



2024 ACFR
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024



NORTH
Dakota
Be Legendary.

Photo Credit: Jen Raab

STATE OF NORTH DAKOTA

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED

June 30, 2024



Prepared by the Office of Management and Budget

State of North Dakota
Office of Management and Budget Fiscal Management Division
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This ACFR is also available at our Fiscal Management website:

<https://www.omb.nd.gov/financial-transparency/annual-comprehensive-financial-reports-acfr>

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
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Introductory Section



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December 13, 2024

To the governor, legislators, and citizens of the state of North Dakota,

In accordance with North Dakota Century Code (NDCC) section 54-44-04(14), we are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the state of North Dakota for the fiscal year ended June 30, 2024. This report has been prepared by the Office of Management and Budget. The financial statements contained in the ACFR have been prepared in accordance with generally accepted accounting principles (GAAP) applicable to state and local governments, as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the state's management. To the best of our knowledge and belief, the information contained in the ACFR is accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the state's primary government and the component units for which it is financially accountable. All disclosures necessary to enable the reader to gain an understanding of the state of North Dakota's financial affairs have been included.

The state's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the U.S. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the costs of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

In compliance with state statute, the Office of the State Auditor audited the state's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the state for the fiscal year ended June 30, 2024 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation. Their examination was conducted in accordance with GAAP and the standards applicable to financial audits contained in *Government Auditing Standards* as published by the Comptroller General of the United States. The Office of the State Auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the state's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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The state of North Dakota is also required to undergo a single audit in conformity with the provision of the Single Audit Act Amendments of 1996 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (contained in Title 2 U.S. Code of Federal Regulations Part 200). Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, are included in a separately issued biennial single audit report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The state of North Dakota provides for a full range of services, including education, health and social services, highway maintenance and construction, law enforcement, judicial, public safety, business regulation, community and economic development, and natural resource development. The state's reporting entity reflected in the ACFR includes all the funds of the state as legally defined, as well as all of its component units in conformity with the requirements of GASB Statement No. 61. Statement No. 61 provides that the financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. Consequently, the transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the discretely presented component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position. The state's reporting entity is described more fully in Note 1A to the basic financial statements.

The state operates through a biennial appropriation, which represents agency appropriations recommended by the governor and presented to the legislative assembly at the beginning of each legislative session. The budget is legally required to be adopted through passage of appropriation bills by the legislative assembly and signed by the governor. The governor has line-item veto powers over all appropriations subject to legislative override. Once passed and signed, the appropriation bill becomes the departments' financial plan for the next two years. Changes to the appropriation are limited to Emergency Commission authorization, initiative, allotment, or referendum action.

The state budgets by fund but does not formally budget revenues. The legal level of budgetary control is at the agency, appropriation authority and expenditure line-item level. The state's budgetary policies and procedures are further explained in Note 1D on the notes to the basic financial statements.

LOCAL ECONOMY

Although North Dakota's economy is increasingly diversified, the agricultural industry continues to play a lead role in the state's economy. The North Dakota Agricultural Statistics report states: North Dakota led the nation in the production of all dry edible beans, pinto beans, pink beans, canola, flaxseed, honey, oats, rye, all sunflowers, all wheat, durum wheat and spring wheat for 2023. North Dakota also ranked second in the production of small red beans, lentils, and dry edible peas.

The energy industry plays an important role in the state's economy. The development of wind and coal resources, the production of ethanol and bio-diesel, and oil and natural gas extraction all contribute to the state's economy. North Dakota's current crude oil production ranks third in the

nation in both crude oil reserves and production. North Dakota has almost two percent of the U.S. nature gas reserves. Additionally, North Dakota has the world's largest known deposit of lignite and accounts for five percent of the U.S. total coal production. In 2023, wind energy in North Dakota accounted for 37% of its total electricity, which was the 4th highest of wind power for any state.

According to the United States Census Bureau, the state's resident population for 2023 was approximately 784,000 people. Health care and social assistance account for the highest percent of employment in the state. Other leading areas of employment are educational services, retail trade, accommodation and food services, construction, and manufacturing. The unemployment rate for the state in September 2024 was 1.8%, compared to 3.9% for the United States.

A listing of the state's 20 largest employers demonstrates the diversity of the economy. Top employers include: health care providers, educational services, social assistance, the U.S military, manufacturers, and retail companies.

North Dakota exporting grew significantly when comparing 2023 to 2022. The International Trade Administration showed that North Dakota's exports were about \$5.2 billion for 2022 and increased to about \$8.8 billion in 2023. Petroleum and coal products accounted for approximately \$4.4 billion of North Dakota's exporting.

LONG-TERM FINANCIAL PLANNING

The long-term financial plan for the state of North Dakota was outlined by Governor Burgum as part of the 2023-25 executive budget address and presented to members of the 68th Legislative Assembly in December 2022. The Governor's long-term financial plan included the following key components:

- Maintaining healthy reserves.
- Providing tax relief.
- Investing in priorities, including technology, education, workforce, infrastructure, families and childcare, healthcare and human services, and inequities in state employee pay
- Ensuring solvency for the state pension fund.

The legislature met in January-April of 2023 and passed significant legislation including providing for healthy reserves, tax relief to the citizens of ND and increased investments in behavior health for women's treatment and reform. In addition, they funded investments in infrastructure including roads and bridges, water resources, a state-of-the-art health lab, and a correctional facility for women.

The state's rainy-day fund, the Budget Stabilization Fund, was nearly depleted during the 2015-17 biennium economic downturn. The fund has been refilled to the maximum balance allowed by law and, due to conservative budget management and strong revenues, the fund was not used during the COVID-19 pandemic which occurred during the 2019-21 biennium. A critical component of ensuring the long-term financial well-being of the state of North Dakota is a well-funded Budget Stabilization Fund that provides a necessary buffer against volatile commodity prices that drive ups and downs in the state's economy. Other reserve funds include the state General Fund balance, the Foundation Aid Stabilization Fund, and the Legacy Fund.

Another component of the state's long-term financial plan is ensuring the solvency of the state's pension fund. During the 2023-25 legislative session a bill was passed to close the Public Employees Defined Benefit plan no later than January of 2025. To support this approach, the governor has proposed \$65 million injection from oil and gas extraction and production taxes to the Public Employees Retirement Plan to help address the state unfunded liability. The legislature also

assessed an additional 1% employer retirement contribution with an additional \$135.0 million from Strategic Investment and Infrastructure Fund to address this liability.

The backbone of the state's financial plan is a revenue forecast that is accurate, conservative, and credible. The state utilizes a Revenue Forecasting Advisory Committee, comprised of representatives of the major industries in the state and the legislative and executive branches of government, along with the expertise of a national economic forecasting consultant. With the assistance of these experts, the state's Tax Department and Office of Management and Budget develop a conservative revenue forecast for use in the budgeting process.

The budgeting process begins with the development of a biennial budget proposal reflecting the Governor's priorities for the next two years. The budget is submitted to the legislature for their consideration and eventual enactment. With a biennial budget cycle, each revenue forecast, and budget proposal provides a three-year plan for the revenues and expenditures of state government.

RELEVANT FINANCIAL POLICIES

North Dakota's financial policies ensure that in the event of an economic downturn, North Dakota state government will be able to continue to provide its citizens with necessary services. Should North Dakota experience a significant revenue shortfall, the state is able to access funds in the budget stabilization fund.

North Dakota experienced a significant revenue shortfall during the 2015-17 biennium due to decreases in oil and agriculture prices, resulting in a transfer of nearly the entire balance of the budget stabilization fund to the general fund prior to June 30, 2017. The 2017 legislature established an ongoing allocation of \$75 million per biennium from oil and gas tax revenues to the budget stabilization fund. North Dakota Century Code requires the transfer to the budget stabilization fund of any end-of-biennium general fund balance in excess of \$65 million. Pursuant to Section 54-27.2-01, the fund is limited to no more than 15 percent of current biennium appropriations. Any deposits or interest that would otherwise be deposited or retained in the fund must instead be deposited in the General Fund once the maximum balance is reached. The current cap on the fund is \$914 million.

The 2021-23 biennium ended with the budget stabilization fund meeting the cap of \$914 million so no general fund transfer was made to the fund. The balance of the budget stabilization fund is estimated to be over \$914 million by June 30, 2025 due to a combination of existing fund balance and additional oil tax revenue allocations.

In addition to accessing the budget stabilization fund, in the event of an economic downturn the Governor can reduce general fund expenditure authority uniformly across state agencies through a process known as allotment. In the event of an allotment, the foundation aid stabilization fund was established to protect the state school aid program. Dollars from this fund would replace the amount of general fund dollars allotted, thus K-12 education would not experience a reduction in funding. The passage of Measure 2 in the 2016 general election allowed money in the fund to be appropriated for education-related purposes. Funding for the foundation aid stabilization fund comes from 10 percent of oil extraction tax collections. The foundation aid stabilization fund is expected to have a June 30, 2025 balance in excess of \$216.7 million.

MAJOR INITIATIVES

Major initiatives proposed by Governor Doug Burgum and approved by the legislature for the 2023-25 biennium include:

- Investing in infrastructure and other priorities;
- Supporting K-12 education;
- Investing in workforce including child care;
- Investing in cybersecurity and upgrading outdated technology; and
- Maintaining reserves and the rainy-day fund.

INFRASTRUCTURE INVESTMENTS

The 2023-25 biennial budget includes funding to rebuild and repair roads throughout the state, for water supply and flood control and capital projects for state parks. Funding for infrastructure improvements includes:

- \$903.5 million to rebuild and repair state highways.
- \$159.0 million for city road projects.
- \$133.0 million dedicated to the repair and rebuilding of county and township roads.
- \$19.5 million for projects across the state park system.
- \$780.7 million for water-related projects, including \$316.2 million for water supply, \$52.0 million for rural water supply, \$115.7 million for flood control, \$12.0 million for general water projects, \$218.0 million for state-owned water projects and \$9.0 million for other new projects.

TECHNOLOGY UPDATES

The Governor's budget included support for replacing outdated technology to better serve the citizens of the state and provide the most efficient use of resources.

- \$28.4 million for Enterprise Digitization to replace outdated technology across numerous agencies for the 2023-25 biennium.
- \$12.4 million for Data Governance
- \$29.0 million for Customer Relationship Management which includes the Business Gateway initiative.
- \$168 million of federal funds for broadband projects.
- 41.0 FTE were requested to support increases in IT operations and initiatives.

EDUCATION

K-12 education initiatives include:

- \$2.30 billion in state funding for K-12 schools through integrated funding formula;
- \$58.1 million to assist districts in the provision of transportation services;
- \$24 million to go towards special education contracts; and

Higher Education initiatives include:

- \$20.0 million in state funding to continue the North Dakota Higher Education Challenge Grant Program, to encourage philanthropy by providing a state match for private contributions to the state's colleges and universities.

- \$429.9 million is slated to be invested for capital projects across the system, with funding from revenue bonds, private donations, capital building funds and carryover authority.

Child Care initiatives

- \$37.0 million for child care assistance and enhanced programs for infant and toddlers.
- \$40.0 million for four year old programs, quality tiers in child care, employer-led cost share programs, grants for shared services, non-traditional hours programs, training and streamlining background checks.

RESERVES

It is anticipated that by June 30, 2025, there will be a total ending balance of approximately \$2.16 billion in the budget stabilization fund, foundation aid stabilization fund, strategic investment and improvements fund, and tax relief fund. The general fund budget for the 2023-25 biennium totals \$6.10 billion.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the state of North Dakota for its ACFR for the fiscal year ended June 30, 2023. This was the 33rd consecutive year that North Dakota has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. In addition, the state of North Dakota received the GFOA's Award for Distinguished Budget Presentation for its 2023-2025 budget. In order to qualify for the Distinguished Budget Presentation Award, the state's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization. This report was prepared by staff members of the Fiscal Management Division of the Office of Management and Budget. Their dedication and efforts are greatly appreciated. We also extend our gratitude to the numerous individuals from virtually all the state agencies and institutions, especially the Office of the State Auditor, for their assistance.

Sincerely,



Susan Sisk
Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of North Dakota

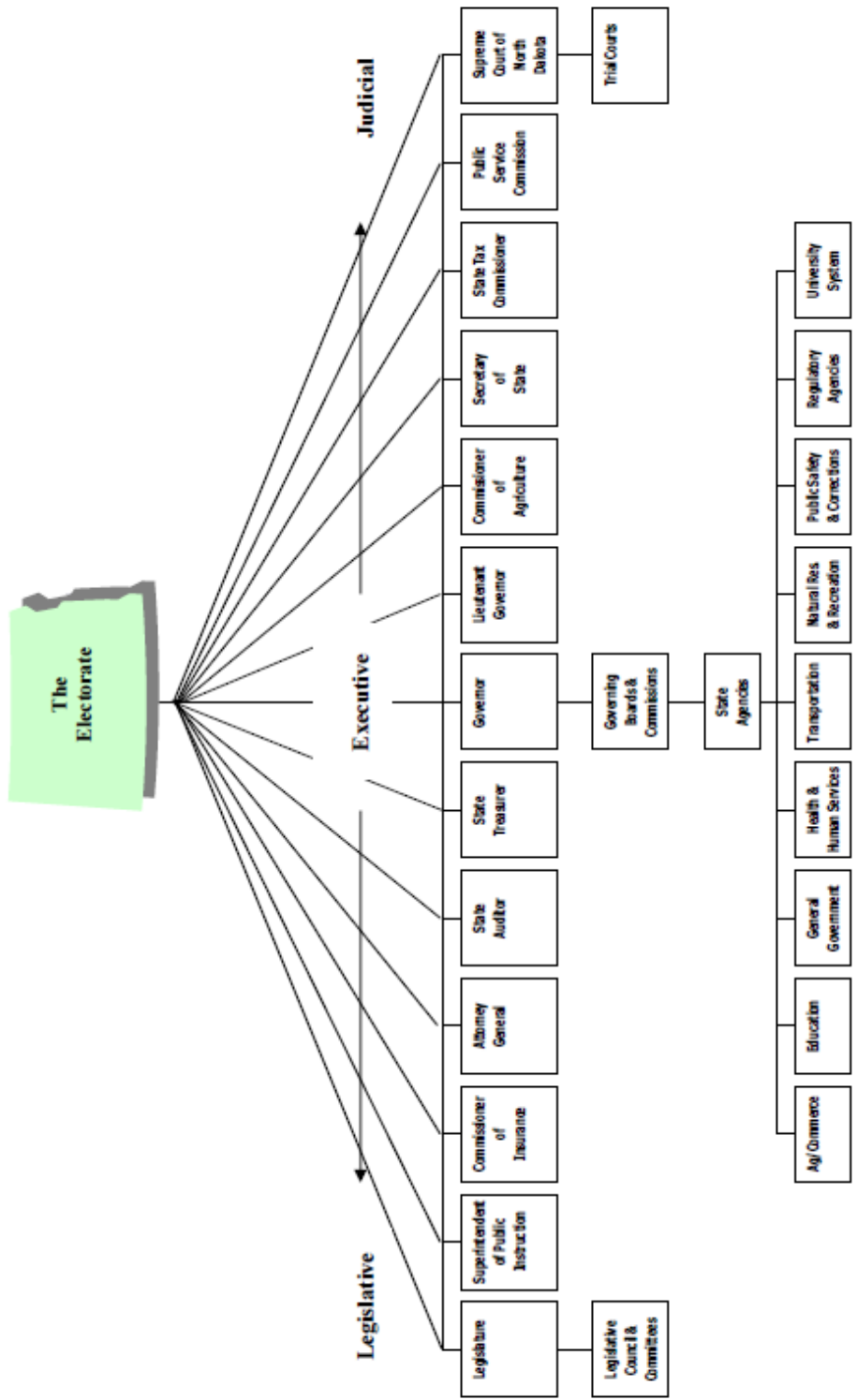
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

STATE OF NORTH DAKOTA ORGANIZATIONAL CHART



NORTH DAKOTA
PRINCIPAL STATE OFFICIALS
June 30, 2024

ELECTED OFFICIALS

Doug Burgum, Governor
Tammy Miller, Lieutenant Governor
Michael Howe, Secretary of State
Drew Wrigley, Attorney General
Julie Fedorchak, Public Service Commissioner
Randel Christmann, Public Service Commissioner
Sheri Haugen-Hoffart, Public Service Commissioner
Doug Goehring, Commissioner of Agriculture
Josh Gallion, State Auditor
Jon Godfread, Commissioner of Insurance
Kirsten Baesler, Superintendent of Public Instruction
Brian Kroshus, Tax Commissioner
Thomas Beadle, State Treasurer

LEGISLATIVE

Dennis Johnson, Speaker of the House
Mike Lefor, House Majority Leader
Zac Ista, House Minority Leader
Lt. Gov. Tammy Miller, President of the Senate
David Hogue, Senate Majority Leader
Kathy Hogan, Senate Minority Leader

JUDICIAL

Jon J. Jensen, Chief Justice, North Dakota Supreme Court
Daniel J. Crothers, Justice
Lisa K. Fair McEvers, Justice
Jerod E. Tufte, Justice
Douglas A. Bahr, Justice

Financial Section



Independent Auditor's Report

The Honorable Doug Burgum, Governor
of the State of North Dakota

Members of the Legislative Assembly
of the State of North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of North Dakota as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements are referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of North Dakota, as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United State of America.

We did not audit the financial statements listed below.

Bank of North Dakota	Job Service North Dakota
Building Authority	Mandan Remediation Trust
College SAVE	Public Employees Retirement System
Comprehensive Health Association of North Dakota	Public Finance Authority
Department of Trust Lands	Retirement and Investment Office
North Dakota Development Fund	State Fair Association
Guaranteed Student Loan Program	State Historical Society of North Dakota
Housing Finance Agency	Foundation
Housing Incentive Fund	Student Loan Trust
	Workforce Safety and Insurance

The financial statements of the above entities represent total assets, net position or fund balance, and revenues of the government-wide financial statements and fund financial statements as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended as follows:

	<u>Percent of Assets</u>	<u>Percent of Net Position or Fund Balance</u>	<u>Percent of Revenues</u>
<u>Government-Wide Financial Statements</u>			
Governmental Activities	28%	30%	16%
Business-Type Activities	81%	62%	49%
Aggregate Discretely Presented Component Units	90%	100%	93%
<u>Fund Financial Statements</u>			
Major Governmental Funds			
General Fund	0%	0%	0%
Federal Fund	1%	28%	1%
State Special Revenue Fund	73%	75%	44%
Major Enterprise Funds			
Bank of North Dakota	100%	100%	100%
Housing Finance Agency	100%	100%	100%
University System	0%	0%	0%
Workforce Safety and Insurance	100%	100%	100%
Aggregate Remaining Fund Statements	93%	97%	64%

Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the financial statements of the above entities are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United State of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of North Dakota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the North Dakota University System's discretely presented component units (foundations) and the North Dakota Historical Foundation were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, the Bank of North Dakota elected to present an unclassified statement of net position because current assets were not matched with current liabilities. Presentation of a classified statement of net position would give the false impression that there is a liquidity problem at the bank. Presentation of a classified statement of net position for the Bank of North Dakota would be misleading to the extent that the financial statements may be materially misstated. Our opinion is not modified with respect to this matter.

As described in Note 21 to the basic financial statements, the State of North Dakota adopted the provisions of GASB 99 *Omnibus 2022* and GASB 100 *Accounting Changes and Error Corrections*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of North Dakota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of North Dakota's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of North Dakota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and related reconciliations and notes, information about the state of North Dakota's pension plans and other post-retirement benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of North Dakota's basic financial statements. The combining and individual fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

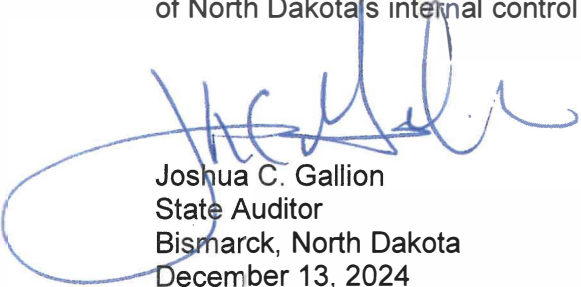
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial

statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of the State of North Dakota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of North Dakota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of North Dakota's internal control over financial reporting and compliance.



Joshua C. Gallion
State Auditor
Bismarck, North Dakota
December 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the State of North Dakota's (the State's) Annual Comprehensive Financial Report presents a discussion and analysis of the State's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and with the State's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide:

Total assets and deferred outflows of resources of the State exceeded its liabilities and deferred inflows of resources at fiscal year-end by \$37.1 billion (reported as net position), an increase of \$3.7 billion from the previous year. The net position of governmental activities increased by 10.5% while the net position of the business-type activities showed an increase of 15.4%.

As a result of implementing GASB Statement 68, *Accounting and Financial Reporting for Pensions*, the State recorded a \$11 million net pension asset, \$733.7 million deferred outflows of resources, \$1.03 billion net pension liability, and \$814.7 million deferred inflows of resources for the primary government. The State decreased its net pension liability by \$492.9 million during the year. The decrease in the pension liability is due to the fact that beginning in fiscal year 2024 the state is on a path to fully fund the pension plan. As long as the state is on a path to fully fund the pension plan the expected rate of return is used instead of a discounted rate. In addition, the funding status of the plan for the 2024 ACFR was 65.96% which is an increase from the 2023 ACFR which had a funding status of 55.03%. The State of North Dakota's, employer's proportionate share, of the net pension liability also decreased by .65% to 47.636865% in Fiscal Year 2024 from 48.283473% in Fiscal Year 2023.

As of the close of fiscal year 2024 the State's governmental funds reported combined ending fund balances of \$26.5 billion, an increase of \$2.6 billion. Of this amount, \$141.03 million is non-spendable, primarily for Permanent Trust Funds. Spendable fund balance consists of \$9.73 billion restricted for specific purposes such as common schools, highway projects, and state education aid, \$3.41 billion committed and \$357.3 million assigned for specific functional expenditures such as education and health and human service operations, with the unassigned fund balance making up the remaining amount of \$12.86 billion, which is primarily made up of the legacy fund with a balance of \$10.96 billion.

The enterprise funds reported net position at year-end of \$5.86 billion, an increase of \$782.7 million during the year.

Long-term Debt:

The State's total debt (bonds, certificates of participation, lease, SBITA, and notes payable) decreased approximately 9.6% during the fiscal year to \$3.48 billion, a decrease of \$369.05 million, which represents the net difference between new issuances and payments. During the year the State issued \$472.1 million in bonds and \$13.30 billion in notes.

More detailed information regarding these activities and funds is included in Note 3J.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements, which consists of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Statements

The government-wide financial statements provide a broad view of the State's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the State's financial position, which assists in assessing the State's economic condition at the end of the fiscal year. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of

resources using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents all of the State's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as "net position". Over time, increases and decreases in net position is an indicator of whether the State's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both statements report three activities:

Governmental Activities – The activities in this section are primarily supported by taxes and intergovernmental revenue. Most of the State's basic services, such as education, health and human services and transportation, are reported under this category.

Business-type Activities – These functions are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The Bank of North Dakota, Housing Finance Agency and the University System are examples of the State's business-type activities.

Discretely Presented Component Units – These are operations for which the State has financial accountability but they have certain independent qualities as well. These entities operate similar to private-sector business and the business-type activities described above. The State has 5 discretely presented component units. Financial information for these entities is presented separately from the financial information presented for the primary government.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. The State, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

The basic fund financial statements begin after the Component Unit FASB basis statements and provide more detail about the major individual funds. The State's funds are divided into three categories – governmental, proprietary, and fiduciary. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental funds - Most of the State's basic services are reported in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on the near-term inflows and outflows of spendable resources. They also focus on the balances left at year-end that are available for future spending. Such information may be useful in evaluating whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a

reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

Governmental funds include the General Fund, special revenue, debt service, capital project, and permanent funds. The State has several governmental funds, of which three (3) are considered major individual funds. These three are the General Fund, the Federal Fund, and the State Special Revenue Fund. Each of these major funds is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance. The remaining governmental funds are combined in a single aggregated column on the basic fund statements. Individual fund data for each of these non-major governmental funds can be found in the other supplementary information section of this report.

Proprietary funds – Services for which the State charges customers a fee are generally reported in proprietary funds. The state maintains two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds report activities that provide supplies and services to the general public. Internal service funds report activities that provide supplies and services for the State's other programs and activities. Like the government-wide statements, proprietary funds use the accrual basis of accounting. Although the basis of accounting is the same for the government-wide and proprietary fund statements, reconciliation between these statements is presented because of the allocation of internal service funds' net income.

The State has four (4) major enterprise funds: The Bank of North Dakota, Housing Finance, University System, and Workforce Safety and Insurance. These four funds are each presented in separate columns on the basic proprietary fund financial statements. The remaining enterprise funds are combined in a single total column on these statements. Individual fund data for each of the non-major enterprise funds can be found in the other supplementary information section of this report.

The State's internal service funds are reported as governmental activities on the government-wide statements, because the services they provide predominantly benefit governmental activities. The State's four (4) internal service funds are reported on the basic proprietary fund financial statements in a single combined column. Individual fund data for the internal service funds is provided in the form of combining statements found in the other supplementary information section of this report.

Fiduciary funds - The State acts as a trustee, or fiduciary, for its employee pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The State's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds, which include pension (and other employee benefit) trust, investment trust, private-purpose trust, and agency funds, are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because the State cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found immediately following component units' financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule, which includes reconciliation between the statutory fund balances for budgetary purposes and the fund balances for the General Fund, the Federal Fund and the State Special Revenue Fund as presented in the governmental fund financial statements. In addition, the required supplementary information includes up to ten years of information on the State's pension and Other Post Employment Benefit (OPEB) plans, including schedules on the employer proportionate share of the net pension liability and net OPEB liability, changes in the net pension liability and OPEB liability, and employer contributions.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, internal service, and fiduciary funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements.

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

As noted previously, net position may serve over time as a useful indicator of a government's financial position. The State's combined net position (governmental and business-type activities) totaled \$37.1 billion at the end of fiscal year 2024. Net position increased \$3.7 billion from the prior fiscal year.

State of North Dakota's Net Position (Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 28,376,498	\$ 26,133,316	\$ 15,870,920	\$ 15,243,050	\$ 44,247,418	\$ 41,376,366
Capital Assets	6,352,725	6,022,104	2,314,469	2,175,967	8,667,194	8,198,071
Total Assets	<u>34,729,223</u>	<u>32,155,420</u>	<u>18,185,389</u>	<u>17,419,017</u>	<u>52,914,612</u>	<u>49,574,437</u>
Deferred Outflows of Resources	589,591	881,556	172,068	250,456	761,659	1,132,012
Long-Term Liabilities						
Outstanding	1,757,189	2,166,481	3,913,449	4,407,365	5,670,638	6,573,846
Other Liabilities	1,693,808	2,092,492	8,313,291	7,951,920	10,007,099	10,044,412
Total Liabilities	<u>3,450,997</u>	<u>4,258,973</u>	<u>12,226,740</u>	<u>12,359,285</u>	<u>15,677,737</u>	<u>16,618,258</u>
Deferred Inflows of Resources	629,143	505,393	266,923	229,042	896,066	734,435
Net Position						
Net Investment in						
Capital Assets	6,025,171	5,794,754	1,622,974	1,475,621	7,648,145	7,270,375
Restricted	9,912,513	8,895,774	1,529,676	684,412	11,442,189	9,580,186
Unrestricted	15,300,990	13,582,082	2,711,144	2,921,113	18,012,134	16,503,195
Total Net Position	<u>\$ 31,238,674</u>	<u>\$ 28,272,610</u>	<u>\$ 5,863,794</u>	<u>\$ 5,081,146</u>	<u>\$ 37,102,468</u>	<u>\$ 33,353,756</u>

The largest component (49%) of the State's net position is unrestricted net position. Unrestricted net position may be used at the State's discretion, but often have limitations on use based on State statutes. Restricted net position makes up thirty-one percent (31%) of the state's net position. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Twenty-one percent (21%) of the State's net position reflects its investment in capital assets such as land, buildings, equipment, intangibles (software), Lease assets, Subscription Based IT arrangements (SBITAs), and infrastructure (roads, bridges and other immovable assets) less any related debt outstanding that was needed to acquire or construct the assets. The State uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The condensed financial information on the following page were derived from the government-wide Statement of Activities and reflects how the State's net position changed during the fiscal year:

State of North Dakota's Changes in Net Position
(Expressed in Thousands)

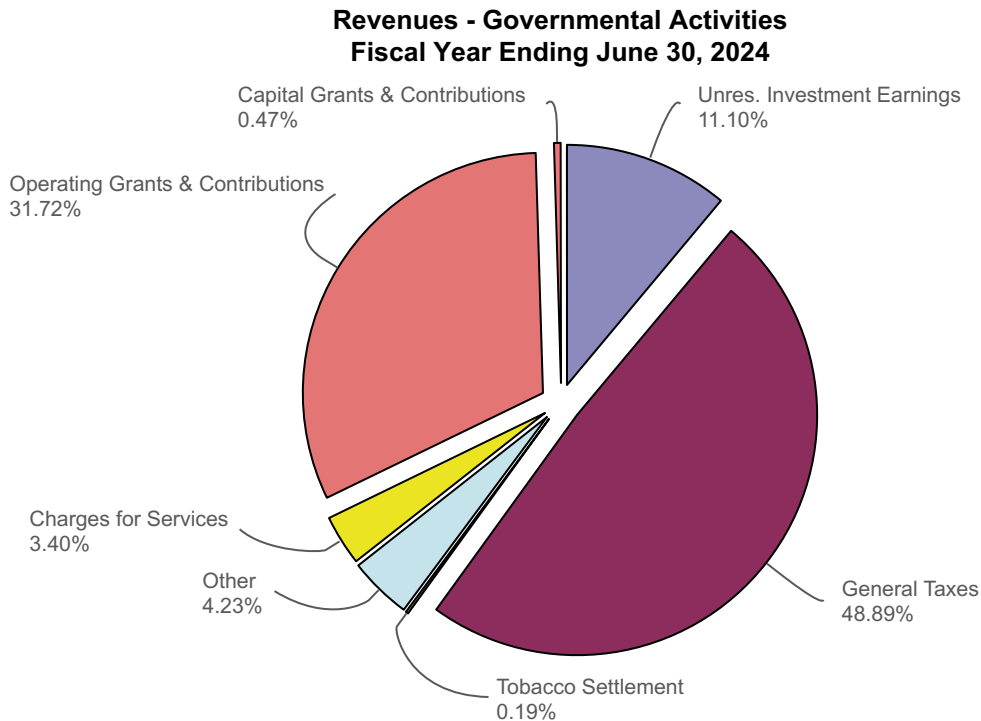
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 390,659	\$ 375,655	\$ 2,376,402	\$ 2,121,930	\$ 2,767,061	\$ 2,497,585
Operating Grants & Contributions	3,647,965	3,789,645	562,286	202,540	4,210,251	3,992,185
Capital Grants & Contributions	54,472	3,046	42,513	31,019	96,985	34,065
General Revenues:						
Income Taxes	638,144	812,953	—	—	638,144	812,953
Sales Taxes	1,737,542	1,725,168	—	—	1,737,542	1,725,168
Oil, Gas and Coal Taxes	3,112,312	2,967,167	—	—	3,112,312	2,967,167
Other Taxes	134,809	146,853	—	—	134,809	146,853
Investment Earnings	1,276,314	787,383	—	—	1,276,314	787,383
Tobacco Settlement	22,080	24,845	—	—	22,080	24,845
Other	486,937	400,723	1,547	3,218	488,484	403,941
Total Revenues	11,501,234	11,033,438	2,982,748	2,358,707	14,483,982	13,392,145
Expenses:						
General Government	1,427,904	1,640,333	—	—	1,427,904	1,640,333
Education	1,692,042	1,579,570	—	—	1,692,042	1,579,570
Health and Human Services	2,666,060	2,753,186	—	—	2,666,060	2,753,186
Regulatory	250,018	232,363	—	—	250,018	232,363
Public Safety and Corrections	321,352	326,906	—	—	321,352	326,906
Agriculture and Commerce	185,616	175,559	—	—	185,616	175,559
Natural Resources	265,515	306,631	—	—	265,515	306,631
Transportation	654,865	679,592	—	—	654,865	679,592
Interest on Long Term Debt	31,244	24,213	—	—	31,244	24,213
Bank of North Dakota	—	—	176,250	76,924	176,250	76,924
Housing Finance	—	—	91,154	74,380	91,154	74,380
Loan Programs	—	—	10,452	12,580	10,452	12,580
State Lottery	—	—	29,933	28,205	29,933	28,205
Unemployment Compensation	—	—	89,042	68,868	89,042	68,868
University System	—	—	1,509,753	1,427,039	1,509,753	1,427,039
Workforce Safety and Insurance	—	—	210,481	196,649	210,481	196,649
Other	—	—	829,926	818,848	829,926	818,848
Total Expenses	\$ 7,494,616	\$ 7,718,353	\$ 2,946,991	\$ 2,703,493	\$10,441,607	\$10,421,846
Increase (decrease) in Net Position Before Contributions, Loss & Transfers	4,006,618	3,315,085	35,757	(344,786)	4,042,375	2,970,299
Contributions to Permanent Fund Principal	6,341	9,148	—	—	6,341	9,148
Transfers	(1,046,895)	(254,142)	746,890	448,310	(300,005)	194,168
Change in Net Position	2,966,064	3,070,091	782,647	103,524	3,748,711	3,173,615
Net Position - Beginning	28,272,610	25,184,434	5,081,146	4,944,689	33,353,756	30,129,123
Prior Period Adjustment *	—	18,085	—	32,933	—	51,018
Net Position- Ending	\$31,238,674	\$28,272,610	\$ 5,863,793	\$ 5,081,146	\$37,102,467	\$33,353,756

Governmental Activities

Governmental Activities increased the State's net position by \$2.97 billion. Revenues increased 4.2%, with the largest increase in the State's revenues for fiscal year 2024 coming from unrestricted investment income which saw an increase of \$488.9 million. This is primarily due to higher investment returns for the Legacy and Budget Stabilization Funds. The Legacy Fund had net investment income in Fiscal Year 2024 of \$1.04 billion and in Fiscal Year 2023 it was \$683.2 million. The Budget Stabilization fund had net investment income in Fiscal Year 2024 of \$62.09 million and in Fiscal Year 2023 it was \$ 22.27 million. The investment earnings are unrestricted because it is not for a particular function. The State saw an increase of \$145.1 million in Oil, Gas and Coal Taxes which is due to an increase in collections of Oil & Gas Production Tax. The increase in Oil & Gas Production taxes is due to higher oil prices which can be attributed to a number of factors, including increased demand, a strong economy, and low reserves.

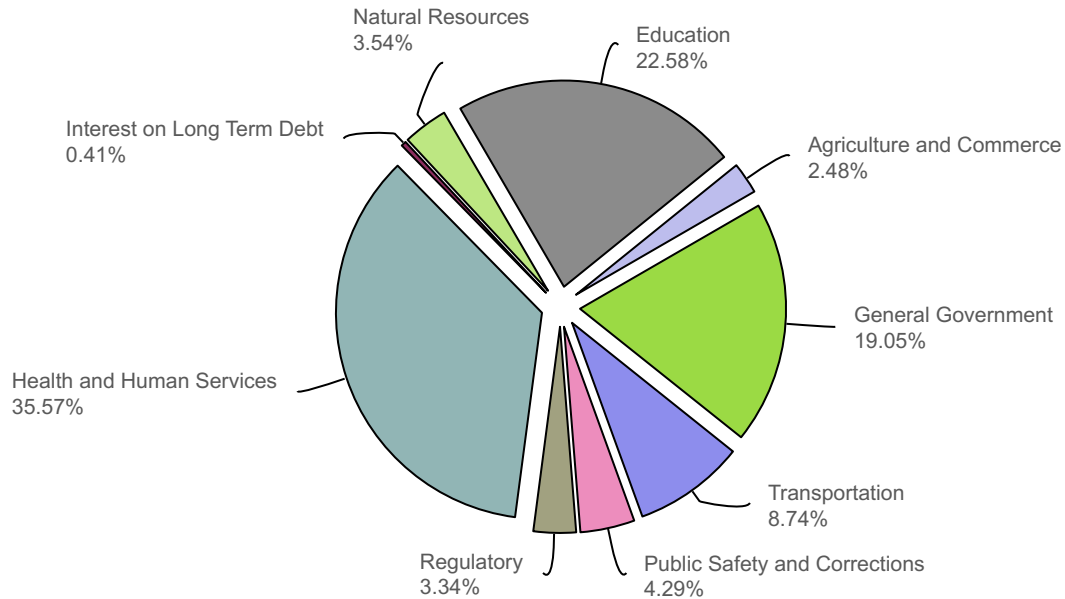
Expenses for governmental activities remained relatively consistent.

The following chart depicts revenues of the governmental activities for the fiscal year:



The following chart depicts expenses of the governmental activities for the fiscal year:

**Expenditures - Governmental Activities
Fiscal Year Ending June 30, 2024**



Business-type Activities

Net position of the business-type activities increased by \$782.6 million during the fiscal year.

Workforce Safety and Insurance’s (WSI) net position increased by \$101.4 million, and WSI’s financial position remains stable. Changes in net position are the result of two separate activities or major program revenues: underwriting and investing. In fiscal year 2024, WSI’s investment portfolio yielded a year-to-date return of 5.97% (net of fees), with a gain of \$125 million before expenses. The year-to-date return for fiscal years 2023 and 2022 was 2.74% and -9.04%, respectively. Earned premium net of discounts and reinsurance totaled \$181 million, \$185 million, and \$163 million for fiscal years 2024, 2023, and 2022 respectively. The number of total claims filed in fiscal year 2024 is 17,041. This is a decrease of 1,087 from the previous fiscal year 2023’s total of 18,128.

The Bank of North Dakota net position increased by \$76.6 million. The loan portfolio increased by \$407 million to \$5.64 billion at December 31, 2023. Interest-bearing deposits totaled \$8.05 billion at December 31, 2023 compared to \$7.68 billion at December 31, 2022. Deposit balances remain high in 2023 due to increased state tax revenues and American Rescue Plan dollars. The Bank’s capital position is as strong as it has ever been with a tier one capital leverage ratio of 11.10% much higher than the “well capitalized” threshold of 5% as defined by the federal banking regulation.

The University System’s net position increased \$268.6 million. The increase in current assets is mainly attributed to increases in cash of \$33.26 million and investments of \$100.0 million. Cash increases were mainly attributed to a \$97.0 million appropriation by the 2023 North Dakota Legislature for the new NDSU Agriculture Field Lab Facility. There was also a decrease in cash of \$78.5 million as a result of a shift from cash to certificates of deposit investments. Operating grants and contracts increased mainly due to increases at NDSU and UND. NDSU’s awards increased \$4.5 million in NDSU’s College of Engineering and \$3.8 million in NDSU’s North Dakota Agriculture Experiment Station. UND’s awards increased \$14.4 million in UND’s College of Engineering and the EERC.

Housing Finance Authority (HFA) net position increase of \$24.2 million as a result of the year's program operations and financing activities. Operating revenues were up \$24.08 million as a result of higher mortgage and investment income than in the prior year. This was partially offset by a small loss on the sale of investments and a slight decrease in fee income. HFA continues to fund mortgage loans at a fast pace. Although mortgage rates have started to drop slightly, the pricing of mortgage revenue bonds continues to be competitive. With the higher interest rates over the last few years, the Agency has and continues to see a decrease in loan payoffs making refinances or move up mortgage purchases less favorable.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds

As the State completed the year, its governmental funds reported combined fund balances of \$26.5 billion, an increase of \$2.6 billion from the prior fiscal year. Of the \$26.5 billion in net position, \$141.0 million is non-spendable, \$9.7 billion is restricted, \$3.4 billion is committed, \$357.3 million is assigned, and \$12.9 billion is unassigned. These fund balance categories are a result of GASB Statement 54. Note 1V provides definitions for these categories. The following analysis of funds provides the explanation for the overall change in net position for governmental funds.

The General Fund is the chief operating fund of the State. At the end of current fiscal year, unassigned fund balance of the General Fund was \$12.9 billion, non-spendable was \$7.6 million, and \$1.4 billion was committed for expenditure by various governmental functions.

Total General Fund balance increased during the fiscal year by \$1.6 billion. Revenues increased approximately 21%, due primarily to increases in interest and investment income of \$466 million and Oil, Gas, and Coal Taxes of \$640 million. The increase in investment income are from the Legacy and Budget Stabilization funds which are part of the general fund in the governmental fund statements. The Legacy Fund was created by a constitutional amendment in 2010. The amendment provides that 30% of oil and gas gross production and oil extraction taxes on oil produced after June 30, 2011, be transferred to the Legacy fund. Net investment income for the Legacy Fund exceeded \$1.04 billion in FY2024 and \$683 million in Fiscal Year 2023. The State Investment Board is responsible for the investment of the fund. This fund has a current fund balance of \$10.96 billion. The General Fund also saw an increase in Oil, Gas, and Coal Taxes this increase was due to the way Oil, Gas, and Coal taxes are distributed within the state. Revenue for oil, gas, and coal taxes are distributed first to the general fund and then once the max amount is reached the revenues will then be distributed to the next fund. Since Fiscal Year 2024 was the first year of the biennium the General Fund revenues were higher than the prior year. The Individual and Corporate Income Tax decreased by \$181 million primarily due to House Bill 1158 of the 2023 North Dakota Legislative session, changing individual income tax from five tax brackets to three with the first tax bracket being 0%.

General fund expenditures increased by \$423.8 million or 19.98% with the largest increase in Health and Human Services. However, total expenditures for the general fund and special revenue fund remained relatively consistent from Fiscal Year 2023. The increase in Health and Human Services was due to reallocating more expenses back to the General Fund, that had been paid with Federal Funds in the prior year.

The State Special Revenue ending fund balance increased by \$1.2 billion resulting in a \$11.7 billion fund balance. Revenues decreased by 2.13% in the state special revenue fund primarily due to a decrease in Oil, Gas, and Coal Taxes of \$505.6 million. This is due to the tax distribution allocation being first allocated to the general fund, once the max is reached for the General Fund, the Special Revenue funds receive their allocations, as previously explained above. There was an increase in Interest and Investment Income of \$296.02 million. This increase was a result of stronger performance in the public equity markets, which increased the fair value of investments for Fiscal Year 2024.

The Federal Fund balance of \$22.1 million consists primarily of non-spendable items such as prepaids and inventory. Revenues decreased by \$317.98 million, expenditures decreased by \$ 314.77 million, and the federal fund balance decreased by \$15.3 million. These decreases were primarily due to the decrease in federal funds the

state received in Fiscal Year 2024 as compared to the previous years that saw increases in spending due to the revenues received from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act and Coronavirus Relief Fund (CRF).

Proprietary Funds

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The increases/decreases in the net position of the proprietary funds are discussed under "Business-type Activities" above.

General Fund Budgetary Highlights:

The State has a biennial appropriated budget. The fiscal year ending June 30, 2024, was the first year of the 2023-25 budget cycle. The original budget increased \$71.38 million. The increases to the beginning appropriated budget are from authorized carryover of general fund appropriation authority and legislative changes of which the larger ones are noted below.

Several state agencies were authorized by appropriation laws to carryover a portion or all of their general fund appropriation for various purposes, including the University System, \$738 thousand, and Legislative Council, 5.3 million and Legislative Assembly, \$2.7 million.

Of the \$577 thousand in capital construction carryover dollars, \$500 thousand was for Health and Human Services.

The general fund budgetary revenues and other financing sources for Fiscal Year 2024 were \$3.01 billion or 61% of the approved budget for the 2023-2035 biennium.

There were no expenditures in excess of general fund authority.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: At the end of the fiscal year 2024, the State had invested \$7.6 billion, net of accumulated depreciation, in a broad range of capital assets. Depreciation charges for this fiscal year totaled \$425 million.

(Net of Depreciation, Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land and Land Improvements	\$ 175,064	\$ 165,855	\$ 28,704	\$ 26,979	\$ 203,768	\$ 192,834
Building & Building Improvements	425,072	429,743	1,521,833	1,322,774	1,946,905	1,752,517
Equipment	209,097	199,399	212,338	210,731	421,435	410,130
Intangibles						
Software	199,355	225,549	1,106	1,185	200,461	226,734
Other	10,368	10,619	12,565	12,663	22,933	23,283
Infrastructure	4,506,402	4,420,165	169,581	168,119	4,675,983	4,588,284
Construction in Progress	726,706	487,745	272,243	332,665	998,949	820,410
Right-to-use Lease & SBITA assets:						
Land	87	86	17,012	15,550	17,099	15,636
Building and Improvements	34,811	36,273	5,944	24,525	40,755	60,798
Equipment	2,929	2,724	33,007	34,627	35,936	37,351
Infrastructure	—	—	21,000	1,746	21,000	1,746
SBITAs	62,834	57,417	18,937	24,663	81,771	82,080
Total	\$ 6,352,725	\$ 6,035,575	\$ 2,314,270	\$ 2,176,227	\$ 8,666,995	\$ 8,211,802

* Beginning capital asset balances were adjusted for certain reclassifications for FY2023 in the Governmental Activities and Business Type Activities.

The total increase in the State's investments in capital assets for the current fiscal year was 5.5% in terms of net book value. However, actual expenditures to purchase or construct capital assets were approximately \$1.38 billion for the year. A major portion of this amount was used to construct or reconstruct assets for highway construction. More detailed information on the State's capital assets can be found in Note 3H to the financial statements.

Long-term Debt: Article X, Section 13 of the Constitution of North Dakota provides that the state may issue or guarantee the payment of bonds provided that all bonds in excess of \$2 million are: secured by first mortgage upon property and no further indebtedness may be incurred by the state unless evidenced by a bond issue; authorized by law, for a certain purpose; provisioned to pay the interest semiannually, and pay the principal within 30 years. The law authorized the bond issue must specifically appropriate the provisions to the payment of the principal and interest of the bond. The State has no general obligation bonds outstanding at June 30, 2024.

The State does have a number of revenue bonds outstanding at June 30, 2024. Current state statutes empower certain state agencies and the Building Authority to issue bonds as part of their activities. This debt is not backed by the full faith and credit of the State of North Dakota. The principal and interest on revenue bonds issued by state agencies is payable from designated revenue sources. The Building Authority's bonds generate revenue to finance the construction and improvements of State buildings. Revenues derived from leases on the buildings fund the debt service requirements. Starting in FY 22 the state issued appropriation bonds through the Legacy Bond Program, these are appropriation bonds issued to provide financing to legislative approved state projects and programs. The bonds are direct obligations of the Public Finance Authority and secured by the State of North Dakota's Legacy Fund earnings, capitalized interest CD's and interest earnings pursuant to the applicable bond resolutions.

The Bank of North Dakota has advances from the Federal Home Loan Bank due within one year in the amount of \$25 million. The advances had a fixed interest rate of 5.64%.

The state had lease additions for equipment and buildings of \$18.4 million for Business Type Activities and \$9.1 million for Governmental Activities.

More detailed information regarding the State's long-term obligations is presented in Note 3J to the financial statements.

State of North Dakota's Outstanding Debt
(Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenue Bonds	\$ 754,697	\$ 787,130	\$ 2,226,968	\$ 1,902,600	\$ 2,981,665	\$ 2,689,730
Certificate of Participation	—	—	251,166	260,727	251,166	260,727
Notes Payable	14,257	15,835	44,013	698,447	58,270	714,282
Lease Payable	40,388	41,401	80,878	77,923	121,266	119,324
SBITA Payable	54,791	46,668	16,862	22,336	71,653	69,004
Total	<u>\$ 864,133</u>	<u>\$ 891,034</u>	<u>\$ 2,619,887</u>	<u>\$ 2,962,033</u>	<u>\$ 3,484,020</u>	<u>\$ 3,853,067</u>

* Beginning Lease Payable balances were adjusted for certain reclassifications for FY2023 in the Business- Type Activities.

The State's total debt decreased approximately 9.6% during the current fiscal year.

ECONOMIC CONDITION AND OUTLOOK

Moody's Analytics recently completed an analysis of the North Dakota economy for its Précis U.S. State October 2024 publication. The report depicts an economy in mild expansion, with more than half of all industries adding to the labor force. The Bakken is the most productive shale oil producer in the nation in terms of output per drilling rig. The Bakken has been able to keep drilling costs lower than elsewhere in the nation while at the same time the productivity per drilling rig is higher.

North Dakota's outlook is linked tightly to two major industries, energy and agriculture. The planned increase in oil output from OPEC will hurt all producers and the increase in supply will drive the price down, but the Bakken is more prepared to deal with these adversities than others. The most recent North Dakota average price per barrel of oil was at \$72.68, which is above the estimated price of \$68.40 used for budgeting purposes. With the most recent production number being at 1.2 million barrels per day compared to 1.1 million bpd used for budgeting. On the agriculture side, prices are beginning to rebound after taking a significant hit in the past year, but production expenses are cutting into any profits.

North Dakota's employment growth is increasing but may become hindered by an overly tight labor market. As stated above, over half of the industries are adding jobs with the healthcare and public sector being the top two contributors to that growth. The unemployment rate in North Dakota remains low at 2.2%, which is slightly higher than the 1.9% reported for the same time frame last year. Even though North Dakota may become hindered by a tight labor market this is allowing for the wage growth to accelerate.

Per capita income for North Dakota remains ahead of the national average for a second year in a row. Per capita income for 2024 was \$72,041 for North Dakota, while the U.S. was \$65,810.

The median household income saw a 2% decrease from 2023 numbers and is currently behind the national average. For 2024, median household income in North Dakota was at \$76,960 compared to \$80,610 for the U.S.

Effective January 1, 2025, the PERS Main System will be closed to new members. Employees newly enrolled into the system on January 1, 2025 and later will participate in a new Defined Contribution Plan. In Fiscal Year 2024 there was a cash infusion into the PERS Main System of \$135 million from the Strategic Investment and Improvements Fund. The impact of this cash infusion is not reflected in the net pension liability balances in the 2024 ACFR, since the measurement date for the Pension Adjustments is June 30, 2023.

North Dakota's Legacy Fund which is reported as part of the General Fund, was established with thirty percent of total revenue derived from taxes on oil and gas production or extraction. The principal and earnings of the Legacy Fund could not be spent until after June 30, 2017, and an expenditure of principal after that date requires a vote of at least two-thirds of the members elected of each house of the legislative assembly. No more than fifteen percent of the principal of the Legacy Fund could be expended during a biennium. Effective December 5, 2024 the fifteen percent of the principal was changed to five percent.

CONTACTING THE STATE'S OFFICE OF FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. Questions about this report or additional financial information should be addressed to the State of North Dakota, Office of Management and Budget, 600 E. Boulevard, Dept. 110, Bismarck, ND 58505.



