
Balance, Beginning of Year	\$ 50,000	\$	\$ 400,000	\$ 63,000	\$ 15,000	\$	\$	\$ 528,000
Additions			50,000	22,000	5,000			77,000
Deletions				(15,000)				(15,000)
Balance, End of Year	\$ 50,000	\$ -	\$ 450,000	\$ 70,000	\$ 20,000	\$ -	\$ -	\$ 590,000
Accumulated Depreciation Beginning of Year		\$	\$ (210,000)	\$ (10,000)	(3,000)			\$ (223,000)
Additions			(40,000)	(13,000)	(1,000)			(54,000)
Deletions				3,000				3,000
Accumulated Depreciation End of Year			(250,000)	(20,000)	(4,000)			(274,000)
Fixed Assets Net End of Year	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 50,000</u>	<u>\$ 16,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,000</u>

*** Specify here the type of Other Intangibles: _____

NOTE - The above schedule is to be completed by those agencies who responded "NO" to question #18 on the Special Government Unit Checklist.

**ATTACHMENT 2
CONSTRUCTION IN PROGRESS**

Construction in progress is composed of the following:

<u>Project Description</u>	<u>Amount Authorized</u>	<u>Amount Expended Through June 30, 20XX</u>	<u>Balanced Authorized</u>
	\$	\$	\$
Total	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

NOTE - The above schedule is to be completed by those agencies who responded "NO" to question #19 on the Special Government Unit Checklist.

**ATTACHMENT 3
LEASES**

Operating Leases

Payments on Operating Leases

Future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of June 30, 2010, for all fund types are as follows:

Year Ending June 30	Amounts
2011	\$ 4,336
2012	3,737
2013	1,531
2014	1,378
2015	1,163
2016-2020	8,800
2021-2024	-
2025-2029	-
Total Minimum Lease Payments	<u>\$ 20,945</u>

Operating lease expenditures for the year ended June 30, 2010, amounted to **\$6,000**.

Rental Receipts on Operating Leases

The following is a schedule by years of future minimum rental receipts on noncancellable operating leases as of June 30, 2010:

Year Ending June 30	Amounts
2011	\$ 96
2012	29
2013	24
2014	24
2015	24
Thereafter	<u>360</u>
Future Income on Noncancellable Operating Leases	<u>\$ 557</u>

**ATTACHMENT 3 (CONT'D.)
LEASES**

Capital Leases

The following is a schedule of the future minimum lease payments under capital leases, and the present value of the net minimum lease payments at June 30, 2010:

Year Ending June 30	Amounts
2011	\$ 5,200
2012	4,100
2013	3,400
2014	2,300
2015	1,100
2016-2020	400
2021-2024	-
2025-2029	-
<hr/>	
Total Minimum Lease Payments	16,500
Less: Amount Representing Interest	(2,000)
Present Value of Future Minimum Lease Payments	<u>\$ 14,500</u>

List below the assets under capital leases at June 30:
(NOTE: These are to be included in your Fixed Asset Schedule)

	Cost	Accumulated Depreciation
Land	\$	\$
Infrastructure		
Buildings and Building Improvements		
Equipment	16,000	5,500
Intangibles (Software)	8,000	1,000
Other Intangibles		
Construction In Progress		
	<hr/>	<hr/>
Total	<u>\$ 24,000</u>	<u>\$ 6,500</u>

NOTE: The above schedule is to be completed by those agencies who responded "NO" to question #22 on the Special Government Unit Checklist.

**ATTACHMENT 4
LONG-TERM AND SHORT-TERM DEBT**

Disclose changes in your long-term and short-term debt for the year ended June 30, 20XX.

NOTE - Disclose all activity regardless if you had a beginning or ending balance for the debt.

	Balance July 1, 20XX	Additions	Deletions	Balance June 30,20XX	Amounts Due Within One Year
Loans and Notes Payable - Short-Term	\$ -	\$ 10,000	\$ (10,000)	\$ -	\$ -
Loans and Notes Payable - Long-Term	50,000	10,000	(8,000)	52,000	12,000
Bonds Payable					
Plus Premium on Bonds	200,000	300,000	(50,000)	450,000	50,000
Less Discount on Bonds					
Capital Leases Payable	19,300	0	(4,800)	14,500	4,500
Compensated Absences	78,000	12,000	(8,000)	82,000	11,000
Claims/Judgments Payable					
Total	<u>\$ 347,300</u>	<u>\$ 332,000</u>	<u>\$ (80,800)</u>	<u>\$ 598,500</u>	<u>\$ 77,500</u>

Disclose the amount of accrued interest payable on the above debt at June 30, 20XX: \$ 2,000

Report the amount of any Unamortized bond Issuance cost at June 30, 20XX: \$ _____

Report the Capital Asset financed with debt above. Type of Asset: Building Cost: \$5,000,000 Accumulated Depreciation: \$200,000
Has this asset been recorded in the PeopleSoft Asset Management Module or on a Fixed Asset or Construction in Progress Closing Package? Yes X No _____

Disclose the purpose of any short-term debt activity during the fiscal year: **\$10,000 loan from Bank X for 3 months to cover cash flow shortage because of overdue receivables.**

Disclose your debt service requirements to maturity for all long-term debt.

<u>YEAR/TYPE</u>	Principal	Interest	Total
<u>NOTES PAYABLE:</u>			
2011	\$ 9,000	\$ 1,200	\$ 10,200
2012	11,000	800	11,800
2013	14,000	600	14,600
2014	16,000	400	16,400
2015	2,000	100	2,100
2016-2020			
2021-2025			
2026-2030			
2031-2035			
2036-2040			
2041-2045			
2046-2050			
	<u>\$ 52,000</u>	<u>\$ 3,100</u>	<u>\$ 55,100</u>

ATTACHMENT 4 (CONT'D.)

GENERAL OBLIGATION BONDS:

2011	\$	\$	\$
2012			
2013			
2014			
2015			
2016-2020			
2021-2025			
2026-2030			
2031-2035			
2036-2040			
2041-2045			
2046-2050			
	_____	_____	_____
	<u>\$</u>	<u>\$</u>	<u>\$</u>

REVENUE BONDS:

2011	\$	\$	\$
2012			
2013			
2014			
2015			
2016-2020			
2021-2025			
2026-2030			
2031-2035			
2036-2040			
2041-2045			
2046-2050			
	_____	_____	_____
	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTE - The above schedule is to be completed by those agencies who responded "NO" to questions #23 and #24 on the Special Government Unit Checklist.

ATTACHMENT 5
FASB 105
FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

The following is an example of the type of disclosure required if your entity is a party to financial off-balance sheet risk as of June 30, 20XX:

The Example Special Government Unit is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit, options written, standby letters of credit and financial guarantees, interest rate caps and floors written, interest rate swaps, and forward and futures contracts. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the statement of financial position. The contract or notional amounts of those instruments reflect the extent of involvement the Example Special Government Unit has in particular classes of financial instruments.

The Example Special Government Unit's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit and financial guarantees written is represented by the contractual notional amount of those instruments. The Example Special Government Unit uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments. For interest rate caps, floors, and swap transactions, forward and futures contracts, and options written, the contract or notional amounts do not represent exposure to credit loss. The Example Special Government Unit controls the credit risk of its interest rate swap agreements and forward and futures contracts through credit approvals, limits, and monitoring procedures.

Unless noted otherwise, the Example Special Government Unit does not require collateral or other security to support financial instruments with credit risk.

NOTE - The above disclosure requirements are to be completed by those agencies who responded "NO" to question #32 on the Special Government Unit Checklist.

ATTACHMENT 6
SPECIAL REPORTING REQUIREMENTS FOR AGENCIES WITH INSURANCE
ACTIVITIES

For agencies that have insurance-related activities there are special reporting requirements that need to be followed when reporting for these activities:

- Accrue only losses that are probable (the event is likely to occur) and the amount of the loss can be reasonably estimated.
- Recognize deferred revenue for any unearned premiums.
- Recognize prepaid premiums.
- Report receipts for reinsurance net of claims expense.
- Reinsurance expense may be reported net of insurance revenue.

These guidelines are in the Governmental Accounting Standards Board (GASB) Codification Section C50.

ATTACHMENT 7 SPECIAL REPORTING REQUIREMENTS FOR AGENCIES WITH CLAIM ACTIVITIES

It is the State's policy to record claim liabilities on its financial statements. These liabilities will include the estimated future costs of all covered events that occurred on or before June 30. The State will report this estimated cost in two components:

- Claims Known But Not Paid.
- Incurred But Not Reported.

These liabilities are estimates. Agencies may estimate liabilities through:

- A case-by-case review of all claims.
- The application of historical experience to the outstanding claims.
- A combination of these methods.

Where agencies use historical experience, they should stratify the outstanding claims by amounts and type of claim. Agencies should refine these strata enough to assure that the estimation is reasonable.

Incurred But Not Reported (IBNR). Incurred But Not Reported is the estimated cost of covered events that:

- Occurred on or before June 30.
- Will result in valid claims against the State.
- Are unknown to the State at June 30 (the covered party has not yet filed a claim).

Actuaries and accountants refer to this estimated cost as IBNR.

Claims Known But Not Paid. These are claims that satisfy both of the following conditions:

- The State is aware that a covered event occurred on or before June 30. Example: A covered party filed a claim on or before June 30.
- As of June 30, your agency either has made no payment or made only partial payment on the claim.

The amount for Claims Known But Not Paid includes both:

- The known amount that the State must pay in the future for claims settled on or before June 30.
- An estimate of amounts the State will pay in the future for claims in process at June 30.

GAAP requires that the State report liabilities for the estimated future costs of events that occurred on or before June 30. GAAP further requires the State to report two components of this estimated cost:

- Cost of Claims Known But Not Paid at June 30.
- Estimate of Incurred But Not Reported Claims at June 30.

Liabilities may be estimated through, a case-by-case review of all claims, the application of historical experience to the outstanding claims, or a combination of these methods. Where historical experience is used, the outstanding claims should be stratified by amount and the strata should be sufficiently refined to assure that the estimation is reasonable.

State Policies-- Claims Known But Not Paid

The amount for Claims Known But Not Paid includes both:

- Known amounts the State must pay in future years for claims settled on or before June 30.
- An estimate of amounts the State will pay in future years for claims in process at June 30.

State Policies--Incurred But Not Reported (IBNR)

The exact computation of IBNR will depend on data available. Computation of IBNR can be complex. The Office of Management and Budget prefers to use estimates of IBNR prepared by independent consulting actuaries. If this is not practical, the agency's staff should estimate IBNR.