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Basic Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Position June 30, 2024

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 64,991,374	\$ 807,566,340	\$ 872,557,714	\$ 1,808,134
Investments	19,757,462,419	6,078,542,958	25,836,005,377	4,625,000
Accounts Receivable - Net	204,095,900	165,359,566	369,455,466	37,239
Taxes Receivable - Net	686,258,151	—	686,258,151	—
Interest Receivable - Net	53,916,412	86,751,513	140,667,925	388,481
Lease Receivable - Net	588,864	1,160,621	1,749,485	—
Intergovernmental Receivable - Net	355,584,677	57,888,197	413,472,874	—
Internal Receivable	7,109,050,947	—	684,439,026	84,803,262
Due from Component Units	—	42,684,137	42,684,137	—
Prepaid Items	21,696,299	4,208,250	25,904,549	—
Inventory	42,842,004	48,579,389	91,421,393	—
Loans and Notes Receivable - Net	55,077,914	6,237,266,948	6,292,344,862	34,241,317
Pension Assets	11,346,765	—	11,346,765	—
Other Assets	13,392,799	131,637,001	145,029,800	—
Restricted Assets:				
Cash and Cash Equivalents	—	252,470,000	252,470,000	67,958,476
Investments	—	55,333,716	55,333,716	1,039,105,203
Interest Receivable - Net	193,000	8,910,000	9,103,000	5,583,234
Loans and Notes Receivable - Net	—	1,892,561,000	1,892,561,000	117,330,200
Capital Assets:				
Nondepreciable	901,769,648	300,947,385	1,202,717,033	—
Depreciable, Net	5,450,955,903	2,013,521,908	7,464,477,811	64,415
Total Assets	<u>34,729,223,076</u>	<u>18,185,388,929</u>	<u>46,490,000,084</u>	<u>1,355,944,961</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Bond Refunding	—	2,603,390	2,603,390	—
Decrease in Fair Value of Hedging Derivatives	—	2,636,375	2,636,375	—
Derived from Pensions	572,179,078	161,547,571	733,726,649	252,000
Derived from OPEB	17,411,543	5,280,975	22,692,518	—
Total Deferred Outflows of Resources	<u>589,590,621</u>	<u>172,068,311</u>	<u>761,658,932</u>	<u>252,000</u>

* An internal receivables balance remains in the Total column because certain Business-Type Activities have different fiscal year ends than the Governmental Activities. As internal balances are reported separately as internal receivables and internal payables, those lines, as well as the total assets and total liabilities, do not crossfoot.

STATE OF NORTH DAKOTA

Statement of Net Position

June 30, 2024

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts Payable	475,260,175	83,907,604	559,167,779	397,564
Accrued Payroll	88,443,865	50,002,042	138,445,907	—
Securities Lending Collateral	291,174,951	19,444,841	310,619,792	—
Interest Payable	6,402,006	39,873,941	46,275,947	4,245,983
Intergovernmental Payable	219,574,297	1,727,997	221,302,294	—
Tax Refunds Payable	171,409,607	—	171,409,607	—
Internal Payable	—	6,424,611,921	—	—
Due to Component Units	—	22,785,127	22,785,127	—
Contract Retainage Payable	22,153,033	10,521,129	32,674,162	—
Federal Funds Purchased	—	323,010,000	323,010,000	—
Other Deposits	—	1,124,733,343	1,124,733,343	—
Amounts Held In Custody for Others	—	20,148,000	20,148,000	—
Unearned Revenue	419,389,477	135,732,325	555,121,802	525,835
Financial Derivative Instrument	—	2,636,375	2,636,375	—
Other Liabilities	—	54,156,375	54,156,375	—
Long-Term Liabilities				
Due within one year	71,433,720	328,733,058	400,166,778	32,720,000
Due in more than one year	859,853,878	3,332,339,847	4,192,193,725	546,697,000
Net Pension Liability	787,623,855	240,294,634	1,027,918,489	343,000
Net OPEB Liability	38,277,831	12,081,826	50,359,657	—
Total Liabilities	3,450,996,695	12,226,740,385	9,253,125,159	584,929,382
DEFERRED INFLOWS OF RESOURCES				
Grant Received Prior to Time Requirements	—	95,431	95,431	—
Unrealized Gain on Interest Rate Swap	—	52,125,000	52,125,000	—
Derived from Pensions	623,379,743	191,292,797	814,672,540	277,000
Derived from OPEB	5,129,006	1,503,528	6,632,534	—
Financial Derivative Instruments	—	20,762,000	20,762,000	—
Right-to-Use Leases	634,359	1,144,266	1,778,625	—
Deferred Gain on Bond Refunding	—	—	—	3,581,000
Total Deferred Inflows of Resources	629,143,108	266,923,022	896,066,130	3,858,000
NET POSITION				
Net Investment in Capital Assets	6,025,171,278	1,622,973,864	7,648,145,142	64,415
Restricted for:				
General Government	6,110,133	—	6,110,133	—
Education	7,952,239,571	—	7,952,239,571	—
Health and Human Services	43,640,679	—	43,640,679	—
Regulatory Purposes	106,686,643	—	106,686,643	—
Public Safety & Corrections	6,363,359	—	6,363,359	—
Agriculture and Commerce	58,530,653	—	58,530,653	—
Cultural and Natural Resources	720,668,198	—	720,668,198	—
Transportation	517,785,411	—	517,785,411	—
Capital Projects	286,996,000	306,850	287,302,850	—
Debt Service	89,377,977	241,768,025	331,146,002	94,033,995
Loan Purposes	—	24,221,250	24,221,250	559,093,236
Pledged Assets	—	846,678,000	846,678,000	—
Unemployment Compensation	—	351,949,008	351,949,008	—
Pension Benefits	11,346,765	—	11,346,765	—
Permanent Fund and University System - Nonexpendable	81,686,889	20,240,640	101,927,529	—
University System - Expendable	—	23,912,649	23,912,649	—
Other	31,080,666	20,599,291	51,679,957	—
Unrestricted	15,300,989,672	2,711,144,256	18,012,133,928	114,217,933
Total Net Position	\$ 31,238,673,894	\$ 5,863,793,833	\$ 37,102,467,727	\$ 767,409,579

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Activities For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,427,905,308	\$ 46,790,978	\$ 29,540,310	\$ —
Education	1,692,041,966	12,566,411	1,332,472,398	—
Health and Human Services	2,666,060,312	31,501,392	1,474,985,448	—
Regulatory	250,017,939	56,000,926	54,662,933	—
Public Safety and Corrections	321,352,280	32,635,253	109,969,524	1,538,297
Agriculture and Commerce	185,615,694	46,183,609	43,920,081	—
Natural Resources	265,513,767	43,823,893	65,253,779	11,800
Transportation	654,864,608	121,156,801	537,160,514	52,922,024
Interest on Long Term Debt	31,244,429	—	—	—
Total Governmental Activities	<u>7,494,616,303</u>	<u>390,659,263</u>	<u>3,647,964,987</u>	<u>54,472,121</u>
Business-Type Activities:				
Bank of North Dakota	176,250,146	481,017,000	—	—
Housing Finance	91,153,893	89,451,000	24,894,752	—
Loan Programs	10,451,299	14,193,461	1,613,006	—
State Lottery	29,933,326	40,455,491	24,377	—
Unemployment Compensation	89,041,785	102,283,932	8,840,370	—
University System	1,509,752,564	618,170,001	394,286,253	42,512,985
Workforce Safety & Insurance	210,480,904	185,758,905	125,198,248	—
Other	829,926,432	845,072,493	7,429,162	—
Total Business-Type Activities	<u>2,946,990,349</u>	<u>2,376,402,283</u>	<u>562,286,168</u>	<u>42,512,985</u>
Total Primary Government	<u>\$ 10,441,606,652</u>	<u>\$ 2,767,061,546</u>	<u>\$ 4,210,251,155</u>	<u>\$ 96,985,106</u>
Component Units (GASB Based):	<u>\$ 56,497,434</u>	<u>\$ 7,129,830</u>	<u>\$ 85,684,448</u>	<u>\$ —</u>

General Revenues:

Taxes:
Individual and Corporate Income Taxes
Sales and Use Taxes
Oil, Gas and Coal Taxes
Business and Other Taxes
Unrestricted Investment Earnings
Tobacco Settlement
Miscellaneous
Payment from State of North Dakota
Contributions to Perm Fund Principal
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position, Beginning of Year
Net Position, Ending

*Transfers will not zero out due to different year ends of agencies included in the ACFR. See Note 3G for detail.

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Net (Expense) Revenue and Change in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units (GASB Based)
\$ (1,351,574,020)		\$ (1,351,574,020)	
(347,003,157)		(347,003,157)	
(1,159,573,472)		(1,159,573,472)	
(139,354,080)		(139,354,080)	
(177,209,206)		(177,209,206)	
(95,512,004)		(95,512,004)	
(156,424,295)		(156,424,295)	
56,374,731		56,374,731	
(31,244,429)		(31,244,429)	
<u>(3,401,519,932)</u>		<u>(3,401,519,932)</u>	
	304,766,854	304,766,854	
	23,191,859	23,191,859	
	5,355,168	5,355,168	
	10,546,542	10,546,542	
	22,082,517	22,082,517	
	(454,783,325)	(454,783,325)	
	100,476,249	100,476,249	
	22,575,223	22,575,223	
<u>—</u>	<u>34,211,087</u>	<u>34,211,087</u>	
<u>(3,401,519,932)</u>	<u>34,211,087</u>	<u>(3,367,308,845)</u>	
			\$ <u>36,316,844</u>
638,143,776	—	638,143,776	—
1,737,541,874	—	1,737,541,874	—
3,112,312,361	—	3,112,312,361	—
134,809,258	—	134,809,258	—
1,276,314,177	—	1,276,314,177	—
22,079,919	—	22,079,919	—
486,936,774	1,546,725	488,483,499	—
—	—	—	95,000,000
6,341,407	—	6,341,407	—
(1,046,895,301)	746,890,030	(300,005,271)	—
<u>6,367,584,245</u>	<u>748,436,755</u>	<u>7,116,021,000</u>	<u>95,000,000</u>
2,966,064,313	782,647,842	3,748,712,155	131,316,844
28,272,609,581	5,081,145,991	33,353,755,572	636,092,735
<u>\$ 31,238,673,894</u>	<u>\$ 5,863,793,833</u>	<u>\$ 37,102,467,727</u>	<u>\$ 767,409,579</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Assets Component Units FASB Basis June 30, 2024

	Major University System Foundation	Nonmajor University System Foundation	State Historical Society Foundation
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 78,235,766	\$ 7,463,015	\$ 137,752
Receivable from Primary Institution	3,979,790	—	—
Investments	51,612,676	—	507,258
Accounts Receivable - Net	1,863,354	1,582	—
Notes receivable	2,962,618	274,287	—
Unconditional Promises to Give - Net	31,581,886	1,888,535	4,702
Net investment in Direct Financing Leases	902,725	—	—
Inventory	1,591,062	—	—
Other Assets	33,622,495	240,783	—
Total Current Assets	206,352,372	9,868,202	649,712
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	12,758,603	544,115	—
Investments:			
Investments, Net of Current Portion	1,004,879,714	30,842,944	1,605,117
Investments, Restricted	5,019,063	—	—
Investments Held In Trust	32,676,636	—	—
Beneficial Interest In Trust	21,392,095	—	—
Charitable Gift Annuity Investments	6,247,350	—	—
Charitable Remainder Trust Account Investments	14,687,576	—	—
Real Estate and Equipment Held for Investment - Net	15,606,852	—	—
Other Long-Term Investments	36,046,188	225,641	—
Contracts for Deed & Notes Receivable, Net of Current Portion	449,619	—	—
Long-Term Pledges Receivable/ Unconditional Promises to Give - Net	67,230,302	1,111,465	—
Other Receivables	2,499,948	—	—
Receivable from Primary Institution	19,569,699	—	—
Net investment in Direct Financing Leases, Net of Current Portion	8,053,434	—	—
Other noncurrent assets	4,396,413	1,365,094	89,427
Notes Receivable - Net	6,000,000	—	—
Capital Assets - Net	180,304,874	14,263,917	3,558
Total Noncurrent Assets	1,437,818,366	48,353,176	1,698,102
Total Assets	1,644,170,738	58,221,378	2,347,814
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	6,384,945	351,495	1,338
Investments Held on Behalf of Institutions	—	1,928,333	—
Compensated Absences Payable	—	—	10,972
Payable to Primary Institution	12,486,074	7,676	—
Accrued Payroll	1,640,368	—	9,779
Gift Annuities & Life Income Agreements	2,720,674	—	—
Unearned Revenue	15,733,711	—	51,244
Other Liabilities	1,716,167	—	—
Current Portion of Long-Term Liabilities	15,790,850	163,963	—
Total Current Liabilities	56,472,789	2,451,467	73,333
Noncurrent Liabilities:			
Deposits	22,567,210	—	—
Investments Held on Behalf of Institutions	3,928,210	—	—
Gift Annuities & Life Income Agreements, Net of Current Portion	17,576,952	—	—
Obligations Under Split-Interest Agreement	7,844,784	—	—
Payable to Primary Institution	446,628	—	—
Other Liabilities	1,090,565	—	—
Long-Term Liabilities	89,367,382	11,365,214	—
Total Noncurrent Liabilities	142,821,731	11,365,214	—
Total Liabilities	199,294,520	13,816,681	73,333
Net Assets			
With Donor Restriction	1,146,099,231	34,049,376	813,181
Without Donor Restriction	298,776,987	10,355,321	1,461,300
Total Net Asset	1,444,876,218	44,404,697	2,274,481
Total Liabilities and Net Assets	\$ 1,644,170,738	\$ 58,221,378	\$ 2,347,814

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Revenues, Expenses and Changes in Fund Net Assets

Component Units

FASB Basis

For the Fiscal Year Ended June 30, 2024

	Major University System Foundation	Nonmajor University System Foundation	State Historical Society Foundation
Support and Revenue			
Gifts and Contributions	\$ 149,701,959	\$ 2,296,219	\$ 253,078
Investment Income	42,337,074	5,811,101	91,050
Grant Revenue	1,166,050	—	4,000
Net Realized and Unrealized Losses on Investment Securities	60,755,627	1,670,825	155,731
Program and Event Income	55,094,511	2,654,874	121,992
Other Income	8,079,510	1,815,300	25,172
Total Support and Revenue	<u>317,134,731</u>	<u>14,248,319</u>	<u>651,023</u>
EXPENSES			
Program Services	\$ 91,458,499	\$ 4,525,510	\$ 39,655
Supporting Services	56,876,536	4,081,822	359,731
Fund Raising Expense	10,428,921	—	8,427
Total Expenses	<u>158,763,956</u>	<u>8,607,332</u>	<u>407,813</u>
Changes in Net Assets	158,370,775	5,640,987	243,210
Total Net Assets - Beginning of Year, as restated	<u>1,286,505,443</u>	<u>38,763,710</u>	<u>2,031,271</u>
Total Net Assets - End of Year	<u>\$ 1,444,876,218</u>	<u>\$ 44,404,697</u>	<u>\$ 2,274,481</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Balance Sheet Governmental Funds June 30, 2024

	Special Revenue			Nonmajor Governmental Funds	Total
	General	Federal	State		
ASSETS					
Cash Deposits at the Bank of ND	\$ 2,385,241,749	\$ 324,445,000	\$ 3,071,552,274	\$ 11,717,875	\$ 5,792,956,898
Cash and Cash Equivalents	16,372,995	2,106	48,192,812	144,821	64,712,734
Investments at the Bank of ND	311,051,165	—	627,410,140	367,656,000	1,306,117,305
Investments	11,525,683,609	—	8,172,572,794	52,922,811	19,751,179,214
Accounts Receivable - Net	28,597,196	6,040,175	169,276,010	106	203,913,487
Taxes Receivable - Net	441,310,587	—	244,832,099	115,465	686,258,151
Interest Receivable - Net	40,366,170	—	13,102,806	577,879	54,046,855
Lease Receivable - Net	265,378	8,269	315,217	—	588,864
Intergovernmental Receivable - Net	—	338,216,732	16,425,907	—	354,642,639
Due from Other Funds	116,452,981	79,197,603	31,353,248	50	227,003,882
Prepaid Items	4,164,831	4,412,161	8,051,349	—	16,628,341
Inventory	3,404,671	23,934,842	15,379,761	—	42,719,274
Loans and Notes Receivable - Net	34,350	161,490	16,202,482	38,679,592	55,077,914
Other Assets	—	—	13,391,000	1,799	13,392,799
Total Assets	14,872,945,682	776,418,378	12,448,057,899	471,816,398	28,569,238,357
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 14,872,945,682	\$ 776,418,378	\$ 12,448,057,899	\$ 471,816,398	\$ 28,569,238,357
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	115,743,300	222,675,758	134,546,171	14,936	472,980,165
Accrued Payroll	57,270,183	10,157,021	16,464,516	—	83,891,720
Securities Lending Collateral	77,219,782	—	201,693,101	12,181,248	291,094,131
Interest Payable	166,513	2,193	1,530,539	—	1,699,245
Intergovernmental Payable	3,198,994	26,230,547	190,144,756	—	219,574,297
Tax Refunds Payable	167,208,188	—	4,201,419	—	171,409,607
Due to Other Funds	20,636,529	110,399,429	126,112,739	151,031	257,299,728
Contract Retainage Payable	126,690	11,559,094	10,467,249	—	22,153,033
Unearned Revenues	152,018	366,470,759	53,202,251	—	419,825,028
Total Liabilities	441,722,197	747,494,801	738,362,741	12,347,215	1,939,926,954
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	109,643,849	6,831,706	9,242,451	—	125,718,006
Unpaid Penalty and Interest	—	—	567,970	—	567,970
Right-to-Use Leases	237,242	7,961	389,156	—	634,359
Total Deferred Inflows of Resources	109,881,091	6,839,667	10,199,577	—	126,920,335
Fund Balances:					
Nonspendable					
Inventory	3,404,671	23,934,842	15,379,761	—	42,719,274
Long - Term Receivables	—	—	1	—	1
Prepaid Expenditures	4,164,831	4,412,161	8,051,349	—	16,628,341
Permanent Trust Fund	—	—	—	81,686,889	81,686,889
Restricted	—	—	9,353,720,482	376,289,000	9,730,009,482
Committed	1,448,036,912	—	1,965,040,814	1,493,294	3,414,571,020
Assigned	—	1,451	357,303,174	—	357,304,625
Unassigned	12,865,735,980	(6,264,544)	—	—	12,859,471,436
Total Fund Balances	14,321,342,394	22,083,910	11,699,495,581	459,469,183	26,502,391,068
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 14,872,945,682	\$ 776,418,378	\$ 12,448,057,899	\$ 471,816,398	\$ 28,569,238,357

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2024

Total Fund Balances-Governmental Funds			\$ 26,502,391,068
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$10,844,236,840 and the accumulated depreciation is \$4,618,901,578.			
			6,225,335,262
Other assets not available in the current period and therefore are not reported in the governmental funds:			
Net Pension Asset			11,346,765
Deferred outflows of resources are not reported in the governmental funds:			
Loss on bond refunding		—	
Related to OPEB		16,003,951	
Related to pensions		532,081,393	
Total Deferred Outflows			548,085,344
Some of the state's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.			
			126,153,557
Internal service funds are used to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.			
			81,985,248
Deferred inflows of resources are not reported in the governmental funds:			
Unpaid penalty and interest		567,970	
Related to OPEB		(4,832,800)	
Related to pensions		(582,722,908)	
Total Deferred Inflows			(586,987,738)
Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported as liabilities in the funds. Those liabilities consist of:			
Bonds Payable		(754,696,978)	
Notes Payable		(13,350,011)	
Accrued Interest on Long-Term Liabilities		(3,930,331)	
Compensated Absences		(54,211,112)	
Lease & SBITA Assets		(71,967,202)	
Other Post-employment Benefit Obligation		(35,479,918)	
Net Pension Liability		(734,712,625)	
Claims and Judgments		(1,287,435)	
Total Long-Term Liabilities			(1,669,635,612)
Net Position of Governmental Activities			<u>\$ 31,238,673,894</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

For the Fiscal Year Ended June 30, 2024

	General	Special Revenue		Nonmajor Governmental Funds	Total
		Federal	State		
REVENUES					
Individual and Corporate Income Taxes	\$ 623,453,421	\$ —	\$ 3,233,023	\$ 28,504	\$ 626,714,948
Sales and Use Taxes	1,309,222,492	—	418,536,359	—	1,727,758,851
Oil, Gas, and Coal Taxes	1,504,367,919	—	1,606,397,731	1,366,661	3,112,132,311
Business and Other Taxes	57,783,455	—	84,555,352	—	142,338,807
Licenses, Permits and Fees	10,928,309	—	208,259,436	22,041	219,209,786
Intergovernmental	734,752	2,659,188,001	47,286,842	—	2,707,209,595
Sales and Services	2,198,366	447,383	56,919,114	5,565	59,570,428
Royalties and Rents	43,535,837	295,487	640,169,337	—	684,000,661
Fines and Forfeits	3,253,947	—	39,520,587	—	42,774,534
Interest and Investment Income	1,210,786,667	1,406,542	729,782,594	26,142,952	1,968,118,755
Tobacco Settlement	—	—	22,079,919	—	22,079,919
Commodity Assessments	—	—	30,611,067	—	30,611,067
Miscellaneous	16,052,896	108,840,057	20,305,738	71,275	145,269,966
Total Revenues	4,782,318,061	2,770,177,470	3,907,657,099	27,636,998	11,487,789,628
EXPENDITURES					
Current:					
General Government	251,452,624	20,849,627	173,664,877	532,819	446,499,947
Education	920,197,951	360,376,232	316,355,161	—	1,596,929,344
Health and Human Services	1,038,891,304	1,536,470,474	43,028,522	235,733	2,618,626,033
Regulatory	29,312,205	25,251,886	63,439,475	114,606,000	232,609,566
Public Safety and Corrections	183,285,956	85,157,923	22,552,463	—	290,996,342
Agriculture and Commerce	40,809,684	40,387,025	103,179,790	—	184,376,499
Natural Resources	17,750,662	33,071,562	192,029,136	—	242,851,360
Transportation	1,461,364	262,278,053	221,214,774	—	484,954,191
Intergovernmental - Revenue Sharing	4,464,390	—	1,059,418,458	—	1,063,882,848
Capital Outlay	40,093,768	387,904,397	163,431,215	—	591,429,380
Debt Service:					
Principal	14,806,431	2,271,981	2,807,189	33,460,000	53,345,601
Interest and Other Charges	2,759,475	286,488	559,883	26,232,125	29,837,971
Total Expenditures	2,545,285,814	2,754,305,648	2,361,680,943	175,066,677	7,836,339,082
Revenues over (under) Expenditures	2,237,032,247	15,871,822	1,545,976,156	(147,429,679)	3,651,450,546
OTHER FINANCING SOURCES (USES)					
Lease and SBITA Acquisitions	19,475,590	3,400,456	7,702,973	—	30,579,019
Sale of Capital Assets	—	—	63,200	—	63,200
Transfers In	128,309,775	1,310,920	223,272,928	110,767,125	463,660,748
Transfers Out	(802,901,846)	(35,870,551)	(566,430,820)	(105,352,831)	(1,510,556,048)
Total Other Financing Sources (Uses)	(655,116,481)	(31,159,175)	(335,391,719)	5,414,294	(1,016,253,081)
Net Change in Fund Balances	1,581,915,766	(15,287,353)	1,210,584,437	(142,015,385)	2,635,197,465
Fund Balances - Beginning of Year	12,739,426,628	37,371,263	10,488,911,144	601,484,568	23,867,193,603
Fund Balances - End of Year	\$ 14,321,342,394	\$ 22,083,910	\$ 11,699,495,581	\$ 459,469,183	\$ 26,502,391,068

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balances-Total Governmental Funds		\$ 2,635,197,465
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	606,413,286	
Depreciation expense	<u>(270,444,056)</u>	
Excess of capital outlay over depreciation expense		335,969,230
In the statement of activities, only the gain (loss) on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the assets sold.		(969,359)
Donations of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources.		115,664
Some of the assets acquired this year were financed through leases and SBITAs payable. The amount financed is reported in the governmental funds as a source of financing. However, leases and SBITAs payable are reported as long-term liabilities in the statement of net position.		(33,237,197)
Based on receipt dates, some revenues are not considered "available" revenues and are unavailable in the governmental funds. Unavailable revenues increased/decreased by this amount this year.		18,573,699
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities.		(6,747,962)
The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds.		(4,337,938)
Deferred outflows of resources do not provide current financial resources		
Amortization of deferred loss on bond refunding	(178,000)	
Related to OPEB	(6,552,427)	
Related to pension	(265,852,084)	
Total deferred outflows		(272,582,511)
Deferred pension inflows are not considered current cash expenses and are not reported as an expenditure in the funds.		
Unpaid penalty and interest	(255,728)	
Related to OPEB	(2,750,354)	
Related to pension	(111,881,989)	
Total deferred inflows		(114,888,071)
The net OPEB liability relating to retirement plans		7,100,768
The net pension liability relating to retirement plans		351,310,176
Repayment of long-term debt is reported as an expenditure in governmental funds but the repayment reduces long-term liabilities in the statement of net position.		
In the current year, these amounts consist of:		
Bond principal retirement	32,433,000	
Note payments	1,578,454	
Lease payments	8,297,456	
SBITA payments	11,733,545	
Total long-term debt repayment		54,042,455
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment combines the net changes of the following:		
Accrued Interest	(714,494)	
Compensated Absences	(2,863,706)	
Claims and Judgments	96,094	
Total additional expenditures		<u>(3,482,106)</u>
Change in Net Position of Governmental Activities		<u>\$ 2,966,064,313</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Position Proprietary Funds June 30, 2024

	Business-Type Activities - Enterprise Funds					Governmental
	Bank of	Housing	University	Workforce	Other	Internal
	North Dakota	Finance	System	Safety and Insurance	Enterprise Funds	
					Total	
ASSETS						
Current Assets:						
Cash Deposits at the Bank of ND	\$ 16,129,000	\$ 381,942,747	\$ 9,355,530	\$ 343,176,684	\$ 750,603,961	\$ 34,666,458
Cash and Cash Equivalents	6,000	13,865,705	19,137,907	334,499,728	367,509,340	278,640
Investments at the Bank of ND	—	285,215,420	—	4,000,000	289,215,420	—
Investments	—	71,104	2,117,345,307	73,126,320	2,190,542,731	6,282,845
Accounts Receivable - Net	1,616,000	39,418,364	12,456,932	111,868,270	165,359,566	184,247
Interest Receivable - Net	32,000	—	10,355,707	6,031,806	16,419,513	62,557
Lease Receivable - Net	—	31,904	—	184,858	216,762	—
Intergovernmental Receivable - Net	438,000	56,731,081	—	719,116	57,888,197	942,038
Due from Other Funds	331,000	45,236,082	—	1,251,328	46,818,410	12,792,450
Due from Component Units	—	18,790,830	—	—	18,790,830	—
Prepaid Items	104,000	—	430,135	3,674,115	4,208,250	5,067,958
Inventory	—	8,792,828	—	39,786,561	48,579,389	122,730
Loans and Notes Receivable - Net	—	2,408,700	—	72,276,419	74,685,119	—
Other Assets	1,272,000	9,931,830	—	419,330	11,623,160	—
Restricted Cash at the Bank of ND	20,139,000	—	—	3,148,082	23,287,082	—
Restricted Cash and Cash Equivalents	251,727,000	—	—	743,000	252,470,000	—
Restricted Investments at the Bank of ND	—	—	—	1,000,000	1,000,000	—
Restricted Interest Receivable - Net	8,910,000	—	—	—	8,910,000	—
Restricted Loans Receivable - Net	40,820,000	—	—	53,000	40,873,000	—
Total Current Assets	341,524,000	862,436,595	2,169,081,518	995,958,617	4,369,000,730	60,399,923
Noncurrent Assets:						
Restricted Cash at the Bank of ND	—	10,824,129	—	—	10,824,129	—
Restricted Investments at the Bank of ND	—	2,319,195	—	—	2,319,195	—
Restricted Investments	53,837,000	1,496,716	—	—	55,333,716	—
Investments at the Bank of ND	—	57,745,999	—	—	57,745,999	—
Investments	—	11,091,227	—	—	11,091,227	—
Due from Component Units	—	23,893,307	—	—	23,893,307	—
Lease Receivable	—	767,130	—	176,729	943,859	—
Loans and Notes Receivable - Net	—	7,975,653	—	646,965,176	654,940,829	—
Restricted Loans Receivable - Net	1,851,688,000	—	—	—	1,851,688,000	—
Other Noncurrent Assets	29,238,000	—	—	4,988,841	34,226,841	—
Capital Assets:						
Nondepreciable	—	250,787,751	3,546,009	44,164,625	298,498,385	—
Depreciable, Net	316,000	1,792,367,119	14,778,796	199,359,993	2,006,821,908	127,390,289
Total Noncurrent Assets	1,935,079,000	2,159,268,226	18,324,805	895,655,364	5,008,327,395	127,390,289
Bank Related Assets:						
Cash and Cash Equivalents	440,057,000	—	—	—	440,057,000	—
Investments	3,876,909,000	—	—	—	3,876,909,000	—
Interest Receivable - Net	70,332,000	—	—	—	70,332,000	—
Due from Other Funds	140,032,000	—	—	—	140,032,000	—
Loans and Notes Receivable - Net	5,507,641,000	—	—	—	5,507,641,000	—
Other Assets	85,787,000	—	—	—	85,787,000	—
Capital Assets:						
Nondepreciable	2,449,000	—	—	—	2,449,000	—
Depreciable, Net	6,700,000	—	—	—	6,700,000	—
Total Bank Related Assets	10,129,907,000	—	—	—	10,129,907,000	—
Total Assets	10,129,907,000	2,276,603,000	3,021,704,821	2,187,406,323	1,891,613,981	19,507,235,125
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Bond Refunding	—	2,603,390	—	—	2,603,390	—
Decrease in Fair Value of Hedging Derivatives	—	—	—	2,636,375	2,636,375	—
Derived from Pensions	11,418,000	3,713,000	115,078,158	16,537,684	14,800,729	40,097,685
Derived from OPEB	410,000	116,000	3,587,538	645,515	521,922	1,407,592
Total Deferred Outflows of Resources	11,828,000	3,829,000	121,269,086	17,183,199	17,959,026	41,505,277

STATE OF NORTH DAKOTA

	Business-Type Activities - Enterprise Funds					Governmental Activities	
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
LIABILITIES							
Current Liabilities:							
Accounts Payable		2,017,000	40,783,112	5,742,623	35,364,869	83,907,604	2,576,646
Accrued Payroll		—	48,892,878	—	1,109,164	50,002,042	4,552,145
Securities Lending Collateral		—	—	19,248,457	196,384	19,444,841	80,820
Interest Payable		32,765,000	3,902,718	—	2,666,739	39,334,457	772,430
Intergovernmental Payable		13,000	697,674	—	1,714,997	2,425,671	—
Due to Other Funds		519,000	4,004,166	179,877	150,008,631	154,711,674	587,649
Due to Component Units		—	3,157,411	—	—	3,157,411	—
Contract Retainage Payable		—	10,521,129	—	—	10,521,129	—
Other Deposits		—	6,079,785	—	—	6,079,785	—
Amounts Held in Custody for Others		20,148,000	—	—	—	20,148,000	—
Claims/Judgments Payable		—	—	110,121,720	2,792,639	112,914,359	873,759
Dividends Payable		—	—	82,678,376	—	82,678,376	—
Compensated Absences Payable		380,000	3,362,185	1,735,102	190,948	5,668,235	373,068
Notes Payable		—	3,156,268	—	—	3,156,268	453,894
Leases/SBITAs Payable		—	11,288,357	210,708	7,783,053	19,282,118	12,321,180
Bonds Payable		65,667,000	12,783,768	—	152,260	78,603,028	—
Financial Derivative Instrument		—	—	—	2,636,375	2,636,375	—
Unearned Revenue		—	50,452,884	84,963,889	315,552	135,732,325	—
Other Current Liabilities		—	668,100	—	2,494,642	3,162,742	—
Total Current Liabilities		121,509,000	199,750,435	304,880,752	207,426,253	833,566,440	22,591,591
Noncurrent Liabilities:							
Intergovernmental Payable		—	16,547,268	—	—	16,547,268	—
Due to Component Units		—	19,627,716	—	—	19,627,716	—
Claims/Judgments Payable		—	—	807,559,280	—	807,559,280	6,324,096
Compensated Absences Payable		—	34,426,387	282,459	1,334,779	36,043,625	4,085,797
Notes Payable		—	12,455,135	—	—	12,455,135	452,713
Leases/SBITAs Payable		—	29,563,428	179,768	40,005,840	69,749,036	10,890,353
Bonds Payable		1,872,601,000	514,797,269	—	1,843,234	2,389,241,503	—
Net Pension Liability		4,972,000	171,826,866	24,916,414	21,089,354	222,804,634	52,911,230
Net OPEB Liability		244,000	8,368,580	1,440,086	1,036,160	11,088,826	2,797,913
Other Noncurrent Liabilities		—	5,048,724	—	27,717,909	32,766,633	—
Total Noncurrent Liabilities		1,877,817,000	812,661,373	834,378,007	93,027,276	3,617,883,656	77,462,102
Bank Related Liabilities:							
Interest Payable		539,005	—	—	—	539,005	—
Due to Other Funds		7,939,995	—	—	—	7,939,995	—
Federal Funds Purchased		323,010,000	—	—	—	323,010,000	—
Deposits Held for Other Funds		7,691,087,267	—	—	—	7,691,087,267	—
Other Deposits		1,018,060,733	—	—	—	1,018,060,733	—
Other Liabilities		18,227,000	—	—	—	18,227,000	—
Long Term Liabilities:							
Due within one year		25,733,000	—	—	—	25,733,000	—
Due in more than one year		744,000	—	—	—	744,000	—
Net Pension Liability		17,490,000	—	—	—	17,490,000	—
Net OPEB Liability		993,000	—	—	—	993,000	—
Total Bank Related Liabilities		9,103,824,000	—	—	—	9,103,824,000	—
Total Liabilities		9,103,824,000	1,999,326,000	1,012,411,808	1,139,258,759	13,555,274,096	100,053,693
DEFERRED INFLOWS OF RESOURCES							
Grants Received Prior to Time Requirements		—	95,431	—	—	95,431	—
Unrealized Gain on Interest Rate Swap		52,125,000	—	—	—	52,125,000	—
Derived from Pensions		14,516,000	3,864,000	135,571,073	20,532,099	191,292,797	40,656,835
Derived from OPEB		129,000	30,000	1,069,079	164,280	1,503,528	296,206
Financial Derivative Instruments		—	20,762,000	—	—	20,762,000	—
Right-to-Use Leases		—	808,397	—	335,869	1,144,266	—
Total Deferred Inflows of Resources		66,770,000	24,656,000	137,543,980	20,696,379	266,923,022	40,953,041
NET POSITION							
Net Investment in Capital Assets		9,149,000	92,000	1,434,354,359	18,324,805	161,053,700	1,622,973,864
Restricted for:							
Capital Projects		—	306,850	—	—	306,850	—
Debt Service		235,456,000	5,516,025	—	796,000	241,768,025	—
Loan Purposes		—	21,073,168	—	3,148,082	24,221,250	—
Pledged Assets		846,678,000	—	—	—	846,678,000	—
Unemployment Compensation		—	—	—	351,949,008	351,949,008	—
University System-Nonexpendable		—	20,240,640	—	—	20,240,640	—
University System-Expendable		—	23,912,649	—	—	23,912,649	—
Other		—	19,054,480	—	1,544,811	20,599,291	—
Unrestricted		115,314,000	20,902,000	468,559,948	1,026,309,579	1,073,371,214	2,704,456,741
Total Net Position		\$ 971,141,000	\$ 256,450,000	\$ 1,993,018,119	\$ 1,044,634,384	\$ 1,591,862,815	\$ 5,857,106,318

Reconciliation of the Proprietary Funds Statement of Net Position to the Statement of Net Position
June 30, 2024

Total Net Position - Enterprise Funds	<u>5,857,106,318</u>
Amounts reported for business-type activities in the statement of net position are different because:	
Prior year net position restatement and reduction of current year expenses based on the allocation of internal service fund's net income	6,687,515
Net Position of Business-Type Activities	<u>5,863,793,833</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES							
Sales and Services	\$ 98,310,000	\$ 4,593,000	\$ 103,175,113	\$ 183,583,977	\$ 988,942,914	\$1,378,605,004	\$ 141,469,852
Auxiliary Sales Pledges for Bonds	—	—	114,000,519	—	—	114,000,519	—
Tuition and Fees	—	—	370,739,297	—	—	370,739,297	—
Grants and Contributions	—	—	186,205,068	—	—	186,205,068	—
Royalties and Rents	—	—	—	—	143,783	143,783	—
Fines and Forfeits	—	—	—	1,157,384	—	1,157,384	—
Interest and Investment Income	382,707,000	84,858,000	—	—	12,517,396	480,082,396	—
Miscellaneous	—	—	968,294	432,095	606,541	2,006,930	218,385
Total Operating Revenues	481,017,000	89,451,000	775,088,291	185,173,456	1,002,210,634	2,532,940,381	141,688,237
OPERATING EXPENSES							
Cost of Sales and Services	—	—	26,503,074	—	346,243,979	372,747,053	799,671
Salaries and Benefits	19,741,000	559,000	912,267,714	27,444,097	32,906,679	992,918,490	57,568,242
Operating	18,716,000	15,075,000	369,127,144	7,417,951	466,109,760	876,445,855	61,579,842
Claims	—	—	—	88,114,195	93,636,931	181,751,126	3,618,425
Scholarships and Fellowships	—	—	51,778,247	—	—	51,778,247	—
Interest	137,201,000	54,623,000	—	—	1,787,710	193,611,710	644,516
Depreciation	547,000	246,000	100,268,165	3,857,441	12,147,544	117,066,150	23,030,700
Miscellaneous	—	—	—	—	142,255	142,255	333,359
Total Operating Expenses	176,205,000	70,503,000	1,459,944,344	126,833,684	952,974,858	2,786,460,886	147,574,755
Operating Income (Loss)	304,812,000	18,948,000	(684,856,053)	58,339,772	49,235,776	(253,520,505)	(5,886,518)
NONOPERATING REVENUES (EXPENSES)							
Grants and Contracts	—	24,556,752	126,258,789	—	543,923	151,359,464	—
Gifts	—	—	64,040,673	—	—	64,040,673	—
Interest and Investment Income (Loss)	—	338,000	17,781,723	125,198,248	17,031,703	160,349,674	373,429
Interest Expense	—	—	(23,055,559)	(4,138,240)	(5,936,062)	(33,129,861)	(78,382)
Dividends Expense	—	—	—	(79,482,640)	—	(79,482,640)	—
Gain (Loss) on Sale of Capital Assets	—	—	(3,707,718)	—	(32,118)	(3,739,836)	1,280,624
Tax Revenue	—	—	6,619,870	—	—	6,619,870	—
Grant Expense	—	(20,648,000)	(23,060,095)	—	—	(43,708,095)	—
Other	—	—	23,286,519	1,493,895	(250,250)	24,530,164	—
Total Nonoperating Revenues	—	4,246,752	188,164,202	43,071,263	11,357,196	246,839,413	1,575,671
Income (Loss) Before Contributions and Transfers	304,812,000	23,194,752	(496,691,851)	101,411,035	60,592,972	(6,681,092)	(4,310,847)
Capital Grants and Contributions	—	—	42,512,985	—	—	42,512,985	—
Transfers In	—	1,151,248	729,339,161	—	272,248,417	1,002,738,826	4,780,703
Transfer Out	(228,238,000)	(100,000)	(6,553,333)	—	(20,957,463)	(255,848,796)	—
Changes in Net Position	76,574,000	24,246,000	268,606,962	101,411,035	311,883,926	782,721,923	469,856
Total Net Position - Beginning of Year, as Previously Reported	894,567,000	232,204,000	1,724,411,157	943,223,349	1,279,978,889	5,074,384,395	84,450,860
Restatement for Correction of Errors	—	—	—	—	—	—	3,368,039
Total Net Position - End of Year	\$ 971,141,000	\$256,450,000	\$1,993,018,119	\$1,044,634,384	\$ 1,591,862,815	\$5,857,106,318	\$ 88,288,755

Reconciliation of Statement of Revenues, Expenses and Changes in Fund Net Position of Proprietary Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2024

Net Change in Net Position-Total Enterprise Funds \$ 782,721,923

Amounts reported for business-type activities in the statement of net position are different because:

Expenses were reduced based on the allocation of internal service fund's net income (74,081)

Change in Net Position of Business-Type Activities \$ 782,647,842



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STATE OF NORTH DAKOTA

Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	University System
Cash Flows from Operating Activities:			
Receipts from Customers and Users	\$ 3,988,000	\$ 321,321,000	\$ 212,700,269
Receipts from Tuition and Fees	—	—	368,719,761
Interest Income on Loans	—	—	—
Receipts from Loan Principal Repayments	—	—	2,674,709
Receipts from Other Funds	—	—	—
Receipts from Grants and Contracts	—	—	103,032,623
Receipts from Others	—	—	25,764,873
Payments to Other Funds	—	(285,677,000)	—
Payments for Loan Funds	—	—	(1,152,013)
Payments for Scholarships and Fellowships	—	—	(49,665,243)
Payments to Suppliers	(26,541,000)	(281,105,000)	(408,161,702)
Payments to Employees	(19,185,000)	(5,378,000)	(904,026,091)
Claim Payments	—	—	—
Payments to Others	—	(1,023,000)	—
Other	—	—	—
Net Cash Provided by (Used for) Operating Activities	(41,738,000)	(251,862,000)	(650,112,814)
Cash Flows from Noncapital Financing Activities:			
Proceeds from Bonds	—	472,107,000	—
Proceeds from Sale of Notes and Other Borrowings	13,300,001,000	—	—
Principal Payments - Bonds	—	(126,840,000)	—
Principal Payments - Notes and Other Borrowings	(13,950,001,000)	—	—
Interest Payments - Bonds	—	(45,897,000)	—
Interest Payments - Notes and Other Borrowings	(7,430,000)	—	—
Tax Collections	—	—	6,619,872
Transfers In	—	1,151,000	104,388,022
Transfers Out	(228,238,000)	(100,000)	(6,553,334)
Net Increase in Non-Interest Bearing Deposits	31,512,000	—	—
Net Increase in Interest Bearing Deposits	365,689,000	—	—
Payments of Interest on Deposits	(110,564,000)	—	—
Interest Paid on Federal Funds and Reverse Repurchase Agreements	(13,569,000)	—	—
Net Increase in Federal Funds and Reverse Repurchase Agreements	117,165,000	—	—
Loan Proceeds from Due To Other Funds	—	—	208,583,253
Principal Payments on Due To Other Funds	—	—	(208,521,816)
Grants and Gifts Received for Other than Capital Purposes	—	24,557,000	109,661,578
State Appropriations	—	—	586,305,800
Grants Given for Other than Capital Purposes	—	(20,648,000)	(23,738,148)
Net Cash Provided by (Used for) Noncapital Financing Activities	(495,435,000)	304,330,000	776,745,227
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(385,000)	(8,000)	(215,074,594)
Loan proceeds from other funds	—	—	—
Proceeds from Sale of Capital Assets	—	—	1,628,638
Proceeds from Bonds	—	—	—
Proceeds from Sale of Notes and Other Borrowings	—	—	—
Principal Payments - Bonds	—	—	—
Principal Payments - Notes and Other Borrowings	—	—	(41,335,834)
Interest Payments - Bonds	—	—	—
Interest Payments - Notes and Other Borrowings	—	—	(22,413,782)
Capital Appropriations	—	—	222,571,904
Payment of Bond Issue Costs	—	—	—
Capital Grants and Gifts Received	—	—	38,549,340
Insurance Proceeds	—	—	619,611
Principal Payments on Lease/SBITA Payable	—	(218,000)	—
Interest Paid on Lease/SBITA Payable	—	(9,000)	—
Net Cash Provided by (Used for) Capital and Related Financing Activities	(385,000)	(235,000)	(15,454,717)
Cash Flows from Investing Activities:			
Proceeds from Sale and Maturities of Investment Securities	1,302,970,000	5,843,000	297,029,440
Purchase of Investment Securities	(743,914,000)	—	(392,664,478)
Net Increase In Investments	—	—	—
Interest and Dividends in Investments	116,435,000	470,000	16,403,390
Proceeds from Sale of Other Real Estate	124,000	—	—
Net Decrease in Loans	(398,324,000)	—	—
Disbursements for Loans and Loan Purchases	—	—	—
Receipt of Loan Principal Repayments	—	—	—
Proceeds from Collection of Loans and Notes Receivable	—	—	—
Loan Income Received	250,001,000	—	—
Lease Receipts	—	—	—
Net Cash Provided by (Used for) Investing Activities	527,292,000	6,313,000	(79,231,648)

The Accompanying Notes are an Integral Part of the Financial Statements

Business-Type Activities - Enterprise Funds		Governmental Activities	
Workforce Safety and Insurance	Other Enterprise	Total	Internal Service Funds
\$ 110,740,061	\$ 1,074,349,798	\$ 1,723,099,128	\$ 3,404,239
—	—	368,719,761	—
—	25,411	25,411	—
—	1,979,263	4,653,972	—
—	—	—	139,278,883
—	—	103,032,623	—
249,135	1,123,877	27,137,885	—
(3,429,128)	(256,343)	(289,362,471)	(3,708,846)
—	(3,311,330)	(4,463,343)	—
—	—	(49,665,243)	—
—	(886,969,968)	(1,602,777,670)	(63,908,419)
(26,249,723)	(38,039,405)	(992,878,219)	(54,303,702)
(130,234,990)	(78,271,122)	(208,506,112)	(239,661)
(1,988,157)	(4,323,805)	(7,334,962)	—
—	(44,768)	(44,768)	—
(50,912,802)	66,261,608	(928,364,008)	20,522,494
—	—	472,107,000	—
—	234,929,522	13,534,930,522	—
—	—	(126,840,000)	—
—	(253,251,830)	(14,203,252,830)	—
—	(61,000)	(45,958,000)	—
—	(4,505,783)	(11,935,783)	—
—	—	6,619,872	—
—	241,927,000	347,466,022	4,780,703
—	(18,250,088)	(253,141,422)	—
—	—	31,512,000	—
—	—	365,689,000	—
—	—	(110,564,000)	—
—	—	(13,569,000)	—
—	—	117,165,000	—
—	—	208,583,253	—
—	(2,185,000)	(210,706,816)	—
—	865,340	135,083,918	—
—	—	586,305,800	—
—	—	(44,386,148)	—
—	199,468,161	785,108,388	4,780,703
(3,451,788)	(27,374,839)	(246,294,221)	(22,394,291)
—	(40,000,000)	(40,000,000)	—
—	—	1,628,638	4,817,417
—	18,788,756	18,788,756	—
—	10,000,000	10,000,000	—
—	(135,000)	(135,000)	—
—	—	(41,335,834)	(443,585)
—	(45,275)	(45,275)	—
—	—	(22,413,782)	(9,076)
—	—	222,571,904	—
—	(17,070)	(17,070)	—
—	—	38,549,340	—
—	—	619,611	—
(228,298)	(8,957,989)	(9,404,287)	(13,375,357)
—	(2,414,702)	(2,423,702)	(60,919)
(3,680,086)	(50,156,119)	(69,910,922)	(31,465,811)
59,000,000	185,717,900	1,850,560,340	(8,832)
(5,009,440)	(188,200,000)	(1,329,787,918)	—
—	6,014,882	6,014,882	—
—	11,592,267	144,900,657	289,154
—	—	124,000	—
—	(10,223,000)	(408,547,000)	—
—	(174,919,500)	(174,919,500)	—
—	25,257,000	25,257,000	—
—	18,675,637	18,675,637	—
—	11,372,311	261,373,311	—
432,095	—	432,095	—
54,422,655	(114,712,503)	394,083,504	280,322

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Cash Flows Proprietary Funds (Continued) For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	University System
Net Change In Cash:			
Net Increase (Decrease) in Cash and Cash Equivalents	(10,266,000)	58,546,000	31,946,048
Cash and Cash Equivalents at June 30, 2023	450,323,000	229,455,000	374,686,543
Cash and Cash Equivalents at June 30, 2024	<u>\$ 440,057,000</u>	<u>\$ 288,001,000</u>	<u>\$ 406,632,591</u>
Reconciliation:			
Current:			
Cash Deposits at the Bank of North Dakota	—	16,135,000	—
Cash and Cash Equivalents	440,057,000	—	363,067,336
Restricted Cash Deposits at the Bank of North Dakota	—	20,139,000	—
Restricted Cash and Cash Equivalents	—	251,727,000	32,741,126
Noncurrent:			
Restricted Cash and Cash Equivalents	—	—	10,824,129
Cash and Cash Equivalents	<u>\$ 440,057,000</u>	<u>\$ 288,001,000</u>	<u>\$ 406,632,591</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	213,199,000	18,948,000	(693,869,860)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Income to Net Cash Provided by Operating Activities:			
Depreciation	547,000	246,000	100,268,165
Amortization/Accretion	—	(5,717,000)	—
Reclassification of Interest Revenue/Expense	(245,505,000)	53,939,000	—
Loss on Sale of Real Estate	1,000	—	—
Net Decrease in Fair Value of Investments	—	694,000	—
Interest Received on Program Loans	—	—	—
Dividend Credit Applied to Receivable	—	—	—
Provision for Losses	4,364,000	—	—
Reduction In Provision for Loan Loss	—	—	—
Other	—	—	30,041,422
Deferred Outflows	—	1,903,000	56,545,392
Deferred Inflows	—	865,000	31,282,237
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	—	(316,377,000)	(918,832)
Increase in Interest Receivable	—	(1,730,000)	—
(Increase) Decrease in Due From	(193,000)	(331,000)	—
(Increase) Decrease in Intergovernmental Receivable	—	406,000	—
Decrease in Notes Receivable	—	—	26,136,453
Increase in Prepaid Items	—	(5,000)	—
(Increase) Decrease in Inventories	—	—	(903,603)
Increase in Other Assets	(5,021,000)	(2,959,000)	(5,608,024)
Decrease in Accounts Payable	—	—	(13,215,654)
Increase (Decrease) in Interest Payable	—	—	—
Decrease in Claims/Judgments Payable	—	—	—
Increase (Decrease) in Intergovernmental Payable	—	(17,000)	—
Increase in Accrued Payroll	—	—	2,550,570
Increase in Compensated Absences Payable	—	4,000	1,159,584
Increase in Amounts Held for Others	—	1,324,000	—
Increase in Other Deposits	—	—	363,175
Increase (Decrease) in Due To	10,000	86,000	—
Decrease in Unavailable Revenue	—	—	(100,645,823)
Decrease in Net Pension Liability	—	(2,535,000)	(81,714,142)
Decrease in Net OPEB Liability	—	—	(1,583,874)
Increase (Decrease) in Other Liabilities	(9,140,000)	(606,000)	—
Decrease in Dividends Payable	—	—	—
Increase in Lease Liability	—	—	—
Total Adjustments	<u>(254,937,000)</u>	<u>(270,810,000)</u>	<u>43,757,046</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (41,738,000)</u>	<u>\$ (251,862,000)</u>	<u>\$ (650,112,814)</u>
Noncash Transactions:			
Net Change in Fair Value of Investments	91,613,000	(2,725,000)	1,092,428
Reduction in pension and OPEB liability	—	—	—
Change in Securities Lending Collateral	—	—	—
Disposal of Equipment Under Capital Lease	—	—	1,260,806
Investment Income	—	—	—
Dividends Credited to Premium Billing	—	—	—
Accounts Receivable Premium Reduction	—	—	—
Assets Acquired Through Lease	—	—	1,679,346
Assumption of Notes Payable	—	—	100,000
Assets Acquired Through Special Assessments	—	—	46,189
Assets acquired through long-term software based IT arrangements	—	—	3,801,600
Long-term lease receivable initiated	—	—	(618,798)
Gifts of Capital Assets	—	—	273,489
Interest Revenue on Prize Reserves	—	—	—
Total Noncash Transactions	<u>\$ 91,613,000</u>	<u>\$ (2,725,000)</u>	<u>\$ 7,635,060</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Business-Type Activities - Enterprise Funds			Governmental Activities
Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
(170,233)	100,861,147	180,916,962	(5,882,292)
3,313,498	580,698,631	1,638,476,672	40,827,390
<u>\$ 3,143,265</u>	<u>\$ 681,559,778</u>	<u>\$ 1,819,393,634</u>	<u>\$ 34,945,098</u>
3,143,265	342,515,429	361,793,694	34,666,458
—	335,153,267	1,138,277,603	278,640
—	3,148,082	23,287,082	—
—	743,000	285,211,126	—
—	—	10,824,129	—
<u>\$ 3,143,265</u>	<u>\$ 681,559,778</u>	<u>\$ 1,819,393,634</u>	<u>\$ 34,945,098</u>
58,493,125	49,100,510	(354,129,225)	(5,886,516)
3,857,441	12,147,544	117,066,150	23,030,700
—	9,140,383	3,423,383	—
—	(7,343,000)	(198,909,000)	644,516
—	33,413	34,413	—
—	—	694,000	—
—	1,074,234	1,074,234	—
(79,482,640)	(4,924,000)	(84,406,640)	—
—	46,000	4,410,000	—
—	1,745,406	1,745,406	—
417,115	643,964	31,102,501	—
8,111,251	801,298	67,360,941	19,383,000
4,697,672	1,245,723	38,090,632	9,676,450
4,621,111	(600,763)	(313,275,484)	1,069,534
—	(4,986)	(1,734,986)	—
—	3,164,535	2,640,535	1,335,398
—	(80,151)	325,849	(1,297,394)
—	2,408,834	28,545,287	—
(72,790)	(1,450,899)	(1,528,689)	(249,926)
—	9,551,141	8,647,538	27,041
—	(440,787)	(14,028,811)	—
(380,610)	(10,560,426)	(24,156,690)	(189,765)
—	—	—	(491,415)
(32,550,000)	(274,784)	(32,824,784)	(725,485)
—	1,367,969	1,350,969	(1,750)
—	595,783	3,146,353	208,700
118,050	63,635	1,345,269	244,976
—	—	1,324,000	—
—	—	363,175	—
(163,660)	67,399	(261)	203,764
(2,728,808)	—	(103,374,631)	—
(11,711,006)	(1,231,920)	(97,192,068)	(25,950,876)
(235,634)	(51,139)	(1,870,647)	(508,458)
—	26,692	(9,719,308)	—
(4,122,277)	—	(4,122,277)	—
218,858	—	218,858	—
<u>(109,405,927)</u>	<u>17,161,098</u>	<u>(574,234,783)</u>	<u>26,409,010</u>
<u>\$ (50,912,802)</u>	<u>\$ 66,261,608</u>	<u>\$ (928,364,008)</u>	<u>\$ 20,522,494</u>
31,190,447	557,603	121,728,478	58,020
—	(371,383)	(371,383)	—
8,359,019	—	8,359,019	43,234
—	—	1,260,806	—
(93,804,981)	—	(93,804,981)	—
83,604,917	—	83,604,917	—
(83,604,917)	—	(83,604,917)	—
413,723	16,345,869	18,438,938	208,184
—	—	100,000	—
—	—	46,189	—
—	—	3,801,600	3,627,748
—	—	(618,798)	—
—	—	273,489	—
—	7,364	7,364	—
<u>\$ (53,841,792)</u>	<u>\$ 16,539,453</u>	<u>\$ 59,220,721</u>	<u>\$ 3,937,186</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Fiduciary Net Position Fiduciary Funds June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ASSETS				
Cash Deposits at the Bank of ND	\$ 64,087,815	\$ 404,399	\$ 5,896,651	\$ 31,174,735
Cash and Cash Equivalents	340,988	—	795,752	691,936
Receivables:				
Contributions Receivable	42,569,516	—	—	—
Accounts Receivable - Net	—	—	309,403	14,882
Taxes Receivable for Other Governments - Net	—	—	—	59,580,977
Interest Receivable - Net	20,868,831	595,976	877	549
Due from Other Funds	183	—	—	—
Due from Fiduciary Funds	743	—	—	—
Total Receivables	63,439,273	595,976	310,280	59,596,408
Investments, at Fair Value:				
Investments at the Bank of ND	—	—	—	50,000
Equities	1,842,466,840	166,765,212	—	—
Equity Pool	2,721,091,203	—	—	—
Fixed Income Pool	2,040,901,964	104,164,886	1,477,919	—
Cash and Cash Pool	65,617,372	1,739,353	—	—
Real Estate Pool	1,217,625,605	49,464,788	—	—
Mutual Funds	227,817,763	—	602,505,906	—
Total Investments	8,115,520,747	322,134,239	603,983,825	50,000
Invested Securities Lending Collateral	110,040,356	4,512,864	2,459	—
Capital Assets (Net of Depreciation)	5,222,849	—	—	—
Total Assets	8,358,652,028	327,647,478	610,988,967	91,513,079
DEFERRED OUTFLOWS OF RESOURCES				
Derived from Pensions	2,041,484	—	—	—
Total deferred outflows of resources	2,041,484	—	—	—
LIABILITIES				
Accounts Payable	9,778,286	198,124	1,315,845	4,712,229
Accrued Payroll	371,512	—	—	—
Securities Lending Collateral	110,040,356	4,512,864	2,459	—
Due to Local Governments	—	—	—	76,901,398
Tax Refunds Payable	—	—	—	1,404
Due to Other Funds	61,470	—	—	362,375
Amounts Held in Custody for Others	8,405	—	—	—
Compensated Absences Payable	151,722	—	—	—
Other Liabilities	—	—	—	26,801
Total Liabilities	120,411,751	4,710,988	1,318,304	82,004,207
DEFERRED INFLOWS OF RESOURCES				
Derived from Pensions	1,511,973	—	—	—
Unavailable Revenue	—	—	—	5,066,782
Total deferred inflows of resources	1,511,973	—	—	5,066,782
NET POSITION				
Net Position Restricted for:				
Pension Benefits	8,238,063,554	—	—	—
Other Employee Benefits	706,234	—	—	—
External Investment Pool Participants	—	322,936,490	—	—
Individuals, Organizations, and Other Governments	—	—	—	4,442,087
Other Purposes	—	—	609,670,663	3
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ 8,238,769,788	\$ 322,936,490	\$ 609,670,663	\$ 4,442,090

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Fiscal Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS				
Contributions:				
Child Support Collections	\$ —	\$ —	\$ —	\$ 136,561,287
Collections for District Courts	—	—	—	2,571,109
Employer	246,589,222	—	—	—
Employee	228,499,385	—	—	—
From Participants	—	—	45,631,896	—
Student, Patient, and Inmate Accounts	—	—	—	5,775,987
Tax Collections for Local Governments	—	—	—	390,124,014
Transfers from Other Funds	138,000,000	—	—	—
Transfers from Other Plans	755,482	—	—	—
Miscellaneous	720,860	—	—	—
Total Contributions	<u>614,564,949</u>	<u>—</u>	<u>45,631,896</u>	<u>535,032,397</u>
Investment Income:				
Net Change in Fair Value of Investments	549,885,700	21,790,602	60,305,265	—
Interest and Dividends	127,088,293	5,532,865	16,367,840	548
Less Investment Expense	<u>16,905,779</u>	<u>721,147</u>	<u>3,838</u>	<u>—</u>
Net Investment Income	<u>660,068,214</u>	<u>26,602,320</u>	<u>76,669,267</u>	<u>548</u>
Securities Lending Activity:				
Securities Lending Income	496,772	24,398	—	—
Less Securities Lending Expense	<u>53,091</u>	<u>4,872</u>	<u>—</u>	<u>—</u>
Net Securities Lending Income	<u>443,681</u>	<u>19,526</u>	<u>—</u>	<u>—</u>
Repurchase Service Credit	8,048,834	—	—	—
Miscellaneous Income	1,382,971	—	2,649	—
Total Additions	<u>1,284,508,649</u>	<u>26,621,846</u>	<u>122,303,812</u>	<u>535,032,945</u>
DEDUCTIONS				
Benefits Paid to Participants	572,046,649	—	—	—
Child Support Distributions	—	—	—	136,561,287
Distributions to District Courts	—	—	—	2,448,616
Distributions of Taxes to Local Governments	—	—	—	388,573,316
Student, Patient, and Inmate Accounts	—	—	—	5,670,860
Refunds	32,737,425	—	—	23,748
Prefunded Credit Applied	14,783,098	—	—	—
Transfer to Other Plans	755,482	—	—	—
Payments in Accordance with Trust Agreements	—	—	58,166,707	—
Administrative Expenses	8,438,799	—	3,521,083	2,843,260
Total Deductions	<u>628,761,453</u>	<u>—</u>	<u>61,687,790</u>	<u>536,121,087</u>
Redemption of Units at \$1.00 Per Unit	<u>(28,042)</u>	<u>(12,118,904)</u>	<u>—</u>	<u>—</u>
Net increase (decrease) in Fiduciary Net Position	<u>655,719,154</u>	<u>14,502,942</u>	<u>60,616,022</u>	<u>(1,088,142)</u>
Net Position - Beginning of Year	<u>7,583,050,634</u>	<u>308,433,548</u>	<u>549,054,641</u>	<u>5,530,232</u>
Net Position - End of Year	<u>\$ 8,238,769,788</u>	<u>\$ 322,936,490</u>	<u>\$ 609,670,663</u>	<u>\$ 4,442,090</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Combining Statement of Net Position Component Units - Proprietary Funds (Excludes FASB Based Component Units) June 30, 2024

	CHAND	Public Finance Authority	ND Development Fund	Transmission Authority	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,808,134	\$ —	\$ 29,803,262	\$ —	\$ 31,611,396
Investments	—	—	55,000,000	—	55,000,000
Accounts Receivable - Net	37,239	—	—	—	37,239
Interest Receivable - Net	—	—	388,481	—	388,481
Loans and Notes Receivable - Net	—	—	1,208,696	—	1,208,696
Restricted Cash and Cash Equivalents	—	66,083,000	—	1,875,476	67,958,476
Restricted Investments	—	83,371,000	—	22,801,203	106,172,203
Restricted Interest Receivable - Net	—	5,528,000	—	55,234	5,583,234
Restricted Loans Receivable - Net	—	—	—	5,241,667	5,241,667
Total Current Assets	1,845,373	154,982,000	86,400,439	29,973,580	273,201,392
Noncurrent Assets:					
Restricted Investments	—	932,933,000	—	—	932,933,000
Investments	—	—	4,625,000	—	4,625,000
Loans and Notes Receivable - Net	—	—	33,032,621	—	33,032,621
Restricted Loans Receivable - Net	—	—	—	112,088,533	112,088,533
Capital Assets:					
Depreciable, Net	—	—	64,415	—	64,415
Total Noncurrent Assets	—	932,933,000	37,722,036	112,088,533	1,082,743,569
Total Assets	1,845,373	1,087,915,000	124,122,475	142,062,113	1,355,944,961
DEFERRED OUTFLOWS OF RESOURCES					
Derived from Pensions	—	252,000	—	—	252,000
Total Deferred Outflows of Resources	—	252,000	—	—	252,000
LIABILITIES					
Current Liabilities:					
Accounts Payable	325,696	40,000	31,868	—	397,564
Interest Payable	—	3,833,000	—	412,983	4,245,983
Bonds Payable	—	27,020,000	—	5,700,000	32,720,000
Unearned Revenue	20,700	—	—	505,135	525,835
Total Current Liabilities	346,396	30,893,000	31,868	6,618,118	37,889,382
Noncurrent Liabilities:					
Bonds Payable	—	412,797,000	—	133,900,000	546,697,000
Net Pension Liability	—	343,000	—	—	343,000
Total Noncurrent Liabilities	—	413,140,000	—	133,900,000	547,040,000
Total Liabilities	346,396	444,033,000	31,868	140,518,118	584,929,382
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Bond Refunding	—	3,581,000	—	—	3,581,000
Derived from Pensions	—	277,000	—	—	277,000
Total Deferred Inflows of Resources	—	3,858,000	—	—	3,858,000
Net Position					
Net Investment in Capital Assets	—	—	64,415	—	64,415
Restricted for:					
Debt Service	—	92,490,000	—	1,543,995	94,033,995
Loan Purposes	—	545,616,000	13,477,236	—	559,093,236
Unrestricted	1,498,977	2,170,000	110,548,956	—	114,217,933
Total Net Position	\$ 1,498,977	\$ 640,276,000	\$ 124,090,607	\$ 1,543,995	\$ 767,409,579

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Combining Statement of Activities Component Units - Proprietary Funds (Excludes FASB Based Component Units) For the Fiscal Year Ended June 30, 2024

Functions/Programs	Program Revenues			General Revenues			Net Position Beginning of Year	Net Position End of Year
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue	Payments from State of North Dakota	Change in Net Position		
CHAND	\$ 1,515,670	\$ 1,219,792	\$ 44,278	\$ (251,600)	\$ —	\$ (251,600)	\$ 1,750,577	\$ 1,498,977
Public Finance Authority	38,852,000	4,629,000	78,481,000	44,258,000	—	44,258,000	596,018,000	640,276,000
ND Development Fund	9,594,467	1,281,038	829,900	(7,483,529)	95,000,000	87,516,471	36,574,136	124,090,607
State Fair Foundation	1,391,063	—	—	(1,391,063)	—	(1,391,063)	1,391,063	—
Transmission Authority	5,144,234	—	6,329,270	1,185,036	—	1,185,036	358,959	1,543,995
Total Component Units	\$ 56,497,434	\$ 7,129,830	\$ 85,684,448	\$ 36,316,844	\$ 95,000,000	\$ 131,316,844	\$ 636,092,735	\$ 767,409,579

The Accompanying Notes are an Integral Part of the Financial Statements

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STATE OF NORTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The primary authority for the State's accounting and reporting requirements is the Office of Management and Budget. The Office of Management and Budget has adopted the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the State's accounting policies are as follows:

A. REPORTING ENTITY

For financial reporting purposes, the State of North Dakota has included all funds, organizations, agencies, boards and commissions that make up its legal entity. The State has also included all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State.

As required by accounting principles generally accepted in the United States of America, these financial statements present the State of North Dakota (the primary government) and its component units. The component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State.

BLENDED COMPONENT UNITS

These component units are entities that are legally separate from the State, but are so intertwined with the State that they are, in substance, the same as the State. The following entity is included as a blended component unit, as the State has the ability to impose its will on this organization and the organization provides services entirely to the State. They are reported as part of the State and blended into the appropriate fund types.

Building Authority (Debt Service Fund and Capital Projects Fund) - The Building Authority was created by the Legislature as a separate instrumentality of the State. Its purpose is to promote the general welfare of the citizens of the State by providing financing for use by the State in altering, repairing, maintaining or constructing buildings and making any improvements connected to State buildings. The Industrial Commission, which consists of the governor, the attorney general, and the commissioner of agriculture, is the governing board of the Building Authority. The funds of the Building Authority were audited by other independent auditors for the fiscal year ended June 30, 2024, and their report has been previously issued under a separate cover.

Legacy Bond Program (Debt Service Fund) - The 2021 Legislative Session, authorized the Public Finance Authority to issue bonds and transfer the proceeds to the Bank of North Dakota (BND) to allocate to legislatively approved state infrastructure projects and programs including: the Fargo Diversion Project, Resources Trust Fund, Infrastructure Revolving loan fund, highway fund and agriculture products development facility at North Dakota State University. The Industrial Commission, which consists of the governor, the attorney general, and the commissioner of agriculture, is the governing board of the Legacy Bond Program. . The funds of the Legacy Bond Program were audited by other independent auditors for the fiscal year ended June 30, 2024, and their report has been previously issued under a separate cover.

DISCRETELY PRESENTED COMPONENT UNITS

These component units are entities that are legally separate from the State, but are financially accountable to the State. The following entities are included as discretely presented blended component units, as the State has the ability to impose its will on this organization, however the State has no financial obligation to these organizations. The component units' columns of government-wide financial statements include the financial data of these entities.

MAJOR COMPONENT UNITS

Comprehensive Health Association (Proprietary Fund Type) – The Association was established by the Legislature with participating membership consisting of those insurance companies, licensed or authorized to do business in the State. It provides low cost access to health insurance coverage for residents of the State who are denied adequate health insurance and are considered uninsurable. Under North Dakota Century Code, the Majority Leader of the Senate appoints one member of the Senate and the House of Representatives appoints one member of the House to the eight-member board. The Association was audited by other independent auditors for the calendar year ended December 31, 2023, and their report has been previously issued under a separate cover.

STATE OF NORTH DAKOTA

Public Finance Authority (Proprietary Fund Type) – The Finance Authority was created by the Legislature as a separate agency of the State. The purpose of the Finance Authority is to make funds available for borrowing by North Dakota political subdivisions through the issuance of its bonds and the purchase of municipal securities of the political subdivisions. The Finance Authority has been granted all powers required in order to accomplish this purpose and is under the control and management of the Industrial Commission. The Fund was audited by other independent auditors for the calendar year ended December 31, 2023, and their report has been previously issued under a separate cover.

Transmission Authority (Proprietary Fund Type) – The Transmission Authority was created by the Legislature as a separate agency of the State. The purpose of the Transmission Authority is to make funds available to facilitate the purchase of a transmission line through the issuance of its bonds. The Transmission Authority has been granted all powers required in order to accomplish this purpose and is under the control and management of the Industrial Commission.

North Dakota Development Fund, Inc. (Proprietary Fund Type) – The Development Fund was established as a statewide nonprofit development corporation with the authority to take equity positions in; to provide loans to; or to use other innovative financing mechanisms to provide capital for new or expanding businesses in North Dakota or relocating businesses to North Dakota. A board of directors consisting of eight members, all of whom are appointed by the governor, manages the corporation. The deputy director of the Department of Commerce (a State agency) is the corporation's chief executive officer. The director of the Department of Commerce (governor-appointed cabinet position) is responsible for developing rules, subject to the approval of the board of directors, necessary to implement the administration of the corporation. The Fund was audited by other independent auditors for the fiscal year ended June 30, 2024, and their report has been previously issued under a separate cover.

Major and Non-major University System Foundations (Proprietary Fund Type) – The foundations are legally separate, tax-exempt organizations providing support and recognition to their respective colleges and universities through a variety of programs and activities. The foundations are normally managed by a board of directors made up primarily of alumni, friends or leading members of the communities. The component unit financial statements are presented under Financial Accounting Standards Board (FASB) standards. As such, certain disclosures are not reflected for the Major University System Foundation in the major component unit disclosures and no disclosures are included for the Non-major University System Foundation. A complete set of financial statements can be obtained at the North Dakota University System office at 600 E. Boulevard Avenue, #10, Bismarck, ND 58505.

Non-major State Historical Society of North Dakota Foundation – The mission of the State Historical Society of North Dakota Foundation is to provide fundraising and membership development activities to support the State Historical Society of North Dakota which preserves and promotes the heritage of North Dakota and its people. The Fund of the State Historical Society of North Dakota Foundation were audited by other independent auditors for the fiscal year ended June 30, 2024, and their report has been previously issued under a separate cover. The component unit financial statements are presented under Financial Accounting Standards Board (FASB) standards. As such, certain disclosures are not reflected for the Foundation and no disclosures are included for the Foundation.

Complete financial statements for each of the other individual component units may be obtained at the entity's administrative offices as follows:

Building Authority, Public Finance Authority and
Legacy Bond Program
1200 Memorial Highway
Bismarck ND 58504

State Historical Society of North Dakota Foundation
P.O. Box 1976
Bismarck, ND 58502-1976

Comprehensive Health Associations
4510 13th Ave. South
Fargo, ND 58121

North Dakota Development Fund, Inc.
1600 E. Century Ave., #6
Bismarck, ND 58503

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

STATE OF NORTH DAKOTA

The Statement of Net Position presents the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, lease assets, subscription-based information technology assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes, lease liabilities, SBITA liability and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Net position restricted by enabling legislation are subject to change by a majority vote of the Legislative Assembly.

Unrestricted net position consist of net position that do not meet the definition of the two preceding categories. Unrestricted net position often are designated, to indicate that management does not consider them to be available for general operations. Unrestricted net position often have constraints on resources which are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

FUND FINANCIAL STATEMENTS

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

The State follows the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing accounting principles generally accepted in the United States of America for governmental entities.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual; generally when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

The State considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Other revenues are considered to be available if received within one year after the fiscal year end. Major revenues that are determined to be susceptible to accrual include interest, federal grants-in-aid, and taxpayer-assessed taxes such as income, sales, corporate, excise, motor fuel taxes and unemployment compensation contributions. Revenues earned under the terms of reimbursement agreements with other governments or private sources are recorded at the time the related expenditures are made if other eligibility requirements have been met. Sales and use taxes are accrued based upon filings received and an estimate of filings due by June 30. Net income taxes from individuals and corporations are accrued based on current income earned by the taxpayer before June 30. Quarterly filings, withholding statements, and other historical data are used to estimate income. The revenue is accrued net of an allowance for uncollectible taxes. Unearned revenue is recorded for receivables that are measurable but not available at year-end.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, and claims and judgments, are recorded only when payment is due and payable.

STATE OF NORTH DAKOTA

FINANCIAL STATEMENT PRESENTATION

The State reports the following major governmental funds:

The General Fund is the principal operating fund of the State.

The Federal Fund accounts for all the financial resources from the federal government.

The State Special Revenue Fund accounts for activities from state sources, which are restricted legally or administratively for the particular costs of an agency or program.

The State reports the following major enterprise funds:

The Bank of North Dakota Fund finances economic development throughout the state, participates in loans with North Dakota financial institutions, and holds interest-bearing deposit accounts for state and political subdivisions of North Dakota.

The Housing Finance Agency Fund is authorized to issue bonds to make loans to mortgage lenders for qualified residential mortgage loans and to make mortgage and construction loans for multi-family housing within the State of North Dakota.

The University System Fund accounts for all financial transactions of the colleges and universities that compose the University System of North Dakota.

The Workforce Safety & Insurance Fund is financed entirely by premiums assessed to the employers of North Dakota and provides no-fault medical and disability insurance to all North Dakota employees.

Additionally, the State reports the following fund types:

GOVERNMENTAL FUND TYPES

General Fund accounts for all governmental financial resources, except for those required to be accounted for in other funds.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Funds report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry, such as the common schools within the state.

PROPRIETARY FUND TYPES

Enterprise Funds account for those business-like State activities that provide goods/services to the public, financed primarily through user charges. They are also used to account for operations where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability and other purposes. The State's loan programs, Mill and Elevator, and Fair are reported in this type.

Internal Service Funds account for the financing of goods and/or services provided by one department or agency to another department or agency of a government, or to other governments, on a cost-reimbursement basis. These goods and services include motor pool services; printing, reproduction and mailing services; information technology; and risk management services. In the government-wide statements, internal service funds are included with governmental activities.

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FIDUCIARY FUND TYPES

Pension and Other Employee Benefits Trust Funds account for resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit pension plans, defined contribution plan, deferred compensation plan, pretax benefits program, and other post-employment benefit plans.

Investment Trust Funds account for the transactions, assets, liabilities, and fund equity of the external pool participants (City of Bismarck, City of Grand Forks, City of Grand Forks Park District, ND Association of Counties, City of Fargo Fargodome, North Dakota State Board of Medicine, Petroleum Tank Release Compensation Fund, Lewis and Clark Interpretive Center Endowment Fund, Veteran's Cemetery Trust Fund and Retirement and Investment Office Investments). The State Investment Board (SIB) provides administrative services for the external pool participants. SIB issues a publicly available financial report that may be obtained by writing to the Retirement and Investment Office, 1600 East Century Avenue, Suite 3, Bismarck, North Dakota 58503. Investment Trust Funds are accounted for in essentially the same manner as Proprietary Funds.

Private Purpose Trust Funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include student donations, the State's college savings plan, and a remediation trust.

Custodial Funds account for assets held by the State as an agent for other governmental units, or other organizations. Examples of funds in this category include state custodial funds for bonding, tax collection, child support disbursement, and funds held for others.

D. GENERAL BUDGETARY POLICIES AND PROCEDURES

The State operates through a biennial appropriation that represents departmental appropriations recommended by the governor and presented to the Legislative Assembly at the beginning of each legislative session. The Legislative Assembly enacts the budgets of the various state departments through passage of specific appropriation bills. The governor has line item veto powers over all appropriations subject to legislative override.

Once passed and signed, the appropriation bill becomes the departments' financial plan for the next two years. Changes to the appropriation are limited to Emergency Commission authorization, initiative, allotment, or referendum action. The Emergency Commission can authorize receipt of federal or other moneys not appropriated by the Assembly if the Assembly did not indicate intent to reject the money. The Emergency Commission may authorize pass-through federal funds from one state agency to another. The Emergency Commission may authorize the transfer of expenditure authority between appropriated line items. The Legislature has also passed appropriation laws that authorize directors of certain state agencies to transfer appropriation authority among the various divisions of their specific agency, subject to the Budget Section of the North Dakota Legislative Council's approval. Unexpended appropriations lapse at the end of each biennium, except certain capital expenditures covered under the North Dakota Century Code (NDCC) section 54-44.1-11 and the University System's unexpended general fund appropriation authority.

The State's biennial budget is prepared primarily on a cash basis. The State does not use encumbrance accounting. The legal level of budgetary control is at the agency, appropriation, funding source and expenditure line item level, with administrative controls established at lower levels of detail in certain instances. The State does not formally budget revenues. The State appropriation is defined through the use of specific expenditure line items. Capital appropriations are generally made at the agency and project level.

North Dakota's Appropriation Act does not present budgets by GAAP fund. Instead, it authorizes General Fund appropriation authority by agency and Other Budgeted Income appropriation authority by agency. Other budgeted income includes all budgeted resources, other than the General Fund, and includes some governmental, proprietary, and fiduciary fund activities.

During the 2023-2025 biennium, there were general, federal and other funds supplemental appropriations totaling \$1,436,105,468.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for reporting purposes includes 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. This includes investments with original maturity of three months or less. Also cash, as reported, may be under the control of the State Treasurer or by other administrative bodies as determined by law. Cash and cash equivalents are presented on the fund balance sheets as "Cash Deposits at the Bank of North Dakota" and "Cash and Cash Equivalents" to present the unique nature of the relationship between the Bank of North Dakota, an enterprise fund, and other state agencies.

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Cash Deposits at the Bank of North Dakota – State agency cash balances, as required by law, are pooled by the State Treasurer and deposited in the Bank of North Dakota, an enterprise fund. These cash balances, in addition to other agency cash deposited at the Bank of North Dakota, are included on the fund balance sheets as "Cash Deposits at the Bank of North Dakota". For purposes of the Government-wide Statement of Net Position, these amounts have been reclassified to internal balances.

Cash and Cash Equivalents – All cash and cash equivalents, (other than cash deposits at the Bank of North Dakota), as permitted by the North Dakota Century Code, are included on the Government-wide Statement of Net Position as "Cash and Cash Equivalents".

The State had no cash overdrafts from pooled cash and investments at June 30, 2024.

All interest revenue is allocated to the General Fund unless state law (as outlined in the North Dakota Century Code) requires allocations of interest to other funds.

F. INVESTMENTS

Investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The fair value for securities that have no quoted market price represent estimated fair value. International securities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at June 30. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investment securities, including timberland, is based on appraisals plus fiscal year-to-date capital transactions. Publicly traded alternative investments are valued based on quoted market prices. When not readily available, alternative investment securities are valued using current estimates of fair value from the investment manager. Such valuations consider variables such as financial performance of the issuer, comparison of comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, withdrawal restrictions, and other pertinent information. Because of the inherent uncertainty of the valuation for these other alternative investments, the estimated fair value may differ from the values that would have been used had a ready market existed.

The net change in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment sold.

Unrealized gains and losses are computed based on changes in the fair value of investments between years. Security transactions are currently accounted for on a trade date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date.

Purchases of other state funds' debt issues by the Bank of North Dakota have been recorded as normal business transactions if they are the result of arms-length transactions.

Investments are presented on the fund balance sheets as "Investments at the Bank of North Dakota" and "Investments" to present the unique nature of the relationship between the Bank of North Dakota, an enterprise fund, and other state agencies.

Investments at the Bank of North Dakota – State agency investments, primarily certificates of deposits of the Bank of North Dakota, are included on the fund balance sheets as "Investments at the Bank of North Dakota." For purposes of the Government-wide Statement of Net Position, these amounts have been reclassified to internal balances.

Investments – State agency investments invested at financial institutions other than the Bank of North Dakota are included on the Government-wide Statement of Net Position as "Investments." Differences on the Fund Balance Sheets between the assets, "Cash at the Bank of North Dakota" and "Investments at the Bank of North Dakota," and the liability, "Deposits Held for Other Funds," is attributable to timing differences resulting from the Bank of North Dakota having a different fiscal year end than many of the other state agencies.

G. SECURITIES LENDING

GASB Statement No. 28 "Accounting and Financial Reporting for Securities Lending Transactions," establishes accounting and financial reporting standards for securities lending transactions. The standard requires governmental entities to report securities lent as assets in their balance sheet. Cash received as collateral and investments made with that cash must also be reported as both an asset and a liability. The statement also requires the costs of the securities lending transactions to be reported as expenses separately from income received. In addition, the statement requires disclosures about the transactions and collateral related to them.

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The Agent lends securities of the type on loan at June 30, 2024, for collateral in the form of cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus accrued interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus accrued interest.

Non-cash collateral cannot be pledged or sold unless the borrower defaults. All securities can be terminated on demand by either the lender or the borrower, although the average term of the State's loans was approximately 93 days as of June 30, 2024. Cash open collateral is invested in a short term investment pool, which had an interest sensitivity of 3 days as of this statement date. This pool is valued based on amortized cost. There were no violations of legal or contractual provisions, no borrower or lending agent default losses known to the securities lending agent. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and the Agent has failed to live up to its contractual responsibilities relating to the lending of those securities. The Agent's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

For securities loaned at fiscal year end, the State has no credit risk exposure to borrowers because the amounts the State owes the borrowers exceeds the amounts the borrowers owe the State.

H. INTERFUND ACTIVITY AND BALANCES

INTERFUND ACTIVITY

As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this rule are: 1) activities between funds reported as governmental activities and funds reported as business-type activities and 2) activities between funds that are reported in different functional categories in either the governmental or business-type activities column. Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

In the fund financial statements, transfers represent flows of assets (such as goods or cash) without equivalent flows of assets in return or a requirement for repayment. Residual transfer amounts exist in the Government-wide Statement of Activities due to different fiscal year ends of various agencies included in business-type activities.

INTERFUND BALANCES

Interfund receivables and payables have been eliminated from the Statement of Net Position, except for the residual amounts due between governmental and business-type activities.

I. INVENTORIES AND PREPAID ITEMS

Inventories of Governmental Funds are valued at cost and are recognized principally using the average cost method. Generally, the cost of Governmental Funds' inventories is recorded as an expenditure when consumed rather than when purchased.

Inventories of Proprietary Funds consist primarily of grain inventories from the North Dakota Mill and Elevator Association. Grain inventories are valued at the June 30 Minneapolis grain market values less freight costs to Minneapolis. Flour, feed and resale inventories are valued at ingredient cost plus manufacturing costs incurred in their production. Proprietary Funds expense the cost of consumable supplies when used.

Generally, inventories of University System Funds are valued at the lower of cost or fair market value. Cost is generally determined on the first in/first out, or moving weighted average method. Inventories consist of food, books, and other merchandise held for resale in auxiliaries and unrestricted physical plant supplies.

Prepaid items reflect payments for costs applicable to future accounting periods. The cost of governmental prepaid items are recorded as expenditures when purchased.

J. BOND PREMIUMS / DISCOUNTS

In the governmental funds, bond discounts and premiums are treated as period costs in the year of issue. Bond discounts and premiums are shown as an "other financing source (use)" in the statement of revenues, expenses and changes in fund balance.

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In the proprietary funds, bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. The unamortized discount is shown on the statement of net position as a reduction of the bonds payable, and the amortization is included in the statement of revenues, expenses and changes in fund balance as interest expense.

K. CAPITAL ASSETS

Capital assets, which include land, buildings, equipment, intangibles (software, easements and other), construction in progress, infrastructure assets, lease assets and SBITA assets, are valued at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date of donation. Where necessary, estimates of original cost are derived by factoring price levels from the current period to the time of acquisition. Library books are not capitalized as capital assets except for the University System.

All other capital assets with an original cost of \$5,000 or more per unit and an estimated useful life in excess of one year are capitalized and reported in the applicable government or business-type activities columns in the government-wide financial statements. Exceptions include: infrastructure reported by the Department of Transportation, the threshold is \$100,000 and intangible assets such as easements, water rights, patents and trademarks, the threshold is \$25,000. Capital asset costs include the purchase price or construction cost, plus the costs necessary to place the asset in its intended location and condition for use. In governmental activities. Normal maintenance and repair costs that do not materially add to the value or extend the life of the asset are not capitalized.

Collections of works of art and historical treasures are not capitalized if the following three criteria are met: (1) Held for public exhibition, education, or research in furtherance of public service, rather than financial gain; (2) Protected, kept unencumbered, cared for, and preserved; (3) Subject to organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, and monuments and other art throughout the capital grounds. Assets that do not meet all three criteria, or that were capitalized as of June 30, 1999, are capitalized and included in the government-wide financial statements.

Infrastructure consists of major statewide public systems and items attached thereto such as freeways, freeway lighting systems, freeway drainage systems, freeway signs, bridges, bridge lighting systems, and sewer systems, including those infrastructure assets acquired prior to June 30, 1980. Infrastructure is reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Department of Transportation uses the first-in first-out method to remove the capitalized cost of a replaced road along with corresponding accumulated depreciation.

Capital assets in Governmental Funds are recorded as expenditures in the funds used to acquire or construct them in the governmental fund financial statements. Capital assets, along with accumulated depreciation and depreciation expense, which includes amortization of intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Land and construction in progress are not depreciated. With the exception of infrastructure reported by the Department of Transportation (which uses the composite method), other capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	10-50	Right-to-use Land	20-30
Infrastructure	10-50	Right-to-use Buildings and Improvements	2-52
Furniture, Automobiles, and Equipment	3-20	Right-to-use Furniture, Automobiles, and Equipment	2-7
Intangibles	3-99	Right-to-use Infrastructure	2-30

L. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow of resources represents a consumption of net assets by the government that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are reported in the applicable governmental or business-type activities columns, or in the component units column on the government-wide Statement of Net Position.

M. LEASES

The State leases land, office facilities, office and computer equipment, and other assets. Lease assets and the corresponding lease liability are recorded at the present value of future payments over the shorter of the lease term or the assets useful life. The

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future lease payments are discounted using the implicit rate identified in the lease, or if not identified, then the States incremental borrowing rate is used. The lease assets are amortized on a straight-line basis.

N. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The State leases information technology arrangements on a subscription basis. Subscription based information technology arrangements (SBITA) and the corresponding liability are recorded at the present value of future payments over the shorter of the term or the assets useful life. The future lease payments are discounted using the implicit rate identified in the arrangement, or if not identified, then the States incremental borrowing rate is used. The SBITA's are amortized on a straight-line basis.

O. FEDERAL FUNDS PURCHASED

Federal Funds Purchased represent federal funds borrowed by the Bank of North Dakota from member banks generally on an overnight basis at the federal funds rate.

P. CLAIMS/JUDGMENTS PAYABLE

Claims/Judgments Payable is primarily Workers Compensation Claims Incurred But Not Yet Reported (IBNR) by the claimants as well as claims related to various litigation matters.

Q. COMPENSATED ABSENCES

ANNUAL LEAVE

State employees accrue vested annual leave at a variable rate based on years of service. Teachers employed by the State do not receive annual leave. In general, accrued annual leave cannot exceed 30 days at each year end, as set by the agency. The amount of annual leave earned ranges between one and two days per month, and is fixed by the employing unit per section 54-06-14 of the NDCC.

The governmental fund financial statements recognize annual leave when the liability is incurred and payable from available expendable resources. This normally occurs only if an employee has unused reimbursable leave still outstanding at the time of their termination. The government-wide financial statements present the cost of accumulated annual leave as a liability. Proprietary and Fiduciary Funds recognize the expense and accrued liability when the annual leave is earned.

SICK LEAVE

The North Dakota Century Code, section 54-06-14, states employees accrue sick leave at the rate of one to a maximum of one and one-half working days per month of employment without limitation on the amount that can be accumulated. Employees vest at ten years of creditable service, at which time the State is liable for ten percent of the employee's accumulated unused sick leave. The governmental fund financial statements recognize sick leave as it is incurred. The government-wide financial statements present the estimated cost of sick leave as a liability after an employee has been employed by the State for five consecutive years.

R. DEPOSITS

The following two liability line items are presented in the Government-wide Statement of Net Position and/or fund financial statements:

Deposits Held For Other Funds. "Deposits Held for Other Funds" are those deposits held by the Bank of North Dakota for other funds included in the reporting entity and shown on the fund financial statements. For purposes of the Government-wide Statement of Net Position, these amounts have been reclassified to internal balances.

Other Deposits. "Other Deposits" are those deposits held by the Bank of North Dakota for non-reporting entity third parties. It also includes deposits held for students of the University System.

Differences on the fund balance sheets between the liability "Deposits Held for Other Funds" and the assets "Cash Deposits and Investments at the Bank of North Dakota" are attributable to timing differences resulting from the Bank of North Dakota having a different accounting year end than many other state agencies.

S. NET PENSION LIABILITY (ASSET)

For purposes of measuring the net pension liability (asset) and deferred outflows/inflows related to pension, and pension expense, information about the fiduciary net position of the North Dakota Public Employee Retirement System (PERS), North Dakota Highway Patrolmen's Retirement System (NDHPRS), Retirement Plan for the Employees of Job Service North Dakota (JSND)

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and North Dakota Teachers' Fund for Retirement (TFFR) and additions to / deductions from PERS, NDHPRS, JSND and TFFR's fiduciary net position have been determined on the same basis as they are reported for PERS, NDHPRS, JSND and TFFR. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The primary government's proportionate share of pension amounts were further reallocated to the propriety funds (business-type activities) based on the amount of employer contributions paid by each proprietary fund. Pension investments are reported at fair value.

T. NET OTHER POST EMPLOYMENT BENEFITS LIABILITY

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Job Service North Dakota engaged an actuary to determine the net OPEB liability, deferred outflows of resources and deferred inflow of resources related to OPEB and OPEB expense for its Met Life Insurance Benefit plan.

U. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net assets that applies to a future period, and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported in the applicable governmental or business-type activities columns or in the component units column on the government-wide Statement of Net Position. Deferred inflows of resources of governmental funds, proprietary fund, and discrete component units are reported in detail in their respective fund statements.

Lease-related amounts are recognized at the inception of leases in which the State is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that related to future periods, less any lease incentives paid to, or on behalf of, the lessee at the commencement of the lease term. The inflow of resources is recognized in a systematic and rationale manner over the lease term.

V. NET POSITION/FUND BALANCE

The difference between fund assets and liabilities is "Net Position" on the government-wide, proprietary, and fiduciary fund statements, and "Fund Balance" on governmental fund statements.

CLASSIFICATIONS

Fund balance classifications for governmental funds are reported in two general classifications, nonspendable and spendable. Nonspendable represents the portion of fund balance that is not in spendable form such as inventories and prepaids. Spendable fund balance is further categorized as restricted, committed, assigned, and unassigned.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by the State constitution and external parties, such as the federal government, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the state's legislature, through legislation, that is not considered as enabling legislation, passed into law.

Assigned fund balance classifications are used when the amounts are to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The assignment of fund balance is generally initiated by the executive branch and later appropriated by the Legislature for a specific purpose. In governmental funds other than the general fund, assigned fund balance also represents the remaining amount that is not restricted or committed.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification would only be used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The State generally segregates restricted, committed, and assigned resources by individual funds within the governmental funds. When resources meeting more than one of these classifications are comingled within an individual fund, the assumed order of spending is restricted first, committed second, assigned third, and finally, unassigned.

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BUDGET STABILIZATION FUND

North Dakota Century Code (NDCC) section 54-27.2-02 requires any amount in the state general fund in excess of sixty- five million dollars at the end of any biennium to be deposited in the Budget Stabilization Fund. Any interest or earnings of the fund must be deposited in the fund per NDCC section 54-27.2-01. However, any amounts provided by law for deposit in the fund and any interest or earning of the fund which would bring the balance in the fund to an amount greater than fifteen percent of the current biennial state general fund budget, as finally approved by the most recently adjourned special or regular session of the legislative assembly, may not be deposited or retained in the fund but must be deposited instead in the state general fund.

NDCC section 54-27.2-03 states that if general fund revenue projections for the biennium will be at least two and one-half percent less than estimated by the most recently adjourned special or regular session of the legislative assembly, and if the governor orders a transfer, which must be reported to the budget section of the legislative management, the state treasurer shall transfer the appropriate funds from the budget stabilization fund to the state general fund to offset the decrease in general fund revenues. The amount transferred upon order of the governor may not exceed the difference between an amount two and on-half percent below the general fund revenue projections for the biennium. The Budget Stabilization Fund, fund balance at June 30, 2024 was \$919,633,735.

W. REVENUES AND EXPENDITURES/EXPENSES

In the Government-wide Statement of Activities, revenues and expenses are segregated by activity (governmental or business-type), then further by function for governmental activities (e.g., general government, education, health and human services, etc.). Additionally, revenues are classified between program and general revenues. Program revenues include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues, rather than as program revenue. General revenues include all taxes and money from tobacco settlements. Certain indirect costs are included in the program expenses reported for individual functions.

In the government-wide financial statements, revenues are reported by source and are further classified as either “general purpose” or “restricted”. General purpose revenues are available to fund any activity accounted for in the fund. Restricted revenues are, either by State law or by outside restriction (e.g., federal grants), available only for specified purposes. When both general purpose and restricted funds are available for use, it is the State’s policy to use restricted resources first. In the governmental fund financial statements, expenditures are reported by character: “Current,” “Intergovernmental-revenue Sharing,” “Capital Outlay,” or “Debt Service.” Current expenditures are sub-classified by function and are for items such as salaries, grants, supplies, and services.

Capital outlay includes expenditures for real property or infrastructure (e.g., highways). Intergovernmental-revenue sharing accounts for the distribution of certain tax revenues that are shared with local units based upon constitutional and statutory requirements. Debt service includes both interest and principal outlays related to bonds and payments on long term leases.

Revenues and expenses of proprietary funds are classified as operating or nonoperating and are sub classified by object (e.g., salaries, depreciation, and purchases for resale). Operating revenues consist of 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, receipts from other agencies for reimbursement of operating transactions, and other miscellaneous revenue that 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. Examples of this would include interest and investment income. All other revenues that do not meet the above criteria should be classified as non-operating.

X. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - RESTATEMENTS

A. CORRECTION OF ERRORS

The changes to beginning net position are summarized in the following table (expressed in thousands):

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	<u>Internal Service Fund - Information Technology Department</u>	
June 30, 2023, net position, as previously reported	\$	(39,271)
Correction of errors		<u>3,368</u>
June 30, 2023, net position, as restated	\$	<u><u>(35,903)</u></u>

A correction of error was made to record a SBITA that was incorrectly set up in the Internal Service Fund - Information Technology Department and should have been setup under the General Fund.

B. CHANGES IN ACCOUNTING POLICY

As of January 1, 2023, the Bank of North Dakota adopted GASB Statement No. 100, Accounting Changes and Error Corrections. The implementation of this standard enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The financial statements have been updated to conform to the presentation requirements related to the Banks change in accounting estimate of the allowance methodology during the year ended December 31, 2023.

NOTE 3 - DETAILED NOTES ON ACCOUNT BALANCES

A. DEPOSITS

CUSTODIAL CREDIT RISK

The State minimizes custodial credit risk by restrictions set forth in state statute. Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the State would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties.

State law generally requires that all State funds be deposited in the Bank of North Dakota. NDCC 21-04-01 provides that public funds belonging to or in the custody of the State shall be deposited in the Bank of North Dakota. Also, NDCC 6-09-07 states, "all state funds . . . must be deposited in the Bank of North Dakota" or must be deposited in accordance with constitutional and statutory provisions. The State does not have a formal policy that addresses custodial credit risk for deposits.

At June 30, 2024, the bank balance of the primary government's deposits was \$420,268,991. Of the bank amount, \$80,447,000 was uncollateralized and uninsured.

There were significant concentrations of uninsured and uncollateralized deposits in the Bank of North Dakota and University System at June 30, 2024. Their uninsured and uncollateralized deposits totaled \$80.5 million and \$18.9 million, and their bank deposits totaled \$81 million and \$773.3 million, respectively.

At June 30, 2024, the bank balance of the major component units' deposits was \$99,569,872. Of the bank amount, \$97,761,738 was uncollateralized and uninsured.

The internal receivable amount in the governmental activities column in the Statement of Net Position includes Cash and Investments at the Bank of North Dakota for governmental activities. The internal payable amount in the business-type activities column includes deposits the Bank has for governmental activities. Because the Bank has a different fiscal year end, these internal balances do not equal.

B. INVESTMENTS

The investment policies of the State of North Dakota are governed by NDCC 6-09-07, 15-10-12, and 21-04-02, indicating that all public funds must be deposited in the Bank of North Dakota unless there are other constitutional or statutory provisions. If there are no statutory provisions and the funds are invested outside the Bank of North Dakota, the state agency must have the permission of the North Dakota Industrial Commission.

Investments are generally managed by the State Investment Board, the North Dakota Department of Trust Lands, the Bank of North Dakota, and the North Dakota State Treasurer's Office. Management responsibilities and investment instruments as authorized by statute are as follows:

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1. State Investment Board (SIB) – NDCC 21-10 designates the SIB with investment responsibilities for the Public Employees' Retirement System, Bonding Fund, Teachers' Fund for Retirement, Fire and Tornado Fund, Workforce Safety & Insurance Fund, Legacy Fund, and other specific funds. The Century Code states the SIB shall apply the prudent investor rule in investing funds under its supervision. The retirement funds belonging to the teachers' fund for retirement and the public employees' retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives.

The State Investment Board's investment policy allows investment managers to use derivative securities to hedge or replicate underlying exposures but not for speculation. All derivatives are considered investment derivative investments. The SIB had four types of derivative securities at June 30, 2024: futures, options, swaps and currency forwards.
2. North Dakota Department of Trust Lands – The Century Code states that the Department of Trust Lands shall apply the prudent investor rule in investing its funds. The investment policies of the Board allow the use of derivative securities to hedge or replicate underlying exposures but not for speculation. All derivatives are considered investment derivative investments.
3. The Bank of North Dakota – NDCC 6-09 authorizes the Bank of North Dakota. The Bank is owned and operated by the State of North Dakota under the supervision of the North Dakota Industrial Commission. The Bank may have investments in anything that any bank lawfully may do, except what is restricted by NDCC 6-09.
4. The North Dakota State Treasurer's Office – The North Dakota Constitution and various sections of the Century Code authorize the State Treasurer to invest all State funds deposited with the State Treasury. However, the State Treasurer must invest the public funds with the Bank of North Dakota unless there is statutory authority to do otherwise. Generally, the State Treasurer pools deposits and invests in money market accounts and Bank of North Dakota certificates of deposit.
5. University System – NDCC 15-55-05 and 15-55-06 govern the investment of proceeds of revenue bonds and revenues pledged to bondholders. Such proceeds must be invested in the Bank of North Dakota, in a separate fund in the State Treasury or in a duly authorized depository for the state funds that is a member of the federal deposit insurance corporation. The University System may invest such funds in direct obligation of, or in obligations where the United States of America guarantees the principal and interest, or obligations of the State of North Dakota or any municipality as defined in NDCC Section 21-03-01.

Agency investments, of the primary government, under management of the State Investment Board are included below with the Pension and Investment Trust funds.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The State does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates. However, North Dakota Housing Finance's respective bond resolutions permit only investments that will not adversely affect the rating quality of the outstanding bonds. Also, the maturity date or the date on which such investment obligations may be redeemed shall coincide as nearly as practicable with the date or dates on which moneys in the funds or accounts for which the investments were made will be required. The Bank of North Dakota's investment policy provides for a duration range of one to four years, which will serve to decrease interest rate risk.

STATE OF NORTH DAKOTA

At June 30, 2024, the following tables show the debt securities of the primary government and major component units by investment type and maturity (expressed in thousands).

Primary Government (includes Pension and Investment Trust Funds)

Investment Type	Total Fair Value	Less Than 1 Year	1 - 6 Years	6 - 10 Years	More Than 10 Years	Maturity Undetermined
Asset Backed Securities	\$ 631,607	\$ 904	\$ 260,397	\$ 195,659	\$ 174,647	\$ —
Bank Loans	260	—	—	260	—	—
Collateralized Bonds	859	—	—	859	—	—
Commercial Mortgage-Backed	2,374,311	5	2,051,073	8,667	314,566	—
Commercial Paper	144,105	144,105	—	—	—	—
Corporate Bonds	3,137,857	241,030	1,998,663	551,016	347,148	—
Corporate Convertible Bonds	7,634	—	—	—	7,634	—
Government Agencies	407,346	29,970	367,517	7,227	2,632	—
Government Bonds	2,900,536	470,894	1,977,888	44,197	407,557	—
Government Issued CMB	11,728	21	5,396	1,032	5,279	—
Government Mortgage-Backed	1,344,762	94	26,670	38,544	1,279,454	—
Repurchase Agreements	(8,422)	(8,422)	—	—	—	—
Index Linked Government Bonds	453,973	43,087	161,471	203,795	45,620	—
Municipal/Provincial Bonds	35,511	14,961	3,422	2,967	14,161	—
Non-Government-Backed CMOs	107,420	—	2,649	2,580	102,191	—
Short Term Bills and Notes	159,654	159,654	—	—	—	—
Pooled Investments	1,244,705	4,319	697,122	383,830	159,433	1
Funds - Other Fixed Income	1	—	—	—	—	1
Funds - Short Term	210,083	210,057	—	—	—	26
Funds - Corporate Bonds	70	—	—	—	—	70
Funds - Muni/Provincial Bonds	74	—	—	—	—	74
Funds - Gov' Agencies	871,693	1,743	411,433	264,990	193,513	14
Total Debt Securities	14,035,767	1,312,422	7,963,701	1,705,623	3,053,835	186
Limited Partnership	\$ 1,119,389	\$ 162,521	\$ 730,961	\$ 83,108	\$ 56,553	\$ 86,246

Major Component Units

Investment Type	Total Fair Value	Less Than 1 Year	1 - 6 Years	6 - 10 Years	More Than 10 Years
Commercial Paper	\$ 13,080	\$ 13,080	\$ —	\$ —	\$ —
Corporate Notes	3,887	1,562	2,325	—	—
Government Agencies	6,384	1,864	4,520	—	—
Government Bonds	38,957	29,337	9,620	—	—
Short Term Bills and Notes	2,301	2,301	—	—	—
Total Debt Securities	\$ 64,609	\$ 48,144	\$ 16,465	\$ —	\$ —

STATE OF NORTH DAKOTA

The fair values of inflation indexed bonds are reflected in the tables above, based on their stated maturity dates. The principal balances of these bonds are adjusted every six months based on the inflation index for that period.