The State will record:

- Liabilities in the Proprietary Statements of Net Assets for all claim liabilities. These include:
 - Claims Known But Not Paid that the agency expects to pay from future financial resources.
 - Incurred But Not Reported.
- Additions and deletions to the claims liability in the notes to the financial statements

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
BALANCE SHEET FOR GOVERNMENTAL FUNDS

ISSUE DATE:
8/1/1989

SECTION
02

REVISED:
6/1/2002

PAGE:
6

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STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
BALANCE SHEET FOR GOVERNMENTAL FUNDS

ISSUE DATE: SECTION
8/1/1989 02

REVISED: PAGE:
6/1/2011 7

COMPLETING THE SPECIAL GOVERNMENT UNIT BALANCE SHEET (GOVERNMENTAL FUNDS)

REF	EXPLANATION
(1)	Enter the agency name, agency number and fund number.
(2)	Complete all information regarding preparation of the form. The Finance Director or Executive Director should approve the form before sending it to the Office of Management and Budget. Keep a copy of the form.
(3)	Enter the month-day-year of the fiscal year for which the form applies.
(4)	Enter in this column the balance sheet amounts as of your fiscal year end.
(5)	Cash deposits at the Bank of North Dakota should be placed on the "Cash Deposits at the Bank of North Dakota" line.
(6)	Cash deposits held by other financial institutions should be placed on the "Cash and Cash Equivalents" line. This includes petty cash and cash on hand.
(7)	Place the carrying amount of investments, with a maturity period greater than three months that are of the Bank of North Dakota on the "Investments at the Bank of North Dakota" line. (BND investments with a maturity period of less than three months are reported as Cash Deposits at the BND.)
(8)	Place the carrying amount of investments with a maturity period greater than three months, excluding investments of the Bank of North Dakota on the "Investments" line.
(9)	Fund Balance Categories: Nonspendable: This includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted: Amounts that are restricted for specific use (a) by law through constitutional provisions or enabling legislation or (b) by external parties such as donors, contributors, grantors, or creditors. Enabling legislation is law that initially authorizes the government to assess or charge payment from external party and restricts the use of those resources. It does not include a later change in a law or Legislative appropriations. Donors would be those providing gifts, etc for a specific use and a grantor may be the Federal or other external party providing a grant for a specific purpose. Committed: Amounts that can only be used for a specific purposes because of constraints imposed by formal action of the government. This would include new laws enacted by the Legislature that are not enabling legislation. Assigned: Amounts that management has determined will be used for specific purposes. Unassigned: The remaining fund balance that is remaining amount of fund balance that does not fit in any of the other categories. Normally, only the general fund has unassigned fund balance.

**STATE OF NORTH DAKOTA
GOVERNMENTAL FUNDS BALANCE SHEET
(3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: Example Unit (1) Agency No.: 450 (1) Fund No.: 915
 (2) Prepared by: Jim Smith Date: 8/12/XX Phone: 328-5555
 (2) Approved by: Fred Jones Date: 8/19/XX Phone: 328-5555

**Special Government Unit
Balance Sheet
Information
(3) 6/30/XX**

BALANCE SHEET

(4)

ASSETS

(5) Cash Deposits at the Bank of North Dakota	\$ 50,000
(6) Cash and Cash Equivalents	5,000
(7) Investments At the Bank of North Dakota	30,000
(8) Investments	325,000
Accounts Receivable-Net	50,000
Taxes Receivable-Net	
Interest Receivable-Net	
Intergovernmental Receivable - Net	
Loans and Notes Receivable - Net	
Due From Other Funds	75,000
Due From Fiduciary Funds	
Due From Component Units	
Prepaid Items	
Inventory	
Other Assets	
Total Assets	\$ 535,000

LIABILITIES

Accounts Payable	\$ 125,000
Accrued Payroll	50,000
Interest Payable	
Tax Refunds Payable	
Intergovernmental Payable	
Contracts Payable	
Securities Lending Collateral	
Due To Other Funds	10,000
Due To Fiduciary Funds	
Due To Component Units	
Deferred Revenue	
Other Liabilities	
Total Liabilities	\$ 185,000

**STATE OF NORTH DAKOTA
GOVERNMENTAL FUNDS BALANCE SHEET
(3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: Example Unit (1) Agency No.: 450 (1) Fund No.: 915
 (2) Prepared by: Jim Smith Date: 8/12/XX Phone: 328-5555
 (2) Approved by: Fred Jones Date: 8/19/XX Phone: 328-5555

**Special Government Unit
Balance Sheet
Information
(3) 6/30/XX**

(9) FUND BALANCES:

Nonspendable for:		
Inventory		
Long-Term Receivables		
Debt Service		
Prepaid Expenditures		25,000
Legal Requirements		
Restricted		200,000
Committed		50,000
Assigned		75,000
Unassigned		0
Total Fund Balances		350,000
Total Liabilities and Fund Balances	\$	535,000

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
OPERATING STATEMENT FOR GOVERNMENTAL FUNDS

ISSUE DATE: SECTION
8/1/1989 02

REVISED: PAGE:
6/1/2002 8

COMPLETING THE SPECIAL GOVERNMENT UNIT OPERATING STATEMENT (GOVERNMENTAL FUNDS)

REF	EXPLANATION
(1)	Enter the agency name, agency number and fund number.
(2)	Complete all information regarding preparation of this form. The Finance Director or Executive Director should approve the form before sending it to the Office of Management and Budget. Keep a copy of the form.
(3)	Enter the month-day-year of the fiscal year for which the form applies.
(4)	Enter in this column the revenue/expense amounts as of your fiscal year end. If the revenue/expense titles are not comparable to yours, match them to the provided titles that resemble closest to your descriptive titles.

STATE OF NORTH DAKOTA
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(3) FOR THE FISCAL YEAR ENDED __ 6/30/XX__

(1) Agency Name: __Example Unit__ (1) Agency No.: __450__ (1) Fund No.: __915__
 (2) Prepared by: __Jim Smith__ Date: __8/12/XX__ Phone: __328-5555__
 (2) Approved by: __Fred Jones__ Date: __8/19/XX__ Phone: __328-5555__

Special Government Unit
Revenue/Expense
Information
(3) __6/30/XX__

(4)

Revenues

General:

Income Taxes	
Sales and Use Taxes	
Oil, Gas, and Coal Taxes	
Interest and Investment Income	10,000
Tobacco Settlement	
General Grants and Contributions (Not Restricted)	
Miscellaneous	

Program:

Sales and Services	50,000
Royalties and Rents	
Fines and Forfeits	
Grants and Contributions (Program Specific)	40,000
Capital Grants and Contributions	
Investment Income (Legally Restricted)	

Total Revenue	100,000
---------------	---------

Expenditures

Cost Of Sales And Services	
Salaries And Benefits	50,000
Operating	40,000
Refunds	
Grant Expenses	
Interest	
Depreciation	
Miscellaneous	
Other	

Total Expenditures	90,000
--------------------	--------

Revenues Over (Under) Expenditures	10,000
------------------------------------	--------

STATE OF NORTH DAKOTA
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(3) FOR THE FISCAL YEAR ENDED __ 6/30/XX__

(1) Agency Name: __Example Unit____ (1) Agency No.: __ 450____ (1) Fund No.: __ 915____
 (2) Prepared by: __Jim Smith____ Date: __ 8/12/XX____ Phone: __ 328-5555____
 (2) Approved by: __Fred Jones____ Date: __ 8/19/XX____ Phone: __ 328-5555____

Special Government Unit
Revenue/Expense
Information
(3) __ 6/30/XX__

Other Financing Sources (Uses):

Transfers In	75,000
Transfers Out	(50,000)
Proceeds From Bonds and Notes	_____
Proceeds From Capital Leases	_____
Proceeds From Sale of Fixed Assets	_____
 Total Other Financing Sources (Uses)	 25,000
 Special Item	 _____
 Extraordinary Item	 _____
 Net Change In Fund Balances	 35,000
 Fund Balances- Beginning Of Year, As Adjusted	 315,000
 Fund Balances - End of Year	 350,000

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF NET ASSETS FOR PROPRIETARY
FUNDS

ISSUE DATE: SECTION
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COMPLETING THE SPECIAL GOVERNMENT UNIT STATEMENT OF NET ASSETS (PROPRIETARY FUNDS)

REF	EXPLANATION
1)	Enter the agency name, agency number and fund number.
(2)	Complete all information regarding preparation of the form. The Finance Director or Executive Director should approve the form before sending it to the Office of Management and Budget. Keep a copy of the form.
(3)	Enter the month-day-year of the fiscal year for which the form applies.
(4)	Enter in this column the balance sheet amounts as of your fiscal year end.
(5)	Cash deposits at the Bank of North Dakota should be placed on the "Cash Deposits at the Bank of North Dakota" line.
(6)	Cash deposits held by other financial institutions should be placed on the "Cash and Cash Equivalents" line. This includes petty cash and cash on hand.
(7)	Place the carrying amount of investments, with a maturity period greater than three months that are of the Bank of North Dakota on the "Investments at the Bank of North Dakota" line. (BND investments with a maturity period of less than three months are reported as Cash Deposits at the BND.)
(8)	Place the carrying amount of investments with a maturity period greater than three months, excluding investments of the Bank of North Dakota on the "Investments" line.

**STATE OF NORTH DAKOTA
 PROPRIETARY FUNDS STATEMENT OF NET ASSETS
 (3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: Example Unit (1) Agency No.: 450 (1) Fund No.: 915

(2) Prepared by: Jim Smith Date: 8/12/XX Phone: 328-5555

(2) Approved by: Fred Jones Date: 8/19/XX Phone: 328-5555

**Special Government Unit
 Statement of Net Assets
 Information
 (3) 6/30/XX**

STATEMENT OF NET ASSETS

(4)

Assets

Current Assets

(5)	Cash Deposits at the Bank of North Dakota	50,000
(6)	Cash and Cash Equivalents	5,000
(7)	Investments of the Bank of North Dakota	30,000
(8)	Investments	325,000
	Accounts Receivable-Net	200,000
	Taxes Receivable-Net	_____
	Interest Receivable-Net	_____
	Loans and Notes Receivable - Current Portion	_____
	Interfund Receivable	_____
	Due From Component Units	_____
	Due From Fiduciary Funds	_____
	Due From Other Funds	75,000
	Intergovernmental Receivable - Net	_____
	Prepaid Expenses	_____
	Inventory	_____
	Other Current Assets	_____
	Total Current Assets	685,000

Noncurrent Assets

Restricted Cash and Cash Equivalents		_____
Restricted Investments		_____
Other Restricted Assets		_____
Loans and Notes Receivable - Net of Current Portion Shown Above		_____
Unamortized Bond Issuance Costs		_____
Other Noncurrent Assets		_____
Capital Assets:		_____
Nondepreciable		50,000
Depreciable, Net		250,000
Total Noncurrent Assets		300,000

Total Assets 985,000

Liabilities

Current Liabilities

Accounts Payable		200,000
Accrued Payroll		80,000

**STATE OF NORTH DAKOTA
 PROPRIETARY FUNDS STATEMENT OF NET ASSETS
 (3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: Example Unit (1) Agency No.: 450 (1) Fund No.: 915
 (2) Prepared by: Jim Smith Date: 8/12/XX Phone: 328-5555
 (2) Approved by: Fred Jones Date: 8/19/XX Phone: 328-5555

**Special Government Unit
 Statement of Net Assets
 Information
 (3) 6/30/XX**

Interest Payable	2,000
Notes Payable - Current Portion	<u>12,000</u>
Reverse Repurchase Agreements	<u> </u>
Intergovernmental Payable	<u> </u>
Contracts Payable - Current Portion	<u> </u>
Securities Lending Collateral	<u> </u>
Claims/Judgments Payable - Current Portion	<u> </u>
Compensated Absences Payable - Current Portion	<u>11,000</u>
Amounts Held In Custody For Others	<u> </u>
Due To Other Funds	<u>10,000</u>
Due To Fiduciary Funds	<u> </u>
Due To Component Units	<u> </u>
Bonds Payable - Current Portion	<u> </u>
Capital Leases Payable - Current Portion	<u>4,500</u>
Deferred Revenue	<u> </u>
Other Current Liabilities	<u> </u>
Total Current Liabilities	<u><u>319,500</u></u>

Noncurrent Liabilities

Notes Payable- Non Current Portion	<u>40,000</u>
Contracts Payable - Non Current Portion	<u> </u>
Claims/Judgments Payable - Non Current Portion	<u> </u>
Compensated Absences Payable - Non Current Portion	<u>71,000</u>
Bonds Payable - Non Current Portion	<u> </u>
Capital Leases Payable - Non Current Portion	<u>10,000</u>
Other Noncurrent Liabilities	<u> </u>
Total Noncurrent Liabilities	<u><u>121,000</u></u>

Total Liabilities 440,500

Net Assets

Invested in Capital Assets, Net of Related Debt	<u>248,000</u>
Restricted for:	
Debt Requirements	<u>52,000</u>
_____	<u> </u>
_____	<u> </u>
Unrestricted	<u>244,500</u>
Total Net Assets	<u><u>544,500</u></u>

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
OPERATING STATEMENT FOR PROPRIETARY FUNDS

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COMPLETING THE SPECIAL GOVERNMENT UNIT OPERATING STATEMENT (PROPRIETARY FUNDS)

REF	EXPLANATION
(1)	Enter the agency name, agency number and fund number.
(2)	Complete all information regarding preparation of this form. The Finance Director or Executive Director should approve the form before sending it to the Office of Management and Budget. Keep a copy of the form.
(3)	Enter the month-day-year of the fiscal year for which the form applies.
(4)	Enter in this column the revenue/expense amounts as of your fiscal year end. If the revenue/expense titles are not comparable to yours, match them to the provided titles that resemble closest to your descriptive titles.

**STATE OF NORTH DAKOTA
 PROPRIETARY FUNDS STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND NET ASSETS
 (3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: Example Unit

(1) Agency No.: 450

(1) Fund No.: 915

(2) Prepared by: Jim Smith

Date: 8/12/XX

Phone: 328-5555

(2) Approved by: Fred Jones

Date: 8/19/XX

Phone: 328-5555

**Special Government Unit
 Revenue/Expense
 Information
 (3) 6/30/XX**

(4)

Operating Revenues

Sales and Services	1,000,000
Fines and Forfeits	_____
Royalties and Rents	_____
Interest and Investment Income	_____
Miscellaneous	_____
 Total Operating Revenue	 1,000,000

Operating Expenses

Cost Of Sales And Services	_____
Salaries And Benefits	200,000
Operating	500,000
Claims	_____
Refunds	_____
Grant Expenses	_____
Interest	2,000
Depreciation	50,000
Miscellaneous	_____
 Total Operating Expenses	 752,000
 Operating Income (Loss)	 248,000

**STATE OF NORTH DAKOTA
 PROPRIETARY FUNDS STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND NET ASSETS
 (3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: Example Unit

(1) Agency No.: 450

(1) Fund No.: 915

(2) Prepared by: Jim Smith

Date: 8/12/XX

Phone: 328-5555

(2) Approved by: Fred Jones

Date: 8/19/XX

Phone: 328-5555

**Special Government Unit
 Revenue/Expense
 Information
 (3) 6/30/XX**

Nonoperating Revenues (Expenses)	(4)
Interest and Investment Income	<u>20,000</u>
Interest Expense	<u></u>
Gain (Loss) on Sale of Fixed Assets	<u>(30,000)</u>
Tax Revenue	<u></u>
Grants and Contributions (Program Specific)	<u></u>
General Grants and Contributions (Not Restricted)	<u></u>
Other	<u></u>
 Total Nonoperating Revenues (Expenses)	 <u>(10,000)</u>
 Income (Loss) Before Contributions and Transfers	 <u>238,000</u>
 Capital Grants and Contributions	 <u></u>
Special Item	<u></u>
Extraordinary Item	<u></u>
Transfers In	<u>75,000</u>
Transfers Out	<u>(50,000)</u>
 Net Income	 <u>263,000</u>
 Total Net Assets - Beginning Of Year	 <u>281,500</u>
 Prior Period Adjustment	 <u></u>
Cumulative Effect Of Change in Accounting Principle	<u></u>
 Total Net Assets - Beginning Of Year, As Adjusted	 <u>281,500</u>
 Total Net Assets - End of Year	 <u><u>544,500</u></u>

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF NET ASSETS FOR TRUST FUNDS

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SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF NET ASSETS FOR TRUST FUNDS

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COMPLETING THE SPECIAL GOVERNMENT UNIT STATEMENT OF NET ASSETS (TRUST FUNDS)

REF	EXPLANATION
1)	Enter the agency name, agency number and fund number.
(2)	Complete all information regarding preparation of the form. The Finance Director or Executive Director should approve the form before sending it to the Office of Management and Budget. Keep a copy of the form.
(3)	Enter the month-day-year of the fiscal year for which the form applies.
(4)	Enter in this column the balance sheet amounts as of your fiscal year end.
(5)	Cash deposits at the Bank of North Dakota should be placed on the "Cash Deposits at the Bank of North Dakota" line.
(6)	Cash deposits held by other financial institutions should be placed on the "Cash and Cash Equivalents" line. This includes petty cash and cash on hand.
(7)	Place the carrying amount of investments, with a maturity period greater than three months that are of the Bank of North Dakota on the "Investments at the Bank of North Dakota" line. (BND investments with a maturity period of less than three months are reported as Cash Deposits at the BND.)
(8)	Place the carrying amount of investments with a maturity period greater than three months, excluding investments of the Bank of North Dakota on the "Investments" line.

**STATE OF NORTH DAKOTA
TRUST FUND STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
(3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: _____ Example Unit _____

(1) Agency No.: _____ 450 _____

(1) Fund No.: _____ 915 _____

(2) Prepared by: _____ Jim Smith _____

Date: _____ 8/12/XX _____

Phone: _____ 328-5555 _____

(2) Approved by: _____ Fred Jones _____

Date: _____ 8/19/XX _____

Phone: _____ 328-5555 _____

**Special Government Unit
Revenue/Expense
Information
(3) _____
(4)**

Additions

Contributions:

Employer

Employee

From Participants

_____ 50,000

Donations

_____ 40,000

Total Contributions

_____ 90,000

Investment Income:

Net Increase (Decrease) in Fair Value of

Investments

_____ 1,000

Interest and Dividends

_____ 2,000

Less Investment Expense

_____ (500)

Net Investment Income

_____ 2,500

Securities Lending Activity:

Securities Lending Income

_____ 4,000

Less Securities Lending Expense

_____ (1,000)

Net Securities Lending Income

_____ 3,000

Miscellaneous Income

Total Additions

_____ 95,500

Deductions

Benefits Paid to Participants

_____ 40,000

Refunds

Administration Expenses

_____ 10,000

Miscellaneous

Total Deductions

_____ 50,000

Change in Net Assets Held in Trust for:

Pension Benefits

Other Purposes

_____ 45,500

Total Net Assets - Beginning Of Year

Prior Period Adjustment

Total Net Assets - Beginning Of Year, As Adjusted

_____ 484,500

Total Net Assets - End of Year

_____ 530,000

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
OPERATING STATEMENT FOR TRUST FUNDS

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COMPLETING THE SPECIAL GOVERNMENT UNIT OPERATING STATEMENT (TRUST FUNDS)

REF	EXPLANATION
(1)	Enter the agency name, agency number and fund number.
(2)	Complete all information regarding preparation of this form. The Finance Director or Executive Director should approve the form before sending it to the Office of Management and Budget. Keep a copy of the form.
(3)	Enter the month-day-year of the fiscal year for which the form applies.
(4)	Enter in this column the revenue/expense amounts as of your fiscal year end. If the revenue/expense titles are not comparable to yours, match them to the provided titles that resemble closest to your descriptive titles.

**STATE OF NORTH DAKOTA
TRUST FUNDS STATEMENT OF FIDUCIARY NET ASSETS
(3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: _____ Example Unit _____ (1) Agency No.: ___ 450 ___ (1) Fund No.: ___ 915 ___
 (2) Prepared by: _____ Jim Smith _____ Date: ___ 8/12/XX _____ Phone: ___ 328-5555 _____
 (2) Approved by: _____ Fred Jones _____ Date: ___ 8/19/XX _____ Phone: ___ 328-5555 _____

**Special Government Unit
Statement of Fiduciary Net Assets
Information
(3) _____**

STATEMENT OF FIDUCIARY NET ASSETS

(4)

Assets

(5) Cash Deposits at the Bank of North Dakota	50,000
(6) Cash and Cash Equivalents	10,000
(7) Investments of the Bank of North Dakota	
(8) Investments	500,000
Accounts Receivable-Net	
Taxes Receivable-Net	
Interest Receivable-Net	10,000
Loans and Notes Receivable-Net	
Interfund Receivable	
Due From Component Units	
Due From Fiduciary Funds	
Due From Other Funds	
Intergovernmental Receivable - Net	
Prepaid Expenses	
Inventory	
Capital Assets:	
Nondepreciable	
Depreciable, Net	
Other Assets	
Total Assets	570,000

**STATE OF NORTH DAKOTA
TRUST FUNDS STATEMENT OF FIDUCIARY NET ASSETS
(3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: _____ Example Unit _____ (1) Agency No.: ___ 450 ___ (1) Fund No.: ___ 915 ___
 (2) Prepared by: _____ Jim Smith _____ Date: ___ 8/12/XX ___ Phone: ___ 328-5555 ___
 (2) Approved by: _____ Fred Jones _____ Date: ___ 8/19/XX ___ Phone: ___ 328-5555 ___

**Special Government Unit
Statement of Fiduciary Net Assets
Information
(3) _____**

Liabilities

Accounts Payable	5,000
Accrued Payroll	_____
Interest Payable	_____
Notes Payable	_____
Reverse Repurchase Agreements	_____
Intergovernmental Payable	_____
Contracts Payable	_____
Securities Lending Collateral	35,000
Claims/Judgments Payable	_____
Compensated Absences Payable	_____
Amounts Held In Custody For Others	_____
Due To Other Funds	_____
Due To Fiduciary Funds	_____
Due To Component Units	_____
Bonds Payable	_____
Capital Leases Payable	_____
Deferred Revenue	_____
Other Liabilities	_____
Total Liabilities	40,000

Net Assets

Net Assets Held in Trust for	_____
Pension Benefits	_____
Other Purposes	530,000
_____	_____
_____	_____
Total Net Assets	530,000

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
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GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE: STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS	ISSUE DATE: 8/1/89	SECTION 03
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PURPOSE AND OBJECTIVES

The State plans to prepare its financial statements in accordance with Accounting Principles Generally Accepted (GAAP). GAAP requires that the State prepare a Statement of Changes in Fiduciary Assets and Liabilities (Statement) for the year ended June 30. This statement applies to funds defined as agency funds.

AGENCY ACTION REQUIRED

The Office of Management and Budget will prepare this statement for agency funds that are on the Peoplesoft system. The statement will be prepared by the individual agencies for agency funds that are not on the Peoplesoft system.

WORKING PAPERS

All working papers may be subject to audit. The agency should keep a copy of the completed Statement of Changes in Fiduciary Assets and Liabilities Summary Form. In addition, the agency should keep any documents that support data on that Form. For example, reports supporting additions and deletions.

AGENCIES/FUNDS REQUIRED TO PREPARE THE STATEMENT

The following agencies and/or funds must prepare a Statement of Changes in Fiduciary Assets and Liabilities. These agencies and/or funds are compiled from the most recent listing of funds at the Office of Management and Budget. There may be funds not on the listing which are required to prepare the statement. If you believe you might have to prepare the statement and your agency/fund is not on the listing call the Office of Management and Budget.