Some investments are more sensitive to interest rate changes than others. Variable and floating rate collateralized mortgage obligations (CMO's), asset-backed securities (ABS), interest-only and principal-only securities are examples of investments whose fair values may be highly sensitive to interest rate changes.

Interest-only (IO) and principal-only (PO) strips are transactions which involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which may result from a decline in interest rates. The State held PO's valued at \$7.3 million and held IOs valued at \$20.7 million. The State has no policy regarding IO or PO strips.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The State does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer, however the Bank of North Dakota has established asset allocation ranges for investments as a percentage of their total portfolio.

The Bank of North Dakota had the following concentrations at June 30, 2024 (expressed in thousands):

	<u>Amount</u>	<u>Percent</u>
Federal Agency		
U.S. Treasury Securities	\$ 1,487,258	38.4 %
Federal Home Loan Bank	190,308	4.9 %
Small Business Administration	73,981	1.9 %
Farm Credit	58,181	1.5 %
Freddie Mac	12,619	0.3 %
Mortgage-backed		
Fannie Mae	1,316,256	34.0 %
Freddie Mac	728,969	18.8 %
Others less than 5%	2,094	0.1 %
	<u>\$ 3,869,666</u>	<u>100.0 %</u>

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State maintains a highly diversified portfolio of debt securities encompassing a wide range of credit ratings. Although the State has no overall policy regarding credit risk, each debt securities manager is given a specific set of guidelines to invest within based on the mandate for which it was hired. The guidelines specify in which range of credit the manager may invest. These ranges include investment grade and below investment grade categories. The Bank of North Dakota's investment policy provides minimum credit quality ratings for its investments and asset allocation ranges for investments as a percentage of the total portfolio.

STATE OF NORTH DAKOTA

As of June 30, 2024, the following tables present the debt securities of the primary government and major component units and their respective ratings (expressed in thousands).

Primary Government (includes Pension and Investment Trust Funds) S&P Credit Rating*

	Total Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Not Rated
Asset Backed Securities	631,607	\$ 395,595	\$ 81,761	\$ 53,846	\$ 17,601	\$ 327	\$ 573	\$ 2,069	\$ —	\$221	\$ 544	\$ 79,070
Bank Loans	260	—	—	—	—	—	260	—	—	—	—	—
Collateralized Bonds	859	859	—	—	—	—	—	—	—	—	—	—
Commercial Mortgage-Backed	2,374,311	2,298,548	11,369	11,519	6,281	2,532	2,125	69	—	—	—	41,868
Commercial Paper	144,105	—	—	80,428	—	—	—	—	—	—	—	63,677
Corporate Bonds	3,137,858	15,678	141,913	695,507	1,277,857	559,742	350,530	84,488	184	—	1,141	10,818
Corporate Convertible Bonds	7,634	—	—	—	1,576	6,058	—	—	—	—	—	—
Government Agencies	407,032	358,017	19,876	971	12,027	7,703	1,407	174	—	—	—	6,857
Government Bonds	1,559,973	1,494,128	779	6,809	29,039	8,983	2,259	764	—	—	—	17,212
Government Mortgage Backed	1,091,859	—	1,074,396	5,673	8,602	2,606	380	—	—	—	—	202
Government Issued CMB	7,804	373	6,212	—	—	—	—	—	—	—	—	1,219
Index Linked Gov't Bonds	96,681	73,202	—	—	3,044	—	—	—	—	—	—	20,435
Municipal/Provincial Bonds	34,511	12,165	16,027	2,616	—	581	—	1,872	—	—	—	1,250
Non-Government Backed CMOs	107,420	34,354	7,598	3,420	3,913	2,200	445	217	337	—	—	54,936
Repurchase Agreements	(8,422)	—	—	—	—	—	—	—	—	—	—	(8,422)
Short-Term Investment Funds	1,397	—	1,397	—	—	—	—	—	—	—	—	—
Funds - Other Fixed Income	1	—	—	—	—	—	—	—	—	—	—	1
Funds - Short Term Investment	210,083	—	—	—	—	—	—	—	—	—	—	210,083
Funds - Corporate Bond	70	—	—	—	—	—	—	—	—	—	—	70
Funds - Municipal / Prov. Bonds	74	—	—	—	—	—	—	—	—	—	—	74
Funds - Govt Agencies	2	—	—	—	—	—	—	—	—	—	—	2
Pooled Investments	1,163,355	—	777,944	103,470	84,196	18,737	27,233	—	—	—	—	151,775
Total Credit Risk Debt Securities	10,968,474	<u>\$4,682,919</u>	<u>\$2,139,272</u>	<u>\$ 964,259</u>	<u>\$1,444,136</u>	<u>\$609,469</u>	<u>\$385,212</u>	<u>\$89,653</u>	<u>\$ 521</u>	<u>\$221</u>	<u>\$ 1,685</u>	<u>\$ 651,127</u>
US Gov't & Agencies**	2,841,162											
Mutual Funds	226,131											
Total Debt Securities	<u>\$14,035,767</u>											

STATE OF NORTH DAKOTA

Major Component Units

	Total Fair Value	AAA	AA	A	BBB
Commercial Paper	\$ 13,080	\$ —	\$ —	\$ 13,080	\$ —
Short Term Bills & Notes	2,538	237	—	2,301	—
Government Agencies	6,147	—	6,147	—	—
Corporate Notes	3,887	—	733	2,562	592
Total Credit Risk Debt Securities	25,652	\$ 237	\$ 6,880	\$ 17,943	\$ 592
US Gov't & Agencies	38,957				
Total Debt Securities	\$ 64,609				

*Ratings are determined in the following order: 1) S&P rating, 2) Moody's rating, 3) Fitch rating, 4) Manager-determined rating (internal rating) and 5) if no ratings are available using steps 1-4, then shown as not rated.

**US government agency securities explicitly guaranteed by the US government are categorized here. Credit ratings of US government agency securities that are only implicitly guaranteed by the US government are categorized accordingly in the main body of this table. Implicitly guaranteed agency securities included in the *Gov't Agencies*, *Gov't Bonds*, *Gov't Mortgage Backed*, *Gov't Issued CMB*, *Index Linked Gov't Bonds*, and *Short Term Bills and Notes* categories are issued by FNMA, FHLB, FHLMC, and SLMA.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Although the State Investment Board does not have a formal investment policy governing foreign currency risk, the board does manage its exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios to limit foreign currency and security risk. The Department of Trust Lands treats currency exposure in two different ways, depending on the type of investment. For the Board's international equity portfolio, the currency exposure is not hedged, as currency exposure is one of the items that adds diversity to the overall portfolio. For foreign bonds, the Board fully hedges the currency exposure, as the purpose of this portfolio is to generate more consistent returns.

At June 30, 2024, foreign currency risk exposure on investments managed by the Department of Trust Lands and State Investment Board were as follows (expressed in thousands).

STATE OF NORTH DAKOTA

Primary Government (includes Pension and Investment Trust Funds)

Currency	Short-Term	Debt	Equity	Real Estate	Total
Argentine peso	\$ 1	\$ —	\$ —	\$ —	\$ 1
Australian dollar	(32)	—	65,358	—	65,326
Brazilian real	902	3,349	21,529	—	25,780
British pound sterling	(23,783)	13,946	204,704	—	194,867
Canadian dollar	(13,553)	10,048	124,691	—	121,186
Chilean peso	(273)	—	1,356	—	1,083
Chinese yuan renminbi	283	—	—	—	283
Chinese yuan	—	—	62,714	—	62,714
Columbian peso	—	—	189	—	189
Czech koruna	—	—	83	—	83
Danish krone	(47)	—	72,641	—	72,594
Egyptian pound	—	—	97	—	97
Euro	(58,972)	48,574	457,588	—	447,190
Hong Kong Off-Shore-Chinese yuan remnibi	7,698	—	—	—	7,698
Hong Kong dollar	—	—	39,836	—	39,836
Hungarian forint	1	—	1,767	—	1,768
Indian rupee	8,417	—	8	—	8,425
Indonesian rupiah	2,382	—	1,877	—	4,259
Israeli shekel	—	—	830	—	830
Japanese yen	2,976	(3,552)	351,581	—	351,005
Kuwaiti dinar	—	—	336	—	336
Malaysian ringgit	—	—	893	—	893
Mexican peso	(7,776)	11,933	(779)	—	3,378
New Taiwan dollar	(4,203)	—	—	—	(4,203)
New Zealand dollar	—	—	454	—	454
Norwegian krone	87	—	13,888	—	13,975
Pakistani rupee	—	—	301	—	301
Philippine peso	—	—	76	—	76
Polish zloty	(2)	—	7,316	—	7,314
Russian Ruble	605	—	3,093	—	3,698
Saudi Arabian riyal	—	—	3	—	3
Singapore dollar	(3,447)	—	12,913	—	9,466
South African rand	—	—	(2,114)	—	(2,114)
South Korean won	(450)	—	76,625	—	76,175
Swedish krona	7	—	55,260	—	55,267
Swiss franc	2	—	114,575	—	114,577
Taiwan dollar	—	—	26,255	—	26,255
Thai baht	(242)	—	8,026	—	7,784
Turkish lira	8,398	—	24,580	—	32,978
UAE dirham	—	—	1	—	1
International commingled funds (various currencies)	—	—	4,086,118	33,832	4,119,950
Total international investment securities	\$ (81,021)	\$ 84,298	\$ 5,834,669	\$ 33,832	\$ 5,871,778

STATE OF NORTH DAKOTA

Derivative Securities – Derivatives are financial arrangements between two parties whose payments are based on, or “derived” from, the performance of some agreed upon benchmark. The investment policies of the States’ clients allow the use of derivative securities to hedge or replicate underlying exposures but not for speculation. All derivatives are considered investment derivative instruments. The fair value of all derivative securities is reported in the Statement of Net Position. At June 30, 2024, the State had four types of derivative securities: futures, options, swaps and currency forwards.

Futures – Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specific price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the States’ counterparty risk. The net change in the futures contracts’ value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included in net change in fair value of investments in the Statement of Changes in Fiduciary Net Position and totaled \$76.6 million for the year ended June 30, 2024. At June 30, 2024, the State investment portfolio had the notional futures shown below (expressed in thousands).

Futures	Notional Value
Cash and cash equivalent derivative futures	
Long	\$ 171,610
Short	122,023
Commodity Derivatives Futures	
Short	(18,719)
Equity derivative futures	
Long	457,320
Fixed income derivative futures	
Long	289,982
Short	(305,874)
Total futures	\$ 716,342

Options – Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. Options are traded on organized exchanges (exchange traded) thereby minimizing the States’ counterparty credit risk. The option’s price is usually a small percentage of the underlying asset’s value. As a seller of a financial option, the State, through its investment manager, receives a premium at the beginning of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. As a buyer of a financial option, the State, through its investment manager, pays a premium at the beginning of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Gains and losses on options are determined based on fair values and recorded with the net change in fair value of investments in the Statement of Changes in Fiduciary Net Position and totaled \$4.9 million. At June 30, 2024, the State had the following option balances (expressed in thousands):

Options	Fair Value
Cash & Other Options:	
Call	\$ 1,349
Put	42
Equity Options:	
Call	697
Fixed Income Options:	
Call	43
Put	(94)
Total options	\$ 2,037

Swaps – A swap is a derivative in which counterparties exchange certain benefits of one party’s financial instrument for those of the other party’s financial instrument. Specifically, the two counterparties agree to exchange one stream of cash flows for another stream. The State, through its investment managers, has entered into various swap agreements in an attempt to manage its exposure to interest rate, inflation, credit, currency risk and total return.

STATE OF NORTH DAKOTA

Gains and losses on swaps are determined based on fair values and are recorded with the net change in fair value of investments in the Statement of Changes in Fiduciary Net Position and totaled \$1.5 million for the year ended June 30, 2024. The maximum loss that would be recognized at June 30, 2024, if all counterparties failed to perform as contracted is \$2.5 million. Swap fair values are determined by a third party pricing source.

At June 30, 2024, the States' investment portfolio had the swap fair value balances as shown below (expressed in thousands).

Credit Default Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date	Fair Value
Bank of America/Aa2 (7 contracts)	\$ (9,135)	2028 - 2029	\$ 314
Barclays Capital Inc/A1 (1 contract)	(3,250)	2029	2
BNP Paribas Sa Paris/Aa3 (1 contract)	(100)	2027	(1)
Citibank/A1 (2 contracts)	(400)	2024 - 2027	(1)
Citigroup Global Markets/A1 (1 contract)	(2,790)	2029	179
Goldman Sachs/A2 (6 contracts)	(1,500)	2027	(11)
JP Morgan Chase/Aa2 (4 contracts)	(13,709)	2024 - 2029	854
Morgan Stanley/A1 (8 contracts)	(11,825)	2026 - 2029	220
Wells Fargo Bank/Aa2 (11 contracts)	1,304	2024 - 2029	(251)
Total credit default swaps	<u>\$ (41,405)</u>		<u>\$ 1,305</u>

Interest Rate Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date Range	Fair Value
Bank of America/Aa2 (48 contracts)	\$ 229,088	2025 - 2054	\$ 2,914
Citigroup Global Markets/A1 (43 contracts)	106,975	2024 - 2054	213
JP Morgan Chase/Aa2 (16 contracts)	100,071	2024 - 2054	547
Morgan Stanley/A1 (61 contracts)	141,878	2024 - 2054	2,527
Wells Fargo Bank/Aa2 (65 contracts)	164,383	2024 - 2054	3,910
Total Interest Rate Swaps	<u>\$ 742,395</u>		<u>\$ 10,111</u>

Inflation Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date Range	Fair Value
Goldman Sachs/A2 (2 contracts)	\$ 19,305	2024	\$ (184)
JP Morgan Chase/Aa2 (1 contract)	2,260	2024	(17)
Total Inflation Swaps	<u>\$ 21,565</u>		<u>\$ (201)</u>

Total Return Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date Range	Fair Value
Goldman Sachs/A2 (1 contract)	\$ 6,310	2024	\$ (355)
Bank of America/AAa2 (1 contract)	20,035	2024	(932)
Citibank/A1 (2 contracts)	16,910	2024	(415)
JP Morgan Chase/Aa2 (3 contracts)	10,140	2024	(210)
Total Total Return Swaps	<u>\$ 53,395</u>		<u>\$ (1,912)</u>

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Currency Forwards – Currency forwards represent forward exchange contracts that are entered into in order to manage the exposure to changes in currency exchange rates on the currency denominated portfolio holdings. A forward exchange contract is a commitment to purchase (positive) or sell (negative) a currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net change in fair value of investments in the Statement of Changes in Fiduciary Net Position and totaled \$4.05 million. At June 30, 2024, the States' investment portfolio included the currency forwards balances shown below (expressed in thousands).

Currency	Cost	Purchases	Sales	Fair Value
Australian dollar	\$ (57)	\$ 57	\$ (114)	\$ (57)
Brazilian real	(796)	5,278	(6,075)	(692)
British pound sterling	(12,171)	10,472	(22,643)	(12,054)
Canadian dollar	(1,832)	684	(2,516)	(1,828)
Chilean peso	(279)	—	(279)	(273)
Chinese offshore	(23)	2,384	(2,408)	(24)
Chinese yuan	284	567	(283)	283
Danish krone	(76)	19	(95)	(75)
Euro	(38,647)	21,564	(60,211)	(38,360)
Hungarian Forint	—	2	4	6
Indonesian rupiah	1,018	1,018	—	1,011
Indian rupee	3,506	3,506	—	3,509
Japanese yen	(993)	—	(993)	(978)
Mexican peso	(3,824)	4	(3,828)	(3,871)
Singapore dollar	(846)	841	(1,687)	(842)
South African rand	—	2	4	6
South Korean won	(318)	0	(318)	(318)
Thai baht	(247)	—	(247)	(247)
Taiwan dollar	(2,037)	—	(2,037)	(2,026)
Turkish Lira	3,788	3,788	—	3,869
United States dollar	53,552	103,734	(50,182)	53,552
Total forwards subject to currency risk				<u>\$ 591</u>

Derivative Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the value of an interest rate-based derivative investment. The State does not have a formal investment policy regarding such derivative investments. At June 30, 2024, the tables below show the States' derivative investments subject to interest rate risk (expressed in thousands).

	Total Notional Value	3 Months or Less	3 to 6 Months	6 to 12 Months	1-5 Years	Greater Than 5 Years
Futures-interest rate contracts	\$ 277,741	\$ (56,049)	\$ 26,669	\$ 122,023	\$ 185,098	\$ —
Futures-commodity contracts	(18,719)	—	(18,719)	—	—	—
Total	<u>\$ 259,022</u>	<u>\$ (56,049)</u>	<u>\$ 7,950</u>	<u>\$ 122,023</u>	<u>\$ 185,098</u>	<u>\$ —</u>

STATE OF NORTH DAKOTA

	Total Fair Value	3 Months or Less	3 to 6 Months	6 to 12 Months	1-5 Years	5-10 Years	Greater Than 10 Years
Options - Interest rate contracts	\$ (46)	\$ (102)	\$ 41	\$ 15	\$ —	\$ —	\$ —
Options on futures	(157)	(26)	82	(213)	—	—	—
Options - Foreign Exchange Contracts	1,533	5	863	665	—	—	—
Options - Credit Contracts	10	7	3	—	—	—	—
Swaps - interest rate contracts	8,199	(1,611)	(405)	(418)	2,204	1,321	7,108
Swaps - credit contracts	1,305	—	30	—	1,275	—	—
Total	\$ 10,844	\$ (1,727)	\$ 614	\$ 49	\$ 3,479	\$ 1,321	\$ 7,108

Mill and Elevator Derivative Financial Instruments – The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2024, and the changes in fair value of such derivative instruments for the year then ended as reported in the State’s financial statements are \$2,636,375, classified as derivative instrument (one contract equals 5,000 bushels) and \$2,636,375, classified as deferred inflow of resources – accumulated increase in fair value of hedging derivatives. The fair value of the grain futures contracts was determined on the Minneapolis Grain Exchange. The daily limit for any trade days margin requirement is \$0.60 per bushel, unless two or more wheat futures contract months within a crop year close at limit bid or limit offer, then the limit will increase by 50% per bushel the next business day. Daily price limits will revert back to \$0.60 per bushel the business day after which no wheat futures contract month closes at the expanded limit bid or limit offer. The Mill has entered into futures contracts for spring wheat to lock in a price for a future delivery or settlement period. These contracts are entered into to protect the Mill against price fluctuation of the commodity. The price protection is needed to cover any long or short positions compared to flour sales. The table below shows the cost and market values of these spring wheat futures as of June 30, 2024.

Month	# of Contracts Long (Short)	Average Cost	Fair Value	Average Cost	Market Value
Sept 2024	219	\$ 6.3746	\$ 6.1300	\$ 7,201,163	\$ 6,712,350
Dec 2024	656	6.8753	6.3250	22,497,388	20,746,000
March 2025	177	6.8803	6.4925	6,089,088	5,745,863
May 2025	73	6.7316	6.5950	2,457,038	2,407,175
July 2025	21	6.7451	6.6775	708,238	701,138
Sept 2025	12	6.5506	6.6175	393,038	397,050
				\$ 39,345,953	\$ 36,709,576

The Mill is exposed to credit risk on hedging derivative instruments that are in asset positions. All grain futures trades are completed using two different national brokerage firms on the Minneapolis Grain Exchange. ADM Investor Services is rated A by the Standard & Poor’s Rating Service. RJ O’Brien is a privately held business and is not rated by the Standard & Poor’s Rating Service.

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The Mill is exposed to rollover risk on grain futures trades whenever the hedge ratio (defined in aggregate of the size across all futures months relative to the underlying net cash position) does not equal 1.0. At June 30, 2024, the table below shows the hedge ratio by futures month going forward:

Period	Hedge Ratio
Sept 2024	1.0
Dec 2024	1.0
March 2025	1.0
May 2025	1.0
July 2025	1.0
Sept 2025	1.0
Net Position	1.0

C. SECURITIES LENDING

The following represents the balances relating to the securities lending transactions at June 30, 2024 (expressed in thousands).

Primary Government (includes Pension and Investment Trust Funds)

	Underlying Securities	Non-Cash Collateral Value	Cash Collateral Investment Value
Securities Lent			
Lent for cash collateral:			
US agency securities	\$ 577	\$ —	\$ 599
US government securities	190,222	70,587	195,653
US corporate fixed income securities	137,139	39	140,870
US equities	83,847	—	86,091
Global government fixed income securities	—	4,747	—
Global corporate fixed income securities	2,087	—	2,257
Global government securities	334	—	366
Lent for non-cash collateral:			
Fair value of securities on loan against non-cash collateral	542,495	480,172	—
Total	\$ 956,701	\$ 555,545	\$ 425,836

D. ENDOWMENT FUNDS

UNIVERSITY SYSTEMS

The endowment funds reported herein are institutional funds under the terms of the gift instrument and are not wholly expendable by the institution. NDCC Section 59-21, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) applies to the investment of endowments governed by a gift instrument. NDUS SBHE policy 810 stipulates endowment funds shall be invested according to the intent of the donor provided such intent is consistent with applicable laws. Absent terms expressing donor intent in a gift instrument, NDUS institution officers initially shall deposit the funds in institution accounts at the Bank of North Dakota. Thereafter, the funds may be invested according to NDCC 59-21. Subject to the intent of the donor, NDUS institution officers are delegated authority to manage and invest these institutional funds as provided by UPMIFA. NDCC Section 59-21-02.5a(7) applies to standard of conduct in the administration of powers to make and retain investments. It states that in managing and investing an institutional fund, the needs of the institution and the fund to make distributions and to preserve capital must be considered. Given the flexibility in NDCC 59-21-02, institutions have differing policies with respect to spending investment income and net appreciation on endowment funds. For UND, distributions for spending endowments each year will be calculated once annually with the quarter ended December 31 unitized fair value and is based on the set spending rate, currently 3.75 percent, applied to the average fair value for the preceding twelve quarter average. All endowment in existence at December 31 for one year will receive a distribution spending allocation. The available amount will be forecast to UND for planning purposes by February 1, and these distributions will be available for spending in the upcoming fiscal year. NDSU determines the spending of endowment earnings based on an annual evaluation.

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Net appreciation on investments are available for expenditure and consist of the following at June 30, 2024:

North Dakota State University	\$	678,950	Reflected in net position as:
University of North Dakota		671,697	Expendable scholarships & fellowships
Total NDUS	\$	<u>1,350,647</u>	Non-expendable scholarships & fellowships

Endowment funds reported herein do not include the Federal Land Grant Fund held by the State Department of Trust Lands. The annual proceeds from assets held by the Commissioner of the State Department of Trust Lands and are deposited into each college/university's operating fund at the State Treasury and are used for current operating purposes. Bismarck State College, Lake Region State College and Williston State College do not participate in the proceeds allocated by the State Land Department. Total assets held by the State Land Department and proceeds for the fiscal year ended June 30, 2024 are approximately \$262.2 million and \$9.5 million respectively.

E. RECEIVABLES

Receivables at June 30, 2024, consist of the following (expressed in thousands):

	General	Federal	State	Other Governmental Funds	Bank of North Dakota	Housing Finance
Receivables:						
Accounts	\$ 41,001	\$ 16,877	\$ 263,766	\$ —	\$ —	\$ 1,616
Less Allowance	(12,403)	(10,837)	(94,490)	—	—	—
Taxes	555,175	—	246,697	115	—	—
Less Allowance	(113,865)	—	(1,865)	—	—	—
Interest	40,366	—	22,190	385	70,332	32
Less Allowance	—	—	(9,087)	—	—	—
Lease Receivable	—	8	—	—	—	—
Intergovernmental	—	338,214	16,478	—	—	438
Less Allowance	—	—	(52)	—	—	—
Current Loans and Notes	34	28	4,642	38,680	5,607,506	—
Less Allowance	—	—	(415)	—	—	—
Noncurrent Lease Receivable	265	—	315	—	—	—
Noncurrent Loans and Notes	—	134	11,975	—	—	—
Noncurrent Restricted Loans Receivable	—	—	—	—	—	1,871,304
Less Allowance	—	—	—	—	(99,865)	(19,616)
Restricted Interest	—	—	—	193	—	8,910
Restricted Loans	—	—	—	—	—	40,820
Net Receivables	<u>\$ 510,573</u>	<u>\$ 344,424</u>	<u>\$ 460,154</u>	<u>\$ 39,373</u>	<u>\$ 5,577,973</u>	<u>\$ 1,903,504</u>

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	University System	Workforce Safety & Insurance	Other Enterprise Funds	Internal Service Funds	Major Component Units	Total
Receivables:						
Accounts	\$ 48,414	\$ 24,457	\$ 132,493	\$ 184	\$ 37	\$ 528,845
Less Allowance	(8,996)	(12,000)	(20,624)	—	—	(159,350)
Taxes	—	—	—	—	—	801,987
Less Allowance	—	—	—	—	—	(115,730)
Interest	—	10,356	6,032	63	388	150,144
Less Allowance	—	—	—	—	—	(9,087)
Lease Receivable	32	—	185	—	—	225
Intergovernmental	56,731	—	719	942	—	413,522
Less Allowance	—	—	—	—	—	(52)
Current Loans and Notes	2,626	—	72,276	—	1,209	5,727,001
Less Allowance	—	—	—	—	—	(415)
Noncurrent Lease Receivable	767	—	177	—	—	1,524
Noncurrent Loans and Notes	8,718	—	663,757	—	54,502	739,086
Noncurrent Restricted Loans Receivable	—	—	—	—	112,089	1,983,393
Less Allowance	(742)	—	(16,792)	—	(21,469)	(158,484)
Restricted Interest	—	—	—	—	5,583	14,686
Restricted Loans	—	—	53	—	5,242	46,115
Net Receivables	<u>\$ 107,550</u>	<u>\$ 22,813</u>	<u>\$ 838,276</u>	<u>\$ 1,189</u>	<u>\$ 157,581</u>	<u>\$ 9,963,410</u>

The expected future principal and interest payments on lease receivables is as follows (in thousands):

Year ending:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 418	\$ 21	\$ 216	\$ 8
2026	83	11	919	2
2027	83	7	17	1
2028	12	4	8	—
2029	—	—	—	—
Total	<u>\$ 596</u>	<u>\$ 43</u>	<u>\$ 1,160</u>	<u>\$ 11</u>

F. REVERSE REPURCHASE AGREEMENTS

State statutes permit the State to enter into reverse repurchase agreements, that is, the sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in fair value of the securities. All sales of investments under these agreements are for fixed terms. In investing the proceeds of these agreements, State policy is for the term to maturity of the investment to be the same as the term of the agreement. Such matching existed at year end. These agreements are secured by Fed book-entry securities held in the State's name. At June 30, 2024, the State had no repurchase agreements.

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G. INTERFUND ACCOUNTS AND TRANSFERS

DUE FROM OTHER FUNDS/DUE TO OTHER FUNDS

Interfund balances at June 30, 2024 of the following (expressed in thousands):

Due To General Fund From:	
Federal Fund	\$ 45,636
State Fund	32,110
Bank of North Dakota	6,299
Nonmajor Enterprise Funds	30,045
All Others	2,361
Total Due To General Fund	<u>\$ 116,451</u>

Included in the Nonmajor Enterprise Funds amount is a loan to the Rebuilder's Loan Program for \$11,535,000. This is not expected to be repaid within one year.

Due To Federal Fund From:		Due To State Fund From:	
General Fund	\$ 3,098	General Fund	\$ 690
State Fund	73,881	Federal Fund	28,135
All Others	2,219	Internal Service Funds	155
Total Due To Federal Fund	<u>\$ 79,198</u>	Nonmajor Enterprise Funds	1,046
		All Others	1,242
		Total Due To State Fund	<u>\$ 31,268</u>
Due to Enterprise Fund From:			
Federal Fund	\$ 852		
All Others	399		
Total Due to Enterprise Fund	<u>\$ 1,251</u>		

Due To Internal Service Funds From:		Due To Bank of North Dakota From:	
General Fund	\$ 5,295	State Fund	\$ 13,362
State Fund	4,271	Nonmajor Enterprise Funds	123,670
University System	1,348	University System	1,635
Federal Fund	800	General Fund	468
All Others	1,078	All Others	897
Total Due To Internal Service Funds	<u>\$ 12,792</u>	Total Due To Bank of North Dakota	<u>\$ 140,032</u>

Included in the Nonmajor Enterprise Funds amount is a loan to the Rebuilder's Loan Program for \$27,000 which is expected to be repaid within one year.

Due To University System From:	
General Fund	\$ 7,897
Federal Fund	34,279
State Fund	2,123
Bank of North Dakota	801
All Others	136
Total Due To University System	<u>\$ 45,236</u>
Due To All Other Funds From:	
All Other	<u>\$ 331</u>

Included in this category are all other enterprise funds and fiduciary funds.

These balances are a result of a time lag between the dates that (1) services are provided and goods received or reimbursable expenditures occur, (2) the payments are made, (3) the transactions are entered into the accounting system, and (4) because of transactions occurring between funds with a fiscal year other than June 30, 2024.

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A reconciliation of Due From's and Due To's is presented below (expressed in thousands):

Due From's	\$ 426,560
General Fund/Bank of ND	(6,299)
Bank of ND/ Mill and Elevator	(6,625)
Bank of ND/Rebuilder's Loan	27
Bank of ND/University System	(860)
Bank of ND/Guaranteed Student Loan	—
Governmental Agencies/Bank of ND	(526)
Bank of ND/Enterprise Funds	8,686
Total Differences	<u>(5,597)</u>
Due To's	<u>\$ 420,963</u>

The previous table represents timing differences between agencies as a result of different fiscal year ends. Those agencies with a different fiscal year end include: Bank of North Dakota and the following Nonmajor Enterprise Funds: Guaranteed Student Loan and Community Water Facility Loan, which have a December year end and State Fair, which has a September year end.

INTERFUND TRANSFERS

A summary of interfund transfers for the fiscal year ended June 30, 2024, follows (expressed in thousands):

	General	Special Revenue Federal	Special Revenue State	University System	Housing Finance	Non- major Governmental	Non- major Enterprise	Pension Trust Fund	Internal Service Fund	Total
Transfers Out										
General	\$ —	\$ 6	\$ 128,858	\$ 511,895	\$ 1,151	\$ 104,001	\$ 56,990	\$ —	\$ —	\$ 802,902
Special Revenue-Federal	1,095	—	34,775	—	—	—	—	—	—	35,871
Special Revenue-State	107,500	1,307	—	194,638	—	206	120,000	138,000	4,781	566,431
Non-major Governmental	1,237	—	26,662	42,665	—	7	34,782	—	—	105,353
Bank of North Dakota	140,000	—	33,638	2,600	—	—	52,000	—	—	228,238
Housing Finance	—	—	100	—	—	—	—	—	—	100
University System	—	—	—	—	—	6,553	—	—	—	6,553
Non-Major Enterprise	18,478	—	2,480	—	—	—	—	—	—	20,957
Total	<u>\$ 268,310</u>	<u>\$ 1,312</u>	<u>\$ 226,513</u>	<u>\$ 751,799</u>	<u>\$ 1,151</u>	<u>\$ 110,767</u>	<u>\$ 263,772</u>	<u>\$ 138,000</u>	<u>\$ 4,781</u>	<u>\$1,766,405</u>

(Transfers In do not agree to the statements due to the timing differences noted below.)

Transfers are used for the following purposes:

- Move general fund appropriation amounts to certain agencies.
- Move revenues from the fund that statute requires to collect them to the fund authorized to spend them.
- Move certain excess revenues collected in other funds to the general fund.
- Move receipts restricted for debt service from the funds collected to the debt service funds as payments become due, and move capital project funds paying the construction costs.

For the year ended June 30, 2024, legislatively-mandated transfers were made to the general fund of \$25,000,000 from Strategic Investment and Improvement Fund, \$254,474,088 from Legacy Fund, \$8,600,000 from the State Lottery, \$9,877,705 from Mill and Elevator, \$6,106,940 from the Insurance Regulatory Trust Fund, \$736,399 from the Multistate Audit Fund, \$10,734,106 from the Securities Dept. Special Fund and \$58,328,500 from the Budget Stabilization Fund.

STATE OF NORTH DAKOTA

A reconciliation of Transfers In and Transfers Out is presented below (expressed in thousands):

	\$ (1,609,180)
Differences:	
General Fund / Bank of North Dakota	(140,000)
Spec. Rev. Hwy Fund / Legacy Bond Program	1,360
Spec. Rev. Ag Pace / Bank of North Dakota	500
Spec. Rev. PACE / Bank of North Dakota	(8,000)
Spec. Rev. Beg. Farmers Loan / Bank of North Dakota	1,500
Spec. Rev. Beg. Farmers Loan / Ag PACE	1,000
Spec. Rev. Beg. Farmers Loan / PACE	400
NDIT - SIRD Fund / Bank of North Dakota	20,000
Infrastructure Revolving Loan Fund / Legacy Bond Program	(22,459)
BND Infrastructure Revolving Loan Fund / Legacy Bond	(11,524)
Federal fund	(2)
Total Differences	(157,225)
Transfers Out	<u><u>\$ (1,766,405)</u></u>

The above timing differences of \$130.78 million result from transactions between agencies that have different fiscal year ends. The Bank of North Dakota (BND) has a different fiscal year end, they have a December year end. This difference is also the total net transfers on the Government-wide Statement of Activities.

STATE OF NORTH DAKOTA

H. CAPITAL ASSETS

The following is a summary of capital assets during the fiscal year (expressed in thousands):

Primary Government

Description	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 165,855	\$ 9,209	\$ —	\$ 175,064
Construction in Progress	487,745	436,381	(197,420)	726,706
Total Capital Assets Not Being Depreciated	653,600	445,590	(197,420)	901,770
Capital Assets Being Depreciated:				
Buildings and Improvements	829,014	17,258	(1,300)	844,972
Equipment	409,477	43,286	(19,109)	433,654
Intangibles				
Software	444,380	13,438	(468)	457,350
Other	41,379	1,421	—	42,800
Infrastructure	8,000,879	259,983	(300)	8,260,562
Lease Assets	55,958	9,086	(1,289)	63,755
Subscription-Based IT Arrangements	72,187	24,616	(2,492)	94,311
Total Capital Assets Being Depreciated	9,853,274	369,088	(24,958)	10,197,404
Less Accumulated Depreciation for:				
Buildings and Improvements	(399,272)	(21,685)	1,057	(419,900)
Equipment	(210,077)	(29,277)	14,797	(224,557)
Intangibles				
Software	(218,832)	(39,626)	463	(257,995)
Other	(30,760)	(1,672)	—	(32,432)
Infrastructure	(3,580,713)	(173,722)	275	(3,754,160)
Lease Assets	(16,875)	(10,041)	988	(25,928)
Subscription-Based IT Arrangements	(14,770)	(18,891)	2,184	(31,477)
Total Accumulated Depreciation	(4,471,299)	(294,914)	19,764	(4,746,449)
Total Capital Assets Being Depreciated, Net	5,381,975	74,174	(5,194)	5,450,955
Governmental Activities Capital Assets, Net	<u>\$ 6,035,575</u>	<u>\$ 519,764</u>	<u>\$ (202,614)</u>	<u>\$ 6,352,725</u>

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Description	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 26,979	\$ 1,725	\$ —	\$ 28,704
Construction in Progress	332,665	201,127	(261,549)	272,243
Total Capital Assets Not Being Depreciated	359,644	202,852	(261,549)	300,947
Capital Assets Being Depreciated:				
Buildings and Improvements	2,149,845	257,301	(10,294)	2,396,852
Equipment	641,183	37,259	(15,396)	663,046
Intangibles				
Software	27,963	242	(3,825)	24,380
Other	41,264	4,117	—	45,381
Infrastructure	319,085	11,473	(1,177)	329,381
Lease Assets	102,008	43,574	(35,711)	109,871
Subscription Based IT Arrangements	34,039	5,227	(1,694)	37,572
Total Capital Assets Being Depreciated	3,315,387	359,193	(68,097)	3,606,483
Less Accumulated Depreciation for:				
Buildings and Improvements	(827,071)	(55,599)	7,651	(875,019)
Equipment	(430,452)	(32,617)	12,361	(450,708)
Intangibles				
Software	(26,778)	(321)	3,825	(23,274)
Other	(28,600)	(4,216)	—	(32,816)
Infrastructure	(150,966)	(9,423)	589	(159,800)
Lease Assets	(25,560)	(18,111)	10,763	(32,908)
Subscription Based IT Arrangements	(9,376)	(10,240)	981	(18,635)
Total Accumulated Depreciation	(1,498,803)	(130,527)	36,170	(1,593,160)
Total Capital Assets Being Depreciated, Net	1,816,584	228,666	(31,927)	2,013,323
Business-Type Activities Capital Assets, Net	\$ 2,176,228	\$ 431,518	\$ (293,476)	\$ 2,314,270

Major Component Units

Description	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital Assets Not Being Depreciated				
Land	\$ 15,149	\$ —	\$ (1,115)	\$ 14,034
Construction in Progress	11,391	9,423	(800)	20,014
Total Capital Assets Not Being Depreciated	26,540	9,423	(1,915)	34,048
Capital Assets Being Depreciated:				
Buildings and Improvements	219,968	1,901	(1,315)	220,554
Equipment	54,687	6,347	(1,504)	59,530
Intangibles	203	—	—	203
Infrastructure	1,888	—	(107)	1,781
Total Capital Assets Being Depreciated	276,746	8,248	(2,926)	282,068
Less Accumulated Depreciation for:				
Buildings and Improvements	(97,249)	(6,952)	73	(104,128)
Equipment	(28,240)	(3,452)	1,105	(30,587)
Intangibles	(98)	\$ (41)	—	(139)
Infrastructure	(908)	(37)	51	(894)
Total Accumulated Depreciation	(126,495)	(10,482)	1,229	(135,748)
Total Capital Assets Being Depreciated, Net	150,251	(2,234)	(1,697)	146,320
Major Component Unit Capital Assets, Net	\$ 176,791	\$ 7,189	\$ (3,612)	\$ 180,368

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Lease asset by major class are as follows (expressed in thousands):

Governmental Activities:

Asset Class	Cost	Accumulated Amortization
Land	\$ 87	\$ —
Buildings	58,612	(23,801)
Infrastructure	—	—
Equipment	5,057	(2,128)
	<u>\$ 63,756</u>	<u>\$ (25,929)</u>

Business-Type Activities:

Asset Class	Cost	Accumulated Amortization
Land	\$ 20,539	\$ (3,528)
Buildings	8,323	(2,379)
Infrastructure	29,485	(8,485)
Equipment	51,523	(18,516)
	<u>\$ 109,870</u>	<u>\$ (32,908)</u>

Depreciation and amortization expense was charged to functions/programs of the primary government as follows (expressed in thousands):

Governmental Activities:

General Government	\$ 26,928
Education	3,102
Health and Human Services	40,256
Regulatory	4,138
Public Safety and Corrections	18,449
Agriculture and Commerce	368
Natural Resources	21,443
Transportation	174,718
Total Governmental Activities Depreciation Expense	<u>\$ 289,402</u>

The State incurred variable payments of \$8.78 million on subscription based information technology arrangements for the year ended June 30, 2024. The variable terms include the number of users.

Construction In Progress is composed of the following (expressed in thousands):

Project Description:

Governmental Activities	Amount Expended		Balance Authorized
	Amount Authorized	Through June 30, 2024	
Secretary of State	\$ 1,720	\$ 188	\$ 1,532
Office of Management and Budget	16,800	715	16,085
Information Technology	100,000	20,333	79,667
Attorney General	425	203	222
Legislative Assembly	4,817	2,608	2,209
School for the Deaf	565	480	85
Veteran's Home	2,164	79	2,085
Environmental Quality	2,341	1,610	731
Department of Human Services	222,000	21,001	200,999
Highway Patrol	3,686	3,177	509
Corrections and Rehabilitation	138,757	5,748	133,009
Adjutant General	46,891	19,583	27,308
State Historical Society	75,497	915	74,582
Game and Fish	5,031	2,300	2,731
Parks & Recreation	31,390	2,867	28,523
Water Commission	1,800	6	1,794
Department of Transportation	918,508	644,920	273,588
Total Governmental Activities	<u>\$ 1,572,392</u>	<u>\$ 726,733</u>	<u>\$ 845,659</u>

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<u>Business-Type Activities</u>	Amount Authorized	Amount Expended Through June 30, 2024	Balance Authorized
Mill and Elevator	\$ 67,470	\$ 39,297	\$ 28,173
University System	825,208	232,087	593,121
Total Business-Type Activities	<u>\$ 892,678</u>	<u>\$ 271,384</u>	<u>\$ 621,294</u>

I. DEFERRED OUTFLOWS OF RESOURCES

FINANCIAL DERIVATIVE INSTRUMENT

The State enters into interest rate swap agreements to modify interest rates on certain liabilities. The fair values of both hedging derivatives and investment derivatives (if any) are presented on the Statement of Net Position, either as a derivative liability (negative fair value) or as a derivative asset (positive fair value). The change in the total fair value of derivatives that are determined to be effective hedges is recorded as a deferred inflow or outflow of resources on the Statement of Net Position. If a derivative were determined to be an ineffective hedge, it would be classified as an investment derivative, and the change in the total fair value would be presented as part of investment earnings.

DEFERRED LOSS ON BOND REFUNDING

A deferred charge on refunded debts results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

J. LONG-TERM DEBT

Debt authorized is generally limited by the state constitution. The Constitution of North Dakota provides that the State may issue or guarantee the payment of bonds, provided that all bonds in excess of \$2 million are: (1) secured by first mortgage upon property and no further indebtedness may be incurred by the State unless evidenced by a bond issue; (2) authorized by law; (3) for a certain purpose; (4) provisioned to pay the interest semiannually; and (5) the principal is paid within 30 years. Additionally, the law authorizing the bond issue must specifically appropriate the provisions to the payment of the principal and interest of the bond.

1. REVENUE BONDS

Bonds payable at June 30, 2024, consisted of bonds issued by the State and are accounted for by the respective state agencies in the government-wide financial statements that issued the bonds.

Current state statutes empower certain state agencies to issue bonds as part of their activities. This debt is not backed by the full faith and credit of the State of North Dakota. The principal and interest on such bonds shall be payable only from the applicable agency's program income.

Primary Government

Building Authority

The 2010 Series A and B, the 2012 Series A, the 2017 Series A bonds and the 2020 Series A have interest payable semiannually on June 1 and December 1 of each year. The 2010 Series A bonds are subject to optional redemption in whole or in part. The 2017 Series A bonds and 2020 Series A are not subject to optional and/or extraordinary optional redemption prior to maturity upon the occurrence of certain events. All bonds are independently secured by the funds, certain mortgaged property, and all rights, titles, and interests of the Building Authority as lessor, including all basic rent payments, investment earnings on the funds and any other income derived by the Building Authority with respect to the lease. Total net revenue pledges for fiscal year 2024 were \$10.06 million. For fiscal year 2024, principal and interest paid by the Authority on the bonds was \$10.03 million. The total principal and interest remaining to be paid as of June 30, 2024, is \$103.829 million payable through December 2040.

The 2010 bond agreements require the establishment and maintenance of reserve funds to be used for debt service payments if amounts in the bond funds are insufficient to make payments. Fund are also required for any positive arbitration due to the Federal government.

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Legacy Bond Program

The appropriation bonds have been issued to provide financing to legislative approved state projects and programs. The bonds are limited obligations of the Public Finance Authority and payable solely from funds appropriated by the Legislative Assembly, other legally available funds, if any, and other fund or amounts held by the Trustee as security for the bonds. The total principal and interest remaining to be paid as of June 30, 2024 is \$934.9 million through June 2041.

Student Loan Trust

Interest is payable semiannually on June 1 and December 1 of each year. The 2004 Series A Bonds are variable rate bonds. The rate of interest is determined based on one-month SOFR plus 0.7%. The maximum rate of interest is 12% per annum. Details of the terms and provisions of the variable rate bonds are outlined in Section 2.1 of the Fourth Supplemental Resolution to the State of North Dakota Student Loan Revenue Bonds First General Bond Resolution. Section 2.2 of the Fourth Supplemental Resolution to the State of North Dakota Student Loan Revenue Bonds First General Bond Resolution has deemed these to be Federally Taxable Bonds. The Series 2004 Bonds are subject to redemption prior to maturity at the option of the Commission from any source of funds, in whole or in part, on any date at a redemption price equal to 100% of the principal amount plus accrued interest to date of redemption.

The total principal and interest remaining to be paid on the outstanding bond is \$1 million payable through June 2029. For fiscal year 2024, revenue pledged and total principal and interest paid by Student Loan Trust were \$38,000 and \$61,000, respectively.

Housing Finance

Housing Finance Bonds were issued to provide financing to purchase mortgage loans to finance rental housing projects. The bonds are the direct obligation of the Housing Finance Agency and are secured by the mortgage loans purchased under the applicable resolutions; the revenues, prepayments, insurance and foreclosure proceeds received related to the mortgage loans; and certain funds and accounts established pursuant to the applicable bond resolution.

Revenues Pledged – The agency has homeownership bonds outstanding in the amount of \$1.9 billion maturing at various times from July 1, 2024 through July 1, 2054. The bonds have been issued to provide financing to purchase mortgage loans. Annual principal and interest payments on the bonds are expected to require 98 percent of net revenues. Principal and interest paid for the current year and total customer net revenues were \$121.8 million and \$45.9 million, respectively. Bond principal was reduced through customer revenues and the refunding of older bonds with proceeds from new bond issues.

Pursuant to the Series Resolutions adopted to date and under the 1994 and 2009 General Resolutions, the revenues generated by the Program Loans (but not the Program Loans themselves) are pledged to secure the Bonds. The Agency is permitted by terms of the General Resolutions to issue Bonds and pledge Revenues pursuant to the Series Resolution which exceed the amount required to meet the obligations of that Series of Bonds. In such event, it is likely that any such Series of bonds would produce excess Revenues which could be available to redeem the related Series of bonds or any other Series of Bonds prior to the state maturities thereof.

University System

Revenue bonds are limited obligations of the University System. The principal and interest on the bonds are payable generally from the net income of specific auxiliary activities, designated student fees, interest subsidies and debt service reserve funds. These revenues are generally pledged to the payment of bonds in accordance with the specific terms of the specific indenture. Net pledged revenues for fiscal year 2024 were \$20.6 million. Principal and interest paid for the current fiscal year were \$20.6 million, with total remaining principal and interest of \$335.9 million payable through fiscal year 2050.

State Fair Association

Capital Financing Program Bonds Series 2015 – Interest is payable semi-annually on June 1 and December 1 of each year. The bonds maturing on June 1, 2026 and thereafter are subject to optional redemption on June 1, 2025 and any date thereafter. The bonds are secured by the Association's net revenues and by the lodging tax proceeds from the City of Minot, North Dakota.

Major Component Units

Public Finance Authority

The bonds of the Public Finance Authority were issued to provide financing to purchase municipal securities in order to provide local political subdivisions with funds to finance local projects. The bonds are direct obligations of the Public Finance Authority and are secured by municipal securities purchased under the applicable resolutions, interest earnings and certain accounts established pursuant to the applicable bond resolutions. Net pledged revenues for fiscal year 2024 were \$7.3 million. Principal

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and interest paid for the current fiscal year were \$47.5 million, with total remaining principal and interest of \$537.9 million payable through June 2045.

Transmission Authority

The bonds of the Transmission Authority were issued to provide facilitate the purchase of a transmission line. The bonds are direct obligations of the Transmission Authority and are secured by Nexus Line, LLC. Net pledged revenues for fiscal year 2024 were \$5.1 million. Principal and interest paid for the current fiscal year was \$10.6 million, with total remaining principal and interest of \$191.2 million payable through June 2042.

Revenue Bonds outstanding (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/24
Governmental-Type Activities:			
Building Authority	2025-2041	3.50-6.25	\$ 74,211
Legacy Bond Fund	2025-2041	0.87 - 4.8	680,486
Business-Type Activities:			
Student Loan Trust	6/1/2029	6.03	1,000 ¹⁾
Housing Finance:			
Homeownership	2025-2055	0.20-6.25	1,938,268 ¹⁾
University System:			
BSC—Bismarck	2025-2033	2.00-4.00	5,150
Dakota College at Bottineau	2025-2026	2.00-5.00	2,435
MaSU—Mayville	2025-2030	1.25-3.25	1,420
MiSU—Minot	2025-2041	0.40-3.00	6,982
NDSCS—Wahpeton	2025-2037	3.00	5,787
NDSU—Fargo	2025-2047	1.10-5.00	99,491
UND—Grand Forks	2025-2050	0.75-5.00	156,338
VCSU—Valley City	2025-2046	3.00-4.00	4,389
Williston State College	2025-2041	3.10	4,713
State Fair Association	2024-2029	3.00	995
Total Revenue Bonds Payable— Primary Government			\$ 2,981,665

1) Entire amount of bonds payable are not associated with capital assets of the State.

2) At June 30, 2024, NDSU had pledged \$11.1 million of assets as collateral for bonds payable issued at the Research I and Research II buildings and \$721,000 for agricultural equipment leases. UND pledged \$6.9 million for the Tech Accelerator Building, \$942,000 for an airport hangar and \$6.4 million for aircraft simulator and information technology and research equipment leases.

The MiSU and VCSU bonds as well as the BSC 2012 bond issue contain a provision that in the event of default, outstanding amounts become immediately due if the institutions are unable to make payment.

DCB and NDSCS contain a provision that the bond owners or a court appointed trustee may pursue any available legal remedy.

The BSC 2012 and the MISU bond issues are subject to redemption in the event of any loss, damage or destruction.

The MaSU, NDSU, UND and WSC bonds contain a provision that the bond owners or a court appointed trustee may pursue any available legal remedy.

The NDSU bonds payable to component units are payable through the monies received from the operating lease between the component unit and NDSU. In the event of NDSU's failure to pay the rent under the lease, the component unit may declare all rent due and payable for the remaining term of the lease, subject to available appropriations. The component unit may take possession of the facilities.