<u>AGENCY CODE</u>	<u>STATE FUND NAME</u>	<u>OMB (STATE FUND CODE)</u>	<u>DUE DATE</u>
--------------------	------------------------	------------------------------	-----------------

AGENCY FUNDS:

180	District Court Collection Fund	946	(See schedule of Closing Package Due Dates)
180	District Court Bond Fund	947	
252	School for Deaf Students	994	
313	Veteran's Home - Custodial	990	
325	Developmental Center Residents Custodial Accounts	986	
325	State Hospital Patient Funds	991	
	<ul style="list-style-type: none"> • Patients Personal Fund/State Hospital • Rental Trust Fund/State Hospital 		
401	Insurance Company Deposits	945	
405	Cash Bonds - Industrial Commission	944	
408	PSC Trustee Account	939	
530	Prisoner Accounts	992	
530	Industrial School Student Accounts	993	
602	Agriculture Cash and Investments - Bank of North Dakota	942	

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUNDS

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**GENERAL INSTRUCTIONS--STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
SUMMARY FORM**

- Refer to the previous section to determine which agencies should be preparing the Statement of Changes in Fiduciary Assets and Liabilities.
- Return the completed Statement of Changes in Fiduciary Assets and Liabilities Summary Form to the Office of Management and Budget by the due date presented above. If you can return it earlier, please do so.
- Call the Office of Management and Budget for guidance if needed.
- The person who completes and signs the Form should keep a copy. The Office of Management and Budget will telephone this person if there are any questions.
- A sample completed Statement of Changes in Fiduciary Assets and Liabilities Summary Form and Detailed instructions for completing the Form follow.

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUNDS

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SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUNDS

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COMPLETING THE STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES SUMMARY FORM

REF	EXPLANATION
(1)	Enter the last two digits of the fiscal year for which this form applies.
(2)	Enter the agency name, the three-character agency number and the fund number.
(3)	Complete all information regarding preparation of this form. The Finance Director or Executive Director should approve the Form before sending it to the Office of Management and Budget. Keep a copy of the form.
(4)	Complete the beginning balance column. Balances <u>must</u> agree to ending balances on prior year's Form.
(5)	Each line item should present the total debit amount for the year ended June 30.
(6)	Each line item should present the total credit amount for the year ended June 30.
(7)	Complete the ending balance column. This should equal (4) + (5) - (6).
(8)	Place the carrying amount of cash that applies to deposits held at the Bank of North Dakota here.
(9)	Place the carrying amount of cash that applies to deposits held at <u>non</u> -Bank of North Dakota financial institutions here.
(10)	Place the amount of Certificates of Deposit with maturities greater than three months that are of the Bank of North Dakota on the "Investments of the Bank of North Dakota" line. (Those Certificates of Deposit with maturities less than three months should be reported as cash.)
(11)	Place the carrying amount of investments on the "Investments" line. Exclude Certificates of Deposit of the Bank of North Dakota and investments with maturities less than three months.

NOTE: Enter amounts in whole dollars.

**STATE OF NORTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES SUMMARY FORM**

At June 30, 20XX **①**

②
Agency Name: Sample Agency Agency No.: 250 Fund No.: 979

③
Prepared: 8/12/XX Jim Smith Title Accountant Phone 328-5555
Date Employee Name

③
Approved: 8/19/XX Fred Jones Title Supervisor Phone 328-5555
Date Employee Name

ASSETS	④ Balance 6/30/20XX	⑤ Additions	⑥ Deletions	⑦ Balance 6/30/20XX
Cash Deposits at the Bank of ND ⑧	1,443	8,056	7,859	1,640
Cash and Cash Equivalents ⑨	1,000	2,000	2,000	1,000
Investments of the Bank of ND ⑩	500	3,000	2,500	1,000
Investments ⑪	2,465	3,663	4,000	2,128
Taxes Receivable-Net				
Interest Receivable - Net				
Due From Other Funds				
Intergovernmental Receivable				
Fixed Assets				
Other Assets				
Total Assets	<u>5,408</u>	<u>16,719</u>	<u>16,359</u>	<u>5,768</u>
LIABILITIES				
Accounts Payable				
Amounts Held in Custody for Others	5,408	16,719	16,359	5,768
Due To Other Funds				
Deferred Compensation				
Other Liabilities				
Total Liabilities	<u>5,408</u>	<u>16,719</u>	<u>16,359</u>	<u>5,768</u>

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
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STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE: STATEMENT OF CASH FLOWS	ISSUE DATE:	SECTION
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PURPOSE AND OBJECTIVES

The Statement of Cash Flows (Statement) is the General Purpose Financial Statement which shows the sources and uses of cash for proprietary funds. It is therefore one of the required statements for the Comprehensive Annual Financial Report (CAFR). The State plans to prepare its financial statements in accordance with Generally Accepted Accounting Principles (GAAP), which includes Governmental Accounting Standards Board (GASB) statements. GASB Statement No. 9 requires this statement be prepared for the proprietary funds. This statement requires the breakdown of the sources and uses of cash into four categories. The categories are used to distinguish the type of activity the receipt or disbursement of cash was for. This information is only available at the agency level. For this reason the Statement must be prepared by the agencies for the proprietary funds.

The purpose of this closing package is to lead the preparer through a step-by-step process for preparing the Statement. By completing this package the Statements for the various agencies will be prepared on a consistent basis, which will allow for the compilation of all the closing packages into one Statement.

AGENCY ACTION REQUIRED

- Review GASB Statement No. 9.
- Prepare a Statement of Cash Flows on the form provided for each proprietary fund for which your agency is responsible using the direct method.
- **Complete the Statement of Cash Flows by the scheduled due dates listed for your agency and fund (see Schedule of Due Dates).**

KEY TERMS

Cash and Cash Equivalents. Cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, this includes only investments with original maturity of three months or less. (Original maturity refers to the date your agency purchased it.)

Cash Flows from Capital and Related Financing Activities. This category includes acquiring and disposing of capital assets used in providing services or producing goods, borrowing money for acquiring, constructing or improving capital assets and repaying the amounts borrowed, including interest. It would also include paying for capital assets obtained from vendors on credit.

Cash Flows from Investing Activities. Cash flows in this category include making and collecting loans (except for program loans which are part of a governmental program, such as student loans) and acquiring and disposing of debt or equity instruments.

Cash Flows from Noncapital Financing Activities. This includes borrowing money for purposes other than to acquire, construct or improve capital assets and repaying those amounts borrowed, including interest. Furthermore, this category includes proceeds from all borrowings not clearly attributable to acquisition, construction or improvement of capital assets.

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF CASH FLOWS

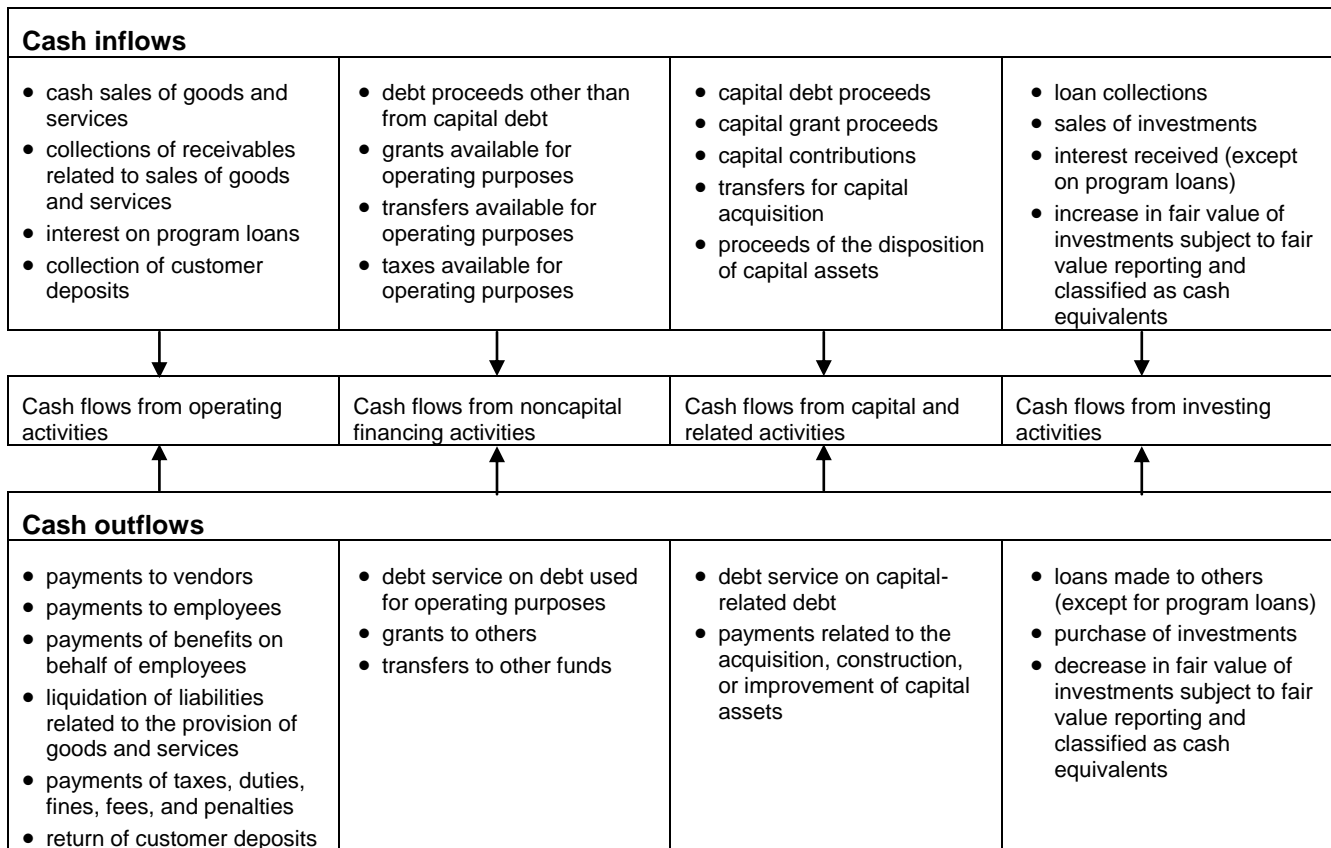
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Cash Flows from Operating Activities. Generally involves the cash effects of transactions and other events that enter into the determination of operating income. Operating activities result from providing services and producing and delivering goods. This includes all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities.

Non-Cash Transactions. Transactions which do not involve cash but which have an effect on the various Statements. A common example is acquiring assets by directly assuming a liability. This includes purchasing an asset through a capital lease.

The following chart taken from Governmental Accounting, Auditing, and Financial Reporting, copyright 2001, shows common inflows and outflows reported on the statement of cash flows:



STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF CASH FLOWS

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WORKING PAPERS

All working papers may be subject to audit. The agency should keep copies of the completed Statement of Cash Flows, Worksheet For Preparing the Statement of Cash Flows and the Statement of Cash Flows Change in Account Worksheet. In addition, the agency should keep any documents that support the data reported on these forms. Such documentation may include investment portfolios, support for transactions surrounding fixed assets and the breakdown of interest earned and paid during the year.

AGENCY/FUNDS REQUIRED TO PREPARE THE STATEMENT OF CASH FLOWS

The following agencies and/or funds must prepare a Statement of Cash Flows. These agencies and/or funds are compiled from the most recent listing of funds at the Office of Management and Budget. There may be funds not on the listing that are required to prepare the Statement. If you believe you might have to prepare the Statement and your agency/fund is not on the listing, call the Office of Management and Budget.

ENTERPRISE FUNDS

DUE DATE

Bank of North Dakota
Beginning Farmer Revolving Loan
Bonding
Building Authority
Community Water Facility Loan
Developmentally Disabled Facility Loan
Fire and Tornado
Guaranteed Student Loan
HIT Planning Loan Fund
Housing Finance
Mill and Elevator
Roughrider Industries
PERS Uniform Group Insurance
State Fair
State Lottery Fund
Student Loan
Unemployment Compensation
University System
Workers Compensation

(See schedule
of Closing
Package
Due Dates)

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
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INTERNAL SERVICE FUNDS

Central Services
Fleet Services
Information Technology
Risk Management

DUE DATE

(See schedule of Closing
Package Due Dates)

General Instructions

- Every agency which has one of the funds listed above should complete this closing package for each fund.
- Use as many forms as is necessary to explain the entries on the Worksheet for Preparing the Statement of Cash Flows.
- Round all dollar amounts on the forms to the nearest whole dollar.
- The statement should show activity as of your agency unit year end.
- Return the completed forms to the Office of Management and Budget by the scheduled due date listed for your agency and fund. If you can return them earlier please do so.
- List all statement of net asset account balances on the provided Worksheet for Preparing the Statement of Cash Flows (Worksheet). Use the account titles listed. If you believe the listed account titles are not adequate, contact the Office of Management and Budget for assistance.
- Determine the change in the account balance from the prior year to the current year.
- Carefully read the special definitions that apply to this closing package.
- Analyze the change in each statement of net asset account and carefully classify the change into one of the four categories shown on the Worksheet.
- For the non-operating accounts, it is important to list individual items creating the change and not the net effect.
- All non-cash transactions must be disclosed. On the lines following the Statement of Cash Flows under the caption "Required Note Disclosure", write a brief description of all non-cash transactions which occurred during the year.

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
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- Another required note disclosure is a description of what is included in the account Cash and Cash Equivalents. On the lines following the Statement of Cash Flows under the caption "Required Note Disclosure", write a brief description of what your agency has included as Cash and Cash Equivalents.
- Prepare a description for each amount listed on the Worksheet except for those in the first three columns. Include this description on the Statement of Cash Flows Change in Account Worksheet.
- Based on the Worksheet and the analysis of amounts shown on the Statement of Revenues, Expenses and Changes in Fund Net Assets, complete the Statement of Cash Flows.
- Agree the change in cash shown on the Statement of Cash Flows to the change shown on the Worksheet.
- The person who completes and signs the form should keep a copy. The Office of Management and Budget will telephone this person if there are any questions.
- Sample completed Worksheets, a Statement of Cash Flows, Statement of Net Assets and a Statement of Revenues, Expenses and Changes in Fund Net Assets and detailed instructions for completing the forms follow.

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF CASH FLOWS

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COMPLETING THE STATEMENT OF CASH FLOWS SUMMARY FORM, WORKSHEET FOR PREPARING THE STATEMENT OF CASH FLOWS, STATEMENT OF CASH FLOWS CHANGE IN ACCOUNT WORKSHEET, AND WORKSHEET FOR PREPARING THE STATEMENT OF CASH FLOWS – DIRECT METHOD

All Forms

- (1) Enter the year end for which the form applies.
- (2) Enter the agency name and agency code.
- (3) Complete all information regarding preparation of the form. The Finance Director or Executive Director should approve the form before sending it to the Office of Management and Budget (OMB).
- (4) Enter the state fund code. Complete one set of forms for each proprietary fund.
- (5) Enter the state fund name.

Worksheet For Preparing the Statement of Cash Flows

- (6) Enter the prior year statement of net assets and current year statement of net assets amounts on the Worksheet For Preparing the Statement of Cash Flows (Worksheet). Use the account titles shown on the Worksheet. If you are unable to use one of the account titles shown, contact OMB.
- (7) Calculate the net change in the statement of net asset account and record it in the third column. Show credit entries in parenthesis.
- (8) For the statement of net asset accounts which are strictly operating, show the net effect on cash in the fourth column.
- (9) Evaluate all other accounts to determine the transactions which led to the change in the balance. Prepare an analysis and explain the changes on the Statement of Cash Flows Change in Account Worksheet. Record each change in the appropriate column of the Worksheet. When you have completed all the accounts, each line of the Worksheet should net to \$0 except cash.

Statement of Revenues, Expenses and Changes in Fund Net Assets

- (10) Evaluate all nonoperating accounts shown on the Statement of Revenues, Expenses and Changes In Fund Net Assets to determine their effect on cash flows. Prepare an analysis and explain the changes on the Statement of Cash Flows Change in Account Worksheet.

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
STATEMENT OF CASH FLOWS

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Worksheet For Preparing Statement of Cash Flows – Direct Method

- (11) This worksheet is used to determine the cash flows from operating activities. Using the Statement of Revenues, Expenses and Changes in Fund Net Assets, put the amounts for the operating revenues and expenses on the necessary lines on the worksheet. Do not use the amounts for interest and investment income, interest expense, and depreciation in the worksheet.
- (12) Based on the review of the accounts listed in number (8), enter the appropriate amounts for the beginning and ending balances for the operating activities in the applicable "receipts from" or "payments to" lines on the worksheet.

Statement of Cash Flows Summary Form

- (13) Based on the review of the accounts listed in numbers (8) through (10) above, record the items that have an effect on cash on the Statement of Cash Flows Summary Form. Calculate the net increase (decrease) in cash and agree it to the amount shown on the Worksheet. If they do not agree, re-evaluate the statement of net assets accounts and the nonoperating revenue and expense accounts until the two changes in cash amounts agree.
- (14) If any items require note disclosure as outlined in GASB Statement #9, include a description of the item on the lines that follow the Statement of Cash Flows Summary Form. This includes all non-cash transactions and a description of what your agency included in the Cash and Cash Equivalents account.

NOTE: Enter amounts in whole dollars.

**SAMPLE AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 20XX**

OPERATING REVENUES

INTERGOVERNMENTAL REVENUE	\$820,250	1	
CHARGES FOR SERVICES	231,750	2	(11)
MISCELLANEOUS REVENUE	<u>13,075</u>	3	
Total Operating Revenues	<u>1,065,075</u>		

OPERATING EXPENSES

COST OF SALES AND SERVICES	499,800	4	
SALARIES AND BENEFITS	192,275	5	(12)
OPERATING	58,000	6	
REFUNDS	50,000	7	
DEPRECIATION	<u>245,000</u>		
Total Operating Expenses	<u>1,045,075</u>		
Operating Income (Loss)	<u>20,000</u>		

NONOPERATING REVENUES (EXPENSES) (10)

INTEREST AND INVESTMENT INCOME	8,500	
INTEREST EXPENSE	(35,500)	
GAIN ON SALE OF FIXED ASSETS	<u>1,000</u>	
Total Nonoperating Revenues (Expenses)	<u>(26,000)</u>	

Income (Loss) Before Contributions and Transfers (6,000)

TRANSFERS IN	100,000	
TRANSFERS OUT	(75,000)	
CAPITAL GRANTS AND CONTRIBUTIONS	<u>60,000</u>	

Change in Net Assets 79,000

Total Net Assets - Beginning of Year 3,599,650

Total Net Assets - End of Year \$3,678,650

**WORKSHEET FOR PREPARING THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED ___6/30/XX**

①

AGENCY CODE: 250 AGENCY NAME: Sample Agency
 STATE FUND CODE: 999 STATE FUND NAME: Enterprise Fund
 PREPARED BY: J.P. Junior TITLE: Acct. I PHONE: 328-2345
 APPROVED BY: J.M. Senior TITLE: Dir. Of Acctg. PHONE: 328-2345

⑥ ⑥ ⑦ ⑨

	⑥	⑥	⑦	⑨	NONCAPITAL		CAPITAL AND RELATED		INVESTING	
	PRIOR	CURRENT	CHANGE	OPERATING	FINANCING ACTIVITIES		FINANCING ACTIVITIES		ACTIVITIES	
	STATEMENT	STATEMENT	DURING YEAR	INC/(DEC) CASH	INC	(DEC)	INC	(DEC)	INC	(DEC)
NET ASSETS	NET ASSETS	DR/(CR)								
ASSETS										
CURRENT ASSETS:										
CASH AND CASH EQUIVALENTS	173,100	200,100	27,000							
INVESTMENTS										
ACCOUNTS RECEIVABLE *	83,500	146,500	A 63000	(63,000)						
ALLOW. FOR DOUBTFUL ACCTS. *										
INTEREST RECEIVABLE										
LOANS & NOTES REC.										
DUE FROM OTHER FUNDS										
INTERGOV. RECEIVABLE *										
PREPAID EXPENSES *	1,100	600	A -500	500						
INVENTORIES *	48,000	46,000	A -2000	2,000						
UNAMORT. BOND ISSUE. COST										
OTHER CURRENT ASSETS										
NONCURRENT ASSETS:										
RESTRICTED CASH	2,500	1,000	(1,500)							
RESTRICTED INVESTMENTS	60,000	110,000	B 50000						75,000	(125,000)
INTEREST RECEIVABLE *	1,500	1,000	C -500	(8,500)					9,000	
OTHER NONCURRENT ASSETS										
LAND & CONSTRUCTION IN PROGRESS										
INFRASTRUCTURE								(355,500)		✓
BUILDINGS & EQUIPMENT	6,714,200	7,066,200	352,000				11,000	✓ (7,500)		✓
ACCUM. DEPRECIATION	(2,995,000)	(3,238,000)	E -243000	245,000		✓	(2,000)	✓		
TOTAL ASSETS	4,088,900	4,333,400	244,500							

⑧ * Generally, these accounts are strictly operating and the net effect may be shown in the fourth column.
 ✓ This is a non operating amount not included in the Statement of Cash Flows. See the Statement of Cash Flows change in Account Worksheet for details.