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Major Component Units

	Maturities	Interest Rates	Balance 6/30/24
Public Finance Authority	2025-2045	0.24-5.00	\$ 439,817
Transmission Authority	2025-2042	3.55	139,600
University System Foundation	2025-2040	0.75-5.01	54,241
Total Revenue Bonds Payable— Major Component Units			<u>\$ 633,658</u>

Debt service requirements to maturity on revenue bond issues for the fiscal years ending June 30 are summarized below (expressed in thousands):

Primary Government

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 31,420	\$ 26,596	\$ 71,737	\$ 78,449
2026	33,065	25,811	73,318	78,843
2027	33,965	24,954	77,629	76,936
2028	34,955	24,006	70,242	74,897
2029	36,010	22,971	68,638	73,165
2030 - 2034	198,110	96,666	341,277	334,283
2035 - 2039	226,631	59,084	381,405	276,892
2040 - 2044	145,170	12,289	383,318	207,609
2045 - 2049	—	—	437,875	126,925
2050 - 2054	—	—	293,511	38,550
2055 - 2059	—	—	5,380	163
Bond Premium	15,371	(15,371)	22,638	(22,638)
Total	<u>\$ 754,697</u>	<u>\$ 277,006</u>	<u>\$ 2,226,968</u>	<u>\$ 1,344,074</u>

Major Component Units

	Principal	Interest
2025	\$ 33,445	\$ 23,848
2026	39,144	23,750
2027	38,678	21,713
2028	40,311	20,042
2029	45,462	18,295
2030 - 2034	186,776	62,948
2035 - 2039	148,224	27,672
2040 - 2044	50,572	5,304
2045 - 2049	4,379	220
Bond Premium	46,667	(46,667)
Total	<u>\$ 633,658</u>	<u>\$ 157,125</u>

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2. NOTES PAYABLE

The following is a schedule of notes payable outstanding at June 30, 2024 (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/24
<u>Governmental Activities:</u>			
Office of Management and Budget	2025-2034	2.43	\$ 8,504
Department of Human Services	2025-2035	2.05-3.65	2,553
School for the Blind	2025-2037	2.60	111
Environmental Quality	2025-2035	3.65	394
Attorney General's Office	2025-2036	2.05	220
Veteran's Home	2025-2036	2.05	598
Corrections	2025-2036	2.05	895
Historical Foundation	2025-2033	2.05	75
Information Technology Department	2025-2026	0.00-3.20	906
<u>Proprietary Activities:</u>			
Bank of North Dakota	2024	5.64	25,000 ¹⁾
University System	2025-2037	1.00-5.25	19,013
Total Revenue Bonds Payable— Primary Government			<u>\$ 58,269</u>

Major Component Units

	Maturities	Interest Rates	Balance 6/30/24
University System Foundation	2025-2036	0.95-4.35	\$ 48,389
Total Revenue Bonds Payable— Major Component Units			<u>\$ 48,389</u>

- 1) These notes payable represent FHLB long-term advances. The advances must be secured by minimum qualifying collateral maintenance levels. Residential, agriculture and commercial loans with carrying values of \$864.4 million are currently being used as security to meet these minimum levels.

Short Term Borrowings:

The Bank of North Dakota had FHLB short-term advances outstanding as of December 31, 2023 that all matured in January 2024.

The ND Housing Finance Agency maintains a collateral pledge agreement with the FHLB covering secured advances whereby the Agency has agreed to retain residential real estate loans and marketable securities, free of all other pledges, liens and encumbrances. The pledged loans and securities are discounted by FHLB when determining their borrowing capacity. The aggregate borrowing capacity of eligible collateral was approximately \$14.6 million as of June 30, 2024. In addition, borrowings are collateralized by \$23 million of loans receivable and \$17,000 of cash and investments.

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Debt service requirements to maturity for notes payable for the fiscal years ending June 30 are summarized below (expressed in thousands):

Primary Government

Governmental Activities			Business-Type Activities		
	Principal	Interest		Principal	Interest
2025	\$ 1,608	\$ 348	2025	\$ 28,688	\$ 581
2026	1,628	316	2026	3,166	471
2027	1,205	276	2027	3,218	399
2028	1,248	244	2028	2,038	314
2029	1,281	212	2029	1,528	263
2030 - 2034	6,554	449	2030 - 2034	5,047	773
2035 - 2039	732	24	2035 - 2039	328	3
2040 - 2044	—	—	2040 - 2044	—	—
2045 - 2049	—	—	2045 - 2049	—	—
2050 - 2054	—	—	2050 - 2054	—	—
2055 - 2059	—	—	2055 - 2059	—	—
2060 - 2064	—	—	2060 - 2064	—	—
Total	\$ 14,256	\$ 1,869		\$ 44,013	\$ 2,804

Major Component Units

	Principal	Interest
2025	\$ 3,831	\$ 297
2026	10,780	765
2027	9,347	574
2028	5,122	364
2029	5,394	291
2030 - 2034	3,956	226
2035 - 2039	6,337	459
2040 - 2044	1,688	215
2045 - 2049	1,533	86
2050 - 2054	401	2
Total	\$ 48,389	\$ 3,279

3. CERTIFICATES OF PARTICIPATION

Primary Government

University System

On September 1, 2018, the University of North Dakota (UND) entered into a lease-purchase agreement with Johnson Controls PI Project Site Operations, LLC (Johnson Controls) to construct and operate a new steam plant and make other energy conservation improvements. To fund the project, UND issued Series 2018A and 2018B Certificates of Participation through Trust Agreement with the Bank of North Dakota, as the Trustee. The certificates are subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations.

The Series 2018A certificates were issued at a par value of \$76.6 million, with a net premium of \$3.8 million. In fiscal year 2019, UND began making semi-annual interest-only payments through fiscal year 2040. The first principal payment will be due in fiscal year 2041. The certificates mature in fiscal year 2057.

The Series 2018B certificates were issued at a par value of \$16.5 million, with no premium or original issue discount. In fiscal year 2019, UND began making semi-annual interest-only payments through fiscal year 2023. The first principal payment will be due in 2024. The certificates mature in fiscal year 2041.

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On July 26, 2021, UND issued tax-exempt Certificates of Participation, Series 2021A, in the amount of \$133,010,000 to fund the costs of a major renovation to student housing facilities; demolition of nine student housing facilities based upon student demand; and the construction of a new 400 and 477-bed student housing facility.

JCP University Housing Services, LLC (JCP USH) and UND entered a lease-purchase agreement in which the institution will initially lease the project from JCP USH. The title to the real estate on which the project is constructed will remain with the institution. The initial term of the lease commences on June 30, 2023, with extensions through June 30, 2061.

The Series 2021A certificates were issued at a par value of \$133.0 million, with a net premium of \$9.0 million. The certificates have interest rates ranging from 4.0 to 5.0 percent and are subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations.

The first principal and interest payments are due in the fiscal year 2024. The certificates mature in the fiscal year 2061.

The Series 2021B certificates were issued at a par value of \$18.3 million. The certificates have interest rates ranging from 0.42 to 2.34 percent and are subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations. The first principal payment was due April 1, 2022 and certificates mature in the fiscal year 2034.

On August 22, 2019, WSC entered into a lease-purchase agreement with Johnson Controls, Inc., to fund the costs of certain energy conservation improvements including, but not limited to, renovations to existing heating, ventilation, and air conditioning systems and controls, deferred maintenance improvements. To fund the project, WSC issued Series 2019 Certificates of Participation through the Bank of North Dakota. The certificates have interest rates ranging from 3.0 to 5.0 percent and are subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations.

The Series 2019 certificates were issued at a par value of \$7.4 million, with a net discount of \$78,000. In fiscal year 2020, WSC made an interest only payment with semi-annual principal and interest payment beginning fiscal year 2021 through fiscal year 2048.

The following is a schedule of certificates of participation outstanding at June 30, 2024 (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/24
<u>Proprietary Activities:</u>			
University System	2025-2063	0.42 – 5.00	\$ 251,166

Debt service requirements to maturity on the certificates of participation for the fiscal years ending June 30 are summarized below (expressed in thousands):

Primary Government

	Business-Type Activities				
	Principal	Interest		Principal	Interest
2025	\$ 1,681	\$ 8,787	2035 - 2039	\$ 16,503	\$ 39,911
2026	1,798	8,761	2040 - 2044	23,493	35,729
2027	1,925	8,727	2045 - 2049	37,140	29,823
2028	2,002	8,687	2050 - 2054	58,946	20,911
2029	2,039	8,641	2055 - 2059	69,440	9,249
2030 - 2034	13,176	42,302	2060 - 2064	23,023	971
			Total	\$ 251,166	\$ 222,499

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4. LEASES PAYABLE

Primary Government

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 10,088	\$ 1,498	\$ 11,967	\$ 3,257
2026	5,258	1,198	9,636	2,851
2027	3,517	1,012	8,272	2,480
2028	2,582	879	7,344	2,132
2029	2,643	770	5,568	1,845
2030 - 2034	10,209	2,399	18,911	6,387
2035 - 2039	5,598	792	5,295	3,908
2040 - 2044	308	52	4,390	3,023
2045 - 2049	184	5	6,032	1,901
2050 - 2054	—	—	3,462	560
2053 - 2057	—	—	—	57
Total	<u>\$ 40,387</u>	<u>\$ 8,605</u>	<u>\$ 80,877</u>	<u>\$ 28,401</u>

Major Component Units

	Principal	Interest
2025	\$ 169	\$ 88
2026	174	79
2027	142	72
2028	149	65
2029	156	58
2030 - 2034	693	175
2035 - 2039	29	93
2040 - 2044	34	87
2045 - 2049	42	80
2050 - 2054	50	71
2055 - 2059	61	61
2060 - 2064	73	49
2065 - 2069	241	52
Total	<u>\$ 2,013</u>	<u>\$ 1,030</u>

5. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) PAYABLE

Primary Government

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 21,562	\$ 2,173	\$ 8,190	622
2026	20,205	1,253	3,655	375
2027	7,229	496	2,453	210
2028	2,424	232	1,493	107
2029	1,169	129	605	42
2030 - 2034	2,000	190	466	29
2035 - 2039	90	20	—	—
2040 - 2044	111	2	—	—
Total	<u>\$ 54,790</u>	<u>\$ 4,495</u>	<u>\$ 16,862</u>	<u>\$ 1,385</u>

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Changes in General Long-Term Liabilities

Changes in Long-Term Liabilities for the year ended June 30, 2024, are summarized as follows (expressed in thousands):

Primary Government

	Beginning Balance	Additions	Reductions*	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Notes Payable	\$ 15,835	\$ —	\$ (1,578)	\$ 14,257	\$ 1,608
Bonds Payable	787,130	—	(32,433)	754,697	31,420
Leases Payable	41,401	9,086	(10,099)	40,388	10,088
SBITA Payable	46,668	27,987	(19,864)	54,791	21,561
Compensated Absences	55,561	47,137	(44,028)	58,670	4,778
Claims/Judgments Payable	9,115	3,715	(4,344)	8,486	1,979
Total Long-Term Liabilities	\$ 955,710	\$ 87,925	\$ (112,346)	\$ 931,289	\$ 71,434
Business-Type Activities:					
Notes Payable	\$ 698,447	\$ 13,300,101	\$ (13,954,535)	\$ 44,013	\$ 28,577
Bonds Payable	1,902,600	472,106	(147,738)	2,226,968	78,397
Certificates of Participation	260,727	—	(9,561)	251,166	1,681
Leases Payable	77,923	18,439	(15,484)	80,878	11,968
SBITA Payable	22,336	3,802	(9,276)	16,862	8,190
Intergovernmental Payable	18,008	46	(809)	17,245	698
Compensated Absences	41,600	5,419	(3,831)	43,188	6,401
Dividends Payable	86,801	82,678	(86,801)	82,678	82,678
Claims/Judgments Payable	953,298	67,848	(100,672)	920,474	112,914
Total Long-Term Liabilities	\$ 4,061,740	\$ 13,950,439	\$ (14,328,707)	\$ 3,683,472	\$ 331,504

Major Component Units

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes Payable	\$ 32,592	\$ 20,008	\$ (4,210)	\$ 48,390	\$ 10,161
Bonds Payable	675,758	—	(42,101)	633,657	38,144
Leases Payable	2,174	—	(161)	2,013	169
Intergovernmental Payable	584	8	(76)	516	37
Compensated Absences	—	—	—	—	—
Total Long-Term Liabilities	\$ 711,108	\$ 20,016	\$ (46,548)	\$ 684,576	\$ 48,511

* Bonds payable reductions include amortization of premium of \$14.6 million.

**Included above are amounts classified as Due to Component Units in the Statement of Net Position for the University System as follows, expressed in the thousands.

	Business-Type Activities		Major Component Units	
	Total	Current	Total	Current
Notes Payable	\$ 3,401	\$ 421	\$ 48,389	\$ 10,161
Bonds Payable	10,290	1,475	54,241	5,424
Leases Payable	8,708	875	2,013	169
Intergovernmental Payable	—	—	516	37
Total	\$ 22,399	\$ 2,771	\$ 105,159	\$ 15,791

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, internal service funds included in the above amounts consist of \$906,607 of notes payable, \$4,126,935 of leases payable, \$19,084,598 of SBITAs payable, \$4,458,865 of compensated absences

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and \$7,197,855 of claims and judgments. In addition, payments on long term debt (notes payable, leases payable and SBITA payable) for internal service funds of \$10.37 million is included above along with additions to leases and SBITA payable for internal service funds of \$3.8 million.

Other governmental activities compensated absences generally have been liquidated by the General Fund (61.4%), the Highway Fund (11.3%), the Federal Fund (12.2%), and other various funds. Other governmental activities claims and judgments have all been liquidated by the Petroleum Release Compensation Fund.

K. 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 those 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.

The State had no arbitrage rebate payable to the federal government as of June 30, 2024.

L. DEFERRED INFLOWS OF RESOURCES

GRANTS RECEIVED PRIOR TO TIME REQUIREMENTS

This amount represents unavailable revenue. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

INCREASE IN FAIR VALUE OF HEDGING DERIVATIVES

This amount represents the changes in fair value of futures.

M. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements are used to record fair value adjustments to certain assets, deferred outflows of resources, liabilities and deferred inflows of resources to determine fair value disclosures.

FAIR VALUE HIERARCHY

In accordance with GASB Statement No. 72, assets, deferred outflows of resources, liabilities and deferred inflows of resources are grouped at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Valuation is based upon quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Valuation is based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as practical expedient are not classified in the fair value hierarchy.

DETERMINATION OF FAIR VALUE

In accordance with GASB Statement No. 72, fair values are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the State's policy to

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maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy.

The following is a description of the methodologies used for instruments measured at fair value.

Securities classified in Level 1 are valued using quoted prices in active markets for those securities. Securities classified in Level 2 and Level 3 are valued using methodologies such as various bid evaluations, market averages and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

Investments valued at the net asset value (NAV) per share (or its equivalent) have been classified separately in the table below and include investments considered to be *alternative investments* as defined by the AICPA. The definition includes investments for which a readily determinable fair value does not exist (that is, investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications, the exchanges, or NASDAQ). These types of investments can be held within any of the asset classes used by the State based on underlying portfolio holdings and analysis of risk and return relationships. These investments can be structured in different ways, including limited partnerships, limited liability companies, common trusts and mutual funds. Some are closed-ended with a specific life and capital commitment while others are open-ended with opportunity for ad hoc contributions or withdrawals and termination upon proper notice.

Commingled/Mutual Funds — These types of funds are generally open-ended funds and may be utilized in equities or fixed income asset classes. They are funds made up of underlying securities that have readily available fair values (publicly traded stocks or bonds). The State owns units of these funds rather than the individual securities. Contributions or withdrawals from these funds can be made as needed, generally with daily or monthly liquidity, with a notice period of one to fifteen days. Because they are liquid funds, there are no unfunded commitments for these types of investments.

Distressed Debt — These include investments in the debt instruments of companies which may be publicly traded or privately held that are financially distressed and are either in bankruptcy or likely candidates for bankruptcy. Typical holdings are senior and subordinated debt instruments, mortgages and bank loans. The State is including these types of investments in its global fixed income allocations. As of June 30, 2024, all unfunded commitments in the State distressed debt portfolios had been released. One of the funds in this category is not eligible for redemptions, while the other fund is eligible for redemptions with quarterly liquidity and 60 days notice.

Equity Long/Short — This strategy is a combination of long and short positions, primarily in publicly traded equities. The State utilizes this strategy, through a limited partnership structure, within its global equity allocations. This is an open-ended fund with monthly liquidity with a notice period of 15 days. There was no unfunded commitment as of June 30, 2024.

Mezzanine Debt — This strategy is a hybrid of debt and equity financing. It is essentially debt capital that gives the lender the rights to convert to an ownership or equity interest in the company if the loan is not paid back in time and in full. It is generally subordinated to senior debt. The State utilizes this strategy, through a limited partnership structure, in its global fixed income allocation. The two funds in this category are not eligible for redemptions, have remaining lives of 1-2 years, and no unfunded commitments as of June 30, 2024.

Private Credit — These investments include loans to private companies, privately placed debt of public companies, or loans backed by real assets. Loan repayment can be derived from either cash flows from an operating company or cash flows generated by a physical or esoteric asset. Private debt is typically secured and has various protections/covenants in place. The debt is customized to the borrower's requirement, thus rendering it illiquid. The State includes these strategies within its global fixed income allocation through limited partnership-type structures. Private credit issuers may be investment grade but are typically below-investment grade and similar in some respect to the syndicated bank loan and high yield markets. The State participates in two senior private credit funds, commonly referred to as direct lenders, which are structured as custom managed accounts that are not eligible for redemptions during remaining investment lives, and the unfunded commitments totaled \$216.7 million as of June 30, 2024.

Private Equity — Private Equity investments are typically private interests in corporations across different areas of the capital structure and in different stages of the corporations' development via limited partnership vehicles. Private Equity investments are illiquid and long term in nature (10-12 years), typically held until maturity. Private Equity portfolios generally have a "J-Curve Effect" whereby there are low to negative returns in the initial years due to the payment of investment management fees and initial funding of investments made by the General Partner during a period when investments are typically carried at cost and returns have not been realized. To diversify the program, Private Equity investments are made across business cycles, vintage years, and different strategies. The State has a dedicated sub-asset class for private equity investments within its global equity allocation in the pension pool. The State does not have the option to request redemptions from its private equity funds. The General Partner

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distributes earnings and proceeds from the sale of the underlying investments as transactions occur. The State has \$432.6 million in unfunded private equity commitments as of June 30, 2024.

Venture Capital – These include investments in companies in a range of stages of development from start-up/seed stage, early stage, and later/expansion stage. Investments are typically made in years one through six and returns typically occur in years four through ten.

Buyouts – These include investments in funds that seek out and purchase underperforming or undervalued companies in order to improve them and sell them or take them public many years later. These funds are also often involved in management buyouts, which are buyouts conducted by the management of the company being purchased, and they often play key roles in leveraged buyouts, which are buyouts that are funded with borrowed money.

Real Assets – These investments are intended to provide allocations to tangible assets that are expected to be inflation protected and provide performance above the inflation rate as indicated by the CPI. Investments are generally structured as limited partnerships or limited liability companies. Investments in Real Estate Assets include Real Estate, Timberland and Infrastructure, as discussed below.

Real Estate – includes investments in private vehicles through limited partnerships or commingled vehicles that have an ownership interest in direct real estate properties. The investment strategies may include “value added” strategies, which derive their return from both income and appreciation, “opportunistic”, which derive their return primarily through appreciation, and “alternative” which invest in less traditional types of property. Both domestic and international real estate funds are utilized. The State has a dedicated sub-asset class for these types of investments within global real assets. There are currently 11 different real estate funds in the portfolio. Five of those funds are open-ended vehicles that accept redemption requests quarterly with a 30-90 day notification period. There were no unfunded commitments in the open-ended funds as of June 30, 2024. The remaining six funds are closed-ended limited partnerships that are not eligible for redemptions. Those six funds have a combined unfunded commitment of \$132.1 million as of June 30, 2024.

Timberland – includes investments in limited liability companies that have an ownership interest in properties where the value of the property is derived mainly from income-producing timber but also from the “higher and better use” value of the underlying land. The State includes these assets within its global real asset allocations. There are three funds in the portfolio and they have no unfunded commitments. The funds are not eligible for redemption other than distributions of income and/or proceeds as determined by the investment manager. The funds have remaining lives of 1-4 years.

Infrastructure – includes investments in limited partnerships that have an ownership interest in transportation assets such as toll roads, tunnels and bridges; and regulated assets such as electricity transmission, gas and oil distribution and wastewater collection. Other possible investments would include communication assets and social infrastructure. The State includes these assets within its global real assets allocations. The infrastructure investments in the portfolio as of June 30, 2024, include both open and closed-ended funds. The three open-ended funds have no unfunded commitments and are eligible for redemptions quarterly with 90 days notice. The 17 closed-ended funds have unfunded commitments of \$240.7 million at June 30, 2024 and are not eligible for redemptions.

Interest Rate Swap Agreements – Fair values for interest rate swap agreements are based upon the settlement value adjusted by estimated nonperformance risk.

Derivative Instruments – Fair values of the grain future contracts are determined on the Minneapolis Grain Exchange.

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Fair Value

The following table shows the fair value leveling of the State's assets and liabilities at June 30 (expressed in thousands).

Primary Government

INVESTMENTS MEASURED AT FAIR VALUE	Fair Value 6/30/24	Level 1	Level 2	Level 3
Short term securities:				
Commercial paper	\$ 144,105	\$ —	\$ 144,105	\$ —
Short term bills and notes	159,653	—	159,653	—
Total short term securities	303,758	—	303,758	—
Fixed income investments:				
Asset backed securities	631,612	—	629,611	2,001
Bank loans	1,740	—	1,480	260
Collateralized bonds	859	—	859	—
Collateralized mortgage obligations	6	—	6	—
Commercial mortgage-backed	327,994	—	327,994	—
Corporate bonds	3,133,848	—	3,133,848	—
Corporate convertible bonds	7,634	—	7,634	—
Funds - Fixed Income ETF	17,177	17,033	—	144
Government Agencies	2,248,955	2,189,769	59,186	—
Government Bonds	1,050,510	113	1,050,397	—
Government MBS	3,404,159	—	3,404,159	—
Government - issued Commercial Mortgage-Backed	11,729	—	11,729	—
Index Linked Government Bonds	306,967	—	306,967	—
Municipal / Provincial Bonds	21,146	—	21,146	—
Non- Government Backed C.M.O.s	106,968	—	104,955	2,013
Sukak	2,530	—	2,530	—
Other Fixed Income	339	—	339	—
Total fixed income investments	11,274,173	2,206,915	9,062,840	4,418
Equity Investments:				
Common stock	3,235,142	3,234,655	3	484
Convertible equity	691	691	—	—
Funds - Equities ETF	408,899	407,839	—	1,060
Preferred stock	76	36	—	40
Rights / Warrants	1	1	—	—
Total equity investments	3,644,809	3,643,222	3	1,584
Other Investments:				
Commodity ETF	12	12	—	—
Currency	774	—	—	774
Master Limited Partnership	19	19	—	—
REITs	55	55	—	—
Real Estate	9,714	—	—	9,714
Swap	52,125	—	52,125	—
Total other investments	62,699	86	52,125	10,488
Derivative Investments:				
Exchange cleared swaps	11,382	—	11,382	—
Options	2,037	541	1,496	—
Swaps	18,683	—	18,683	—
Grain future contracts	2,636	2,636	—	—
Total derivative investments	34,738	3,177	31,561	—
Total investments measured at fair value	\$ 15,320,177	\$ 5,853,400	\$ 9,450,287	\$ 16,490

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INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)	Fair Value 6/30/24	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Commingled Funds - Debt	\$ 1,157,621	\$ —	Daily, monthly	1 - 15 days
Commingled Funds - Equities	7,681,921	—	Daily, monthly	1 - 15 days
Commingled Funds - Fixed Income	873,079	—	Daily	< 5 days
Distressed Debt	230,764	—	Quarterly, not eligible	60 days
Long / short	924,093	—	Monthly	15 days
Mezzanine Debt	1	—	Not eligible	Not eligible
Private Credit	1,671,071	214,700	Not eligible	Not eligible
Private Equity	1,970,034	898,159	Not eligible	Not eligible
Real Assets	3,123,671	456,684	Quarterly, not eligible	30 - 90 days
Hedge Fund	863,503	—	N/A	N/A
Private Infrastructure	367,733	4,751	N/A	N/A
Total investments measured at the NAV	18,863,491	\$ 1,574,294		
Total investments	\$ 34,183,668			

Major Component Units

INVESTMENTS MEASURED AT FAIR VALUE	Fair Value 6/30/24	Level 1	Level 2	Level 3
Short term securities				
Certificates of deposit	\$ 2,301	\$ —	\$ 2,301	\$ —
Short term bills and notes	16,967	—	16,967	—
Total short term securities	19,268	—	19,268	—
Fixed income investments:				
Gov't Agencies	45,341	45,341	—	—
Total fixed income investments	45,341	45,341	—	—
Total investments	\$ 64,609	\$ 45,341	\$ 19,268	\$ —

NOTE 4 - NET POSITION

The government-wide Governmental Activities Statement of Net Position reports \$7,864,569,954 of restricted net position, of which \$1,310,327,341 is restricted by enabling legislation.

NOTE 5 - FUND BALANCE

The following table on the next page presents further display the fund balances by major purpose.

Included in the General Fund, unassigned fund balance is \$10,959,711,077 for the North Dakota Legacy Fund. The Legacy Fund was established with thirty percent of total revenue derived from taxes on oil and gas production or extraction. The principal and earnings of the Legacy Fund may not be spent until after June 30, 2017, and an expenditure of principal after that date requires a vote of at least two-thirds of the members elected of each house of the legislative assembly. No more than fifteen percent of the principal of the Legacy Fund can be expended during a biennium.

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Governmental Fund Balances - By Purpose (Expressed in Thousands)

	Special Revenue			Nonmajor Governmental	Total
	General	Federal	State		
Fund Balances:					
Nonspendable:					
Inventory	\$ 3,405	\$ 23,935	\$ 15,380	\$ —	\$ 42,720
Prepaid Expenditures	4,165	4,412	8,051	—	16,628
Permanent Trust Fund for Veteran's Postwar Development	—	—	—	8,063	8,063
	—	—	—	73,624	73,624
Total Nonspendable	7,570	28,347	23,431	81,687	141,035
Restricted for:					
Distribution to Common Schools	—	—	7,381,453	—	7,381,453
State Education Aid	—	—	544,300	—	544,300
Opioid Addiction Prevention and Treatment Programs	—	—	17,175	—	17,175
Lignite Research	—	—	32,646	—	32,646
Water Projects and Energy Conservation	—	—	672,829	—	672,829
Well Plugging and Site Reclamation	—	—	36,014	—	36,014
Agriculture & Commerce	—	—	58,703	—	58,703
Natural Resources	—	—	19,716	—	19,716
Highway Projects	—	—	450,801	—	450,801
Transportation	—	—	28,935	—	28,935
Petroleum Tank Release Compensation	—	—	6,903	—	6,903
Debt Service	—	—	—	376,289	376,289
Other	—	—	104,246	—	104,246
Total Restricted	—	—	9,353,721	376,289	9,730,010
Committed to:					
Strategic Investments & Improvements	—	—	1,269,855	—	1,269,855
Buydown Interest Programs	—	—	97,169	—	97,169
Human Services & Health Operations	—	—	56,882	—	56,882
Clean Sustainable Energy Fund	34,585	—	—	—	34,585
Outdoor Heritage Grants	—	—	40,702	—	40,702
Charitable Gaming Operating Fund	—	—	36,322	—	36,322
Water Development & Management Projects	—	—	1,456	—	1,456
Oil, Gas, and Energy Research	—	—	41,110	—	41,110
Judicial & Legal	—	—	9,842	—	9,842
Public Safety & Corrections	21,220	—	131,330	—	152,550
Legacy Earnings Distributions	10	—	—	—	10
Agriculture & Commerce	27,495	—	16,338	—	43,833
State Rail, Special Roads, and Transportation Support	—	—	163,268	—	163,268
Insurance Regulatory Operations	—	—	5,167	—	5,167
Parks and Recreation Operations	—	—	38,623	—	38,623
Economic Assistance & Social Services	128,290	—	—	—	128,290
Tax Relief	252,799	—	—	—	252,799
Stabilization	919,642	—	—	—	919,642
Theodore Roosevelt Presidential Library & Museum	53,208	—	—	—	53,208
Veteran's Postwar	—	—	—	840	840
Other	10,788	—	56,977	653	68,418
Total Committed	1,448,037	—	1,965,041	1,493	3,414,571

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	Special Revenue			Nonmajor Governmental	Total
	General	Federal	State		
Assigned to:					
Education	\$ —	\$ —	\$ 16,570	\$ —	\$ 16,570
Human Services & Health Operations	—	—	227,202	—	227,202
Judicial & Legal	—	—	5,205	—	5,205
Correction and Rehabilitation Operations	—	—	10,125	—	10,125
Strategic Investments & Improvements	—	—	43,066	—	43,066
Agriculture & Commerce	—	—	33,964	—	33,964
Environmental Quality	—	—	1,744	—	1,744
Economic Development Community Fund	—	—	1,918	—	1,918
Securities Regulations	—	—	2,158	—	2,158
Other	—	1	15,351	—	15,352
Total Assigned	—	1	357,303	—	357,304
Unassigned	12,865,736	(6,265)	—	—	12,859,471
Total Fund Balances	<u>\$ 14,321,343</u>	<u>\$ 22,083</u>	<u>\$ 11,699,496</u>	<u>\$ 459,469</u>	<u>\$ 26,502,391</u>

NOTE 6 - RETIREMENT SYSTEMS

A. DESCRIPTION OF PLANS

The State of North Dakota administers four major retirement systems: North Dakota Public Employees' Retirement System, North Dakota Highway Patrolmen's Retirement System, Retirement Plan for the Employees of Job Service North Dakota and the Teachers' Fund for Retirement. The State also administers the North Dakota Defined Contribution Retirement Plan, which was established January 1, 2000. Certain state employees may also participate in a privately administered retirement system: Teachers' Insurance Annuity Association. The following is a brief description of each plan. More detailed information can be found in the plan agreements and the related legislation.

NORTH DAKOTA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

The North Dakota Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all employees of the State of North Dakota, its agencies, and various participating political subdivisions (Main System). It also covers Supreme and District Court judges, the National Guard Security Officers and Firefighters, peace officers and correctional officers employed by political subdivisions and as of August 1, 2017, firefighters employed by participating political subdivisions. Effective August 1, 2015, current and newly eligible members of the National Guard System were transferred to the Law Enforcement System. It is not subject to the provisions of the Employee Retirement Security Act of 1974. PERS issues a publicly available financial report that may be obtained by writing to North Dakota Public Employees Retirement System, 1600 E. Century Ave., Suite 2, Bismarck, North Dakota 58503.

At June 30, 2024 number of participating political subdivisions in PERS was:

Cities	100
Counties	51
School Districts	133
Other	95
Total Participating Local Political Subdivisions	<u>379</u>

Administration

The North Dakota Retirement Board was created by the State Legislature and is the governing authority of PERS. Benefit and contribution provisions are administered in accordance with chapter 54-52 of the North Dakota Century Code.

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Responsibility for administration of the three defined benefit pension plans and the defined contribution plan is assigned to a Board comprised of eleven members. The Board consists of a Chairman, who is appointed by the Governor; three additional members appointed by the Governor, four members of the legislative assembly appointed by a chairman of the legislative management and three members elected by the active membership of the NDPERS system.

The costs of administering the plan are financed through the contributions and investment earnings of each plan.

Benefits

Benefits are set by statute. The System has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equals or exceeds 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 will be replaced with the Rule of 90 with a minimum age of 60. The annual pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the annual pension benefit is equal to 1.75% of their average monthly salary, using the three highest periods of twelve consecutive months employed during the last one hundred eighty months of employment. The Plan permits early retirement at ages 55-64 with three or more years of service.

Supreme and district court judges are entitled to unreduced monthly pension benefits beginning at the normal retirement age (65) or Rule of 85. The monthly pension benefit for Supreme and district court judges is equal to a percentage of average monthly salary using the highest 36 consecutive months out of the last 180 months of service. The percentage is equal to 3.5% of final average monthly salary multiplied by the first 10 years of service, plus 2.80% of the average monthly salary times the second 10 years of service, plus 1.25% of average monthly salary times years of service in excess of 20 years. The judicial retirement formula is only applied to eligible judicial service. Non-judicial service benefits are calculated using the 2.00% multiplier. The plan permits early retirement at ages 55-64, with five or more years of service.

Members of the National Guard System are entitled to unreduced monthly pension benefits at normal retirement age (55). Effective August 1, 2015, the National Guard System will become part of the Law Enforcement System. Members of the Law Enforcement are entitled to unreduced monthly pension benefits at normal retirement age (55) or the rule of 85. The monthly pension benefit for the National Guard/Law Enforcement is equal to 2.00 percent of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 50-55 with three or more years of service for members.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the employee's accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active employee dies with less than three years of service for the Main System and Public Safety, or less than five years of service for Supreme and district court judges, a death benefit equal to the value of the employee's accumulated contributions, plus interest, is paid to the employee's beneficiary. If the employee has earned more than three years of service for the Main System and Public Safety, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the employee's accrued normal retirement benefit, or monthly payments in an amount equal to the employees' accrued 100% joint and survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the employee's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

For judges only who have earned five years of credited service, the death benefit is the greater of (i) lump sum payment of accumulated contributions, or (ii) 100% of the member's accrued benefit (not reduced on account of age), payable for the spouse's lifetime.

Eligible members who become totally disabled after a minimum of 180 days of service receive monthly disability benefits that are equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for "disabled" is set by the System in the North Dakota Administrative Code.

For Judges only, the disability benefit formula is 70% of final average salary minus social security and workers compensation benefits.

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Refunds of Member Contributions

Upon termination, if a member is not vested (is not 65 or does not have three years of service for the Main System and National Guard/Law Enforcement, or five years of service for the Supreme and district court judges, credited for PERS), they will receive the accumulated member contributions plus interest. If an employee has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated employee contribution and is subsequently re-employed, they have the option of repurchasing their prior service.

Contributions

Contribution rates are set by state statute and are a percentage of salaries and wages.

Member contributions are set by state statute and are a percentage of salaries and wages. During the 1983-1985 biennium, the State implemented the employer pickup provision of the IRS code, whereby a portion or all of the required member contributions are made by the employer. The State is paying 4% of the full member contribution. Some of the political subdivisions are paying all or part of the member contributions. Employer contributions are set by statute except the contribution rates for the National Guard/Law Enforcement Plans which are set by the Board.

The 2019 Legislative Assembly passed legislation that ended the RHIC plan for new hires after January 1, 2020 and redirected the 1.14% RHIC employer contribution to the retirement account. Employer contributions are set by statute except the contribution rates for the National Guard/Law Enforcement Plans which are set by the Board.

Contribution rates are established as a percent of covered compensation as follows:

	Member	Employer			
		Before 2024	2024-2025	2025 and Later	
				State	Political Subdivision
Main System Permanent Employees					
Hired before 2020	7.00 %	7.12 %	8.12 %	Actuarial*	8.12 %
Hired after 2019	7.00 %	8.26 %	9.26 %	Actuarial*	9.26 %
Main System Temporary Employees					
Hired before 2020	14.12 %	— %	— %	— %	— %
Hired after 2019	15.26 %	— %	— %	— %	— %
Judges	8.00 %	17.52 %	17.52 %	17.52 %	17.52 %

*The 2026 and 2027 contribution will be based on the amount sufficient to fund the Main System on an actuarial basis from the July 1, 2024 valuation with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

	Member	Employer	
		Before 2024	2024 and Later
Public Safety with prior Main System service	5.50 %	9.81 %	11.40 %
National Guard Members	5.50 %	9.81 %	11.40 %
Public Safety without Prior Main System service	5.50 %	7.93 %	9.16 %

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	Member			Employer		
	Before 2024	2024	2025 and Later	Before 8/1/23	8/1/23 to 12/31/23	2024 and Later
Public Safety with Prior Main System service						
BCI Employees	6.00 %	7.00 %	8.00 %	9.81 %	20.67 %	22.26 %
State Public Safety Employees	6.00 %	6.00 %	6.00 %	9.81 %	12.75 %	14.34 %

The member's account balance includes employee contributions, interest, and the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. Members of the Supreme and District Court Judges are not eligible to vest in the employer contributions if contributing to the deferred compensation plan.

The minimum monthly member contribution is \$25, and the maximum may not exceed certain parameters based upon years of service.

NORTH DAKOTA HIGHWAY PATROLMEN'S RETIREMENT SYSTEM (NDHPRS)

The North Dakota Highway Patrolmen's Retirement System is a single-employer defined benefit pension plan covering substantially all sworn officers of the Highway Patrol of the State of North Dakota. It is not subject to the provisions of the Employee Retirement Income Security Act of 1974. NDHPRS issues a publicly available financial report that may be obtained by writing to North Dakota Public Employees Retirement System, 1600 E. Century Ave., Suite 2, Bismarck, North Dakota 58503.

Administration

The North Dakota Retirement Board was created by the State Legislature and is the governing authority of NDHPRS. See PERS Administration note for composition of the Retirement Board. Benefit and contribution provisions are administered in accordance with chapter 39-03 of the North Dakota Century Code.

The costs of administering the plan are financed through the contributions and investment earnings of the plan.

Benefits

Pension benefits are set by statute. The System has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members are entitled to unreduced pension benefits upon attainment of age 55 and 10 years of eligible employment or when the sum of age and years of credited service equals or exceeds 80. The annual pension benefit is equal to a percentage of average monthly salary using the highest 36 months out of the last 180 months of service. The percentage is equal to the sum of the first 25 years of service multiplied by 3.60% and 1.75% multiplied by years of service in excess of 25, if any. The plan permits early retirement at ages 50-54, with ten or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than 10 years of credited service, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than 10 years of credited service, the surviving spouse, if any, will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50 percent of the member's accrued normal retirement benefit. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to any designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days service receive monthly disability benefits that are up to 70 percent of their final average salary, reduced by workers compensation with a minimum benefit of \$100. To qualify under this section, the member must meet the criteria established by the Retirement Board for being totally disabled and apply for benefits within one year of termination.

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Refunds of Member Contributions

Upon termination, if a member is not vested (is not 60 or does not have ten years of service credited for NDHPRS), they will receive the accumulated member contributions plus interest. If an employee has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated employee contribution and is subsequently re-employed, they have the option of repurchasing their prior service.

Contributions

Contribution rates for NDHPRS are set by state statute and are a percentage of covered compensation. The State is paying 4.0% of the member contribution. The member contribution rate is 14.8% and the employer rate is 21.2%. Both the member and the employer contribution rate will increase by 0.5% in January 2025.

RETIREMENT PLAN FOR THE EMPLOYEES OF JOB SERVICE NORTH DAKOTA (JSND)

The retirement plan for employees of Job Service North Dakota is a single-employer defined benefit public employee retirement plan administered by PERS. The plan is established under NDCC 52-11-01 with benefit provisions established through the plan document, as amended by the Board. This plan document, as amended, is authorized by the Plan Administrator, who is the Executive Director of the agency. JSND issues a publicly available financial report that may be obtained by writing to Job Service North Dakota, PO Box 5507, Bismarck, North Dakota 58506-5507.

Participation in the plan is limited to employees participating in the plan as of September 30, 1980.

Administration

On August 1, 2003, the administrative authority and the net position of the Retirement Plan for Employees of Job Service North Dakota were transferred from the agency to the Public Employees Retirement System Board. This action was based on the passage of House Bill 1064 by the Fifty-eighth Legislative Assembly of North Dakota. The Retirement Plan for Employees of Job Service has an Actuarial Valuation Report produced annually. Requests to obtain or review this report should be addressed to the Executive Director, NDPERS, 1600 E. Century Ave., Suite 2, Bismarck, North Dakota 58503.

The costs of administering the plan are financed through the contributions and investment earnings of the plan.

Benefits

Benefits are established through the plan document, as amended by the Board. The System provides a post-retirement cost-of-living adjustment each year based on the Consumer Price Index. Employees are entitled to annual pension benefits beginning at normal retirement age (65). Employees may elect optional retirement eligibility at age 62 with 5 years of credited service, at age 60 with 20 years of credited service, or at age 55 with 30 years of credited service. Pension benefits are calculated based on the final average earnings (basic monthly earnings averaged over the highest three consecutive years of basic earnings) of the employee multiplied by the sum of:

- 1.5% times years of credited service up to 5 plus;
- 1.75% times years of credited service between 6 and 10 plus;
- 2.0% times years of credited service in excess of 10.

Death and Disability Benefits

The plan provides retirement, disability and death benefits. If death of a participant occurs prior to their annuity starting date, the surviving spouse who has been married at least two years prior to the participant's death or, if married less than two years is a parent of a child of this marriage, then the spouse shall receive monthly benefits. The amount is the greater of the benefit had the participant retired on the day before they died and elected the Contingent Annuitant Option with 55% of their retirement benefit continued to their spouse or 55% of the smaller of 40% of the deceased participant's average monthly earnings or the deceased participant's normal retirement benefit obtained by increasing their credited service by the period of time between their date of death and the date they would have attained age 60. Upon remarriage of the surviving spouse before age 60, the death benefit will cease.

If a participant becomes totally disabled, they will be eligible for a monthly disability benefit which shall be equal to the greater of 40% of the participant's average annual earnings or the accrued benefit determined as of their date of disability.

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Refunds of Member Contributions

Upon termination, if a member of the JSND System terminates employment before retirement payments begin, participation in the retirement plan will cease. No further additions to retirement income will accrue on the member's behalf, and the member may be paid under one of the following options.

- The member may be paid an amount of retirement income with payments starting at Normal, Optional, or Early Retirement Date. The amount of that income will be equal to the amount provided under the formula according to the member's years of credited service and earnings.
- The member may receive a cash withdrawal benefit equal to the total of the member's contributions and employer contributions made on their behalf, plus 4 percent interest compounded annually. The member may elect this option at any time after withdrawal and before Normal, Optional, or Early Retirement Date, but such benefit shall be in place of all other benefits under the retirement benefits section.

Contributions

Member contributions are 3% and employer contributions are 4% of covered compensation. The funding policy of the plan provides for employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. For the fiscal year ended June 30, 2024 there were no employer contributions necessary into the plan. Effective July 1, 1999, the "scheduled contribution" will be zero as long as the plan's actuarial value of assets exceeds the actuarial present value of projected benefits. The "scheduled contribution" and amortization will be determined when the plan is not in surplus and will be based on a funding policy adopted by the Employer.

TEACHERS' FUND FOR RETIREMENT (TFFR)

The North Dakota Teachers' Fund for Retirement is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Teachers' Fund for Retirement issues a publicly available financial report that may be obtained by writing to the Retirement and Investment Office, 1600 East Century Avenue, Suite 3, P.O. Box 7100, Bismarck, North Dakota 58507-7100.

At June 30, 2024, the number of participating employer units in TFFR was:

Type	Number
Public School Districts	168
County Superintendents	4
Special Education Units	20
Vocational Education Units	4
Other	8
Total	<u>204</u>

Administration

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The appointed Board members must include two active teachers, one active school administrator, and two retired members. The Board submits any necessary or desirable changes in statutes relating to the administration of the fund, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contributions rates.

Benefits

For purposes of determining pension benefits, members are classified within one of three categories. Tier 1 grandfathered and Tier 1 non-grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning refunded members on or after July 1, 2008.

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Tier 1 Grandfathered – A Tier 1 grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and has reached age 65, or the sum of age and years of service equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 1 Non-grandfathered – A Tier 1 non-grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher, and the member has reached the age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55-64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 2 – A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Death and Disability Benefits

Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are determined by the member's vesting status prior to death. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting twelve months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC 15-39.1-10 without consideration of age and uses the member's actual years of credited service. There is no actuarial reduction for reason of disability retirement.

Contributions

Member and employer contributions paid to TFFR are set by NDCC 15-39.1-09. Every eligible teacher in the state of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% or defer payment until eligible for pension benefits. A nonvested member who terminates covered employment must claim a refund of contributions paid before 70½. Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstance defined by state statute.

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EMPLOYEE MEMBERSHIP DATA

The following table summarizes employee membership information by plan at the actuarial valuation date:

	<u>PERS</u>	<u>NDHPRS</u>	<u>JSND</u>	<u>TFFR</u>
Retirees and beneficiaries currently receiving benefits:	15,632	147	163	9,693
Terminated Employees:				
Vested	10,210	39	—	2,147
Inactive	8,457	20	—	1,878
Active Employees:				
Vested	17,362	70	1	8,453
Nonvested	8,437	97	—	3,492
Total plan membership	<u>60,098</u>	<u>373</u>	<u>164</u>	<u>25,663</u>
Date of annual valuation	July 1, 2024	July 1, 2024	July 1, 2024	July 1, 2024

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

BASIS OF ACCOUNTING

The public employee retirement systems described above are considered part of the State of North Dakota's reporting entity and are included in the State's financial statements as pension trust funds. The financial statements of these systems are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which they are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

INVESTMENT POLICY

The System's Board is responsible for establishing the investment policy for the fund assets, which includes setting investment goals and specifying the percentage of assets to be invested in various types of investments for PERS, NDHPRS and JSND. The investment goals are viewed over the long term. The Board recognizes the plans' performance objectives, benefit projections, and capital market expectations when determining the asset allocation. The SIB is responsible for managing the System's investments in accordance with the investment policy.

The TFFR Board is responsible for establishing investment policy for the fund assets under NDCC 15-39.1-05.2. Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting established impact of funded status and contribution rates.

The following was the asset allocation policy as of June 30, 2024:

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	Target Allocation			
	PERS and NDHPRS	JSND	TFFR	RHIC*
Domestic equities	31.9 %	2.0 %	— %	39.0 %
International equities	19.1 %	18.0 %	— %	26.0 %
Private equity	7.0 %	6.0 %	— %	— %
Domestic fixed income	23.0 %	74.0 %	— %	35.0 %
Global real assets	19.0 %	— %	18.0 %	— %
Global equity	— %	— %	55.0 %	— %
Global fixed income	— %	— %	26.0 %	— %
Cash equivalents	— %	— %	1.0 %	— %
Total	100.0 %	100.0 %	100.0 %	100.0 %

*See note 7 for further details of the RHIC OPEB Plan.

INVESTMENT RATE OF RETURN

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on pension plan and OPEB plan investments, net of pension plan and OPEB plan investment expense, was as follows for June 30, 2024:

PERS	9.14 %
NDHPRS	8.85 %
JSND	6.03 %
TFFR	8.02 %
RHIC*	12.84 %

*See note 7 for further details of the RHIC OPEB Plan.

METHOD USED TO VALUE INVESTMENTS

Investments are recorded at fair value determined by reference to published market data for publicly traded securities and through the use of independent valuation services and appraisals for other investments. The net increase in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment sold. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current fiscal year were included as a change in the fair value of investments reported in the prior year(s) and the current year. Unrealized gains and losses are computed based on changes in the fair value of investments between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date. The fair value for stable value option within the deferred compensation and defined contributions plans is measured at contract value.

C. FUNDING STATUS AND PROGRESS

NET PENSION LIABILITY OF THE PLANS

The components of the net pension liability of the Plans at June 30, 2024 were as follows (expressed in thousands):

	PERS	NDHPRS	JSND	TFFR
Total pension liability	\$ 6,218,968	\$ 181,313	\$ 70,275	\$ 4,758,417
Plan fiduciary net position	(4,265,287)	(107,221)	(82,804)	(3,351,008)
Net pension liability (asset)	\$ 1,953,681	\$ 74,092	\$ (12,529)	\$ 1,407,409
Plan fiduciary net position as a percentage of the total pension liability	68.59 %	59.14 %	117.83 %	70.40 %

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ACTUARIAL ASSUMPTIONS

PERS

The total pension liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Increase: 3.50% to 17.75% including inflation

Retirement Age: Age-based table of rates that specify to the type of eligible condition

Mortality Rates: Sex-distinct Pub-2010 tables for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees and active members.

Other Notes: The current employer rates to the System are the statutory/Board approved contribution rates of 8.12% of payroll for the Main System (9.26% for members enrolled on or after January 1, 2020), 17.52% for the Judges System, 11.40% for Public Safety with prior Main System service System, 22.26% for BCI and 9.16% for Public Safety without prior Main System service System. The benefit accrual rate for members first enrolled on or after January 1, 2020 in the Main and Public Safety Systems is 1.75% (compared to 2.00% for members enrolled before January 1, 2020).

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for the first use commencing with the actuarial valuation as of July 1, 2020.

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

HPRS

The total pension liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Plan Fiduciary Net Position (Market value of assets, no assets smoothing)

Inflation: 2.25%

Salary Increase: Service-based table for members with less than five years of service and age-based table for members with more than five years of service.

Retirement Age: Age-based table of rates that specify to the type of eligible condition.

Mortality Rates: Pub 2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using MP-2019 scale.

Other Notes: There were no benefit changes during the year.

The assumptions were updated beginning with the actuarial valuation as of July 1, 2020 based on an experience study covering the period of July 1, 2014 through July 1, 2019. The investment return assumption was decreased from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022.

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The employer rate to the System is the statutory contribution rate of 21.20% of payroll. The statutory employer and employee contributions will each increase by an additional 0.5% of pay in January 1, 2025.

JSND

The total pension liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Plan Fiduciary Net Position (Market value of assets, no assets smoothing)

Inflation: 2.25%

Salary Increase: 3.50%

Retirement Age: Age-based table of rates that are specific to the type of eligibility condition.

Investment Rate of Return: 3.00%

Cost of Living Adjustment: 2.25%

Mortality Rates: Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

Other Notes: There were no benefit changes during the year.

The assumptions were updated beginning with the actuarial valuation as of July 1, 2020 based on an experience study covering the period July 1, 2014 through July 1, 2019. The Board approved lowering the investment return assumption from 3.75% to 3.00%, first effective July 1, 2022.

The System has assets in excess of the present value of future benefits. Therefore, no employer contributions are being made.

TFFR

The total pension liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age

Asset Valuation Method: 5-year smoothed market

Inflation: 2.30%

Salary Increase (Payroll Growth): 3.80% wage inflation, plus step-rate promotional increases for members with less than 30 years of service.

Retirement Age: Experience-based tables of rates based on age and gender.

Investment Rate of Return: 7.25%, net of investments expenses, including inflation

Cost of Living Adjustment: None

Mortality Rates: For the July 1, 2024, valuation, the post-retirement healthy mortality table was updated to 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019. The disabled mortality was updated to the Pub-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019.

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INVESTMENT RATE OF RETURN

The long-term expected rate of return on investments was determined using a building-block method in which best- estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates to return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the pension plan's target asset allocation as of July 1, 2024 is summarized in the following tables:

PERS and NDHPRS Asset Class	Long-Term Expected Real Rate of Return	JSND Asset Class	Long-Term Expected Real Rate of Return	TFFR Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.40 %	Domestic equities	6.85 %	Global equity	5.80 %
International equity	7.00 %	Core fixed income	3.12 %	Global fixed income	2.90 %
Private equity	8.50 %	Limited duration fixed income	1.80 %	Global real assets	6.30 %
Domestic fixed income	2.88 %	Global equity	7.14 %	Cash equivalents	1.60 %
International fixed income	0.00 %	Diversified short-term fixed income	3.00 %		
Global real assets	6.10 %	Short-term corporate fixed income	1.63 %		
Cash equivalents	0.00 %	US high yield	5.54 %		
		Emerging market debt	6.47 %		

DISCOUNT RATE

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.97%; and the resulting Single Discount Rate is 6.50%.

For HPRS, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.97%; and the resulting Single Discount Rate is 5.39%.