**WORKSHEET FOR PREPARING THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED ___6/30/XX**

①

AGENCY CODE: __250__ AGENCY NAME: __Sample Agency__
 STATE FUND CODE: __999__ STATE FUND NAME: __Enterprise Fund__
 PREPARED BY: __J.P. Junior__ TITLE: __Acct. I__ PHONE: __328-2345__
 APPROVED BY: __I.M. Senior__ TITLE: __Dir. Of Acctg.__ PHONE: __328-2345__

⑥

⑥

⑦

⑨

	PRIOR	CURRENT	CHANGE	OPERATING	NONCAPITAL		CAPITAL AND RELATED		INVESTING	
	STATEMENT	STATEMENT	DURING YEAR	INC/(DEC) CASH	FINANCING ACTIVITIES		FINANCING ACTIVITIES		ACTIVITIES	
	NET ASSETS	NET ASSETS	DR/(CR)		INC	(DEC)	INC	(DEC)	INC	(DEC)
LIABILITIES										
CURRENT LIABILITIES:										
ACCOUNTS PAYABLE *	65,500	68,000	A -2500	2,500						
NOTES PAYABLE	23,000	3,000	F 20000		5,000	(25,000)				
INTEREST PAYABLE	750	1,250	G -500	35,500		(1,500)		(33,500)		
CONTRACTS PAYABLE										
INTERGOVERNMENTAL PAY. *										
CLAIMS/JUDGEMENTS PAY. *										
ACCRUED PAYROLL *										
COMP. ABSENCES PAY. *										
AMT HELD - CUST. FOR OTHERS										
DUE TO OTHER FUNDS										
BONDS PAYABLE	65,000	75,000	H -10000				75,000	(65,000)		
CAPITAL LEASES										
DEFERRED REVENUE										
OTHER LIABILITIES										
NONCURRENT LIABILITIES:										
NOTES PAYABLE										
CLAIMS/JUDGEMENTS PAY.										
COMP. ABSENCES PAY.										
BONDS PAYABLE	325,000	500,000	H -175000				175,000			
CAPITAL LEASES										
OTHER NONCURRENT LIABILITIES	10,000	7,500	I 2500				7,500	(10,000)		
TOTAL LIABILITIES	489,250	654,750	(165,500)							
NET ASSETS										
INVESTED IN CAPITAL ASSETS,										
NET OF RELATED DEBT	3,719,200	3,828,200	K -109000	109,000						
RESTRICTED FOR DEBT REQUIREMENT	390,000	575,000	K -185000	185,000						
UNRESTRICTED	(509,550)	(724,550)	K 215000	(215,000)						
TOTAL NET ASSETS	3,599,650	3,678,650	0							
TOTAL LIAB. & NET ASSETS	4,088,900	4,333,400	(165,500)							

9

Statement of Cash Flows Change in Account Worksheet

For the year ended 6/30/XX 1

2

Agency Code: 250 Agency Name: Sample Agency

4

State Fund Code: 999

5

State Fund Name: Enterprise Fund

3

Prepared by: J.P. Junior Title: Acct. I Date: 9/1/XX Phone: 328-2345

3

Approved by: I.M. Senior Title: Dir. Of Acctg. Date: 9/1/XX Phone: 328-2345

Purpose and Objective

This worksheet is to be used to document the gross changes in balance sheet accounts from 7/1/XX to 6/30/XX. These gross changes must be explained and must directly support the Statement of Cash Flows Summary Form.

A. These are operating accounts whose net change is simply posted to the operating section of the statement.

B.1

B. Purchased investments (125,000)

B.2

Sale of investments 75,000

75,000

(50,000)

(50,000)

C. Interest earned (8,500)

(8,500)

Interest received 9,000

9,000 C

(The \$9,000 is the actual cash received. For the example, this interest was entirely from investing activities.) 500

500 ✓

D. Cash paid for new fixed assets (355,500)

(355,500) D

Cost of equipment sold 11,000

11,000 See AA

Equipment item purchased with capital lease (7,500)

(7,500) See 14

(352,000)

(352,000)

Only the \$355,500 cash paid will be directly taken to the statement. The leased item will be disclosed as a non-cash transaction in the notes, and the actual cash received from the sale of the equipment will appear on the statement.

See explanation at the Worksheet For Preparing the Statement of Cash Flows.

Statement of Cash Flows Change in Account Worksheet
For the year ended ____ 6/30/XX ____

9

1

2

Agency Code: __250__

Agency Name: __Sample Agency__

4

State Fund Code: __999__

5

State Fund Name: __Enterprise Fund__

3

Prepared by: __J.P. Junior__

Title: __Acct. I__

Date: __9/1/XX__ Phone: __328-2345__

3

Approved by: __I.M. Senior__

Title: __Dir. Of Acctg.__

Date: __9/1/XX__ Phone: __328-2345__

Purpose and Objective

This worksheet is to be used to document the gross changes in balance sheet accounts from __7/1/XX__ to __6/30/XX__. These gross changes must be explained and must directly support the Statement of Cash Flows Summary Form.

E. Depreciation expense charged for the year	245,000	E
Accumulated depreciation for the sold equipment	(2,000)	See AA
	243,000	
<p>Depreciation is a non-cash expense, and it is necessary to add it back to the operating income (no cash was actually paid). The accumulated depreciation on the item sold is not directly taken to the statement. The actual cash received from the sale will be reflected in the statement.</p>		
F. Short-term borrowing	5,000	F.1
Payments made on S/T Notes	(25,000)	F.2
	(20,000)	
<p>For this example, the borrowing and repayment are for non-capital financing activities.</p>		
G. Interest accrued during year	35,500	✓
Interest paid--capital activities	(33,500)	G.1
Interest paid--non capital activities	(1,500)	G.2
	500	
<p>The \$33,500 and \$1,500 are the actual cash paid for interest.</p>		

✓ See explanation at the Worksheet For Preparing the Statement of Cash Flows.

9

Statement of Cash Flows Change in Account Worksheet

For the year ended 6/30/XX

1

2

Agency Code: 250

Agency Name: Sample Agency

4

State Fund Code: 999

5

State Fund Name: Enterprise Fund

3

Prepared by: J.P. Junior Title: Acct. I Date: 9/1/XX Phone: 328-2345

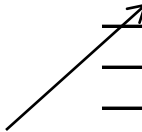
3

Approved by: I.M. Senior Title: Dir. Of Acctg. Date: 9/1/XX Phone: 328-2345

Purpose and Objective

This worksheet is to be used to document the gross changes in balance sheet accounts from 7/1/XX to 6/30/XX. These gross changes must be explained and must directly support the Statement of Cash Flows Summary Form.

H. New bonds sold	250,000	H.1
Payments made on bonds	(65,000)	H.2
	185,000	
For this example the bonds are related to capital activity.		
I. Item purchased through a capital lease	7,500	See 14
Payments made on L/T debt	(10,000)	I
	(2,500)	J See 10
J. Capital contributed to the agency	60,000	
K. Operating income (loss)	20,000	
Less: non-operating revenue and expense	(26,000)	see 10
Plus: transfers and capital grants	85,000	
	79,000	
-- \$109,000 net increase in invested capital assets		
-- \$185,000 net increase in restricted for debt requirement		
-- \$215,000 net decrease in unrestricted net assets		



9

Statement of Cash Flows Change in Account Worksheet
For the year ended 6/30/XX 1

2

Agency Code: 250

Agency Name: Sample Agency

4

State Fund Code: 999

5

State Fund Name: Enterprise Fund

3

Prepared by: J.P. Junior

Title: Acct. I

Date: 9/1/XX Phone: 328-2345

3

Approved by: I.M. Senior

Title: Dir. Of Acctg.

Date: 9/1/XX Phone: 328-2345

Purpose and Objective

This worksheet is to be used to document the gross changes in balance sheet accounts from 7/1/XX to 6/30/XX. These gross changes must be explained and must directly support the Statement of Cash Flows Summary Form.

A.A. Proceeds from the sale of equipment	10,000	AA
Cost of equipment sold	(11,000)	
Accumulated depreciation	2,000	
Net gain on sale	1,000	✓

Only the actual cash proceed of \$10,000 will be reflected in the cash flows statement.

B.B. Although this cash was actually received and paid, it was not a normal part of operating activities. It is then necessary to reflect them in the section which transfers relate to.

Non-capital:	
Trans In--100,000	BB.1
Trans Out--(75,000)	BB.2

✓ See explanation at the Worksheet for Preparing the Statement of Cash flows.

STATE OF NORTH DAKOTA
OMB Worksheet-3 for Preparing Statement of Cash Flows - Direct Method
State Agency
For The Fiscal Year Ended June 30, 20xx

(11)

Receipts From Customers and Users:

Sales and Services	231,750		2
Royalties and Rents			
Fines and Forfeits			
Employer Assessments			
Miscellaneous	13,075		3
Plus:			
Accounts Receivable - gross - beginning	83,500		8
Deferred Revenue - ending			
Less:			
Accounts Receivable - gross - ending	146,500		9
Deferred Revenue - beginning			
Receipts From Customers and Users	\$ 181,825		(1)

Receipts From Tuition and Fees:

Tuition and Fees			
Receipts From Tuition and Fees	\$ -		

Receipts From Federal and Local Agencies:

Grants & Contributions	820,250		1
Plus:			
Intergovernmental Receivable - beginning			
Less:			
Intergovernmental Receivable - ending			
Receipts From Federal and Local Agencies	\$ 820,250		(2)

Receipts From Other Funds:

Plus:			
Due From Other Funds - beginning			
Due From Fiduciary Funds - beginning			
Less:			
Due From Other Funds - ending			
Due From Fiduciary Funds - ending			
Receipts From Other Funds	\$ -		

Receipts From Component Units:

Plus:			
Due From Component Units - beginning			
Less:			
Due From Component Units - ending			
Receipts From Component Units	\$ -		

Receipts From Others:

Receipts From Others	\$ -		

Receipts From Loan Principal Repayment:

Loan Principal Repayments			
Receipts From Loan Principal Repayments	\$ -		

Numbers are taken from Statement of Net Assets and Statement of Revenues, Expenses, and Changes in Fund Net Assets.

The circled #'s are referenced to Statement of Cash Flows Summary Form. (13)

STATE OF NORTH DAKOTA
OMB Worksheet-3 for Preparing Statement of Cash Flows - Direct Method
State Agency
For The Fiscal Year Ended June 30, 20xx

(11)

Payments To Other Funds:

Plus:		
Intergovernmental Payable - beginning	_____	
Due To Other Funds - beginning	_____	
Due To Fiduciary Funds - beginning	_____	
Amounts Held In Custody For Others - beginning	_____	
Less:		
Intergovernmental Payable - ending	_____	
Due To Other Funds - ending	_____	
Due To Primary Government - ending	_____	
Amounts Held In Custody For Others - ending	_____	
Payments To Other Funds	\$ -	

Payments To Components Units:

Plus:		
Due to Component Units - ending	_____	
Less:		
Due to Component Units - beginning	_____	
Payments To Component Units	\$ -	

Payments For Scholarships and Fellowships:

Scholarships and Fellowships	_____	
Payments For Scholarships and Fellowships	\$ -	

Payments To Suppliers:

Cost of Sales and Services	499,800	4
Operating	58,000	6
Miscellaneous	50,000	7
Plus:		
Provision for Losses - beginning	_____	
Prepays - ending	600	11
Inventory - ending	46,000	13
Other Assets (Current and Noncurrent) - ending	_____	
Accounts Payable - beginning	65,500	14
Other Liabilities (Current and Noncurrent) - beginning	_____	
Less:		
Provision for Losses - ending	_____	
Prepays - beginning	1,100	10
Inventory - beginning	48,000	12
Other Assets (Current and Noncurrent) - beginning	_____	
Accounts Payable - ending	68,000	15
Other Liabilities (Current and Noncurrent) - ending	_____	
Payments To Suppliers	\$ 602,800	(3)

Payments To Employees:

Salaries and Benefits	192,275	5
Plus:		
Accrued Payroll - beginning	_____	
Compensated Absences Payable (Current and Noncurrent) - beginning	_____	
Less:		
Accrued Payroll - ending	_____	
Compensated Absences Payable (Current and Noncurrent) - ending	_____	
Payments To Employees	\$ 192,275	(4)

Payments on Claims:

Plus:		
Claims/Judgements Payable - beginning	_____	
Less:		
Claims/Judgements Payable - ending	_____	
Payments on Claims	\$ -	

Payments to Others:

Payments To Others	\$ -	
--------------------	------	--

Statement of Cash Flows Summary Form
For the year ended __6/30/XX

13

Business Unit No.: 25000 Business Unit: Sample Agency

Fund No.: 999 Fund Name: Enterprise Fund

Prepared by: J.P. Junior Title: Acct. I Date: 9/1/XX Phone: 328-2345

Approved by: I.M. Senior Title: Dir. Of Acctg Date: 9/1/XX Phone: 328-2345

**Increase (Decrease) in
Cash and Cash Equivalents**

Cash flows from operating activities:

	From OMB	
	Worksheet 3-	
	Direct Method	
Receipts From Customers and Users	<u>181,825</u>	1
Receipts From Tuition and Fees		
Receipts From Federal and Local Agencies	<u>820,250</u>	2
Receipts From Other Funds		
Receipts From Component Units		
Receipts From Others		
Receipts From Loan Principal Repayments		
Payments To Other Funds		
Payments To Component Units		
Payments For Scholarships and Fellowships		
Payments To Suppliers	<u>(602,800)</u>	3
Payments To Employees	<u>(192,275)</u>	4
Payments on Claims		
Payments To Others		
Net cash provided (used) by operating activities	<u>207,000</u>	

Cash flows from noncapital financing activities:

	From Worksheet	
Proceeds from bonds issued		
Proceeds from sale of notes and other borrowings	<u>5,000</u>	F.1
Interest received - bonds		
Interest received - notes and other borrowings		
Principal payments - bonds		
Principal payments - notes and other borrowings	<u>(25,000)</u>	F.2
Interest payments - bonds		
Interest payments - notes and other borrowings	<u>(1,500)</u>	G.2
Transfers-in from other funds	<u>100,000</u>	BB.1
Transfers-out to other funds	<u>(75,000)</u>	BB.2
Net cash provided (used) by noncapital financing activities	<u>3,500</u>	

Statement of Cash Flows Summary Form

For the year ended 6/30/XX

①

13

②

Business Unit No.: 25000

②

Business Unit: Sample Agency

④

Fund No.: 999

④

Fund Name: Enterprise Fund

③

Prepared by: J.P. Junior Title: Acct. I Date: 9/1/XX Phone: 328-2345

③

Approved by: I.M. Senior Title: Dir. Of Acctg Date: 9/1/XX Phone: 328-2345

**Increase (Decrease) in
Cash and Cash Equivalents**

Reconciliation of Operating Income (Loss) To Net Cash

Provided (Used For) Operating Activities:

Operating income (loss)	<u>20,000</u>	
Adjustments to reconcile operating income (loss) to net cash and cash equivalents provided by operating activities:		
Depreciation	<u>245,000</u>	<i>E</i>
(Increase) Decrease Accounts Receivable - Net	<u>(63,000)</u>	<i>A</i>
(Increase) Decrease Intergovernmental Receivable		
(Increase) Decrease Prepaid Expenses	<u>500</u>	<i>A</i>
(Increase) Decrease Inventories	<u>2,000</u>	<i>A</i>
Increase (Decrease) Accounts Payable	<u>2,500</u>	<i>A</i>
Increase (Decrease) Intergovernmental Payable		
Increase (Decrease) Accrued Payroll		
Increase (Decrease) Compensated Absences Payable		
Increase (Decrease) Claims Payable		
Increase Decrease _____		
Increase Decrease _____		
Increase Decrease _____		
Increase Decrease _____		
Total adjustments	<u>187,000</u>	
Net cash provided (used) by operating activities	<u>207,000</u>	

Required Note Disclosure:

1. Shortly before the balance sheet date the Agency entered into a capital lease to purchase office equipment costing \$7,500.
2. Cash and cash equivalents: cash and short-term highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that present insignificant risk of changes in value because of changes in interest rates. Generally this includes only investments with original maturity of three months or less.

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SPECIAL GOVERNMENT UNIT CLOSING PACKAGE:
INTERFUND TRANSACTIONS

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COMPLETING SCHEDULE OF INTERFUND DUE TO/DUE FROM

REF	EXPLANATION
(1)	Enter the agency name, agency number and fund number.
(2)	Complete all information regarding preparation of this form. The Finance Director or Executive Director should approve the form before sending it to the Office of Management and Budget. Keep a copy of the form.
(3)	Enter the month-day-year of the fiscal year for which this form applies.
(4)	Enter the fund name and fund number of the state fund for the Interfund Due To/Due From.
(5)	Enter the total Due From Amount.
(6)	Enter the total Due To Amount.
(7)	This amount must agree to your Agency's Balance Sheet line items titled <u>Due to</u> and <u>Due from</u> other funds.
(8)	Return the completed Schedule of Interfund Due To/Due Froms to the Office of Management and Budget by <u>the scheduled due date</u> listed for your agency and fund (see Schedule of Due Dates).
(9)	If your agency completes its own Schedule of Interfund Due To/Due Froms please submit this schedule to the Office of Management and Budget by <u>the scheduled due date</u> listed for your agency and fund (see Schedule of Due Dates).

**STATE OF NORTH DAKOTA
SCHEDULE OF INTERFUND DUE TO / DUE FROM
(3) FOR THE FISCAL YEAR ENDED 6/30/XX**

(1) Agency Name: Example Unit (1) Agency No.: 450 (1) Fund No.: 915
 (2) Prepared by: Jim Smith Date: 8/12/XX Phone: 328-5555
 (2) Approved by: Fred Jones Date: 8/19/XX Phone: 328-5555

(4) Fund Name and Fund Number	(5) Due From Amount	(6) Due To Amount
Fund A #123	\$ 50,000	
Fund B #234	15,000	
Fund C #456	10,000	
Fund D #567		10,000
Totals (7)	\$ 75,000	\$ 10,000

Explain the purpose of the above interfund balances due to or from:
\$50,000 is due from Fund A for a short term loan.

Other due from amounts (\$25,000) are for legal services charges.

\$10,000 is due to Fund D for supplies.

Please indicate which of the above balances are not expected to be repaid within one year and explain why:
N/A. All to be paid within one year.

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INTERFUND TRANSACTIONS

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COMPLETING SCHEDULE OF TRANSFERS IN/TRANSFERS OUT

REF

EXPLANATION

-
- (1) Enter the agency name, agency number and fund number.
 - (2) Complete all information regarding preparation of this form. The Finance Director or Executive Director should approve the form before sending it to the Office of Management and Budget. Keep a copy of the form.
 - (3) Enter the month-day-year of the fiscal year for which this form applies.
 - (4) Enter the fund name and fund number of the state fund for the Transfers In/Transfers Out.
 - (5) Enter the total amount received from another state fund.
 - (6) Enter the total transfer amount your agency made to another state fund.
 - (7) This amount must agree to your Agency's Operating Statement line items entitled transfers in and out.
 - (8) Return the completed Schedule of Transfers In/Transfers Out to the Office of Management and Budget by the scheduled due date listed for your agency and fund (see Schedule of Due Dates).
 - (9) If your agency completes its own Schedule of Transfers In/Transfers Out please submit this schedule to the Office of Management and Budget by the scheduled due date listed for your agency and fund (see Schedule of Due Dates).

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GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE: CASH AND INVESTMENTS FOOTNOTE PACKAGE	ISSUE DATE: 8/1/89	SECTION 06
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PURPOSE AND OBJECTIVES

The State plans to prepare its financial statements in accordance with Generally Accepted Accounting Principles (GAAP). GAAP requires that the State's balance sheets and statements of net assets show the amount of cash and investments under state control as of your funds' fiscal year end. In addition GAAP requires that bank deposits in third party (non-Bank of North Dakota) financial institutions be credit risked. Non-Bank of North Dakota investments also must be credit risked.

AGENCY ACTION REQUIRED

Complete the attached Cash and Investment Summary Form and return it to the Office of Management and Budget with your financial statements by the scheduled due date listed for your agency and fund (see Schedule of Due Dates). If you can return the forms earlier, please do so.

NOTE: This closing package must be completed for each fund reporting cash and/or investments. If portions of the information requested are included in your agency's audited financial statements, this information does not have to be duplicated.

KEY TERMS

Bank Balance-Cash. The balance reported on your bank statement as of your funds' fiscal year end.

Book Balance-Cash. The book balance of a bank account is the balance on your accounting records or in your checkbook as of your funds' fiscal year end.

Fair Value - Investments. The fair value of an investment is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Investments are to be reported at fair value.

Cash. For purposes of this closing package, cash includes:

- Cash on hand (i.e., petty cash).
- Deposits with financial institutions (i.e. checking account balances).
- Certificates of deposit and investments with an original maturity of three months or less.
- Cash or deposits your agency has in a trustee capacity or in an agency capacity for others.
- Petty cash balances and external bank accounts authorized by the State Auditor and the State Treasurer under NDCC 54-06-08.1.
- Money Market Accounts.

Collateral. Security pledged by a financial institution to a governmental entity for its deposits.

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GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE: CASH AND INVESTMENTS FOOTNOTE PACKAGE	ISSUE DATE: 8/1/89	SECTION 06
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Deposits - For Credit Risk Footnote Purposes. Deposits for credit risk footnote purposes are those deposits and non-negotiable Certificates of Deposit at third party (non-Bank of North Dakota) banks.

- Non-negotiable Certificates of Deposit at third party (non-Bank of North Dakota) financial institutions are accounted for as investments on the Balance Sheet (if they have a maturity period of greater than three months) however, they are credit risked as deposits for footnote purposes.
- Negotiable Certificates of Deposit at third party (non-Bank of North Dakota) banks should be credit risked as investments.

Depository Insurance. Insurance on deposits with financial institutions for our purposes includes:

- Federal depository insurance funds, such as those maintained by the Federal Deposit Insurance Corporation (FDIC). FDIC currently insures up to \$100,000 per deposit.

Investment. Investments may include marketable securities, certificates of deposit, or other financial instruments with an Original Maturity Period greater than three months. Report your agency's investments as well as any investments your agency holds as a trustee or agent for others.

Investments - For Credit Risk Footnote Purposes. Investments for credit risk footnote purposes includes marketable securities, negotiable Certificates of Deposits, and other financial instruments.

- Non-negotiable Certificates of Deposit at third party (non-Bank of North Dakota) banks should be credit risked as deposits.

Investment Note Disclosures: See the **GASB 40 Policy on page 3.** OMB has not developed a form for this note disclosure because the types of disclosures need vary according to the type of investment. Each agency will have to prepare a footnote disclosure to report the necessary disclosures under GASB 40.

Original Maturity Period. Original maturity period means the original maturity period to the agency holding the investment. Original maturity period is the period from the original purchase of the investment by the agency holding the investment to the date the investment matures.

WORKING PAPERS

All working papers may be subject to audit. The Agency unit should keep a copy of the completed Cash and Investments Summary Form. In addition, the Agency unit should keep any documents that support data on that form. For example:

- Year end bank and investment account statements from financial institutions and brokers.
- Reconciliations between bank statements and book balances shown on the Cash and Investments Summary Form for all bank accounts.
- Listing of securities in investment portfolios.
- Correspondence authorizing petty cash funds and clearing accounts.
- Other related documents.

STATE OF NORTH DAKOTA
GAAP CLOSING PROCEDURES MANUAL

SPECIAL GOVERNMENT UNIT CLOSING PACKAGE: CASH AND INVESTMENTS FOOTNOTE PACKAGE	ISSUE DATE: 8/1/89	SECTION 06
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INVESTMENT NOTE DISCLOSURE IN ACCORDANCE WITH GASB 40

The disclosures required under GASB 40 are for the primary government, including its blended component units. However, the risk exposures for governmental and business-type activities, individual major funds, nonmajor funds in the aggregate, or fiduciary fund types must be disclosed if their deposit and investment risks are greater than the primary government.

1. Disclose the fair value of all investments and organize the investment disclosure by investment type. Do not aggregate dissimilar investment into a single investment type.