For JSND, the discount rate was 3.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates equal to those based on the July 1, 2024 Actuarial Valuation Reports. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions (for JSND it is assumed no future contribution will be made), the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments for current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

For TFFR, the discount rate was 7.25% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates equal to those based on the July 1, 2024 Actuarial

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Valuation Reports. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions TFFR's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of July 1, 2024. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

SENSITIVITY OF NET PENSION LIABILITY

The following presents the net pension liability of the Plans as of June 30, 2024, calculated using the discount rate of 6.5% for PERS, 5.39% for NDHPRS, 3.00% for JSND and 7.25% for TFFR, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

Net Pension Liability (Asset) As of June 30, 2024	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
PERS	\$ 2,786,979	\$ 1,953,681	\$ 1,263,776
Net Pension Liability (Asset) As of June 30, 2024	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
NDHPRS	\$ 102,430	\$ 74,092	\$ 51,317
Net Pension Liability (Asset) As of June 30, 2024	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
JSND	\$ (5,739)	\$ (12,529)	\$ (18,369)
Net Pension Liability (Asset) As of June 30, 2024	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
TFFR	\$ 1,982,327	\$ 1,407,409	\$ 927,768

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D. SINGLE EMPLOYER PENSION PLANS

Below are the changes in net pension liability for the State's (primary government) single-employer plans:

**Single-Employer Plans
Changes in Net Pension Liability
Increases (Decreases)
For the Year June 30, 2024***

	JSND	NDHPRS
Total pension liability (asset)		
Service cost	\$ 15	\$ 5,680
Interest	2,038	8,550
Change of benefit terms	—	—
Difference between expected and actual experience	4,761	417
Changes of assumptions	—	(5,009)
Benefit payments, including refund of employee contributions	(5,169)	(6,391)
Net change in total pension liability (asset)	1,645	3,247
Total pension liability (asset) - beginning	70,493	170,663
Total pension liability (asset) - ending (a)	\$ 72,138	\$ 173,910
Plan fiduciary net position		
Contributions - employer	\$ —	\$ 2,574
Contributions - employee	4	1,770
Contributions - service credit repurchase	—	593
Transfers and other income	—	—
Net investment income	2,487	7,195
Benefit payments, including refund of employee contributions	(5,169)	(6,391)
Administrative expense	(15)	(30)
Net change in plan fiduciary net position	(2,693)	5,711
Plan fiduciary net position - beginning	86,178	92,324
Plan fiduciary net position - ending (b)	\$ 83,485	\$ 98,035
Net pension liability (asset) - ending (a) - (b)	\$ (11,347)	\$ 75,875
Plan fiduciary net position as a percentage of the total pension liability (asset)	115.73 %	56.37 %
Covered payroll	\$ 61	\$ 11,991
Plan net pension liability (asset) as a percentage of covered payroll	-18,478.87 %	632.76 %

*The 2024 information presented has a measurement date of June 30, 2023. Information is expressed in thousands.

JOB SERVICE NORTH DAKOTA (JSND)

Net Pension Asset

At June 30, 2024, the State recorded a net pension asset of \$11,346,765 for all of the Job Service North Dakota pension plan. The net pension asset was measured as of June 30, 2023 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date.

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Deferred Inflows and Outflows of Resources

For the year ended June 30, 2024 the State recognized pension expense of \$5.7 million. At June 30, 2024 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —	\$ —	\$ —
Changes of assumptions	—	—	—	—
Net difference between projected and actual earnings on pension plan investments	5,014,798	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	—	—	—
Employer contributions subsequent to the measurement date	—	—	—	—
Total	\$ 5,014,798	\$ —	\$ —	\$ —

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

	Primary Government	Component Units
2025	\$ 1,783,648	\$ —
2026	1,405,904	—
2027	1,820,979	—
2028	4,267	—
Total	\$ 5,014,798	\$ —

Sensitivity of the State's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the State's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
State's proportionate share of the net pension asset	(4,129,713)	(11,346,765)	(17,528,530)

NORTH DAKOTA HIGHWAY PATROLMEN'S RETIREMENT SYSTEM (NDHPRS)

Net Pension Liability

At June 30, 2024, the State recorded a net pension liability of \$75,874,610 for all of the North Dakota Highway Patrolmen's Retirement System pension plan. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

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Deferred Inflows and Outflows of Resources

For the year ended June 30, 2024 the State recognized pension expense of \$14.49 million. At June 30, 2024 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,652,156	\$ (977,413)	\$ —	\$ —
Changes of assumptions	42,615,800	(30,094,792)	—	—
Net difference between projected and actual earnings on pension plan investments	2,185,904	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	—	—	—
Employer contributions subsequent to the measurement date	2,998,554	—	—	—
Total	\$ 49,452,414	\$ (31,072,205)	\$ —	\$ —

\$2,998,554 reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

	Primary Government	Component Units
2025	\$ 8,078,838	\$ —
2026	1,278,923	—
2027	6,362,847	—
2028	(338,953)	—
2029	—	—
Total	\$ 15,381,655	\$ —

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 5.22 percent, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.22 percent) or 1-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
State's proportionate share of the net pension liability	\$ 103,458,958	\$ 75,874,610	\$ 53,762,446

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E. COST SHARING EMPLOYER PENSION PLANS

NORTH DAKOTA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Proportionate Share of Net Pension Liability

The North Dakota Public Employees' Retirement System (PERS) provides retirement benefits to employees of the primary government and its discrete component units as well as to other political subdivision subdivisions (Main System). It also covers Supreme and district court judges, the National Guard Security Officers and Firefighters, and as of August 1, 2003, peace officers and correctional officers employed by political subdivisions. Effective August 1, 2017, current and newly eligible members of the National Guard System were transferred to the Law Enforcement System. Effective August 1, 2015, current and newly eligible members of the National Guard System were transferred to the Law Enforcement System.

At June 30, 2024, the State recorded a net pension liability of \$945,203,448 for all of the PERS system. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on the State's share of covered payroll in the PERS pension plan relative to the covered payroll of all participating employers. At June 30, 2023 the State's proportion was 47.64 percent, which is a decrease of 0.60 percent from the prior year.

The State's discrete component unit, North Dakota Public Finance Authority, also participates in the PERS system. At June 30, 2024, the discrete component units recorded a net pension liability of \$343,000 for all of the PERS system. The net pension liability was measured as of June 30, 2023 and the total pension liability and asset used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discrete component units' proportion of the net pension liability was based on their share of covered payroll in the PERS pension plan relative to the covered payroll of all participating employers. At June 30, 2023 the discrete component unit's proportion was 0.018 percent, which is a decrease of 0.0004 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2024 the State recognized pension expense of \$77.4 million and the component unit recognized pension expense of \$35,000. At June 30, 2024 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,792,868	\$ (5,711,228)	\$ 11,000	\$ (2,000)
Changes of assumptions	533,552,617	(734,943,781)	189,000	(260,000)
Net difference between projected and actual earnings on pension plan investments	26,550,233	—	9,000	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	31,265,668	(40,247,096)	29,000	(15,000)
Employer contributions subsequent to the measurement date	52,996,230	—	14,000	—
Total	\$ 677,157,616	\$ (780,902,105)	\$ 252,000	\$ (277,000)

\$52,996,230 and \$14,000 reported as deferred outflows of resources related to pensions resulting from State and component unit contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

	Primary Government	Component Units
2025	\$ (5,506,350)	\$ 9,000
2026	(110,745,023)	(30,000)
2027	14,869,302	3,000
2028	(54,992,903)	(21,000)
2029	(295,821)	—
Thereafter	(69,924)	—
Total	<u>\$ (156,740,719)</u>	<u>\$ (39,000)</u>

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
State's proportionate share of the net pension liability	\$ 1,312,214,375	\$ 945,203,448	\$ 640,745,954
Component's proportionate share of the net pension liability	473,000	343,000	235,000

NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT

Proportionate Share of Net Pension Liability

The North Dakota Teachers' Fund for Retirement (TFFR) provides retirement benefits to North Dakota public teachers and certain other teachers who meet various requirements. At June 30, 2024, the State recorded a net pension liability of \$6,840,431 for all of the TFFR. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on the State's share of covered payroll in the TFFR pension plan relative to the covered payroll of all participating employers. At June 30, 2023 the State's proportion was 0.4874 percent, which is a decrease of 0.04 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2024 the State recognized pension expense of \$249,593. At June 30, 2024 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,488	\$ (363,090)	\$ —	\$ —
Changes of assumptions	108,240	—	—	—
Net difference between projected and actual earnings on pension plan investments	417,498	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	907,722	(2,335,140)	—	—
Employer contributions subsequent to the measurement date	642,873	—	—	—
Total	<u>\$ 2,101,821</u>	<u>\$ (2,698,230)</u>	<u>\$ —</u>	<u>\$ —</u>

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\$642,873 reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

	Primary Government	Component Units
2025	\$ (290,298)	\$ —
2026	(405,717)	—
2027	164,582	—
2028	(214,122)	—
2029	(213,496)	—
Thereafter	(280,231)	—
Total	<u>\$ (1,239,282)</u>	<u>\$ —</u>

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
State's proportionate share of the net pension liability	\$ 9,456,105	\$ 6,840,431	\$ 4,580,877

F. PENSION SUMMARY

The following is a summary of the pension related items for all plans of the State as of and for the year ended June 30, 2024.

Pension Plan	Net Pension Asset	Deferred Outflows of Resources Pension	Net Pension Liability	Deferred Inflows of Resources Pension	Pension Expense
Job Service ND	\$ (11,346,765)	\$ 5,014,798	\$ —	\$ —	\$ 5,740,755
ND Highway Patrolmen's Retirement System	—	49,452,414	75,874,610	31,072,205	14,491,129
ND Public Employees' Retirement System	—	677,157,616	945,203,448	780,902,105	77,417,838
ND Teachers' Fund for Retirement	—	2,101,821	6,840,431	2,698,230	249,593
Total	<u>\$ (11,346,765)</u>	<u>\$ 733,726,649</u>	<u>\$ 1,027,918,489</u>	<u>\$ 814,672,540</u>	<u>\$ 97,899,315</u>

G. DEFINED CONTRIBUTION PLAN

The North Dakota Defined Contribution Retirement Plan was established on January 1, 2000, and is administered in accordance with chapter 54-52.6 of the North Dakota Century Code. The Defined Contribution Plan was available to state employees who are in positions not classified by the Human Resource Management Services division of the State of North Dakota, and as of January 1, 2025 will be the retirement plan offered to new public employees who are not peace officers, judges, or Highway Patrol. The Defined Contribution Plan had 86 participants as of June 30, 2024.

The administrative costs of the Defined Contribution Plan are funded by forfeitures of non-vested employee contributions and administrative fees charged to individual participant accounts.

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Benefits

Benefits are set by statute. Members are entitled to their vested account balance. A participating member is immediately 100% vested in the employee's contributions. A participating member vests in the employer contributions made on the member's behalf as follows:

Upon completion of two years of service	50 %
Upon completion of three years of service	75 %
Upon completion of four years of service	100 %

Members may elect to receive their account balance in a lump sum, lump sum direct rollover, or periodic distribution.

Death and Disability Benefits

Death and disability benefits are set by statute. Upon the death of a participating member or former participating member, the vested account balance of that deceased participant is available to the participant's designated beneficiary(ies). A member who becomes totally and permanently disabled while employed by the State is eligible to receive a distribution of the vested account balance. To qualify under this section, the member must meet the criteria established by the System for being totally disabled.

Contributions

Contributions are set by state statute and are a percentage of covered compensation. The State is paying 4% of the member contribution. The member contribution rate is 7.00% and the employer rate is 7.12% for members first enrolled prior to January 1, 2020. For members first enrolled after January 1, 2020 the member contribution rate is 7.00% and the employer rate is 8.26%. Pension expense totaled \$656,832 for the year ended June 30, 2024.

The defined contribution plan will become the primary retirement plan for new hires after January 1, 2025 for new hires that would currently be eligible for the Main plan. These mandatory contribution rates will be 4% from the employee and 5.26% from the employer. Members will have a one-time lifetime election to increase their contributions an additional 1%, 2%, or 3%, with the employer matching those incremental elections.

H. TEACHERS' INSURANCE ANNUITY ASSOCIATION

The Teachers' Insurance and Annuity Association (TIAA-CREF), a privately-administered defined contribution retirement plan, provides individual retirement fund contracts for eligible employees as defined by the Board of Higher Education in its approved TIAA-CREF retirement resolution. Further information can be obtained by writing to North Dakota University System, 600 E. Blvd, Bismarck, North Dakota 58505.

All benefits vest immediately to the participant. The plan requires mandatory enrollment for permanent employees based upon their employment classification. Employee and employer contributions are set based upon years of service as per the following schedule.

Employment Class	Years Of Service	By The Participant	By The Institution	Total
I and III	0 thru 10	4.50%	12.50%	17.00%
	over 10	5.00%	13.00%	18.00%
II	0 thru 2	3.50%	7.50%	11.00%
	3 thru 10	4.50%	12.50%	17.00%
	over 10	5.00%	13.00%	18.00%
IV	Closed to new participants	4.00%	12.00%	16.00%
President/Chancellor (additional employer contribution)	less than 3	0.00%	0.00%	0.00%
	3 to less than 6	0.00%	4.00%	4.00%
	6 and over	0.00%	8.00%	8.00%

Plan contributions are made on a tax-deferred basis in accordance with section 414(h)(2) of the Internal Revenue Code. All contributions are applied as premiums to retirement annuity contracts owned by the participant. The State has no further liability once annual contributions are made. The State contributed \$50.1 million to TIAA-CREF during the fiscal year ending June 30, 2024.

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NOTE 7 - POST-RETIREMENT

A. **RETIREE HEALTH INSURANCE CREDIT – PLAN INFORMATION**

The Retiree Health Insurance Credit Fund, a cost-sharing multiple-employer other post-employment plan, is administered by the North Dakota Retirement Board (the Board) to provide members that were first enrolled in the plan prior to January 1, 2020 and are receiving retirement benefits from the Public Employees Retirement System, the Highway Patrolmen's Retirement System and judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit will also be available to apply towards monthly premiums under the state dental, vision and long term care plan and any other health insurance. Effective August 1, 2019, the credit is expanded to also include any dental, vision, and long term care plan. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis. PERS issues a publicly available financial report that may be obtained by writing to North Dakota Public Employees Retirement System, 1600 E. Century Ave., Suite 2, Bismarck, North Dakota 58503.

Regular employees hired under the Retirement Plan for Employees of Job Service North Dakota prior to October 1, 1980 are eligible to participate in the Retiree Health Insurance Credit Fund, a cost-sharing multiple-employer plan, as administered by the Public Employees Retirement Board. The retired employee is provided a credit toward their monthly health insurance premium under a qualifying plan based upon their years of credited service. In accordance with NDCC 54-52.1-03.2, Job Service North Dakota reimburses the Retiree Health Insurance Credit Fund monthly for credit received by members of the retirement plan established by Job Service North Dakota.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

Employee membership is as follows:

Retirees receiving benefit	15,599
Active participants	16,283
Total Membership	<u>31,882</u>

OPEB Contributions

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "*prefunded credit applied*" on the Statement of Changes in Plan Net Position for the OPEB trust funds.

OPEB Benefits

Retiree health insurance credit benefits and death and disability benefits are set by state statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the Public Employees Retirement System, the Highway Patrolmen's Retirement System, or the Defined Contribution Retirement Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving the surviving spouse benefit of if the member selected a joint and survivor option are eligible to receive credit toward their monthly health insurance premium under the state health plan.

The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health benefit is also available for early retirement with reduced benefits.

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Net OPEB Liability of the Plan

The components of the net OPEB liability of the plan at June 30, 2024 is as follows (expressed in thousands):

	RHIC
Total OPEB liability	\$ 272,982
Plan fiduciary net position	(186,576)
Net OPEB liability (asset)	<u>\$ 86,406</u>
RHIC fiduciary net position as a percentage of the total OPEB liability	68.35 %

Actuarial Assumptions

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Plan Fiduciary Net Position (Market value of assets, no asset smoothing)

RHIC Inflation: 2.25%

Salary Increase: Not applicable

Investment Rate of Return: 5.75%.

Mortality Rates: Pub-2010 Health Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

Other Notes: RHIC is for the most part a closed plan. There were no benefit changes during the year. The investment return assumption was decreased from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2015, through June 30, 2019. The employer rate to the System is the statutory contribution rate of 1.14% of payroll.

Investment Rate of Return

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of RHIC investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2024 is summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	4.00 %
Small Cap Domestic Equities	6.00 %
International equities	7.00 %
Core-Plus Fixed Income	3.29 %

Discount Rate

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 5.75%; the municipal bond rate is 3.97%; and the resulting Single Discount Rate is 5.75%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2024 PERS actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long

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term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability

The following presents the net OPEB liability of the Plan as of June 30, 2024, calculated using the single discount rate of 5.75%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

Net OPEB Liability (Asset) As of June 30, 2024	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
RHIC	\$ 118,095	\$ 86,406	\$ 59,715

The benefit provided by the North Dakota Retiree Health Insurance Credit Fund is a fixed dollar subsidy and is not affected by healthcare cost trend. Therefore, a healthcare trend rate was not performed.

B. RETIREE HEALTH INSURANCE CREDIT – STATE’S SHARE

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Proportionate Share of Net OPEB Liability

At June 30, 2024, the State reported a liability of \$49,393,376 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The State's proportion of the net OPEB liability was based on the State's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2023, the State's proportion was 50.41 percent, which is an increase of 0.006 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2024 the State recognized OPEB expense of \$9.3 million. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 930,011	\$ (565,099)	\$ —	\$ —
Changes of assumptions	10,534,651	(4,088,001)	—	—
Net difference between projected and actual earnings on OPEB plan investments	3,567,222	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,599,661	(1,979,434)	—	—
Employer contributions subsequent to the measurement date	6,060,973	—	—	—
Total	<u>\$ 22,692,518</u>	<u>\$ (6,632,534)</u>	<u>\$ —</u>	<u>\$ —</u>

\$6,060,973 reported as deferred outflows of resources related to OPEB resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ended June 30:

	Primary Government	Component Units
2025	\$ 2,850,055	\$ —
2026	2,557,306	—
2027	2,824,631	—
2028	1,767,019	—
2029	—	—
Total	\$ 9,999,011	\$ —

Sensitivity of the State's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plans as of June 30, 2024, calculated using the discount rate of 5.75%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
State's proportionate share of the net OPEB liability	\$ 63,534,264	\$ 49,293,376	\$ 37,512,391

C. JOB SERVICE NORTH DAKOTA – MET LIFE INSURANCE BENEFIT

MET LIFE INSURANCE BENEFIT

Job Service North Dakota engaged an actuary to determine the Agency's liability for post-employment benefits other than pensions as of July 1, 2023. The actuary determined the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense the Agency has to record as of June 30, 2024. This plan document, as amended, is authorized by the Plan Administrator, who is the Executive Director of the agency. JSND issues a publicly available financial report that may be obtained by writing to Job Service North Dakota, PO Box 5507, Bismarck, North Dakota 58506-5507.

Plan Description

Job Service North Dakota employees who had a Met Life Insurance policy in effect on December 1, 1999, when the Met Life Insurance benefit plan, a single-employer plan, was discontinued for new employees, receive the following benefits: Job Service North Dakota pays 33% of the monthly Basic Met Life Insurance premium of current employees with a Met Life Insurance policy and upon retirement the employees Basic Met Life Insurance premiums are covered 100% by Job Service North Dakota. The Basic Life Insurance Benefits are equal to the employees' annual salary rounded up to the nearest thousand plus two thousand up to a maximum of \$45,000 and are decreased at a rate of 2% per month at age 65 until the benefit is 25% of the original amount but no less than \$10,000. The actuary report of the Met Life Insurance Benefit is the only financial report produced for this benefit and is available as indicated above. Job Service North Dakota has authority to change the funding and benefit policy of this plan.

Membership of the Other Post Retirement Benefit plan consisted of the following at July 1, 2023, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	129
Terminated employees entitled to benefits but not yet receiving them	—
Current vested employees	4
Total	<u>133</u>

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Employer reported a liability of \$966,281 at June 30, 2024 for its net OPEB liability. The net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2024, the Employer recognized OPEB expense of \$99,150. The Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —
Changes of assumptions	—	—
Net difference between projected and actual earnings on OPEB plan investments	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	—
Total	\$ —	\$ —

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>July 1, 2023</u>
Inflation	none
Salary increases	5%
Discount rate	4.21% per annum

Mortality rates were based on the RP-2014 Total Dataset Mortality Table adjusted to based year 2006, projected with Scale MP-2019.

Sensitivity of the State's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plans as of June 30, 2024, calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21 percent) or 1-percentage-point higher (5.21 percent) than the current rate (expressed in thousands):

Net OPEB Liability As of June 30, 2024	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
Met Life	\$ 1,052	\$ 966	\$ 892

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Schedule of Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 7/1/23	\$ 952,996	\$ —	\$ 952,996
Changes for the Year:			
Service cost	304	—	304
Interest	35,478	—	35,478
Benefit changes	—	—	—
Experience losses (gains)	72,989	—	72,989
Changes of assumptions	(9,621)	—	(9,621)
Contributions - Employer	—	85,865	85,865
Benefits paid	(85,865)	(85,865)	(171,730)
Administrative expenses	—	—	—
Net changes	<u>13,285</u>	<u>—</u>	<u>13,285</u>
Balances at 6/30/24	<u>\$ 966,281</u>	<u>\$ —</u>	<u>\$ 966,281</u>

The plan provisions used in the measurement of the net OPEB liability are the same as those used in the Actuarial Valuation as of July 1, 2023.

D. OPEB SUMMARY

The following is a summary of the OPEB related items for all plans of the State as of and for the year ended June 30, 2024.

OPEB Plan	Deferred Outflows of Resources - OPEB	Net OPEB Liability	Deferred Inflows of Resources - OPEB	OPEB Expense
ND Public Employees' Retirement System	\$ 22,692,518	\$ 49,393,376	\$ 6,632,534	\$ 9,300,201
JSND Met Life Insurance Benefit	—	966,281	—	99,150
Total	<u>\$ 22,692,518</u>	<u>\$ 50,359,657</u>	<u>\$ 6,632,534</u>	<u>\$ 9,399,351</u>

NOTE 8 - DEFERRED COMPENSATION PLAN

The ND Public Employees Retirement System was given authority by Chapter 54-52.2 to administer an employee deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan allows employees of the State of North Dakota or any of its political subdivisions, institutions, departments, or agencies to participate, providing that the employee has signed a participation agreement, which permits them to defer a portion of their current salary until future years. Each participant may defer the lesser of \$23,000 or 100% of gross annual compensation for calendar year 2024. Participation in the plan is optional. The deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency.

All compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are held in trust for the exclusive use of the employee or their beneficiary.

The minimum monthly member contribution to the deferred compensation plan is \$25 and the maximum vesting in the employer contributions ranges from 1% to 4% of the monthly salary, or \$25, depending the employees months of service.

The deferred compensation plan had 16,997 active participants as of June 30, 2024.

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The related assets of the plan, held in trust, are reported at fair value as follows (expressed in thousands):

Plan Participation By:		
State of North Dakota	\$ 204,465	93 %
Other Jurisdictions	15,607	7 %
Total Value	<u>\$ 220,072</u>	<u>100 %</u>

NOTE 9 - PERS UNIFORM GROUP INSURANCE PROGRAM

The Uniform Group Insurance Program, a proprietary fund, contracted with Sanford Health Plan to provide health care insurance to the employees of the State of North Dakota, or any of its political subdivisions, institutions, departments or agencies. The contract for the 2019-2021 biennium provides for an accounting of premiums paid and claims incurred during the biennium. The final gain or loss is determined two years after the end of the biennium, which for the 2019-2021 biennium will occur in 2023 with an initial settlement occurring in 2022. In the event of a loss, the system does not have any risk. For this period, premiums exceeded claims, therefore, a gain of \$26.1 million was returned to the System as an initial settlement in 2022. The final settlement resulted in a decrease to the initial settlement, and resulted in an accrued payable to Sanford Health Plan of \$625,846 for 2023. A final payment of \$547,984 was made in 2024 to close out the 2019-2021 contract.

The System again entered into a similar contract with Sanford Health Plan for the 2021-2023 biennium. The contract for the 2021-2023 biennium provides for an accounting of premiums paid and claims incurred during the biennium. The final gain or loss is determined two years after the end of the biennium, which for the 2021-2023 biennium will occur in 2025 with an initial settlement occurring in 2024. In the event of a loss, the system does not have any risk. For this period, claims exceeded premiums, resulting in no settlement in 2024. No other insurance contracts have a gain sharing provision.

NOTE 10 - SEGMENT INFORMATION

North Dakota Housing Finance Agency maintains two separate funds which account for general agency operations and provide loans to finance construction of rental residential housing and single-family ownership. The two funds are accounted for in a single fund, but investors in home ownership bonds rely solely on the revenue generated by the mortgage loans and assets acquired for repayment. Segment information for the year ended June 30, 2024, was as follows (expressed in thousands):

	Home-Ownership Bond Funds
Condensed Statement of Net Position	
Current assets – other	\$ 303,394
Noncurrent assets – other	1,905,321
Total Assets	<u>2,208,715</u>
Current liabilities – other	100,658
Noncurrent liabilities – other	1,851,839
Total Liabilities	<u>1,952,497</u>
Deferred infow of resources	20,762
Net position – restricted	235,456
Total Net Position	<u>\$ 235,456</u>
Condensed Statement of Revenues, Expenses and Change in Fund Net Position	
Operating revenues	\$ 84,835
Operating expenses	(67,190)
Operating income	<u>17,645</u>
Change in net position	17,645
Total net position, beginning of year	217,892
Equity transfer out	(81)
Total net position, end of year	<u>\$ 235,456</u>

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	Home-Ownership Bond Funds
Condensed Statement of Cash Flows	
Net cash provided by operating activities	\$ (252,053)
Net cash used for noncapital financing activities	304,411
Net cash used for investing activities	5,843
Net change in cash and cash equivalents	58,201
Cash and cash equivalents, beginning of year	193,456
Cash and cash equivalents, end of year	\$ 251,657

NOTE 11 - MAJOR COMPONENT UNIT TRANSACTIONS

BISMARCK STATE COLLEGE AND BISMARCK STATE COLLEGE FOUNDATION

On October 19, 2007, BSC and BSC Foundation entered into a 25-year lease agreement to facilitate the construction of the National Energy Center of Excellence building. Under the agreement, BSC is responsible for payment of all rent, maintenance, and repair of the facility, maintenance of all insurance required under the lease, and restrictions of use of the facility as set forth in the lease. The amount of the rent is tied to the \$5.0 million debt service retirement. Upon payment of all the bonds, BSC will have the option to purchase the premises for \$100.

BSC Foundation's financial statements include these transactions as a receivable from BSC and a long-term liability. BSC's financial statements include the capitalized asset and a long-term liability due to BSC Foundation.

On September 26, 2014, BSC and Student Housing, LLC (a wholly owned subsidiary of BSC Foundation) entered into a 30-year Ground Lease to facilitate the construction and development of a student apartment housing complex on approximately 4.67 acres of land owned by BSC. Under the agreement, BSC would enter into a separate operating and lease agreement with LLC for the constructed student housing apartment complex for use as a College student housing facility. There are no separate rent payments to be paid by LLC during the term of the Ground Lease agreement in exchange for use of the land.

On August 13, 2015, BSC and Student Housing, LLC entered into a five-year lease agreement to operate student housing services in the two newly constructed housing units (Ritchie Hall and Gate City Bank Hall). On August 28, 2020, an agreement was signed to extend the lease term until August 12, 2025. Under the agreement, BSC is responsible for payment of all rent, maintenance, and daily repair/maintenance of the facility, and restrictions of use of the facility as set forth in the lease. Student Housing, LLC is responsible for major repairs/maintenance and property and liability insurance on the facilities. The lease is classified as a lease on BSC financial statements and Student Housing, LLC financial statements includes the capitalized asset.

UNIVERSITY AND NDSU RESEARCH AND TECHNOLOGY PARK, INC.

On December 30, 1999, North Dakota State University (NDSU), through the State of North Dakota and North Dakota State Board of Higher Education, entered into a ground lease, whereby the NDSU Research and Technology Park (RTP), Inc. (component unit) leases 40 acres of land for \$1 per year for the next seventy-five years.

On July 1, 2002, NDSU and the RTP entered into an agreement for cooperation and assistance between entities. The agreement is an annual agreement, which automatically extends for one-year periods unless cancelled by either party to the agreement.

During fiscal year 2017, NDSU and NDSU RTP entered into renewed agreements, whereby NDSU leases the Research Buildings I and II through May 1, 2022 and May 2032. On May 1, 2022, NDSU and NDSU RTP entered into an annual service agreement for Research Building I to continue the services provided as the bonds related to Research Building I have been paid in full and NDSU exercised its option to terminate the Research Building I Lease and purchase Research Building I. During fiscal year 2024, total annual rent of \$402,000 was paid by NDSU for these two buildings, in addition to the \$1.28 million of principal and interest paid by NDSU directly to the bond trustee. The annual rent will be re-adjusted by mutual agreement every two years. These agreements are subject to funding and legislative appropriations.

NDSU FOUNDATION

Renaissance Hall

The former Northern School Supply building was donated to the Foundation by NDSU alum in December of 2001. During fiscal year 2003 and 2004, the Foundation renovated the building with the intent to lease the facility to NDSU beginning fall 2004. The Foundation transferred nearly the entire ownership of the building to 650 NP Avenue, LLC and Kilbourne Design Group, LLC, for a five-year period in order to achieve tax credits that would ultimately reduce the cost of the building to NDSU. During the five-year

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tax credit period, NDSU leased the building from the two LLCs, with the lease payments composed of interest and fees. With the five-year tax credit period ending December 31, 2010 (as extended), and the ownership was transferred back to the Foundation, permanent financing was put in place on December 17, 2010, with the issuance of \$5.65 million of 20-year University Facilities Lease Revenue Bonds, Series 2010 (Renaissance Hall Project). The financing structure involving the five-year temporary ownership transfer resulted in achieving tax credits of \$4.9 million which directly lowered the leasing cost to NDSU.

Under this refinanced debt issuance and lease agreement, as approved by the SBHE on December 16, 2010, the property is leased to NDSU for rent equal to the semi-annual principal and interest on the bonds, plus all costs incurred by the Foundation incident to ownership of the property. Ownership of the property will transfer to NDSU when the bonds are repaid in full. NDSU paid the Foundation \$419,000 in fiscal year 2024 for debt service under this agreement. As of June 30, 2024, the outstanding balance on the bonds are reflected as "Due to Component Units" by NDSU, is \$2.4 million.

Barry Hall Business Building and Klai Hall Architecture Building

Effective November 28, 2007, NDSU and the Foundation entered into lease agreements for two buildings in downtown Fargo, formerly known as the "Pioneer Mutual Building" and "Lincoln Mutual building". The Foundation financed the construction of the Barry Hall business building and Klai Hall architecture building projects through the sale of \$18.52 million of 20-year University Facilities Revenue Bonds issue by the City of Fargo, North Dakota. The City has loaned the bond proceeds to the Foundation for payments equal to the sum of the semi-annual interest payments and installments of varying principal amounts on the variable rate bonds and the semi-annual principal and interest payments on the fixed-rate bonds. The principal payments on the variable rate bonds will be funded from payments on donor pledges restricted for the project. Under the terms of the loan, the Foundation is responsible for the real estate taxes, insurance, repairs and maintenance, and other costs incident to ownership of the property. The property is included with property in the financial statements and the bonds have been recorded as a direct obligation of the Foundation. Ownership of the property will transfer to NDSU when the bonds are repaid in full. The bonds are guaranteed by the Foundation. This property is leased to NDSU for rental equal to the sum of the semi-annual interest only payments on the variable term bonds plus the semi-annual principal and interest payments on the fixed-rate bonds for the term of the bonds, plus all the costs incurred by the Foundation incident to ownership of the property.

In May 2012, the Foundation refinanced the original bonds issued in November 2007. As a result, new leases were executed. Under the terms of the new leases, NDSU pays and recognizes a liability for the entire amount of the previously issued bonds. During fiscal year 2024, NDSU paid \$620,000 to the bond trustee on-behalf of the Foundation under the new leases for debt service on Barry Hall & Klai Hall. NDSU has an option to acquire the property upon full payment of the bonds. As of June 30, 2024, the outstanding balance on the bonds, reflected as "Due to Component Units" by NDSU, is \$6.5 million.

Other Transactions

The Foundation provides meeting space rental and database support service to NDSU for an annually negotiated fee. NDSU paid the foundation \$999,000 for the fiscal year ending December 31, 2023.

In addition to the debt service payments on the Fargodome, Renaissance, Barry and Klai Halls, NDSU reimburses the Foundation for other operating expenses related to those buildings, such as property insurance, flood insurance, boiler inspection fees, real estate taxes and bond administrative fees. Those costs totaled \$169,000 during the fiscal year ending December 31, 2023.

The Foundation's fiscal year end is December 31, NDSU year end is June 30. Timing differences in amounts may occur between entity financial statements, due to different year end dates.

UNIVERSITY OF NORTH DAKOTA AND UND AEROSPACE FOUNDATION

The UND Aerospace Foundation (UND AF) recorded expenses reimbursed to UND for salaries, building rent, aircraft rental, and goods and services under an operating agreement aggregating \$4.5 million in fiscal year 2024. This operating agreement has no specific term and is intended to memorialize various operating agreements, rate structures, duties, and obligations each party has to the other. Expenses reimbursed to UND represent actual costs incurred and are included in training expenses in the consolidated statements of activities.

The UND AF recorded revenue for service and hangar, CRJ, 360-degree tower, and aircraft rental to UND of \$2.1 million in fiscal year 2024, which is included in program and event revenue in the Statement of Revenue, Expenses and Changes in Fund Net Assets for Component Units (FASB Basis) – University System Foundation.

As of June 30, 2024, the UND AF had recorded accounts payable to UND of \$1.2 million for reimbursable costs and services. As of June 30, 2024, the UND AF had recorded accounts receivable from UND of approximately \$607,000, which are included in accounts receivable in the statement of net assets for component units (FASB Basis) – University System Foundation.

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The UND AF entered into a sublease with UND to lease the aircraft storage hangar/ground support equipment facility. The lease term is for 20 years, commencing on July 7, 2003, until July 6, 2023. The lease was extended in October 2023 for an additional five-year term. For the first fifteen years of the sublease, UND will pay the Foundation's monthly minimum payment of \$12,672, beginning on October 1, 2003, subject to actual cost adjustments. At the end of the 15 years of the sublease, rent will be adjusted based upon the interest rate adjustments of the debt incurred by the Foundation in the construction of the hangar.

UNIVERSITY OF NORTH DAKOTA AND RE ARENA, INC.

RE Arena Inc. and UND, enter into an annual operating agreement from July 1, 2020 to September 30, 2030. The operating agreement sets forth the facility usage, fees and services, ticket administration and revenue allocation, sponsorship sales administration and revenue allocation, and net income disposition. In accordance with this agreement: (i) RE Arena Inc. collects all ticket revenue from ticketed UND athletic events (hockey, football, men's and women's basketball, and volleyball), RE Arena, Inc. retains 52 percent of such ticket revenue and remits 48 percent to the UND, and (ii) RE Arena Inc. collects all sponsorship sales revenue from the UND athletic events at the arena, RE Arena, Inc. retains 50 percent of such sponsorship revenue, net of direct costs, and remits 50 percent to the UND net of direct costs. In addition, UND and RE Arena, Inc. jointly utilize the UND and RE Arena Inc. marketing staff to market and promote the UND athletic events.

RE Arena, Inc. may contract with UND for materials and personnel in service, utility and other areas and will reimburse UND based on separate agreements. Revenue and expense arrangements for all other UND events held at the arena will be negotiated on an event-by-event basis.

In fiscal year 2024, gross tickets sales were \$5.9 million of which RE Arena, Inc. recognized revenue of \$3.1 million, with a net paid to UND of \$2.8 million.

Gross tickets sales for the next athletic season year are recorded in deferred revenue at gross by REA for a total of \$3.7 million.

REA recognized net sponsorship (advertising) revenue of \$1.1 million and net paid to UND in sponsorship (advertising) income of \$1.1 million. REA allocated \$500,000 of net income to UND athletic department for the year ended May 31, 2024. REA expensed \$1.1 million to UND for utilities, maintenance staff, phone service and other.

At the end of the fiscal year REA owed UND \$179,000 for monthly services.

Amounts are reported on the accrual basis of accounting, which may or may not be the same as that used by UND. REA fiscal year end is May 31 and UND's fiscal year end is June 30. Amounts may differ between entity financial statements because of timing differences due to different year ends.

UNIVERSITY OF NORTH DAKOTA AND UNIVERSITY OF NORTH DAKOTA FOUNDATION

UND is leasing space in the Gorecki Alumni Center in the amount of \$75,000 per year. Additional rental payments consisting of UND's share of the operating and maintenance costs for space used in the Gorecki Alumni Center are calculated annually.

During the year ended June 30, 2024, UND provided approximately \$2.0 million of institutional support for event and database support, annual giving campaign, career development center and shared positions. The UND Alumni Association and Foundation (Foundation) manages UND's endowment investments and charged them \$267,000 in investment management fees during the year ended June 30, 2024.

During the year ended June 30, 2024, the Organization paid \$12.0 million to the University of North Dakota for building projects.

On July 24, 2002, the UND Foundation issued \$8.6 million of tax-exempt lease revenue bonds to finance the construction of an office building and the renovation of an existing building for the EERC of UND. The UND Foundation recorded a receivable from UND of \$8.6 million due under the direct-financing lease arrangement. On October 18, 2012, the UND Foundation issued Taxable Refunding Lease Revenue Bonds, Series 2012 in the amount of \$6.4 million to refund its outstanding Lease Revenue Bonds, Series 2002.

The UND Foundation also amended the related lease agreement with UND. Interest accrues on the bonds at rates from 0.75 percent to 4.20 percent depending upon maturity. Annual principal and semiannual interest payments are due through fiscal year 2027 and as of June 30, 2024 were \$1.6 million. The bonds are secured by a lease with UND.

On March 23, 2021, the UND Foundation financed the build of the College of Business and Public Administration building in part with First International Bank & Trust, in an amount up to \$30 million. On July 23, 2023 the UND Foundation modified the University Facilities Bonds, Series 2021 (College of Business and Public Administration Building) to allocate \$13 million of the \$30

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million to finance the building of the Frederick “Fritz” Pollard, Jr. Athletic Center. The bonds are now secured by pledged receivables for both building projects. As of June 30, 2024, the outstanding balance on the bonds is \$24.9 million and the bonds mature on March 5, 2032. UND is not legally obligated for the payment of these bonds..

On April 26, 2024, The University of North Dakota Foundation entered into a loan agreement with the City of Grand Forks in an amount of \$2.0 million to assist in the construction of a UND Softball Complex. The interest rate is variable between 2 percent – 4 percent. Annual payments on the loan begin in 2025 and are required through 2034. UND is not legally obligated for the payment of the loan.

NOTE 12 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

BANK OF NORTH DAKOTA

The State, through the Bank of North Dakota, is a party to credit related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, financial standby letters of credit and guarantees related to loan programs. Those instruments involve varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the statement of net position. The contract amounts of those instruments reflect the extent of involvement the State has in particular classes of off-balance-sheet financial instruments.

The State's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and financial standby letters of credit is represented by the contractual amount of those instruments. The State uses the same credit policies in making commitments and conditional obligations as it does for on- balance-sheet instruments.

	Contract Amount (in thousands)
Commitments to extend credit	\$ 2,073,963
Financial standby letters of credit	871,330
Guarantees provided	7,253

Commitments to extend credit are agreements to lend as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained by the State upon extension of credit is based on management’s credit evaluation of the customer. Collateral held may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties.

Financial standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those letters of credit are primarily issued to support public borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank has segmented this category into three components: (1) letters of credit, (2) confirming letters of credit, and (3) letters of credit pledged for public deposits to North Dakota financial institutions.

Letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party which require this type of facility. The maturities for these letters range from one month to ten years, and the likelihood of funding any of these letters of credit is considered to be remote. The Bank holds collateral supporting those commitments. The Bank also has letters of credit with the North Dakota Public Finance Authority with maturities ranging from five to twenty-three years. If the letters issued to Public Finance Authority were ever drawn upon, Public Finance Authority is legally obligated to reimburse the Bank from funds legally available, or from any appropriation made available to the Legislative Assembly after certification by the Industrial Commission. The likelihood of funding any of these letters of credit is also considered to be remote. Outstanding issued letters of credit as of December 31, 2023 were \$27.3 million.

Confirming letters of credit are issued to North Dakota financial institutions to support letters of credit they have issued but are still in need of backing from an institution with a long-term, high quality bond rating. In the event these letters were to be drawn upon, based on the terms of the agreement, the Bank would immediately withdraw funds from the institution’s correspondent bank account held at the Bank to cover the amount drawn. These agreements generally have terms of 12 months or less. The likelihood of funding any of these confirming letters of credit is also considered to be remote. Outstanding issued confirming letters of credit as of December 31, 2023 were \$5.6 million.

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Letters of credit pledged for public deposit to North Dakota financial institutions are issued to support public borrowing arrangements. These letters are fully collateralized by a pool of loans pledged to the Bank. These agreement generally have terms of 12 months or less. Financial standby letters for public deposits by North Dakota banks totaled \$573 million at December 31, 2023. The likelihood of funding any of these letters of credit is also considered to be remote. These letters of credit are authorized form of collateral for public deposits per North Dakota Century Code 21-04-09.

The Bank has not recorded a contingent liability related to off-balance sheet activity as of December 31, 2023.

SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND

As of June 30, 2024, the Fund had two outstanding commitments for \$24 million.

LEGACY INVESTMENT FOR TECHNOLOGY FUND

As of June 30, 2024, the Fund had four outstanding commitments for \$1.7 million.

AGRICULTURE PACE FUND

As of June 30, 2024, the Fund had sixteen outstanding commitments for \$2.5 million.

INFRASTRUCTURE REVOLVING LOAN PROGRAM

As of June 30, 2024, the Fund had eleven outstanding commitments for \$33.4 million.

CLEAN SUSTAINABLE ENERGY AUTHORITY

As of June 30, 2024, the Fund had eight outstanding commitments for \$390.5 million.

WATER INFRASTRUCTURE REVOLVING LOAN FUND

As of June 30, 2024, the Fund had two outstanding commitments for \$11.4 million.

MEDICAL FACILITY INFRASTRUCTURE LOAN FUND

As of June 30, 2024, the Fund had two outstanding commitments for \$8.2 million

NORTH DAKOTA HOUSING FINANCE AGENCY

In the normal course of business, the Agency makes various commitments that are not reflected in the financial statements. These include commitments to extend credit and the debt reduction required when related loan acquisition funds are not drawn down within prescribed time frames set by the specific bond resolution.

Commitments to extend credit are agreements to fund loans as long as there is no violation of any condition established in the contracts. Commitments require the payment of a reservation fee and generally have a fixed expiration date. Commitments to extend credit total \$155.5 million at June 30, 2024.

The bond resolutions require that the funds in the loan acquisition accounts be expended within 42 months of the related bond delivery date. Any remaining funds must be used for debt reduction. The loan acquisition funds totaled \$69.1 million at June 30, 2024.

PUBLIC FINANCE AUTHORITY

In the normal course of business, the Finance Authority (a component unit) makes various commitments that are not reflected in the financial statements. These commitments include commitments to extend credit of \$226.9 million at December 31, 2023.

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NOTE 13 - INTEREST RATE SWAP

BANK OF NORTH DAKOTA

The Bank has outstanding interest rate swap agreements with a notional amount \$500 million to convert variable rate federal funds and variable LIBOR- indexed deposits into fixed-rate instruments over the term of the contract. The following table summarizes the terms of the interest rate swap contracts:

Trade Date	Maturity Date	Notional Amount	Pay Fixed	Receive Variable
June 5, 2014	June 1, 2029	\$50,000,000	2.86%	Fed Funds
April 14, 2015	May 1, 2030	\$50,000,000	1.92%	Fed Funds
August 11, 2016	September 1, 2031	\$50,000,000	1.48%	1 Month SOFR Fallback
April 5, 2017	May 1, 2032	\$50,000,000	2.39%	1 Month SOFR Fallback
June 15, 2017	July 1, 2032	\$50,000,000	1.99%	Fed Funds
March 27, 2018	April 1, 2033	\$50,000,000	2.47%	Fed Funds
June 28, 2018	July 1, 2033	\$50,000,000	2.52%	Fed Funds
April 25, 2019	May 1, 2034	\$50,000,000	2.36%	Fed Funds
September 3, 2019	October 1, 2034	\$50,000,000	1.15%	Fed Funds
October 2, 2019	November 1, 2034	\$50,000,000	1.38%	Fed Funds

Either the Bank or its counterparties may terminate the interest rate swap if the other party fails to perform under the terms of the contract. Termination could result in the Bank being required to make a payment of the fair value of the swap to counterparty.

The following table summarizes the derivative financial instrument utilized at December 31, 2023:

Swap	National Amount	Fair Value		Changes in Fair Value	
		Classification	Amount	Classification	Amount
June 2014	\$ 50,000,000	Other assets	\$ 1,347,000	Deferred inflow	\$ (754,000)
April 2015	50,000,000	Other assets	4,175,000	Deferred inflow	(1,114,000)
August 2016	50,000,000	Other assets	6,878,000	Deferred inflow	(1,066,000)
April 2017	50,000,000	Other assets	4,126,000	Deferred inflow	(726,000)
June 2017	50,000,000	Other assets	5,095,000	Deferred inflow	(1,050,000)
March 2018	50,000,000	Other assets	3,562,000	Deferred inflow	(878,000)
June 2018	50,000,000	Other assets	3,453,000	Deferred inflow	(860,000)
April 2019	50,000,000	Other assets	4,390,000	Deferred inflow	(894,000)
Sept 2019	50,000,000	Other assets	10,053,000	Deferred inflow	(1,258,000)
Oct 2019	50,000,000	Other assets	9,046,000	Deferred inflow	(1,182,000)

At December 31, 2023, the Bank was not exposed to material credit risk because each counterparty is required to fully collateralize the fair value of the swaps within \$250 of daily mark-to-market valuations by depositing funds with the other counterparty.

The Bank is exposed to interest rate risk on its swap agreements. On its pay-fixed, receive variable interest rate swaps, the Bank's net payment increases as the USD-FEDERAL FUNDS-H.15 and USD-1 MONTH SOFR interest rates decrease.

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Using rates as of December 31, 2023, the interest expense of the variable rate federal funds, variable rate 1 month SOFR Fallback and the net swap payments are as follows. As rates vary, the federal fund and 1 month SOFR interest expense and the net swap payments will vary.

Year Ended December 31:	Pay Fixed	Receive Variable		Interest Rate Swap, net
	Contract Interest	Federal Fund Interest	1-Month SOFR Fallback Interest	
2024	\$ 10,259,000	\$ 21,320,000	\$ 5,460,000	\$ (16,521,000)
2025	10,259,000	21,320,000	5,460,000	(16,521,000)
2026	10,259,000	21,320,000	5,460,000	(16,521,000)
2027	10,259,000	21,320,000	5,460,000	(16,521,000)
2028	10,259,000	21,320,000	5,460,000	(16,521,000)
2029-2033	34,451,000	77,285,000	16,380,000	(59,214,000)
2034-2036	1,400,000	5,108,000	—	(3,708,000)
	<u>\$ 87,146,000</u>	<u>\$ 188,993,000</u>	<u>\$ 43,680,000</u>	<u>\$ (145,527,000)</u>

NORTH DAKOTA HOUSING FINANCE AGENCY

As a means to lower its borrowing costs, when compared against fixed-rate bonds at the time of issuance, the Agency entered into several cash flow hedges or swaps in connection with various variable-rate housing bond series. The Agency cash flow hedges are pay-fixed. All Agency cash flow hedges are pay-fixed. The intention of these swaps was to effectively change the Agency's interest rate on the bonds to a fixed rate. The Agency also has cash flow hedges that were entered into in connection with variable-rate housing bond series that no longer have bonds outstanding as those bonds have been called. The cash flow hedges that are not connected to a specific bond series hedge the risk related to the Agency's other variable-rate housing bonds that are unhedged.

The bonds and the related swap agreements have a stated issuance and maturity date. Some of the swaps have optional termination dates. Under the swaps, the Agency pays the counterparty a fixed payment and receives a variable payment computed as a percent of the London Interbank Offered Rate (LIBOR) or Secured Overnight Financing Rate (SOFR) plus a fixed percentage on the swap notional amount. On the other hand, the bond's variable-rate coupons are determined by the remarketing agent. If for any reason the remarketing agent fails to act, the rate shall be the lesser of (i) the TBMA Index plus 0.25% or (ii) the Maximum Rate as defined within the applicable series resolution.

As of June 30, 2024, the Agency had eleven swaps with a positive fair value totaling \$20.8 million. Of the swaps with negative fair value, the Agency is not exposed to credit risk. However, the swap exposes the Agency to basis risk should the relationship between LIBOR/SOFR and TBMA converge, changing the synthetic rate on bonds. The swap counterparty has guaranteed all payments and is rated AAa/AA+/AAA by Moody's Investor Services, Standard & Poor's, and Fitch, respectively. To mitigate potential credit risk, the counterparty has entered into Credit Support Agreements with Royal Bank of Canada and Wells Fargo as a credit enhancement.

The Agency has entered into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements netting provisions permit each party to net the transactions' fair values so that a single sum will be owed by, or owed to, the other party. At June 30, 2024, the Agency owed the swap providers a fixed rate on the notional amount of the swaps of \$5.96 million and the swap providers owed the Agency a variable rate on the notional amounts of \$9.93 million making the net payment that the Agency owed from the swap providers \$3.97 million.

Due to the difference in the variable rate indices, the swaps had a net positive fair value of \$20.8 million as of June 30, 2024. Accordingly, the financial derivative instrument is reported as a liability and the accumulated changes in fair value of the swaps are reported as a deferred inflow at June 30, 2024. The coupon on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. All valuations are as of the valuation date indicated. Mid-Market or indicative unwind valuations may be derived from broker quotations or from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging transactions. Valuations based on other models or different assumptions may yield different results.

The swap exposes the Agency to basis risk should the relationship between LIBOR/SOFR and the actual variable rates converge, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate and the synthetic rate as of June 30, 2024. If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized.

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The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination event." That is, the swap may be terminated if counterparty's credit quality rating falls below "A3" as issued by Moody's Investors Service or "A-" as issued by Fitch Ratings or Standard & Poor's. The swap may be terminated at any time by the Agency or the counterparty with 30 days written notice up to limits specified in the swap agreement. If the swap or swaps were terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Agency would be liable to the counterparty for payment equal to the swap's fair value, but in the event the fair value is positive, the counterparty would be liable to the Agency.

The Agency is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the Agency will be re-exposed to the risks being hedged by the hedging derivative instrument. The Agency also is exposed to rollover risk on the swaps that mature and the Agency does not call the related variable rate debt.