2. Investment Policy:

Disclose, briefly, your formal investment and deposit policies. If you have exposure to a concentration of credit risk or have investments in foreign currency, disclose your policies relating to these investments. If no formal investment or deposit policy, disclose that you have no formal policy.

3. Credit Quality Ratings of Debt Securities:

Disclose the credit quality ratings of investments in debt securities, whether held directly or indirectly, as described by nationally recognized statistical rating organizations----if unrated, disclose that is unrated. Exclude obligations of or explicitly guaranteed by the U.S. Government, but include investments in external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities.

Aggregate the disclosure by investment type.

OMB is requiring that the dollar value of each ratings category be disclosed. Percentages are not to be used as OMB may not be able to accurately consolidate percentages for the CAFR.

Some securities have more than one rating. When multiple ratings exist, at a minimum, the rating indicative of the greatest degree of risks should be presented. However, you may choose also to disclose the additional credit ratings.

4. Concentration of Credit Risk:

Provide information about the concentration of credit risk associated with investments by disclosing, by amount and issuer, investments in any one issue that represent 5 percent or more of total investments. Investments issued or explicitly guaranteed by the US government, investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

5. Custodial Credit Risk:

- a. Disclose the bank balances of deposits exposed to custodial risk, that they are uninsured, and the basis of the risk. Deposits are exposed to custodial credit risk if they not covered by depository insurance and the deposits are uncollateralized; collateralized with securities held by the pledging financial institution; or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

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- b. For investments at the end of the fiscal year, need to disclose the investments' type, the reported amount, and how the investments are held. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent not in the government's name.

6. Interest-rate risk:

For debt investments, you will need to disclose the interest rate risk using one of the following disclosure methods:

1. Segmented time distribution
2. Specific identification
3. Weighted average maturity
4. Duration
5. Simulation method

Agencies should select the method that reflects the method used to manage the investments, but must select one of the five methods noted above. Different methods may be used for different investments. The State is not required to use a single method of disclosing interest-rate for all debt investments. Investments in mutual funds, external investments, and internal investments that do not meet the definition of a 2a7-like pool are included in this disclosure requirement.

If the terms of the debt investment cause its fair value to be highly sensitive to interest rate changes, the terms and fair value of that investment should be disclosed to the extent the investment terms are not considered in the disclosure explained above. Terms include coupon multipliers, benchmark indexes, reset dates, and embedded options.

7. Foreign Currency Risk:

If deposits or investments are exposed to foreign currency risk, disclose the U.S. dollar balances for such deposits or investments, organized by currency denomination and, if applicable, investment type.

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GENERAL INSTRUCTIONS--CASH AND INVESTMENTS SUMMARY FORM

- Carefully read the special definitions that apply to this closing package. (See the Key Terms section).
- Prepare two or more Forms if there is not enough space on one Form.
- The Form(s) should show balances as of your funds' fiscal year end.
- Return the completed Cash and Investments Summary Form to the Office of Management and Budget by the scheduled due date listed for your agency and fund (see Schedule of Due Dates).
- Call the Office of Management and Budget for guidance.
- The person who completes and signs the Form should keep a copy. The Office of Management and Budget will telephone this person if there are any questions.
- Round all dollar amounts on the form to the nearest whole dollar.
- Prepare a separate closing package form for each fund.
- Detailed instructions for completing the Forms follow. A sample completed Cash and Investments Summary Form follows the instructions.

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SPECIAL GOVERNMENT UNIT CLOSING PACKAGE: CASH AND INVESTMENTS FOOTNOTE PACKAGE	ISSUE DATE: 8/1/89	SECTION 06
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COMPLETING THE SPECIAL GOVERNMENT UNIT CASH AND INVESTMENTS SUMMARY FORM - 1

NOTE: See definitions to Key Terms contained in this section beginning on page 1.

REF	EXPLANATION
(1)	Enter the last two digits of the fiscal year for which this Form applies.
(2)	Enter the agency code and the agency name and fund number.
(3)	Complete all information regarding preparation of this Form.
(4)	Enter the book balance of cash from your funds' balance sheet that applies to deposits held at the Bank of North Dakota for the CAFR year ended June 30.
(5)	Enter the book balance of cash from your funds' balance sheet, excluding deposits held at the Bank of North Dakota for the CAFR year ended June 30 (see Item [B] on this Summary Form).
(6)	The total cash figure must agree to cash on your funds' balance sheet for the CAFR year ended June 30.
(7)	Enter the balance of actual investments from your funds' balance sheet that are Bank of North Dakota investments for the CAFR year ended June 30.
(8)	Enter the fair value of actual investments from your funds' balance sheet excluding investments of the Bank of North Dakota, for the CAFR year ended June 30 (see Item [C] on this Summary Form).
(9)	The total investment figure must agree to investments on your funds' balance sheet for the CAFR year ended June 30.

NOTE

Enter amounts in whole dollars. If portions of the information requested are included in your agency's audited financial statements, this information does not have to be duplicated.

STATE OF NORTH DAKOTA
 SPECIAL GOVERNMENT UNIT CASH AND INVESTMENTS SUMMARY FORM - 1
 At June 30, 20XX **1**

2 Agency Code: 450 Agency Name: Example Unit State Fund Code: 915

3 Prepared: 8 / 12 / XX By: Jim Smith Title: Accountant Phone: 328-5555
 Date Employee Name

3 Approved: 8 / 19 / XX By: Fred Jones Title: Supervisor Phone: 328-5555
 Date Employee Name

[A]: BALANCE SHEET CASH AND INVESTMENT DA

(I) CASH

Cash
 Book Balance
 June 30

Cash Deposits at the Bank of North Dakota (BND) \$ 50,000 **4**

[B]: Cash and Cash Equivalents: 5,000 **5**

Total Cash: \$ 55,000 **6**

(II) INVESTMENTS

Investments
 Fair Value
 June 30

Investments of the Bank of North Dakota (BND)
 (i.e., CD purchased from the BND > 90 days): \$ 30,000 **7**

[C]: Investments: 325,000 **8**

Total Investments: \$ 355,000 **9**

[A]: Amounts shown for Cash and Investments should agree to classifications shown on the financial statements.
[B]: Complete the Cash and Investments Summary Form - "2" if you completed the "Cash and Cash Equivalents" line.
[C]: Complete the Cash and Investments Summary Form - "3" if you completed the "Investments" line.

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SPECIAL GOVERNMENT UNIT CLOSING PACKAGE: CASH AND INVESTMENTS FOOTNOTE PACKAGE	ISSUE DATE:	SECTION
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COMPLETING THE SPECIAL GOVERNMENT UNIT CASH AND INVESTMENTS SUMMARY FORM - 2

REF	EXPLANATION
(1)	Enter the last two digits of the fiscal year for which this Form applies.
(2)	Enter the agency code and the agency name and fund number.
(3)	Complete all information regarding preparation of this Form.
(4)	Enter the name of the financial institution. (Deposits at the Bank of North Dakota should <u>not</u> be included. Only the deposits included in the "Cash and Cash Equivalents" line on the Cash and Investment Summary Form-1 are subject to credit risking.) See [A] on this Summary Form.
(5)	Enter the bank account number or the Certificate of Deposit number.
(6)	Indicate if the certificate has a maturity date of more than 90 days (i.e. reported as an investment). Non Bank of North Dakota certificates of deposit should be credit risked on Summary Form-2 regardless of maturity date. See [A] on this summary form.
(7)	Briefly describe the purpose of the account.
(8)	Categorize the total <u>bank</u> balance according to the following three categories of credit risk: Category (1) - Insured or collateralized by securities held by the State or by its agent in the State's name. (2) - Collateralized with securities held by the pledging financial institution's trust department or agent in the State's name. (3) - Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the State's name.) If the <u>bank</u> balance belongs in more than one category, indicate the dollar amount applicable to each category on separate lines.
(9)	Enter the bank balance as of the CAFR fiscal year ended June 30 for the account.
(10)	Enter the book balance as of the CAFR fiscal year ended June 30 for the account.

NOTE

Enter amounts in whole dollars. If portions of the information requested are included in your agency's audited financial statements, this information does not have to be duplicated.

STATE OF NORTH DAKOTA
 SPECIAL GOVERNMENT UNIT CASH AND INVESTMENTS SUMMARY FORM - 2
 At June 30, 20XX ①

② Agency Code: 450 Agency Name: Example Unit State Fund: 915

③ Prepared: 8 / 12 / XX By: Jim Smith Title: Accountant Phone: 328-5555
 Date Employee Name

③ Approved: 8 / 19 / XX By: Fred Jones Title: Supervisor Phone: 328-5555
 Date Employee Name

DEPOSITS (CREDIT RISK DATA) [A]

④ Name of Financial Institution	⑤ Bank Account / CD Number	⑥ Is Certificate Maturity Date > 90 Days	⑦ Purpose of Account	⑧ Credit Risk Category (1, 2 or 3)	⑨ Bank Balance June 30	⑩ Book Balance June 30
<u>FNB Bismarck</u>	<u>667-245-4013</u>	<u>-</u>	<u>Checking</u>	<u>1</u>	<u>3,659</u>	<u>\$ 2,500</u>
<u>ABC Bank</u>	<u>22-4035-46</u>	<u>N</u>	<u>CD</u>	<u>1</u>	<u>2,000</u>	<u>2,000</u>
<u>MBNA America</u>	<u>22-6096-06</u>	<u>Y</u>	<u>CD</u>	<u>1</u>	<u>10,000</u>	<u>10,000</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Mutual Funds</u>	<u> </u>	<u> </u>	<u> </u>	<u>N/A</u>	<u>N/A</u>	<u> </u>
<u>Petty Cash/Cash On Hand</u>	<u> </u>	<u> </u>	<u> </u>	<u>N/A</u>	<u>N/A</u>	<u>500</u>
<u>Deposits In Transit</u>	<u> </u>	<u> </u>	<u> </u>	<u>N/A</u>	<u>N/A</u>	<u> </u>
Total:					<u>\$ 15,659</u>	<u>\$ 15,000</u>

[A] Do not credit risk Deposits at the Bank of North Dakota, mutual funds, petty cash, or deposits in transit. Credit risk Non Bank of North Dakota Certificates of Deposit on this Summary Form regardless of maturity dates.

STATE OF NORTH DAKOTA
 SPECIAL GOVERNMENT UNIT CASH AND INVESTMENTS SUMMARY FORM - 3
 At June 30, 20XX ①

② Agency Code: 450 Agency Name: Example Unit State Fund Code: 915

③ Prepared: 8/12/XX By: Jim Smith Title: Accountant Phone: 328-5555
 Date Employee Name

③ Approved: 8/19/XX By: Fred Jones Title: Supervisor Phone: 328-5555
 Date Employee Name

INVESTMENTS (CREDIT RISK DATA) [A]

④ Name of Financial Institution	⑤ Security Number	⑥ Type of Security	⑦ Credit Risk Category (1, 2 or 3)	⑧ Fair Value June 30
<u>ABC Institution</u>	<u>92872 YMI</u>	<u>U.S. Treasury Notes</u>	<u>1</u>	\$ <u>300,000</u>
<u>A.G. Edwards</u>	<u>22-4069-69</u>	<u>Corporate Bonds</u>	<u>1</u>	<u>15,000</u>
Total:				\$ <u><u>315,000</u></u>

[A] Do not include Investments of the Bank of North Dakota. All Non Bank of North Dakota Certificates of Deposit should be credit risked on Summary Form - 2 regardless of maturity dates.

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