The terms of the interest rate swaps at June 30, 2024 are as follows:

1. Bond Series	2015 C		2015 E		2015 F		2017 C	
2. Issuance Date	6/23/2015		5/1/2016		12/8/2015		5/10/2017	
3. Maturity Date	1/1/2046		7/1/2036		1/1/2047		7/1/2047	
4. Notional Amount	\$	11,745,000	\$	18,840,000	\$	12,830,000	\$	20,545,000
5. Variable-rate Bonds	\$	11,745,000	\$	18,840,000	\$	12,830,000	\$	20,545,000
6. Fixed Rate	2.486 %		2.257 %		2.320 %		2.783 %	
7. LIBOR Percentage	66.20 %		66.40 %		100.00 %		100.00 %	
8. Additional Percentage	0.10 %		0.22 %		0.00 %		0.00 %	
9. Bonds Variable-rate	0.91000 %		0.91000 %		1.65000 %		2.73904 %	
10. Fair Value	\$	896,000	\$	1,082,000	\$	1,626,000	\$	2,226,000
11. Percentage of LIBOR	3.70703 %		3.83792 %		5.44868 %		5.44868 %	
12. Synthetic Rate	(31.10300)%		(67.09200)%		(1.47868)%		7.28600 %	
13. Actual Synthetic Rate	3.00534 %		1.87677 %		2.28415 %		2.73484 %	
14. Change in Fair Value	\$	194,000	\$	64,000	\$	46,000	\$	233,000
15. Optional Termination Date	N/A		N/A		1/1/2025		7/1/2027	

1. Bond Series	2017 H		2018 C		2019 B		2019E	
2. Issuance Date	12/21/2017		6/14/2018		2/13/2019		6/25/2019	
3. Maturity Date	7/1/2039		1/1/2049		1/1/2043		1/1/2050	
4. Notional Amount	\$	28,250,000	\$	9,355,000	\$	25,000,000	\$	12,265,000
5. Variable-rate Bonds	\$	28,250,000	\$	9,355,000	\$	25,000,000	\$	12,265,000
6. Fixed Rate	2.266 %		3.515 %		2.693 %		3.171 %	
7. LIBOR Percentage	66.40 %		100.00 %		70.00 %		100.00 %	
8. Additional Percentage	0.09 %		0.00 %		0.00 %		0.00 %	
9. Bonds Variable-rate	0.90000 %		1.60000 %		1.11000 %		1.60000 %	
10. Fair Value	\$	2,153,000	\$	832,000	\$	1,636,000	\$	2,236,000
11. Percentage of LIBOR	3.70792 %		5.44868 %		3.81408 %		5.44868 %	
12. Synthetic Rate	(0.54192)%		(0.33368)%		(0.01158)%		(0.67768)%	
13. Actual Synthetic Rate	2.17791 %		3.47119 %		2.95053 %		3.14039 %	
14. Change in Fair Value	\$	324,000	\$	210,000	\$	362,000	\$	571,000
15. Optional Termination Date	N/A		7/1/2027		N/A		7/1/2028	

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1. Bond Series	2022C	2022E	2023C
2. Issuance Date	4/28/2022	6/14/2022	2/16/2023
3. Maturity Date	7/1/2052	1/1/2053	7/1/2047
4. Notional Amount	\$ 30,000,000	\$ 25,000,000	\$ 1,330,000
5. Variable-rate Bonds	\$ 30,000,000	\$ 25,000,000	\$ 1,330,000
6. Fixed Rate	2.644 %	3.808 %	4.493 %
7. LIBOR Percentage	100.00 %	100.00 %	100.00 %
8. Additional Percentage	0.05 %	0.05 %	0.15 %
9. Bonds Variable-rate	1.60000 %	1.60000 %	1.60000 %
10. Fair Value	\$ 4,328,000	\$ 3,016,000	\$ 731,000
11. Percentage of LIBOR	5.49868 %	5.49868 %	5.59868 %
12. Synthetic Rate	(1.25468)%	(0.90680)%	0.49432 %
13. Actual Synthetic Rate	2.56684 %	3.72103 %	4.26228 %
14. Change in Fair Value	\$ 816,000	\$ 1,439,000	\$ 567,000
15. Optional Termination Date	1/1/2032	1/1/2032	7/1/2028

Using rates as of June 30, 2024, debt service requirements of the variable-rate debt and net swap payments are as follows. Interest calculations were based on rates as of June 30, 2024. As rates vary, variable-rate bond interest payments and net swap payments will vary. (Expressed in thousands.)

Fiscal Year Ending June 30	Variable-Rate Bond		Interest Rate Swap, Net	Total
	Principal	Interest		
2025	\$ 1,700	\$ 3,004	\$ (3,941)	\$ 763
2026	3,175	2,929	(3,848)	2,256
2027	4,860	2,846	(3,740)	3,966
2028	4,575	2,766	(3,633)	3,708
2029	4,875	2,687	(3,526)	4,036
2030 - 2034	45,460	11,477	(14,691)	42,246
2035 - 2039	53,605	8,144	(9,714)	52,035
2040 - 2044	41,810	5,022	(5,692)	41,140
2045 - 2049	28,485	2,587	(2,897)	28,175
2050 - 2054	18,615	452	(492)	18,575
	<u>\$ 207,160</u>	<u>\$ 41,914</u>	<u>\$ (52,174)</u>	<u>\$ 196,900</u>

NOTE 14 - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Most of the State's business is with customers within the state. Concentrations of credit are present in the construction and operation of community water facilities, loans to medical facilities for health care construction, loans to students for post-secondary education, loans to owners of homes damaged in the 2011 floods in Barnes, Benson, Burleigh, McHenry, Morton, Ramsey, Renville, Richland and Ward counties, loans to political subdivisions in the state for infrastructure, single-family and multifamily mortgage loans, loans to assist local financial institutions in providing loans to assist very small businesses in their recovery from the impacts caused by the COVID-19 pandemic, loans to provide financing for commercialization of intellectual technology within the State and the agricultural industry. Due to the pervasive nature of agriculture in the economy of the state, all loans, regardless of type, are impacted by agriculture.

NOTE 15 - RISK MANAGEMENT

Several funds accumulate assets to cover risks that the State may incur. Specifically, the State assumes a portion or substantially all risks associated with the following:

THE STATE FIRE AND TORNADO FUND

The State Fire and Tornado Fund, an Enterprise Fund, is financed by premiums charged to the participating funds of the State. All monies collected must be paid into the fund for use only for the purpose outlined in NDCC 26.1-22.02.

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All losses occasioned by the hazards provided for in the North Dakota Century Code must be paid out of the fund, with the fund being reimbursed by a third-party insurance carrier for all losses in excess of \$2,000,000 per occurrence.

STATE BONDING FUND

The State Bonding Fund, an Enterprise Fund, is financed by premiums charged to each State agency for the bonding of public employees and public officials.

FLEET SERVICES

Fleet Services, an Internal Service Fund, represents the State's fleet of automobiles and is administered by the Department of Transportation. The State is self-insured for substantially all automobile insurance (e.g., comprehensive, collision), with the exception of liability, which is provided by the State's Risk Management Fund (RMF). State agencies are charged premiums to cover Fleet Service's RMF assessment and to pay for those losses that are not covered by RMF. These premium charges are factored into the fees agencies are charged when renting the cars.

WORKFORCE SAFETY & INSURANCE

Workforce Safety & Insurance (WSI), an Enterprise Fund, is a State insurance fund and a "no fault" insurance system, covering the State's employers and employees. WSI is financed by premiums assessed to employers. The rate of such premiums is periodically adjusted to assure the solvency of WSI. The premiums are available primarily for the payment of claims to employees injured in the course of employment. During fiscal year 2024, a total of \$88,114,195 in claims was recognized. The liability of \$917,681,000 is the present value of the unpaid claim liability discounted at 4% as determined by the actuarial.

RISK MANAGEMENT FUND

Due to the loss of sovereign immunity, the 1995 Legislature established the Risk Management Fund (RMF) to pay money damages for tort claims for which the State is liable. The statutory liability of the State is limited to a total of \$250,000 per person and \$1,000,000 per occurrence. The State purchases commercial insurance for claims in excess of coverage provided by the Fund and continues to transfer liabilities for medical malpractice and aviation to private insurance carriers. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

Revenues to the RMF are generated from contributions required from state agencies, boards and commissions, and the University System. The need for and amount of funding is determined using a projected cost allocation approach. The premise of this plan is that the agencies with greater expected loss costs should contribute more to the funding of the RMF than those agencies with lesser costs. The underlying logic is that contributions should roughly equal loss costs plus the expenses of administering the program over the long term.

The RMF liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Unpaid claim liabilities are based on an actuarial study of the outstanding loss reserve need for the fund and a forecast of ultimate loss and loss expense. These liabilities were determined on an undiscounted expected level of ultimate loss. Because actual claims liabilities are affected by complex factors including inflation, changes in legal doctrines, and unanticipated damage awards, the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities will be re-evaluated periodically to take in consideration settled claims, the frequency of claims, and other economic and social factors.

The following table presents the changes in claims liabilities balance for the fiscal years ending June 30, 2024 and 2023:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims and Changes In Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2024	\$ 3,866,520	\$ 723,442	\$ (416,790)	\$ 4,173,172
2023	3,850,994	140,983	(125,457)	3,866,520

The Risk Management Workers Compensation Program (WCP) was established to consolidate all state entities under one workers compensation account, allowing for transitional duty between entities. The statutory liability of the fund is limited to \$100,000 per claim with Workforce Safety & Insurance, providing excess insurance for claims that exceed the \$100,000 cap. WCP pays separately for this coverage. Since the inception of WCP on July 1, 2001, fifty-four claims exceeded coverage by \$8.12 million.

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Revenues to WCP are generated from contributions required from state agencies, boards, commissions, and the University System. The amount contributed from each agency is actuarially determined by Workforce Safety & Insurance and based upon the number of employees, the type of work done, and claims history of each entity. Each entity also pays a deductible of \$250 per claim.

The WCP liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities are affected by complex factors including inflation, changes in legal doctrine, and unanticipated damage awards, the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities will be re-evaluated periodically to take into consideration settled claims, the frequency of claims, and other economic and social factors. An actual study was performed for Workforce Safety & Insurance. The liability estimates are based on that study.

The following table presents the changes in claims liabilities balance for the fiscal years ending June 30, 2024 and 2023:

Fiscal Year	Beginning Balance	Current Year Claims and Changes In Estimates	Claims Payments	Ending Balance
2024	\$ 4,056,820	\$ 2,894,983	\$ (3,927,120)	\$ 3,024,683
2023	2,030,107	5,293,473	(3,266,760)	4,056,820

NOTE 16 - PUBLIC ENTITY RISK POOLS

A. GENERAL

FIRE AND TORNADO AND BONDING FUND

The Fire and Tornado Fund provides property insurance to state agencies, political subdivisions, the International Peace Garden and the Winter Show. The Fire and Tornado Fund has issued 1,229 policies to participating entities for a total building and content coverage of \$23.2 billion. The Bonding Fund is used to provide fidelity bonding of public employees and officials. The Fund has issued 1,645 policies to participating entities. The total coverage for the Bonding Fund is \$850.5 million. If the assets of these funds were exhausted, fund participants would not be responsible for the funds' liabilities.

The Fire and Tornado and Bonding Fund are accounted for on the accrual basis. The Fire and Tornado Fund establishes claim liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims incurred but not reported. The Bonding Fund establishes claim liabilities based on actual judgments obtained against the fund but not paid prior to fiscal year end. Liabilities for incurred but not reported losses have not been established based on prior year activity. Neither fund incurred any acquisition costs, which should have been capitalized, nor were any liabilities recognized that were discounted. Investment income was not considered in determining the existence of premium deficiencies.

The Fire and Tornado Fund uses reinsurance agreements to reduce its on covered losses in excess of \$2.0 million. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Fund as direct insurer of the risks that are reinsured. The Fire and Tornado Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. There were no pending losses at June 30, 2024 that would reduce the fund's liability.

WORKFORCE SAFETY & INSURANCE

Workforce Safety & Insurance (WSI), an Enterprise Fund, is a state insurance fund and a "no fault" insurance system covering the State's employers and employees. At June 30, 2024, coverage extended to the following employers:

Annual Premium	
\$250 - \$5,000	22,219
\$5,001 - \$50,000	4,278
\$50,001 - \$100,000	351
Over \$100,000	311
Total Employers	<u>27,159</u>

WSI is financed by premiums assessed to the employers doing business in North Dakota. The premiums are available primarily for the payment of claims to employees injured in the course of employment.

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The operations of WSI are accounted for on the accrual basis. Liability for incurred loss and loss adjustment expense (LAE) is estimated by WSI's actuary. The estimate is developed by WSI's actuary, taking into consideration past experience of WSI in paying claims, and general conditions of the environment in which WSI operates. The liability is based on the estimated ultimate costs to settle both reported and incurred but not report (IBNR) losses and LAE, and includes the effects of inflation and other societal and economic factors. The actuarial computations also include a 4% discount to report this liability at its present value.

Management believes the estimated liability for losses and loss adjustment expense is sufficient to cover the ultimate net cost of incurred losses, but such loss reserves are necessarily based on estimates and the ultimate liability may be greater or less than the amounts estimated. As adjustments to this estimated liability become necessary, such adjustments are reflected in current operations.

For the year ended June 30, 2024, the consulting actuaries presented an estimate in the form of a range to emphasize the uncertainty for a "long-tailed" liability insurer such as workers' compensation. These ranges are as follows (expressed in thousands):

	Low	Central Value	High
Full value basis, undiscounted	\$ 1,252,397	\$ 1,363,790	\$ 1,451,955
Present value basis, discounted at 4%	845,852	917,681	971,691

WSI has adjusted the estimated liability for unpaid loss and loss adjustment expense to the actuary's 4 percent discounted expected value of \$917,681,000 at June 30, 2024.

While management has recorded amounts that fall within the ranges of estimated liabilities as computed under actuarial assumptions, the high level of uncertainty indicates that actual losses and expenses could be materially higher than the recorded estimated liability.

WSI has entered into a contract with an intermediary for reinsurance coverage for catastrophic coverage. Historically, WSI has had up to four coverage levels, with varying retention limits of \$3 million, \$5 million, \$10 million and \$20 million. Terms, limits and pricing are re-evaluated annually. WSI's current 2024 calendar year has two coverage levels, with retention limits of \$10 million and \$20 million. For the year ended June 30, 2024 WSI recorded ceded losses of \$5,611,974 and ceded premiums of \$990,701.

B. RECONCILIATION OF CLAIMS LIABILITIES

The following is a reconciliation of total claims liabilities, including an analysis of changes in aggregate liabilities for claims and claim adjustment expenses for the current fiscal year and the prior year (expressed in thousands):

	Fire And Tornado		Bonding		Workforce Safety & Ins	
	2024	2023	2024	2023	2024	2023
Unpaid claims and claims adjustment expenses at the beginning of the year	\$ 2,933	\$ 1,694	\$ 134	\$ 134	\$ 950,231	\$ 998,771
Incurred claims and claims adjustment expenses:						
Provision for current fiscal year	2,659	2,933	8	—	159,053	154,234
Change in provision for prior fiscal year	2,208	2,017	—	—	(93,478)	(115,213)
Payments and claims and adjustment expenses attributable to:						
Current fiscal year insured events	(5,141)	(3,711)	(126)	(134)	(53,137)	(42,783)
Prior fiscal years' insured events	—	—	118	134	(67,527)	(79,030)
Total Payments	(5,141)	(3,711)	(8)	—	(120,664)	(121,813)
Change in provision for discount	—	—	—	—	22,539	34,252
Total unpaid claims and claims adjustment expenses at the end of the year	<u>\$ 2,659</u>	<u>\$ 2,933</u>	<u>\$ 134</u>	<u>\$ 134</u>	<u>\$ 917,681</u>	<u>\$ 950,231</u>

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NOTE 17 - BANK OF NORTH DAKOTA

GASB Statement No. 34 requires assets and liabilities of enterprise funds be presented in a classified format to distinguish between current and long-term assets and liabilities. The Bank of North Dakota is the only government-owned bank in the United States. Banks do not present a classified statement of net position because current assets are not matched with current liabilities. Presentation of a classified statement of net position would give the false impression that there is a liquidity problem at the bank. Presentation of a classified statement of net position for the Bank of North Dakota would be misleading to the extent that the financial statements may be materially misstated. Therefore, the statement of net position of the Bank of North Dakota presents assets and liabilities in order of their relative liquidity, rather than in a classified format.

NOTE 18 - COMMITMENTS AND CONTINGENCIES

A. LONG-TERM COMMITMENTS

INDUSTRIAL COMMISSION

The Industrial Commission has entered into various contracts with third parties for the following programs regarding lignite research, oil and gas research, renewable energy and for the outdoor heritage program. As of June 30, 2024, the total outstanding balance on these contracts was \$98 million.

JUDICIARY SYSTEM

As of June 30, 2024, the System had outstanding commitments on contracts totaling \$3.3 million.

MILL AND ELEVATOR

As of June 30, 2024, the Mill had commitments to purchase 5,312,881 bushels of spring wheat and 1,148,896 bushels of durum.

JOB SERVICE NORTH DAKOTA

As of June 30, 2024, the Agency has commitments to pay \$348,306 for purchase orders and contracts awarded for goods, services, software licenses and software support to be provided in future periods, all of which are federally funded.

HOUSING INCENTIVE FUND

The Fund makes various commitments relating to construction projects to meet unmet housing needs across North Dakota. The Fund had \$4,022,159 of signed commitments for construction projects as of June 30, 2024. The Fund had \$16,822,371 of HIF funds awarded for construction projects as of June 30, 2024. The total paid on these commitments as of June 30, 2024 was \$9,800,212.

DEPARTMENT OF HUMAN SERVICES

As of June 30, 2024, the Department of Human Services had significant commitments for the purchase of various types of services totaling \$620.7 million.

NORTH DAKOTA LOTTERY

The Lottery contracts with a third party to provide an online gaming system and related services through September 27, 2025. Total payment for these services during the year ended June 30, 2024 were \$4.73 million based on 9.573% of ticket sales. The Lottery's future obligation through June 30, 2024 is based on 9.573% of ticket sales. Additionally, the Lottery pays an annual minimum fee of \$325,000 to provide the Player's Club Points for Prizes program.

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

At June 30, 2024, the North Dakota Department of Transportation (Special Revenue Fund) had non-construction contract commitments of approximately \$160 million and construction contract commitments of \$159 million, of which \$339 million represents federal programs which are cost reimbursable.

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NORTH DAKOTA DEVELOPMENT FUND

The board of directors has approved equity investments, loans, grants, and guaranty of collections at June 30, 2024, for which funds have not been disbursed or written agreements entered into in the amount of \$17.5 million.

NORTH DAKOTA SOYBEAN COUNCIL

As of June 30, 2024, the North Dakota Soybean Council had significant commitments of approximately \$4.5 million. This amount mainly consists of grants for the research and development of soybeans.

STATE WATER COMMISSION

As of June 30, 2024, the State Water Commission had long-term commitments of \$580.1 million for various water projects.

UNIVERSITY SYSTEMS

Contracts for the construction of various projects on behalf of the University System have been let as follows (expressed in thousands):

	<u>Original Issue</u>	<u>Paid To Date</u>	<u>Amount To Be Paid</u>
BSC	\$ 47,094	\$ 29,688	\$ 17,406
DCB	12,098	9,299	2,799
DSU	27,919	8,036	19,883
LRSC	1,057	140	917
MaSU	4,445	615	3,830
MiSU	25,739	24,381	1,358
NDSCS	17,797	861	16,936
NDSU	200,545	96,374	104,171
UND	110,247	67,413	42,834
VCSU	13,214	930	12,284
WSC	41,400	2,053	39,347
Total	<u>\$ 501,555</u>	<u>\$ 239,790</u>	<u>\$ 261,765</u>

OTHER CONSTRUCTION COMMITMENTS

That State has entered into construction commitments. As of June 30, 2024, the following commitment exists on other construction contracts, in thousands:

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Office of Management and Budget	\$	12,016
Secretary of State		1,532
Information Technology		59,667
Attorney General		222
Legislative Assembly		2,209
School for Deaf		85
Veteran's Home		2,085
Environmental Quality		731
Department of Human Services		200,999
Highway Patrol		94
Corrections and Rehab		133,009
Adjutant General		27,308
State Historical Society		74,582
Game and Fish		2,731
Parks and Recreation		19,150
Water Commission		18
Department of Transportation		274,576
Mill and Elevator		28,173

B. QUESTIONED COSTS

The State receives federal financial assistance which is subject to review and audit by the Office of the State Auditor and the federal government. This assistance is generally conditioned upon compliance with certain laws and regulations. Disallowed and questioned costs relating to federal assistance could become a liability to the State. The State estimates that the ultimate disallowances pertaining to federal assistance, if any, will be immaterial to its overall financial condition. The single audit of the State of North Dakota for the two-year period ending June 30, 2022, was completed and issued in March of 2023. As a result of this audit, approximately \$1.2 million of identifiable questioned costs were noted. Also, there were several findings which had potentially significant, unknown, questioned costs. The State is cooperating with the federal government to resolve the findings and is optimistic these findings will not have a material impact on the State.

NOTE 19 – TOBACCO SETTLEMENT

In November 1998, the North Dakota Attorney General joined forty-five other states and five territories in a settlement agreement against the nation's largest tobacco manufacturer. The settlement money is intended to compensate the State for costs it has incurred in providing health and other services to its citizens that were necessitated by the use of tobacco products. The Master Settlement Agreement includes base payments to states totaling \$220.6 billion for the next 25 years, and continues in perpetuity. The State has received total payments of \$610.1 million as of June 30, 2024. The State recognized revenue of \$22.1 million of tobacco settlement revenue during the year ended June 30, 2024. The amount of the annual payment is subject to a number of modifications, including adjustments for inflation and usage volumes. Some of the adjustments may result in increases in the payments (inflation, for example), or other adjustments will likely cause decreases in the payments (e.g., volume adjustments). The net effect of these adjustments on future payments is unclear.

NOTE 20 - SUBSEQUENT EVENTS

HOUSING FINANCE AUTHORITY

The Agency issued Series 2024C Homeownership Revenue Bonds totaling \$200 million in July 2024. The bonds have an interest rate ranging from 3.40% to 6.25% and mature between July 1, 2025 and January 1, 2055.

The Agency issued Series 2024D Homeownership Revenue Bonds totaling \$195 million in December 2024. The bonds have an interest rate ranging from 3.20% to 6.00% and mature between January 1, 2026 and July 1, 2055.

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UNIVERSITY SYSTEMS

On August 7, 2024, BSC issued \$30.0 million in bonds to finance the construction of an athletic center. Bond payments will be made from student fees. The bonds mature on May 1, 2054 with a net interest cost of 4.66 percent.

The UND Alumni Association and Foundation(UNDAAF) issued lease revenue bonds of \$24.5 million (Series 2024A, non-taxable) and \$5.3 million (Series 2024B, taxable) at an interest rate of 5.00 percent on August 13, 2024. The UNDAAF issued the bonds to demolish specific existing structures used by the Energy and Environmental Research Center of the University of North Dakota (EERC), construct a new multi-story building for the EERC, containing 28,750 square feet of research demonstration plans, fuels processing plans, offices, locker rooms, and support space, renovate an existing building occupied by EERC to include the upgrades to allow for the continued operation of systems located within the building being demolished.

UNDAAF will lease property to the UND per a lease agreement dated August 1, 2024. The bonds are a limited obligation of the UNDAAF and the Bank of North Dakota (BND). The principal and interest are not a debt, pledge of faith, credit, or general obligation of the Foundation.

In fiscal year 2025, UNDAAF is changing its fiscal year from June 30th to December 31st.

SOYBEAN COUNCIL

On April 29, 2023, North Dakota House Bill 1501 was signed into law by the governor. House Bill 1501 amended subsection 1 of NDCC 4.1-11-01 changing the North Dakota Soybean Council to a nongovernmental entity rather than a state agency. This structural change in organizational set up is effective July 1, 2024. There were other amendments made to NDCC 4.1 due to House Bill 1501 which will change how NDSC adheres to North Dakota laws, one in particular is the amendment to NDCC 4.1-44-03 removing the North Dakota State Treasurer's responsibility to invest all available moneys in the Soybean Fund, effective July 1, 2024.

Effective July 1, 2024, the North Dakota Soybean Council has terminated all state-mandated insurance policies in conjunction with a structural reorganization.

Starting July 1, 2024, the North Dakota Soybean Council has switched to an unlimited paid time off policy for full-time employees, effective after three months of employment, subject to work completion and coverage requirements. PTO is not accrued or carried over, and no payout is provided upon termination. Part-time employees may take unpaid leave, with prior approval required for paid leave. This policy supports employee well-being by encouraging rest and managing personal affairs.

PUBLIC FINANCE AUTHORITY

The Agency issued Series 2024A State Revolving Fund Program Bonds totaling \$200.9 million in October 2024. The bonds have an interest rate ranging of 5.00% and mature between October 1, 2025 and October 1, 2044.

NOTE 21 - NEW PRONOUNCEMENTS

The State implemented the following new pronouncement for fiscal year 2024:

GASB Statement No. 99, *Omnibus 2022*, provides guidance on the following accounting matters:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITA are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, enhances the accounting and financial reporting requirements for accounting changes and error corrections. The standard is effective for fiscal years beginning after June 15, 2023.

STATE OF NORTH DAKOTA

The State will implement the following new pronouncements for fiscal years ending after 2024. Management has not yet determined the effect these Statements will have on the State's financial statements.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The standard is effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, requires entities to disclose critical information about their exposure to risks due to certain concentrations or limitations that could lead to financial distress or operational challenges. This statement is effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, revises the requirements for management's discussion and analysis with the goal of making it more readable and understandable, requires unusual or infrequent items to be presented separately, defines operating and nonoperating revenues, includes a new section for noncapital subsidies for proprietary funds' statement of revenues, expenses and changes in net position, removes the option to disclose major component information in the notes and requires them to be shown individually or in combine financial statements following the fund financial statements and requires budgetary comparisons to be presented as RSI with new columns for variances between original-to-final budget and final budget-to-actual results. This statement is effective for fiscal years beginning after June 15, 2025. GASB Statement No. 103, *Financial Reporting Model Improvements*, revises the requirements for management's discussion and analysis with the goal of making it more readable and understandable, requires unusual or infrequent items to be presented separately, defines operating and nonoperating revenues, includes a new section for noncapital subsidies for proprietary funds' statement of revenues, expenses and changes in net position, removes the option to disclose major component information in the notes and requires them to be shown individually or in combine financial statements following the fund financial statements and requires budgetary comparisons to be presented as RSI with new columns for variances between original-to-final budget and final budget-to-actual results. This statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note. These items include disclosing separately lease assets, intangible right-to-use assets, subscription assets and intangible assets. In addition, additional disclosures will be required for capital assets held for sale. This statement is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Required Supplementary Information



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STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule General Fund For the Fiscal Year Ended June 30, 2024

	Approved Budget 2023-2025 Biennium	Appropriation Adjustments 2023-2025 Biennium	Adjusted Budget 2023-2025 Biennium	Actual Biennium To Date Thru 6-30-24	Difference Uncollected/ Unspent Thru 6-30-24
Budgetary Fund Balance, July 1	\$ 1,198,158,717	\$ —	\$ 1,198,158,717	\$ 2,444,531,315	\$ 1,246,372,598
Resources (Inflows):					
Sales and Use Tax	2,207,194,250	—	2,207,194,250	1,200,161,377	(1,007,032,873)
Income Tax	1,256,702,796	—	1,256,702,796	631,659,249	(625,043,547)
Oil And Gas Production Tax	230,000,000	2,371,000	232,371,000	290,957,514	58,586,514
Oil Extraction Tax	230,000,000	(2,371,000)	227,629,000	169,042,486	(58,586,514)
Insurance Premium Tax	139,052,009	—	139,052,009	60,755,918	(78,296,091)
Cigarette, Cigar and Tobacco Tax	42,575,517	—	42,575,517	20,628,558	(21,946,959)
Wholesale Liquor Tax	19,919,584	—	19,919,584	10,728,632	(9,190,952)
Gaming Tax	36,463,000	—	36,463,000	294,225	(36,168,775)
Lottery	12,200,000	—	12,200,000	8,600,000	(3,600,000)
Department Fees and Collections	71,158,844	—	71,158,844	46,198,674	(24,960,170)
Mineral Leasing Fees	60,000,000	—	60,000,000	43,542,169	(16,457,831)
Motor Vehicle Excise Tax	171,407,500	—	171,407,500	87,459,601	(83,947,899)
Interest on Public Funds	1,639,872	28,360,128	30,000,000	148,259,920	118,259,920
Gas Tax Administration	1,844,424	—	1,844,424	—	(1,844,424)
Transfers In	489,407,504	(28,360,128)	461,047,376	294,226,461	(166,820,915)
Total Revenue Inflows	4,969,565,300	—	4,969,565,300	3,012,514,784	(1,957,050,516)
Amounts Available for Appropriation	6,167,724,017	—	6,167,724,017	5,457,046,099	(710,677,918)
Charges to Appropriations (Outflows):					
General Government:					
Governor's Office	5,324,075	559,668	5,883,743	2,752,590	3,131,153
Secretary of State	6,770,789	41,586	6,812,375	3,472,923	3,339,452
Secretary of State Public Printing	271,335	—	271,335	215,226	56,109
Office of Management and Budget	137,320,538	(75,251,793)	62,068,745	20,493,220	41,575,525
Information Technology	43,360,845	4,619,871	47,980,716	22,582,540	25,398,176
State Auditor	10,033,672	538,142	10,571,814	4,794,113	5,777,701
State Treasurer	1,986,869	204,886	2,191,755	987,213	1,204,542
Attorney General	55,406,910	7,146,486	62,553,396	29,627,966	32,925,430
Tax Department	228,189,404	711,118	228,900,522	45,614,697	183,285,825
Legislative Assembly	23,716,396	3,171,249	26,887,645	8,840,088	18,047,557
Legislative Council	19,655,209	5,597,673	25,252,882	7,989,463	17,263,419
Supreme Court	129,410,704	—	129,410,704	60,342,646	69,068,058
Legal Counsel for Indigents	20,608,898	528,188	21,137,086	10,414,243	10,722,843
Ethics Commission	1,138,242	17,055	1,155,297	520,103	635,194
Education:					
Public Instruction	1,728,240,444	787,075	1,729,027,519	886,803,999	842,223,520
Center for Distance Education	6,797,980	662,771	7,460,751	4,605,490	2,855,261
State Library	6,822,098	259,085	7,081,183	3,204,934	3,876,249
School for the Deaf	8,099,844	569,390	8,669,234	4,203,227	4,466,007
School for the Blind	5,059,580	181,411	5,240,991	2,681,451	2,559,540
Vocational Education	53,200,708	331,643	53,532,351	21,908,461	31,623,890
Health & Human Services:					
Dept. of Environmental Quality	15,822,024	1,121,735	16,943,759	6,899,286	10,044,473
Veteran's Home	6,009,999	368,711	6,378,710	1,572,217	4,806,493
Indian Affairs Commission	1,200,967	15,654	1,216,621	498,947	717,674
Veteran's Affairs	1,842,420	282,256	2,124,676	990,954	1,133,722
Dept. of Human Services-Management	90,221,804	15,153,275	105,375,079	59,990,057	45,385,022
Dept. of Human Services-Program and Policy	1,653,715,940	4,307,890	1,658,023,830	738,602,135	919,402,195
Dept. of Human Services-Centers	144,040,147	8,726,453	152,766,600	64,850,816	87,915,784
Dept. of Human Services-Institutions	111,825,063	993,439	112,818,502	63,968,314	48,850,188
Dept. of Human Services-County Social Service	1,749,547	(335,587)	1,413,960	1,158,919	1,402,371
Dept. of Human Services-Public Health	41,852,418	3,910,168	45,762,586	19,422,276	26,340,310
Protection and Advocacy	3,323,370	111,923	3,435,293	1,489,447	1,945,846
Job Service	6,578,847	533,124	7,111,971	2,999,488	4,112,483
Regulatory:					
Industrial Commission	4,424,856	635	4,425,491	1,456,064	2,969,427
Labor Commission	2,654,148	126,983	2,781,131	938,748	1,842,383
Public Service Commission	7,537,710	590,921	8,128,631	3,692,967	4,435,664
Dept. of Mineral Resources	32,444,371	1,787,993	34,232,364	14,991,254	19,241,110
Public Safety and Corrections:					
Highway Patrol	49,438,826	1,051,078	50,489,904	25,457,175	25,032,729
Corrections & Rehab	255,467,963	16,705,633	272,173,596	134,154,141	138,019,455
Adjutant General	26,285,648	3,917,204	30,202,852	13,191,976	17,010,876
Agriculture & Commerce:					
Department of Commerce	67,157,530	3,020,209	70,177,739	26,851,026	43,326,713
Department of Agriculture	47,519,573	511,767	48,031,340	38,893,515	9,137,825
State Fair	642,833	—	642,833	321,417	321,416
Racing Commission	475,006	3,943	478,949	224,126	254,823
Natural Resources:					
Historical Society	22,038,910	1,709,340	23,748,250	10,589,762	13,158,488
Council on the Arts	2,597,019	30,029	2,627,048	989,792	1,637,256
Parks and Recreation	14,264,880	762,617	15,027,497	7,125,015	7,902,482
Transportation:					
Aeronautics Commission	475,000	—	475,000	352,004	122,996
Department of Transportation	10,375,000	58,243	10,433,243	1,237,607	9,195,636
Transfers Out	982,797,181	55,239,211	1,038,036,392	515,755,888	522,280,504
Total Charges to Appropriations	6,096,193,540	71,380,351	6,167,573,891	2,899,592,096	3,267,981,795
Ending Budgetary Fund Balance	\$ 71,530,477	\$ (71,380,351)	\$ 150,126	\$ 2,557,454,003	\$ 2,557,303,877

STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule Budget to GAAP Reconciliation General Fund For the Fiscal Year Ended June 30, 2024

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and for the General Fund Expenditures

Sources/Inflows of resources

Actual Amounts (budgetary basis) "total revenue inflows" from the budgetary comparison schedule	3,012,514,784
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	(383,935,274)
Funds considered General funds for GAAP but not for Budget	2,284,692,085
Certain due from other funds are recorded under GAAP, but not Budget	(2,383,924)
Reimbursement activity between state agencies is eliminated only for GAAP	(132,464)
Proceeds are recorded for new leases and SBITAs on GAAP, but not for Budget	19,469,834
Repayment received on loan receivable are revenue for Budget to GAAP	(121,615)
Total revenues, lease & SBITA acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 4,930,103,426</u>

Uses/Outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	2,899,592,096
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	19,794,130
Funds considered General funds for GAAP but not for Budget	439,084,291
New leases and SBITAs are recorded as expenditures for GAAP, but not for Budget	19,475,590
Certain due to other funds are recorded under GAAP, but not for Budget	(29,758,447)
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 3,348,187,660</u>

STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule Federal Fund For the Fiscal Year Ended June 30, 2024

	Approved Budget 2023-2025 Biennium	Appropriation Adjustments 2023-2025 Biennium	Adjusted Budget 2023-2025 Biennium	Actual Biennium To Date Thru 6-30-24	Difference Uncollected/ Unspent Thru 6-30-24
Budgetary Fund Balance, July 1	\$ —	\$ —	\$ —	\$ —	\$ —
Resources (Inflows):					
Other Budgeted Income	6,220,785,421	766,880,352	6,987,665,773	2,768,280,790	(4,219,384,983)
Total Revenue Inflows	6,220,785,421	766,880,352	6,987,665,773	2,768,280,790	(4,219,384,983)
Amounts Available for Appropriation	6,220,785,421	766,880,352	6,987,665,773	2,768,280,790	4,219,384,983
Charges to Appropriations (Outflows):					
General Government:					
Secretary of State	11,183,559	1,778,781	12,962,340	1,545,904	11,416,436
Office of Management and Budget	3,659,555	5,305,039	8,964,594	7,988,878	975,716
Information Technology	232,840,126	(33,590,837)	199,249,289	13,348,990	185,900,299
State Auditor	1,431,452	84,128	1,515,580	718,922	796,658
Attorney General	16,216,849	1,821,136	18,037,985	5,732,126	12,305,859
Tax Department	125,000	—	125,000	11,201	113,799
Administrative Hearings	—	17,200	17,200	—	17,200
Supreme Court	1,294,767	1,396,343	2,691,110	1,919,311	771,799
Education:					
Public Instruction	417,762,220	100,546,087	518,308,307	302,024,057	216,284,250
State Library	2,405,223	39,418	2,444,641	1,153,914	1,290,727
School for the Deaf	100,674	—	100,674	58,447	42,227
Vocational Education	110,589,874	32,969,888	143,559,762	57,487,097	86,072,665
Health & Human Services:					
Dept. of Environmental Quality	79,102,859	488,133	79,590,992	13,630,980	65,960,012
Veteran's Home	—	478,930	478,930	188,646	290,284
Veteran's Affairs	2,331,447	640,998	2,972,445	746,575	2,225,870
Dept. of Human Services-Management	157,420,913	45,119,722	202,540,635	64,894,813	137,645,822
Dept. of Human Services-Program and Policy	2,759,510,140	131,315,566	2,890,825,706	1,347,545,295	1,543,280,411
Dept. of Human Services-Centers	32,320,127	(478,812)	31,841,315	11,827,595	20,013,720
Dept. of Human Services-Institutions	36,201,129	1,786,306	37,987,435	14,790,546	23,196,889
Dept. of Human Services-County Social Service	1,608,509	(409,173)	1,199,336	100,000	1,099,336
Dept. of Human Services-Public Health	263,146,841	18,688,534	281,835,375	92,750,075	189,085,300
Protection and Advocacy	4,266,541	92,876	4,359,417	2,115,666	2,243,751
Job Service	112,982,592	674,198	113,656,790	25,183,417	88,473,373
Regulatory:					
Insurance Department	607,916	—	607,916	340,735	267,181
Industrial Commission	7,499,037	15,236,071	22,735,108	3,163,362	19,571,746
Labor Commission	503,398	19,900	523,298	301,361	221,937
Public Service Commission	11,424,803	283,709	11,708,512	2,857,854	8,850,658
Mineral Resources	2,568,000	5,606,827	8,174,827	300,588	7,874,239
Public Safety and Corrections:					
Highway Patrol	8,660,335	3,788,557	12,448,892	6,902,686	5,546,206
Corrections & Rehab	20,468,404	8,305,934	28,774,338	12,302,181	16,472,157
Adjutant General	321,813,183	72,202,495	394,015,678	92,297,117	301,718,561
Agriculture & Commerce:					
Department of Commerce	184,050,129	70,913,108	254,963,237	36,572,993	218,390,244
Department of Agriculture	14,725,087	5,245,249	19,970,336	7,927,715	12,042,621
Natural Resources:					
Historical Society	3,570,427	1,981,962	5,552,389	1,266,168	4,286,221
Council on the Arts	1,870,000	—	1,870,000	936,264	933,736
Game and Fish	74,732,875	1,796,166	76,529,041	21,829,598	54,699,443
Parks and Recreation	9,508,601	25,609,205	35,117,806	10,319,200	24,798,606
Water Commission	89,040,384	10,980,139	100,020,523	17,884,009	82,136,514
Transportation:					
Aeronautics Commission	3,940,000	886,067	4,826,067	495,167	4,330,900
Department of Transportation	1,219,302,445	235,260,502	1,454,562,947	586,821,337	867,741,610
Total Charges to Appropriations	6,220,785,421	766,880,352	6,987,665,773	2,768,280,790	4,219,384,983
Ending Budgetary Fund Balance	\$ —	\$ —	\$ —	\$ —	\$ —

STATE OF NORTH DAKOTA

Required Supplemental Information
Budgetary Comparison Schedule
Budget to GAAP Reconciliation
Federal Fund
For the Fiscal Year Ended June 30, 2024

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and for the Federal Fund Expenditures

Sources/Inflows of resources

Actual Amounts (budgetary basis) "total revenue inflows" from the budgetary comparison schedule	2,768,280,790
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	6,608,056
Total revenues, lease & SBITA acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 2,774,888,846</u>

Uses/Outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	2,768,280,790
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	201,420,375
New Loans issued are expenditures for Budget but not for GAAP	18,327,016
GAAP, but not Budget expenditures are reduced by year end inventory balances	24,634,435
Intrafund activity eliminated for GAAP	(232,496,847)
Certain due to other funds are recorded under GAAP, but not for Budget	10,010,430
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 2,790,176,199</u>

STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule State Fund For the Fiscal Year Ended June 30, 2024

	Approved Budget 2023-25 Biennium	Appropriation Adjustments 2023-25 Biennium	Adjusted Budget 2023-25 Biennium	Actual Biennium To Date Thru 6-30-24	Difference Uncollected/ Unspent Thru 6-30-24
Budgetary Fund Balance, July 1	\$ —	\$ —	\$ —	\$ —	\$ —
Resources (Inflows):					
Other Budgeted Income	4,173,664,781	597,844,765	4,771,509,546	1,439,505,587	(3,332,003,959)
Total Revenue Inflows	4,173,664,781	597,844,765	4,771,509,546	1,439,505,587	(3,332,003,959)
Amounts Available for Appropriation	4,173,664,781	597,844,765	4,771,509,546	1,439,505,587	(3,332,003,959)
Charges to Appropriations (Outflows):					
General Government:					
Governor's Office	—	227,119	227,119	224,997	2,122
Secretary of State	6,648,516	200,000	6,848,516	1,073,528	5,774,988
Office of Management & Budget	142,344,469	(54,468,327)	87,876,142	8,175,410	79,700,732
Information Technology	280,097,253	49,203,833	329,301,086	159,311,391	169,989,695
State Auditor	4,912,700	95,541	5,008,241	1,629,599	3,378,642
Attorney General	31,379,258	2,542,550	33,921,808	14,062,873	19,858,935
Administrative Hearings	3,000,409	28,673	3,029,082	986,571	2,042,511
Legislative Council	88,000	—	88,000	32,669	55,331
Supreme Court	533,661	—	533,661	234,878	298,783
Legal Counsel for Indigents	2,011,222	11,845	2,023,067	853,407	1,169,660
Education:					
Public Instruction	709,657,276	9,729,451	719,386,727	275,570,299	443,816,428
Center for Distance Education	4,550,000	—	4,550,000	1,926,139	2,623,861
Land Department	14,342,415	1,300,056	15,642,471	4,978,029	10,664,442
State Library	66,820	—	66,820	14,890	51,930
School for the Deaf	3,565,017	574,601	4,139,618	1,391,282	2,748,336
School for the Blind	1,660,711	10,994	1,671,705	650,131	1,021,574
Vocational Education	154,974	27,012,500	27,167,474	15,198,148	11,969,326
Health & Human Services:					
Dept. of Environmental Quality	22,834,027	446,472	23,280,499	9,538,349	13,742,150
Veteran's Home	22,972,974	300,182	23,273,156	11,743,344	11,529,812
Dept. of Human Services-Management	32,621,009	3,421,786	36,042,795	3,128,650	32,914,145
Dept. of Human Services-Program and Policy	111,514,125	21,900,000	133,414,125	53,956,513	79,457,612
Dept. of Human Services-Centers	16,850,554	—	16,850,554	7,005,323	9,845,231
Dept. of Human Services-Institutions	26,032,541	—	26,032,541	6,767,555	19,264,986
Dept. of Human Services-County Social Service	228,254,116	—	228,254,116	106,101,075	122,153,041
Dept. of Human Services-Public Health	39,132,048	397,413	39,529,461	14,727,899	24,801,562
Job Service	611,460	—	611,460	43,612	567,848
Regulatory:					
Insurance Department	15,245,463	2,209,152	17,454,615	6,660,675	10,793,940
Industrial Commission	20,256,806	321,607	20,578,413	10,334,277	10,244,136
Public Service Commission	2,299,318	2,888	2,302,206	634,366	1,667,840
Financial Institutions	10,081,379	1,180,586	11,261,965	4,821,164	6,440,801
Securities Commission	3,258,732	60,461	3,319,193	1,358,579	1,960,614
Mineral Resources	—	349,590	349,590	6,804	342,786
Public Safety and Corrections:					
Highway Patrol	13,090,027	119,386	13,209,413	6,390,775	6,818,638
Corrections & Rehab	169,848,720	5,266,705	175,115,425	16,056,418	159,059,007
Adjutant General	22,690,890	6,744,407	29,435,297	6,449,251	22,986,046
Agriculture & Commerce:					
Department of Commerce	77,507,303	3,873,983	81,381,286	33,025,773	48,355,513
Department of Agriculture	17,729,531	1,910,456	19,639,987	7,247,336	12,392,651
Racing Commission	172,098	159	172,257	58,331	113,926
Natural Resources:					
Historical Society	23,768,756	656,577	24,425,333	1,185,778	23,239,555
Council of Arts	80,000	264,500	344,500	75,197	269,303
Game and Fish	60,028,591	4,546,429	64,575,020	27,033,555	37,541,465
Parks and Recreation	115,808,114	1,023,295	116,831,409	8,527,282	108,304,127
Water Commission	805,316,883	325,653,870	1,130,970,753	188,461,438	942,509,315
Transportation:					
Aeronautics Commission	34,229,667	6,939,481	41,169,148	11,568,992	29,600,156
Department of Transportation	1,076,416,948	173,786,544	1,250,203,492	410,283,035	839,920,457
Total Charges to Appropriations	4,173,664,781	597,844,765	4,771,509,546	1,439,505,587	3,332,003,959
Ending Budgetary Fund Balance	\$ —	\$ —	\$ —	\$ —	\$ —

STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule Budget to GAAP Reconciliation State Fund For the Fiscal Year Ended June 30, 2024

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and for the State Fund Expenditures

Sources/Inflows of resources

Actual Amounts (budgetary basis) "total revenue inflows" from the budgetary comparison schedule	1,439,505,587
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	2,699,190,613
Total revenues, lease & SBITA acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 4,138,696,200</u>

Uses/Outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	1,439,505,587
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	2,540,914,198
New Loans issued are expenditures for Budget but not for GAAP	(2,817,128)
GAAP, but not Budget expenditures are reduced by year end inventory balances	(4,852,861)
Intrafund activity eliminated for GAAP	(1,032,725,476)
Certain due to other funds are recorded under GAAP, but not for Budget	(11,912,557)
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 2,928,111,763</u>

STATE OF NORTH DAKOTA

Note To Required Supplemental Information - Budgetary Reporting For the Fiscal Year Ended June 30, 2024

The Budgetary Comparison Schedules present comparisons of the original and revised legally adopted budgets with actual data on a budgetary basis for major funds. The only major fund with a legally adopted budget is the General Fund. All other funds are budgeted together as "Other Budgeted Funds." A budgetary schedule has been done for these other funds because they include budgeted amounts for the Federal Fund and State Funds, which are major special revenue funds. These amounts are reported on the schedules entitled "Federal Funds" and "State Funds".

North Dakota's Appropriation Acts include a dual legal level of budgetary control - one at the General Fund versus Other Budget Income level for each agency and one at the line item level for each agency. Line items are not separate between General Fund and Other Budgeted Income so that control is not presented in our budgetary comparison schedule for major funds. The legal level of control for all agencies is reported in a publication titled "State of North Dakota 2023-2025 Biennium Budget and Actual Detail (Budgetary Basis) For the Fiscal Year Ended June 30, 2024." This budget information is available through the Office of Management and Budget, 600 East Boulevard Ave Dept. 110, Bismarck, ND 58505. For the 2023-2025 biennium there were general, federal, and special fund supplemental appropriations of \$1,436,105,468.

The Budgetary Comparison Schedule reports expenditures on a budgetary basis. The accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. Reconciliations of the three for the Fiscal Year ended June 30, 2024, for the General Fund, Federal Fund, and State Fund is on the previous pages.

The Budget to Actual Detail Report is also available at our OMB Fiscal Management website:
<https://www.omb.nd.gov/financial-transparency/annual-comprehensive-financial-reports-acfr>

STATE OF NORTH DAKOTA

Required Supplementary Information
Schedule of State's Share of Net Pension Liability
North Dakota Public Employee Retirement System
Last 10 Fiscal Years*
(Dollars in thousands)

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	47.64 %	\$ 945,203	\$ 660,002	\$ 1,831,133	143.21 %	65.96 %
2023	48.28 %	1,434,839	633,498	1,755,477	226.49 %	55.03 %
2022	48.52 %	505,713	619,117	1,916,364	81.68 %	79.13 %
2021	49.78 %	1,566,155	589,042	1,570,261	265.88 %	49.44 %
2020	48.64 %	570,358	569,875	1,506,252	100.08 %	72.53 %
2019	50.38 %	859,160	569,979	1,496,340	150.74 %	63.53 %
2018	51.88 %	833,182	588,960	1,415,199	141.47 %	62.65 %
2017	53.42 %	520,338	566,915	1,290,070	91.78 %	71.10 %
2016	54.82 %	365,845	494,732	1,300,271	73.95 %	77.70 %
2015	55.15 %	348,760	477,406	1,258,398	73.05 %	78.17 %

*Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information
Schedule of State's Contributions
North Dakota Public Employee Retirement System
Last 10 Fiscal Years*
(Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 53,737	\$ (53,672)	\$ 65	\$ 732,964	7.33 %
2023	44,608	(44,601)	7	660,002	6.76 %
2022	43,631	(43,632)	(1)	633,498	6.89 %
2021	42,920	(42,906)	14	619,117	6.93 %
2020	40,941	(41,030)	(89)	589,042	6.95 %
2019	40,036	(40,022)	14	569,875	7.02 %
2018	39,824	(39,815)	9	569,979	6.99 %
2017	41,089	(41,034)	55	588,960	6.98 %
2016	39,895	(40,330)	(435)	566,915	7.11 %
2015	37,076	(37,571)	(495)	494,732	7.59 %

STATE OF NORTH DAKOTA

Required Supplementary Information
Schedule of State's Share of Net Pension Liability
North Dakota Highway Patrolmen's Retirement System
Last 10 Fiscal Years*
(Dollars in thousands)

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	100.00 %	\$ 75,875	\$ 12,562	\$ 98,035	632.76 %	56.37 %
2023	100.00 %	78,339	12,402	92,325	638.60 %	54.10 %
2022	100.00 %	23,295	11,637	100,076	202.28 %	81.12 %
2021	100.00 %	96,045	11,038	82,184	841.78 %	46.11 %
2020	100.00 %	24,900	10,608	81,416	240.48 %	76.58 %
2019	100.00 %	19,457	10,929	78,929	181.21 %	80.22 %
2018	100.00 %	20,711	10,934	73,336	189.42 %	77.98 %
2017	100.00 %	22,111	10,527	65,811	210.04 %	74.85 %
2016	100.00 %	13,436	10,146	66,676	132.43 %	83.23 %
2015	100.00 %	9,766	9,348	65,667	104.47 %	87.05 %

*Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information
Schedule of State's Contributions
North Dakota Highway Patrolmen's Retirement System
Last 10 Fiscal Years*
(Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 2,999	\$ (2,999)	\$ —	14,258	21.03 %
2023	2,569	(2,569)	—	12,562	20.45 %
2022	2,479	(2,479)	—	12,402	19.99 %
2021	2,293	(2,293)	—	11,637	19.70 %
2020	2,175	(2,175)	—	11,038	19.70 %
2019	2,091	(2,091)	—	10,608	19.71 %
2018	2,153	(2,153)	—	10,929	19.70 %
2017	2,154	(2,154)	—	10,934	19.70 %
2016	2,127	(2,127)	—	10,527	20.21 %
2015	2,002	(2,002)	—	10,146	19.73 %

STATE OF NORTH DAKOTA

Required Supplementary Information
Schedule of State's Share of Net Pension Liability
Retirement Plan for the Employees of Job Service North Dakota
Last 10 Fiscal Years*
(Dollars in thousands)

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	100.00 %	\$ (11,347)	\$ 61	83,485	(18478.87)%	115.73 %
2023	100.00 %	(15,685)	133	86,177	(25573.44)%	122.25 %
2022	100.00 %	(31,760)	200	96,604	(18130.18)%	148.98 %
2021	100.00 %	(31,122)	386	95,251	(9892.34)%	148.53 %
2020	100.00 %	(31,006)	417	97,203	(7443.56)%	146.84 %
2019	100.00 %	(27,459)	471	95,588	(6590.37)%	140.30 %
2018	100.00 %	(33,636)	563	97,265	(5974.42)%	152.86 %
2017	100.00 %	(35,329)	565	96,534	(6252.92)%	157.72 %
2016	100.00 %	(32,893)	674	96,283	(4880.27)%	151.89 %
2015	100.00 %	(32,650)	753	97,697	(4335.99)%	150.20 %

*Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information
Schedule of State's Contributions
Retirement Plan for the Employees of Job Service North Dakota
Last 10 Fiscal Years*
(Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2024	\$ —	\$ —	\$ —	66	— %
2023	—	—	—	61	— %
2022	—	—	—	133	— %
2021	—	—	—	200	— %
2020	—	—	—	386	— %
2019	—	—	—	417	— %
2018	—	—	—	471	— %
2017	—	—	—	563	— %
2016	—	—	—	565	— %
2015	—	—	—	674	— %

*Complete data for this schedule is not available prior to 2015.

STATE OF NORTH DAKOTA

Required Supplementary Information
Schedule of State's Share of Net Pension Liability
North Dakota Teachers' Fund for Retirement
Last 10 Fiscal Years*
(Dollars in thousands)

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.49 %	\$ 6,840	\$ 3,827	\$ 15,471	178.73 %	69.34 %
2023	0.53 %	7,684	4,053	15,977	189.59 %	67.50 %
2022	0.57 %	6,001	4,260	18,696	140.87 %	75.70 %
2021	0.59 %	9,065	4,196	15,698	216.04 %	63.40 %
2020	0.63 %	8,631	4,252	16,395	202.99 %	65.50 %
2019	0.67 %	8,874	4,397	16,849	201.82 %	65.50 %
2018	0.65 %	8,968	4,294	15,413	208.85 %	63.20 %
2017	0.67 %	9,762	4,329	14,155	225.50 %	59.20 %
2016	0.68 %	8,873	4,173	14,531	212.63 %	62.10 %
2015	0.62 %	6,460	3,576	12,891	180.65 %	66.60 %

*Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information
Schedule of State's Contributions
North Dakota Teachers' Fund for Retirement
Last 10 Fiscal Years*
(Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 643	\$ (643)	\$ —	\$ 4,871	13.20 %
2023	488	(488)	—	3,827	12.75 %
2022	517	(517)	—	4,053	12.75 %
2021	543	(543)	—	4,260	12.75 %
2020	535	(535)	—	4,196	12.75 %
2019	542	(542)	—	4,252	12.75 %
2018	561	(561)	—	4,397	12.75 %
2017	547	(547)	—	4,294	12.75 %
2016	528	(528)	—	4,329	12.75 %
2015	532	(532)	—	4,173	12.75 %

STATE OF NORTH DAKOTA

Required Supplementary Information
Schedule of State's Share of OPEB Liability
Retiree Health Insurance Credit
Last 10 Fiscal Years*
(Dollars in thousands)

	Employer's proportion of the net OPEB (asset)	Employer's proportionate share of the net OPEB liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	50.41 %	\$ 49,393	\$ 547,608	\$ 84,842	9.02 %	62.74 %
2023	50.40 %	59,295	553,794	778,589	10.71 %	56.28 %
2022	35.11 %	27,401	571,568	64,027	4.79 %	76.63 %
2021	51.92 %	40,900	571,617	75,610	7.16 %	63.38 %
2020	49.78 %	39,178	561,580	68,451	6.98 %	63.13 %
2019	50.73 %	39,954	563,479	64,888	7.09 %	61.89 %
2018	51.55 %	40,877	574,972	60,615	7.11 %	59.78 %

*Complete data for this schedule is not available prior to 2018. Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information
Schedule of State's Contributions
Retiree Health Insurance Credit
Last 10 Fiscal Years*
(Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 6,189	\$ (6,179)	\$ 10	\$ 580,701	1.07 %
2023	6,003	(6,004)	(1)	547,608	1.10 %
2022	6,257	(6,253)	4	553,794	1.13 %
2021	6,563	(6,549)	14	571,568	1.15 %
2020	6,631	(6,626)	5	571,617	1.16 %
2019	6,425	(6,413)	12	561,580	1.14 %
2018	6,434	(6,424)	10	563,479	1.14 %

*Complete data for this schedule is not available prior to 2018.

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Changes in Net Pension Liability and Related Ratios North Dakota Public Employee Retirement System Last 10 Fiscal Years*

(Dollars in thousands)

	2024	2023	2022	2021
Total pension liability (asset)				
Service cost	\$ 169,457	\$ 224,785	\$ 143,197	\$ 242,751
Interest	374,971	335,804	345,662	296,285
Change of benefit terms	(1,788)	(9,139)	—	—
Difference between expected and actual experience	138,250	72,723	3,714	47,336
Changes of assumptions	—	(1,132,003)	1,375,419	(1,743,329)
Benefit payments, including refund of employee contributions	(290,047)	(271,514)	(252,066)	(231,300)
Net change in total pension liability (asset)	390,843	(779,344)	1,615,926	(1,388,257)
Total pension liability (asset) - beginning	5,828,125	6,607,469	4,991,543	6,379,800
Total pension liability (asset) - ending (a)	\$ 6,218,968	\$ 5,828,125	\$ 6,607,469	\$ 4,991,543
Plan fiduciary net position				
Contributions - employer	\$ 123,001	\$ 101,933	\$ 96,631	\$ 91,266
Contributions - employee	102,074	93,408	89,634	85,915
Contributions - service credit repurchase	6,540	5,151	10,249	7,129
Contributions - other	—	—	—	—
Net investment income	347,742	281,850	(256,072)	844,933
Transfers from other plans	135,023	10	14	(2)
Benefit payments, including refund of employee contributions	(290,047)	(271,514)	(252,066)	(231,300)
Administrative expense	(2,986)	(2,670)	(2,341)	(2,569)
Net change in plan fiduciary net position	421,347	208,168	(313,951)	795,372
Plan fiduciary net position - beginning	3,843,940	3,635,772	3,949,723	3,154,351
Plan fiduciary net position - ending (b)	\$ 4,265,287	\$ 3,843,940	\$ 3,635,772	\$ 3,949,723
Net pension liability (asset) - ending (a) - (b)	\$ 1,953,681	\$ 1,984,185	\$ 2,971,697	\$ 1,041,820
Plan fiduciary net position as a percentage of the total pension liability (asset)	68.59 %	65.96 %	55.03 %	79.13 %
Covered payroll	\$ 1,454,922	\$ 1,318,276	\$ 1,248,308	\$ 1,213,676
Plan net pension liability (asset) as a percentage of covered payroll	134.28 %	150.51 %	85.84 %	85.84 %

STATE OF NORTH DAKOTA

2020	2019	2018	2017	2016	2015
\$ 135,139	\$ 172,184	\$ 164,018	\$ 113,148	\$ 126,444	\$ 104,158
317,129	294,701	279,835	269,771	243,285	236,420
—	—	—	—	—	2
213,457	(210,896)	(65,346)	(3,612)	15,915	4,396
1,663,289	(464,473)	125,225	741,492	108,139	(76,152)
(218,554)	(197,758)	(182,522)	(162,992)	(149,664)	(134,930)
<u>2,110,460</u>	<u>(406,242)</u>	<u>321,210</u>	<u>957,807</u>	<u>344,119</u>	<u>133,894</u>
4,269,340	4,675,582	4,354,372	3,396,565	3,052,446	2,918,552
<u>\$ 6,379,800</u>	<u>\$ 4,269,340</u>	<u>\$ 4,675,582</u>	<u>\$ 4,354,372</u>	<u>\$ 3,396,565</u>	<u>\$ 3,052,446</u>
\$ 85,504	\$ 81,588	\$ 80,727	\$ 78,934	\$ 77,080	\$ 70,842
81,478	78,213	77,486	76,007	74,219	68,392
10,819	7,220	19,985	11,805	9,179	6,652
—	—	—	—	—	—
101,106	159,824	249,165	311,761	11,334	81,537
(3)	(5)	(24)	32	23,575	—
(218,554)	(197,758)	(182,522)	(162,992)	(149,664)	(134,930)
(2,730)	(2,531)	(2,473)	(2,607)	(2,538)	(2,365)
<u>57,620</u>	<u>126,551</u>	<u>242,344</u>	<u>312,940</u>	<u>43,185</u>	<u>90,128</u>
3,096,731	2,970,180	2,727,836	2,414,896	2,371,711	2,281,583
<u>\$ 3,154,351</u>	<u>\$ 3,096,731</u>	<u>\$ 2,970,180</u>	<u>\$ 2,727,836</u>	<u>\$ 2,414,896</u>	<u>\$ 2,371,711</u>
<u>\$ 3,225,449</u>	<u>\$ 1,172,609</u>	<u>\$ 1,705,402</u>	<u>\$ 1,626,536</u>	<u>\$ 981,669</u>	<u>\$ 680,735</u>
49.44 %	72.53 %	63.53 %	62.65 %	77.70 %	77.70 %
\$ 1,167,768	\$ 1,098,416	\$ 1,075,958	\$ 1,063,372	\$ 973,536	\$ 973,536
276.21 %	106.75 %	158.50 %	152.96 %	69.92 %	69.92 %

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Changes in Net Pension Liability and Related Ratios North Dakota Highway Patrolmen's Retirement System Last 10 Fiscal Years*

(Dollars in thousands)

	2024	2023	2022	2021
Total pension liability (asset)				
Service cost	\$ 5,351	\$ 5,681	\$ 3,281	\$ 6,693
Interest	9,044	8,550	8,548	7,305
Change of benefit terms	—	—	—	(135)
Difference between expected and actual experience	4,061	417	1,844	(2,197)
Changes of assumptions	(4,365)	(5,010)	39,467	(60,572)
Benefit payments, including refund of employee contributions	(6,688)	(6,391)	(5,848)	(5,952)
Net change in total pension liability (asset)	<u>7,403</u>	<u>3,247</u>	<u>47,292</u>	<u>(54,858)</u>
Total pension liability (asset) - beginning	173,910	170,663	123,371	178,229
Total pension liability (asset) - ending (a)	<u>\$ 181,313</u>	<u>\$ 173,910</u>	<u>\$ 170,663</u>	<u>\$ 123,371</u>
Plan fiduciary net position				
Contributions - employer	\$ 2,516	\$ 2,573	\$ 2,687	\$ 2,294
Contributions - employee	1,747	1,770	1,826	1,548
Contributions - service credit repurchase	31	593	160	401
Contributions - Transfer from General Fund	3,000	—	—	—
Net investment income	8,621	7,195	(6,510)	19,638
Benefit payments, including refund of employee contributions	(6,688)	(6,391)	(5,848)	(5,952)
Administrative expense	(40)	(30)	(66)	(37)
Net change in plan fiduciary net position	<u>9,187</u>	<u>5,710</u>	<u>(7,751)</u>	<u>17,892</u>
Plan fiduciary net position - beginning	98,035	92,325	100,076	82,184
Plan fiduciary net position - ending (b)	<u>\$ 107,222</u>	<u>\$ 98,035</u>	<u>\$ 92,325</u>	<u>\$ 100,076</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 74,091</u>	<u>\$ 75,875</u>	<u>\$ 78,338</u>	<u>\$ 23,295</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	59.14 %	56.37 %	54.10 %	81.12 %
Covered payroll	\$ 14,820	\$ 11,991	\$ 12,267	\$ 11,516
Plan net pension liability (asset) as a percentage of covered payroll	499.94 %	632.76 %	638.60 %	202.28 %

STATE OF NORTH DAKOTA

	2020	2019	2018	2017	2016	2015
\$	2,878	\$ 2,818	\$ 2,738	\$ 2,701	\$ 2,226	\$ 2,038
	7,869	7,527	7,203	6,951	6,311	6,008
	—	—	—	—	—	—
	729	(68)	(621)	22	40	984
	66,142	3,043	—	1,257	3,946	395
	(5,704)	(5,391)	(4,981)	(4,806)	(4,713)	(4,746)
	71,914	7,929	4,339	6,125	7,810	4,679
	106,315	98,386	94,047	87,922	80,112	75,433
\$	178,229	\$ 106,315	\$ 98,386	\$ 94,047	\$ 87,922	\$ 80,112
\$	2,177	\$ 2,091	\$ 2,153	\$ 2,156	\$ 2,127	\$ 2,002
	1,470	1,412	1,453	1,456	1,436	1,352
	205	168	282	249	—	97
	—	—	—	—	—	—
	2,667	4,251	6,716	8,500	317	2,335
	(5,705)	(5,391)	(4,981)	(4,806)	(4,713)	(4,746)
	(46)	(44)	(30)	(30)	(32)	(31)
	768	2,487	5,593	7,525	(865)	1,009
	81,416	78,929	73,336	65,811	66,676	65,667
\$	82,184	\$ 81,416	\$ 78,929	\$ 73,336	\$ 65,811	\$ 66,676
\$	96,045	\$ 24,899	\$ 19,457	\$ 20,711	\$ 22,111	\$ 13,436
	46.11 %	76.58 %	80.22 %	77.98 %	74.85 %	83.23 %
\$	11,410	\$ 10,354	\$ 10,737	\$ 10,629	\$ 10,527	\$ 10,146
	841.78 %	240.48 %	181.21 %	194.84 %	210.04 %	132.44 %

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Changes in Net Pension Liability and Related Ratios Retirement Plan for the Employees of Job Service North Dakota Last 10 Fiscal Years*

(Dollars in thousands)

	2024	2023	2022	2021
Total pension liability (asset)				
Service cost	\$ 15	\$ 15	\$ 42	\$ 58
Interest	2,086	2,038	2,342	2,629
Change of benefit terms	—	—	—	—
Difference between expected and actual experience	1,319	4,761	3,413	(201)
Changes of assumptions	—	—	4,717	2,899
Benefit payments, including refund of employee contributions	(5,283)	(5,169)	(4,865)	(4,669)
Net change in total pension liability (asset)	<u>(1,863)</u>	<u>1,645</u>	<u>5,649</u>	<u>716</u>
Total pension liability (asset) - beginning	<u>72,138</u>	<u>70,493</u>	<u>64,844</u>	<u>64,128</u>
Total pension liability (asset) - ending (a)	<u><u>\$ 70,275</u></u>	<u><u>\$ 72,138</u></u>	<u><u>\$ 70,493</u></u>	<u><u>\$ 64,844</u></u>
Plan fiduciary net position				
Contributions - employer	\$ —	\$ —	\$ —	\$ —
Contributions - employee	4	4	9	14
Contributions - service credit repurchase	—	—	—	—
Contributions - other	—	—	—	—
Net investment income	4,612	2,487	(5,551)	6,025
Benefit payments, including refund of employee contributions	(5,283)	(5,168)	(4,866)	(4,669)
Administrative expense	(15)	(15)	(18)	(17)
Net change in plan fiduciary net position	<u>(682)</u>	<u>(2,692)</u>	<u>(10,426)</u>	<u>1,353</u>
Plan fiduciary net position - beginning	83,485	86,177	96,603	95,250
Plan fiduciary net position - ending (b)	<u><u>\$ 82,803</u></u>	<u><u>\$ 83,485</u></u>	<u><u>\$ 86,177</u></u>	<u><u>\$ 96,603</u></u>
Net pension liability (asset) - ending (a) - (b)	<u><u>\$ (12,528)</u></u>	<u><u>\$ (11,347)</u></u>	<u><u>\$ (15,684)</u></u>	<u><u>\$ (31,759)</u></u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	117.83 %	115.73 %	122.25 %	148.98 %
Covered payroll	\$ 65	\$ 61	\$ 175	\$ 175
Plan net pension liability (asset) as a percentage of covered payroll	(19,248.60)%	(18,478.87)%	(25,573.44)%	(18,130.18)%

STATE OF NORTH DAKOTA

2020	2019	2018	2017	2016	2015
\$ 57	\$ 70	\$ 80	\$ 56	\$ 71	\$ 128
3,038	3,130	3,501	4,130	4,281	5,026
—	—	—	—	—	—
(1,122)	(505)	(310)	(1,648)	(2,007)	(1,806)
540	—	5,812	4,421	70	(310)
(4,582)	(4,627)	(4,583)	(4,534)	(4,601)	(4,694)
(2,069)	(1,932)	4,500	2,425	(2,186)	(1,656)
66,197	68,129	63,629	61,204	63,390	65,046
<u>\$ 64,128</u>	<u>\$ 66,197</u>	<u>\$ 68,129</u>	<u>\$ 63,629</u>	<u>\$ 61,204</u>	<u>\$ 63,390</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
27	29	33	39	44	50
—	—	—	—	—	—
—	—	—	—	—	—
2,621	6,230	2,919	5,239	4,840	3,260
(4,582)	(4,627)	(4,583)	(4,534)	(4,601)	(4,694)
(19)	(17)	(46)	(13)	(32)	(30)
(1,953)	1,615	(1,677)	731	251	(1,414)
97,203	95,588	97,265	96,534	96,283	97,697
<u>\$ 95,250</u>	<u>\$ 97,203</u>	<u>\$ 95,588</u>	<u>\$ 97,265</u>	<u>\$ 96,534</u>	<u>\$ 96,283</u>
<u>\$ (31,122)</u>	<u>\$ (31,006)</u>	<u>\$ (27,459)</u>	<u>\$ (33,636)</u>	<u>\$ (35,330)</u>	<u>\$ (32,893)</u>
148.53 %	146.84 %	140.30 %	152.86 %	157.72 %	151.89 %
\$ 315	\$ 417	\$ 417	\$ 499	\$ 567	\$ 791
(9,892.34)%	(7,443.56)%	(6,590.37)%	(6,746.56)%	(6,256.45)%	(4,160.24)%

STATE OF NORTH DAKOTA

Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
North Dakota Teachers' Fund for Retirement
Last 10 Fiscal Years*
(Dollars in thousands)

	2024	2023	2022	2021
Total pension liability (asset)				
Service cost	\$ 100,869	\$ 96,101	\$ 92,336	\$ 87,088
Interest	325,552	318,879	311,929	300,698
Change of benefit terms	—	—	—	—
Difference between expected and actual experience	32,437	(55,451)	(8,505)	8,366
Changes of assumptions	—	—	—	—
Benefit payments, including refund of employee contributions	(277,661)	(262,282)	(251,847)	(241,128)
Net change in total pension liability (asset)	<u>181,197</u>	<u>97,247</u>	<u>143,913</u>	<u>155,024</u>
Total pension liability (asset) - beginning	<u>4,577,221</u>	<u>4,479,973</u>	<u>4,336,060</u>	<u>4,181,036</u>
Total pension liability (asset) - ending (a)	<u><u>\$ 4,758,418</u></u>	<u><u>\$ 4,577,220</u></u>	<u><u>\$ 4,479,973</u></u>	<u><u>\$ 4,336,060</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 108,088	\$ 102,308	\$ 100,331	\$ 98,264
Contributions - employee	99,610	94,284	92,462	90,557
Contributions - service credit repurchase	1,196	1,109	2,017	2,559
Contributions - other	88	(10)	25	126
Net investment income	249,092	217,471	(198,881)	684,173
Benefit payments, including refund of employee contributions	(277,661)	(262,282)	(251,847)	(241,128)
Administrative expense	(3,313)	(2,891)	(2,592)	(2,678)
Net change in plan fiduciary net position	<u>177,100</u>	<u>149,989</u>	<u>(258,485)</u>	<u>631,873</u>
Plan fiduciary net position - beginning	<u>3,173,909</u>	<u>3,023,920</u>	<u>3,282,405</u>	<u>2,650,532</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 3,351,009</u></u>	<u><u>\$ 3,173,909</u></u>	<u><u>\$ 3,023,920</u></u>	<u><u>\$ 3,282,405</u></u>
Net pension liability (asset) - ending (a) - (b)	<u><u>\$ 1,407,409</u></u>	<u><u>\$ 1,403,311</u></u>	<u><u>\$ 1,456,053</u></u>	<u><u>\$ 1,053,655</u></u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	70.40 %	69.30 %	67.50 %	75.70 %
Covered payroll	\$ 847,923	\$ 802,413	\$ 786,912	\$ 770,700
Plan net pension liability (asset) as a percentage of covered payroll	166.00 %	174.90 %	185.00 %	136.70 %

*Restated in 2015 due to GASB 68 implementation.

STATE OF NORTH DAKOTA

2020	2019	2018	2017	2016	2015
\$ 80,591	\$ 77,756	\$ 78,041	\$ 75,476	\$ 68,239	\$ 60,618
306,791	296,876	287,375	276,412	265,440	249,064
—	—	—	—	—	—
(20,732)	(23,495)	(27,939)	(10,749)	(8,093)	2,209
51,813	—	—	—	—	171,325
(230,851)	(221,228)	(207,979)	(196,516)	(185,969)	(172,239)
187,612	129,909	129,498	144,623	139,617	310,977
3,993,424	3,863,515	3,734,017	3,589,394	3,449,777	3,138,800
<u>\$ 4,181,036</u>	<u>\$ 3,993,424</u>	<u>\$ 3,863,515</u>	<u>\$ 3,734,017</u>	<u>\$ 3,589,394</u>	<u>\$ 3,449,777</u>
\$ 93,032	\$ 89,445	\$ 86,676	\$ 86,059	\$ 82,840	\$ 78,422
85,735	82,429	79,878	79,309	76,343	72,268
2,175	1,917	2,181	2,553	2,768	1,601
159	159	194	236	45	172
86,206	135,043	211,345	266,688	8,239	73,205
(230,851)	(221,228)	(207,979)	(196,516)	(185,969)	(172,239)
(2,095)	(2,251)	(2,129)	(2,173)	(1,852)	(1,923)
34,361	85,514	170,166	236,156	(17,586)	51,506
2,616,171	2,530,657	2,360,491	2,124,335	2,141,921	2,090,415
<u>\$ 2,650,532</u>	<u>\$ 2,616,171</u>	<u>\$ 2,530,657</u>	<u>\$ 2,360,491</u>	<u>\$ 2,124,335</u>	<u>\$ 2,141,921</u>
<u>\$ 1,530,504</u>	<u>\$ 1,377,253</u>	<u>\$ 1,332,858</u>	<u>\$ 1,373,526</u>	<u>\$ 1,465,059</u>	<u>\$ 1,307,856</u>
63.40 %	65.50 %	65.50 %	63.20 %	59.20 %	62.10 %
\$ 729,661	\$ 701,528	\$ 679,809	\$ 674,971	\$ 649,725	\$ 615,105
209.80 %	196.10 %	196.10 %	203.50 %	225.50 %	212.60 %

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Changes in Net Other Post Employment Benefit Liability and Related Ratios Retiree Health Insurance Credit Fund Last 10 Fiscal Years* (Dollars in thousands)

	2024	2023	2022	2021
Total OPEB liability (asset)				
Service cost	\$ 4,160	\$ 4,866	\$ 4,004	\$ 4,273
Interest	15,125	14,548	15,155	14,658
Change of benefit terms	—	—	—	—
Difference between expected and actual experience	197	(777)	616	2,165
Changes of assumptions	—	(10,643)	30,533	—
Benefit payments, including refund of employee contributions	(14,794)	(14,215)	(13,746)	(12,885)
Net change in total OPEB liability (asset)	4,688	(6,221)	36,562	8,211
Total OPEB liability (asset) - beginning	268,293	274,514	237,952	229,741
Total OPEB liability (asset) - ending (a)	\$ 272,981	\$ 268,293	\$ 274,514	\$ 237,952
Plan fiduciary net position				
Contributions - employer	\$ 12,328	\$ 12,138	\$ 12,566	\$ 13,111
Contributions - employee	8	11	12	16
Contributions - service credit repurchase	282	282	457	375
Net investment income	20,804	15,975	(26,757)	36,527
Benefit payments, including refund of employee contributions	(14,794)	(14,215)	(13,746)	(12,885)
Administrative expense	(371)	(356)	(383)	(431)
Other	1	—	—	—
Net change in plan fiduciary net position	18,258	13,835	(27,851)	36,713
Plan fiduciary net position - beginning	168,318	154,483	182,334	145,621
Plan fiduciary net position - ending (b)	\$ 186,576	\$ 168,318	\$ 154,483	\$ 182,334
Net OPEB liability (asset) - ending (a) - (b)	\$ 86,405	\$ 99,975	\$ 120,031	\$ 55,618
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	68.35 %	62.74 %	56.28 %	76.63 %
Covered payroll	\$ 1,036,707	\$ 1,005,183	\$ 1,032,405	\$ 1,090,258
Plan net OPEB liability (asset) as a percentage of covered employee payroll	8.33 %	9.95 %	11.63 %	5.10 %

*Complete data for this schedule is not available prior to 2017.

STATE OF NORTH DAKOTA

2020	2019	2018	2017
\$ 4,042	\$ 3,828	\$ 3,767	\$ 3,430
15,498	15,217	14,485	14,327
—	—	—	—
315	(1,374)	2,732	(2,231)
4,372	5,002	—	8,861
(12,317)	(11,505)	(11,016)	(10,014)
<u>11,910</u>	<u>11,168</u>	<u>9,968</u>	<u>14,373</u>
217,831	206,663	196,695	182,322
<u>\$ 229,741</u>	<u>\$ 217,831</u>	<u>\$ 206,663</u>	<u>\$ 196,695</u>
\$ 13,392	\$ 12,977	\$ 12,834	\$ 12,576
16	16	16	16
557	377	747	464
6,905	8,178	8,211	12,074
(12,317)	(11,505)	(11,016)	(10,014)
(454)	(437)	(480)	(443)
10	—	—	10
<u>8,109</u>	<u>9,606</u>	<u>10,312</u>	<u>14,683</u>
<u>137,512</u>	<u>127,906</u>	<u>117,594</u>	<u>102,921</u>
<u>\$ 145,621</u>	<u>\$ 137,512</u>	<u>\$ 127,906</u>	<u>\$ 117,604</u>
<u>\$ 84,120</u>	<u>\$ 80,319</u>	<u>\$ 78,757</u>	<u>\$ 79,091</u>
63.38 %	63.13 %	61.89 %	59.78 %
\$ 1,139,971	\$ 1,115,858	\$ 1,094,217	\$ 1,081,841
7.38 %	7.20 %	7.20 %	7.31 %

*Complete data for this schedule is not available prior to 2017.

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Changes in Net Other Post Employment Benefit Liability and Related Ratios Met Life Insurance Plan Last 10 Fiscal Years* (Dollars in thousands)

	2024	2023	2022	2021
Total OPEB liability (asset)				
Service cost	\$ —	\$ —	\$ —	\$ —
Interest	36	38	30	32
Change of benefit terms	—	—	—	—
Difference between expected and actual experience	73	—	(17)	—
Changes of assumptions	(10)	—	(138)	—
Benefit payments, including refund of employee contributions	(86)	(86)	(89)	(83)
Net change in total OPEB liability (asset)	<u>13</u>	<u>(48)</u>	<u>(214)</u>	<u>(51)</u>
Total OPEB liability (asset) - beginning	953	1,001	1,215	1,266
Total OPEB liability (asset) - ending (a)	<u>\$ 966</u>	<u>\$ 953</u>	<u>\$ 1,001</u>	<u>\$ 1,215</u>
Plan fiduciary net position				
Contributions - employer	\$ 86	\$ 86	\$ 89	\$ 83
Contributions - employee	—	—	—	—
Contributions - service credit repurchase	—	—	—	—
Contributions - other	—	—	—	—
Net investment income	—	—	—	—
Benefit payments, including refund of employee contributions	(86)	(86)	(89)	(83)
Administrative expense	—	—	—	—
Net change in plan fiduciary net position	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Plan fiduciary net position - beginning	—	—	—	—
Plan fiduciary net position - ending (b)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Net OPEB liability (asset) - ending (a) - (b)	<u>\$ 966</u>	<u>\$ 953</u>	<u>\$ 1,001</u>	<u>\$ 1,266</u>
Plan fiduciary net position as a percentage of the total OPEB	0.00 %	0.00 %	0.00 %	0.00 %
Covered payroll	n/a	n/a	n/a	n/a
Plan net OPEB liability (asset) as a percentage of covered payroll	n/a	n/a	n/a	n/a

*Complete data for this schedule is not available prior to 2018.

STATE OF NORTH DAKOTA

2020	2019	2018
\$ —	\$ 4	\$ 4
37	42	43
—	—	—
(192)	—	—
46	—	—
(78)	(84)	(80)
(187)	(38)	(33)
1,453	1,491	1,524
<u>\$ 1,266</u>	<u>\$ 1,453</u>	<u>\$ 1,491</u>
\$ 78	\$ 84	\$ 80
—	—	—
—	—	—
—	—	—
(78)	(84)	(80)
—	—	—
—	—	—
—	—	—
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<u>\$ 1,266</u>	<u>\$ 1,453</u>	<u>\$ 1,491</u>
0.00 %	0.00 %	0.00 %
n/a	n/a	n/a
n/a	n/a	n/a

*Complete data for this schedule is not available prior to 2018.

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Employer Contributions Last 10 Fiscal Years* (Dollars in thousands)

ND Public Employees Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$204,475	\$191,274	\$157,390	\$157,543	\$140,537	\$127,129	\$125,714	\$116,564	\$124,336	\$107,514
Contribution in relation to the actuarially determined contribution	258,001	101,933	96,631	91,266	85,504	81,588	80,727	78,934	77,081	70,843
Contribution deficiency (excess)	<u>\$(53,526)</u>	<u>\$89,341</u>	<u>\$60,759</u>	<u>\$66,277</u>	<u>\$55,033</u>	<u>\$45,541</u>	<u>\$44,987</u>	<u>\$37,630</u>	<u>\$47,255</u>	<u>\$36,671</u>
Covered payroll	1,454,922	1,318,276	1,248,308	1,213,676	1,167,768	1,098,416	1,075,958	1,063,372	1,048,548	973,536
Contributions as a percentage of covered payroll	17.73%	7.73%	7.74%	7.52%	7.32%	7.43%	7.50%	7.42%	7.35%	7.28%

Highway Patrolmen's Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$5,211	\$5,107	\$3,921	\$4,081	\$3,256	\$2,936	\$2,949	\$3,060	\$2,307	\$2,201
Contribution in relation to the actuarially determined contribution	5,516	2,574	2,687	2,293	2,177	2,091	2,153	2,156	2,127	2,002
Contribution deficiency (excess)	<u>\$(305)</u>	<u>\$2,533</u>	<u>\$1,234</u>	<u>\$1,788</u>	<u>\$1,079</u>	<u>\$845</u>	<u>\$796</u>	<u>\$904</u>	<u>\$180</u>	<u>\$199</u>
Covered payroll	14,820	11,991	12,267	11,516	11,410	10,354	10,737	10,629	10,527	10,146
Contributions as a percentage of covered payroll	37.22%	21.47%	21.90%	19.91%	19.08%	20.20%	20.05%	20.28%	20.21%	19.73%

Job Service North Dakota

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Contribution in relation to the actuarially determined contribution	—	—	—	—	—	—	—	—	—	—
Contribution deficiency (excess)	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>
Covered payroll	66	61	133	200	386	417	417	499	565	674
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Employer Contributions Last 10 Fiscal Years* (Dollars in thousands)

ND Teachers' Fund for Retirement

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$105,990	\$97,252	\$97,341	\$101,655	\$93,688	\$90,778	\$88,307	\$89,231	\$84,724	\$71,168
Contribution in relation to the actuarially determined contribution	108,088	102,308	100,331	98,264	93,032	89,445	86,676	86,059	82,840	78,422
Contribution deficiency (excess)	<u>\$(2,098)</u>	<u>\$(5,056)</u>	<u>\$(2,990)</u>	<u>\$3,391</u>	<u>\$656</u>	<u>\$1,333</u>	<u>\$1,631</u>	<u>\$3,172</u>	<u>\$1,884</u>	<u>\$(7,254)</u>
Covered payroll	847,923	802,413	786,912	770,700	729,661	701,528	679,809	674,971	649,725	615,105
Contributions as a percentage of covered payroll	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %

Retiree Health Insurance Credit Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$14,676	\$14,766	\$12,414	\$13,340	\$12,145	\$12,707	\$12,252	\$11,696	\$7,544	\$6,439
Contribution in relation to the actuarially determined contribution	12,328	12,138	12,566	13,111	13,392	12,977	12,835	12,575	12,350	11,479
Contribution deficiency (excess)	<u>\$2,348</u>	<u>\$2,628</u>	<u>\$(152)</u>	<u>\$229</u>	<u>\$(1,247)</u>	<u>\$(270)</u>	<u>\$(583)</u>	<u>\$(879)</u>	<u>\$(4,806)</u>	<u>\$(5,040)</u>
Covered payroll	1,036,707	1,005,183	1,032,405	1,090,258	1,139,971	1,115,858	1,094,217	1,081,841	1,142,375	1,052,657
Contributions as a percentage of covered payroll	1.19 %	1.21 %	1.22 %	1.20 %	1.17 %	1.16 %	1.17 %	1.16 %	1.08 %	1.09 %

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2024

ND Public Employees Retirement System

Benefit Changes Effective January 1, 2025, the Main System is closed to new members. Employees newly enrolled into the system on January 1, 2025 and later will participate in a new Defined Contribution Plan.

State employees participating in the Main System on January 1, 2025 who are at least age 18 with 5 years or less of participation will be eligible to irrevocably elect to transfer to the existing DC Plan during a three-month election period ending March 31, 2025. For members who elect to transfer to the existing DC Plan, NDPERS will transfer a lump sum from the Main System to the DC Plan based on the actuarial present value of the accrued benefit as of January 1, 2025, plus interest from January 1, 2025 to the date of transfer. The state employer of an employee who elects to transfer to the existing DC Plan shall contribute an additional amount of \$3,333 annually for up to three years, provided the employee continues employment.

Member and/or employer contribution rates were changed for all plans except the Judges Plan.

For BCI members who retire on or after August 1, 2023, the multiplier is 3.00% for the first twenty years and 1.75% for additional years. For BCI members hired on or after August 1, 2023, the vesting requirement is changed from 3 years to 10 years.

Peace Officers employed by the State who were Main System participants transferred to the Public Safety with prior Main System service effective August 1, 2023.

Changes of Assumptions There were no assumption changes made since the prior valuation.

Highway Patrolmen's Retirement System

Benefit Changes There were no changes made in the plan provisions since the prior valuation.

Changes of Assumptions There were no assumption changes made since the prior valuation.

Job Service North Dakota

Benefit Changes There were no changes made in the plan provisions since the prior valuation.

Changes of Assumptions There were no assumption changes made since the prior valuation.

Retiree Health Insurance Credit Plan

Benefit Changes There were no changes made in the plan provisions since the prior valuation.

Changes of Assumptions There were no assumption changes made since the prior valuation.

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2024

Schedule of Employer Contributions

PERS:

Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.50% (3.00% for Judges)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed marked
Inflation	2.25%
Salary Increases	3.50% to 17.75% including inflation
Investment Rate of Return	6.5%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Sex-distinct Pub-2010 tables for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes	<p>The benefit accrual rate for members first enrolled on or after January 1, 2020 in the Main and Public Safety Systems is 1.75% (compared to 2.00% for members enrolled before January 1, 2020).</p> <p>The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020.</p> <p>The employer rates to the System are the statutory/Board approved contribution rates of 8.12% of payroll for the Main System (9.26% for members enrolled on or after January 1, 2020), 17.52% for the Judges System, 11.40% for Public Safety with prior Main System Service System, 22.26% for BCI, 14.34% for State Public Safety, and 9.16% for Public Safety without prior Main System Service System. In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.</p> <p>Legislation was passed relating to the Public Safety with Prior Service System. The Public Safety with Prior Service System was expanded to allow peace officers employed by the State to participate. The provisions are similar to the Public Safety with Prior Service System, but with a 6.00 percent employee contribution rate. The benefit multiplier and the vesting requirements for the Bureau of Criminal Investigation group were changed.</p>

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2024

HPRS:

Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.50%
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed marked
Inflation	2.25%
Salary Increases	Service-based table for members with less than five years of service and age-based table for members with more than five years of service.
Investment Rate of Return	6.5%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes	There were no benefit changes during the year.

The assumptions were updated beginning with the actuarial valuation as of July 1, 2020 based on an experience study covering the period July 1, 2014 through July 1, 2019. The investment return assumption was decreased from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022.

The employer rate to the System is the statutory contribution rate of 20.70% of payroll. The statutory employer and employee contributions will each increase by 0.5% of pay every year from January 1, 2024 to January 1, 2025 ultimately increasing both by 1.0% of pay.

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2024

JSND:

Valuation Date	July 1, 2024
Actuarial Cost Method	Frozen Initial Liability (Aggregate since no initial Liability remains)
Amortization Method	Not Applicable
Asset Valuation Method	5-Year smoothed marked
Inflation	2.25%
COLA	2.25%
Salary Increases	3.50%
Investment Rate of Return	3.00%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes	<p>There were no benefit changes during the year.</p> <p>The assumptions were updated beginning with the actuarial valuation as of July 1, 2020 based on an experience study covering the period July 1, 2014 through July 1, 2019. The Board approved lowering the investment return assumption from 3.75 percent to 3.00 percent, first effective July 1, 2022.</p> <p>The System has assets in excess of the present value of future benefits. Therefore, no employer contributions are being made.</p>

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2024

TFFR:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization Period	20 years
Asset valuation method	5-year smoothed market
Inflation	2%
Salary increases	Composed of 3.80% wage inflation, plus step-rate promotional increases for members with less than 30 years of service.
Investment rate	of 7.25%
Retirement age	Experience-based tables of rates based on age and gender
Mortality	Post-retirement Non-Disabled: 104% of the Pub T-2010 Retiree Table and 95% of the Pub T-2010 Contingent Survivor Table with generational mortality improvement using Scale MP-2019. Disabled: Pub NS-2010 Retiree Table with generational mortality improvement using Scale MP-2019.

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2024

RHIC:

Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	N/A
Asset Valuation Method	5-Year smoothed marked
Inflation	2.25%
Salary Increases	Not Applicable
Investment Rate of Return	5.75%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition

Mortality

Pub-2010 Healthy Retiree Mortality table (for General Employees), sex distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

Other Notes

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

The investment return assumption was decreased from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2015, through June 30, 2019.

The determination of the actuarial rate was changed effective July 1, 2019 to equal the rate needed to pay off the unfunded liability and future NC contributions at the end of 20 years as a level percent of closed group (decreasing) payroll.

The employer rate to the System is the statutory contribution rate of 1.14% of payroll.

Schedule of Investment Returns

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Job Service North Dakota	Teachers' Fund for Retirement	Retiree Health Insurance Credit Fund
2024	8.13 %	7.86 %	3.30 %	8.02 %	10.82 %
2023	8.13 %	7.86 %	3.30 %	7.35 %	10.82 %
2022	(6.32)%	(6.50)%	(5.55)%	(6.17)%	(14.48)%
2021	27.43 %	23.90 %	6.81 %	26.36 %	25.58 %
2020	3.57 %	3.28 %	3.09 %	3.37 %	5.37 %
2019	5.69 %	5.39 %	7.00 %	5.46 %	6.75 %
2018	9.21 %	9.16 %	3.32 %	9.15 %	7.01 %
2017	13.01 %	12.93 %	5.85 %	12.81 %	11.75 %
2016	0.49 %	0.48 %	5.14 %	0.39 %	0.83 %
2015	3.61 %	3.66 %	3.41 %	3.56 %	0.00 %

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2024

Met Life Insurance Plan:

Actuarial Cost Method Entry age normal actuarial cost method was used in the valuation.

Changes of Assumptions The following changes were made to the actuarial assumptions and methods effecting July 1, 2024:

- The discount rate is 4.21 percent based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2024, compared to the prior discount rate of 4.09%.



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Combining Financial Statements

Nonmajor Governmental Funds

Permanent Fund

A permanent fund is used to report resources that are legally restricted to the extent than only earnings, and not principal, may be used to for the benefit of the government or its citizens.

956-Coal Development Permanent Fund

The Coal Development Fund reports resources that are constitutionally committed for distribution to other state funds and for making loans to energy impacted entities and school districts.

410-Veterans' Postwar Trust Fund

The Veterans' Postwar Trust Fund reports resources that are constitutionally committed to be utilized for programs which must be of benefit and service to veterans, who are defined by legislative enactment, or their dependents.

Capital Projects Fund

A capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

960-Building Authority

Account for the acquisition or construction of buildings primarily for use by the State and making any improvements connected to those buildings.

Debt Service Funds

A debt service fund is used to account for accumulation for resources for, and the payment of, principal and interest on long-term debt.

919-Building Authority Debt Service Fund

Account for accumulation of resources for, and the payment of, principal and interest on bonds issued by the North Dakota Building Authority.

935-Legacy Bond Program

Legacy Bond Program through the Bank of North Dakota to be used for infrastructure projects and programs.

STATE OF NORTH DAKOTA

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2024

	Perm Trust Fund			Debt Service Funds			Capital Proj. Fund	Total Nonmajor Governmental Funds
	Coal Development Trust Fund	Veteran's Postwar Trust Fund	Total	Building Authority	Legacy Bond Program	Total	Building Authority	
ASSETS								
Cash Deposits at the Bank of ND	\$ 3,083,123	\$ 188,752	\$ 3,271,875	\$ 64,000	\$ 8,382,000	\$ 8,446,000	\$ —	\$ 11,717,875
Cash and Cash Equivalents	—	144,821	144,821	—	—	—	—	144,821
Investments at the Bank of ND	—	—	—	235,000	367,421,000	367,656,000	—	367,656,000
Investments	44,369,530	8,553,281	52,922,811	—	—	—	—	52,922,811
Accounts Receivable - Net	—	106	106	—	—	—	—	106
Taxes Receivable - Net	114,989	476	115,465	—	—	—	—	115,465
Interest Receivable - Net	361,509	23,370	384,879	—	193,000	193,000	—	577,879
Due from Other Funds	—	50	50	—	—	—	—	50
Loans and Notes Receivable - Net	38,679,592	—	38,679,592	—	—	—	—	38,679,592
Other Assets	1,799	—	1,799	—	—	—	—	1,799
Total Assets	86,610,542	8,910,856	95,521,398	299,000	375,996,000	376,295,000	—	471,816,398
DEFERRED OUTFLOWS OF RESOURCES								
Total Deferred Outflows of Resources	—	—	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 86,610,542	\$ 8,910,856	\$ 95,521,398	\$ 299,000	\$ 375,996,000	\$ 376,295,000	\$ —	\$ 471,816,398
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	1,770	7,166	8,936	6,000	—	6,000	—	14,936
Securities Lending Collateral	12,181,248	—	12,181,248	—	—	—	—	12,181,248
Due to Other Funds	151,031	—	151,031	—	—	—	—	151,031
Total Liabilities	12,334,049	7,166	12,341,215	6,000	—	6,000	—	12,347,215
DEFERRED INFLOWS OF RESOURCES								
Total Deferred Inflows of Resources	—	—	—	—	—	—	—	—
Fund Balances:								
Nonspendable	73,623,582	8,063,307	81,686,889	—	—	—	—	81,686,889
Restricted	—	—	—	293,000	375,996,000	376,289,000	—	376,289,000
Committed	652,911	840,383	1,493,294	—	—	—	—	1,493,294
Total Fund Balances	74,276,493	8,903,690	83,180,183	293,000	375,996,000	376,289,000	—	459,469,183
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 86,610,542	\$ 8,910,856	\$ 95,521,398	\$ 299,000	\$ 375,996,000	\$ 376,295,000	\$ —	\$ 471,816,398

STATE OF NORTH DAKOTA

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2024

	Perm Trust Fund			Debt Service Funds			Capital Proj. Fund	Total Nonmajor Governmental Funds
	Coal Development Trust Fund	Veteran's Postwar Trust Fund	Total	Building Authority	Legacy Bond Program	Total	Building Authority	
REVENUES								
Individual and Corporate Income Taxes	\$ —	\$ 28,504	\$ 28,504	\$ —	\$ —	\$ —	\$ —	\$ 28,504
Oil, Gas, and Coal Taxes	1,366,661	—	1,366,661	—	—	—	—	1,366,661
Licenses, Permits and Fees	—	22,041	22,041	—	—	—	—	22,041
Sales and Services	—	5,565	5,565	—	—	—	—	5,565
Interest and Investment Income	3,750,461	834,491	4,584,952	5,000	21,547,000	21,552,000	6,000	26,142,952
Miscellaneous	—	71,275	71,275	—	—	—	—	71,275
Total Revenues	5,117,122	961,876	6,078,998	5,000	21,547,000	21,552,000	6,000	27,636,998
EXPENDITURES								
Current:								
General Government	469,432	63,387	532,819	—	—	—	—	532,819
Health and Human Services	—	235,733	235,733	—	—	—	—	235,733
Regulatory	—	—	—	—	114,606,000	114,606,000	—	114,606,000
Debt Service:								
Principal	—	—	—	5,000,000	28,460,000	33,460,000	—	33,460,000
Interest and Other Charges	—	—	—	3,121,125	23,111,000	26,232,125	—	26,232,125
Total Expenditures	469,432	299,120	768,552	8,121,125	166,177,000	174,298,125	—	175,066,677
Revenues over (under) Expenditures	4,647,690	662,756	5,310,446	(8,116,125)	(144,630,000)	(152,746,125)	6,000	(147,429,679)
OTHER FINANCING SOURCES (USES)								
Transfers In	—	—	—	8,147,125	102,620,000	110,767,125	—	110,767,125
Transfers Out	(2,193,831)	—	(2,193,831)	—	(102,730,000)	(102,730,000)	(429,000)	(105,352,831)
Total Other Financing Sources (Uses)	(2,193,831)	—	(2,193,831)	8,147,125	(110,000)	8,037,125	(429,000)	5,414,294
Net Change in Fund Balances	2,453,859	662,756	3,116,615	31,000	(144,740,000)	(144,709,000)	(423,000)	(142,015,385)
Fund Balances - Beginning of Year	71,822,634	8,240,934	80,063,568	262,000	520,736,000	520,998,000	423,000	601,484,568
Fund Balances - End of Year	\$ 74,276,493	\$ 8,903,690	\$ 83,180,183	\$ 293,000	\$ 375,996,000	\$ 376,289,000	\$ —	\$ 459,469,183

STATE OF NORTH DAKOTA

Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the State is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability purposes.

BANK OF NORTH DAKOTA

907 – School Construction Assistance Revolving Loan Fund

Fund used to provide low-interest school construction loans.

459 (914) – Innovation Technology Loan Fund (LIFT)

Fund used to provide loans for commercialization of intellectual property within the State of North Dakota. Industries eligible for loans include advanced computing and data management, agriculture technology, autonomous and unmanned vehicles and related technology, energy, health care, value-added agriculture, value added energy, and any other industry or area identified by the committee that will contribute to the diversification of the state's economy.

934 – Infrastructure Revolving Loan Fund

Fund used to provide loans to political subdivisions for essential infrastructure projects.

945 – Bulk Propane Storage Tank

Fund used to provide loans to propane retailers to purchase and install storage containers to be used for the bulk storage of propane.

954 – Addiction Counselor Internship Loan Program

Fund used to provide loans to qualified individuals participating in a paid or unpaid internship at a licensed substance abuse treatment facility in North Dakota in order to obtain licensure as an addiction counselor.

972 – Legacy Infrastructure Loan Fund

Fund used to provide loans to political subdivisions, the Garrison Diversion Conservancy District and the Lake Agassiz water authority for eligible infrastructure projects.

984 – Medical Facility Infrastructure Loan Program

Fund used to make loans to medical facilities to conduct construction that improves the health care infrastructure in the state or improves access to existing nonprofit health care providers in the state.

985 – Rebuilders Permanent Loan Fund

Fund used to make loans to North Dakota 2011 flood-damaged homeowners to provide financial assistance needed to repair their home.

961 – Clean Sustainable Energy Loan Fund

Fund used to enhance the production of clean sustainable energy, to make the state a world leader in the productions of clean sustainable energy, and to diversity and grow the state's economy.

900 – Agriculture Diversification and Development Fund

Fund used for loan disbursements, grants, and administrative costs.

BONDING

210 (924) – State Bonding Fund

Fund used to maintain the bonding of public employees and officials of the state, county, city or other unit of local government.

COMMUNITY WATER FACILITY LOAN

974 – Water Infrastructure Revolving Loan Fund

Accounts for supplementary financing in conjunction with federal moneys available to improve adequate water supplies.

FIRE AND TORNADO

211 (923) – State Fire and Tornado Fund

Accounts for state agencies and political subdivisions to insure against loss to the public buildings, fixtures and permanent contents therein, through fire, lightning, windstorm, etc.

GUARANTEED STUDENT LOAN

969 – North Dakota Guaranteed Student Loan

Accounts for the revenues and expenses associated with the administration, development and operation of the guaranteed loan program.

HIT PLANNING LOAN FUND

987 – HIT Planning Loan Fund

Fund to provide low-interest loans to health care entities to improve health information technology infrastructure.

INFORMATION TECHNOLOGY DEPARTMENT

408 (903) – Edutech Fund

Fund used for professional development sessions and presentations by the Information and Technology Department.

476 (908) – SW Interoperable Radio Network Fund

Fund used for a radio broadcasting system for the state that enables seamless interoperable communications from local, state, and federal levels.

MILL AND ELEVATOR

970 – Mill and Elevator

Accounts for revenues and expenditures associated with the operation of the Mill and Elevator.

PERS UNIFORM GROUP INSURANCE

980 – Public Employees Retirement System Group Insurance

Accounts for the administrative revenues and expenses associated with this insurance purchasing pool.

ROUGH RIDER INDUSTRIES

926 – Roughrider Industries

Accounts for the revenues and expenses associated with the operation, manufacture and sale of products made by the prison inmates.

STATE FAIR

601 (977) – State Fair

Accounts for revenues and expenditures associated with the operation of the State Fair.

STATE LOTTERY FUND

966 (292) – State Lottery Fund

Accounts for operations of the North Dakota lottery.

STUDENT LOAN

975 – North Dakota Student Loan Trust

Accounts for loans to students in post secondary education. The trust acquires eligible loans guaranteed or insured by the United States government or the North Dakota Guaranteed Student Loan Program.

UNEMPLOYMENT COMPENSATION FUND

967 – Job Service-Expendable Trust Fund

Accounts for State unemployment taxes collected from employers for the purpose of paying unemployment benefits.

STATE OF NORTH DAKOTA

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2024

	Addiction Counselor Internship Loan	Agriculture Diversification Development Fund	Bonding	Bulk Propane Storage Tank	Clean Sustainable Energy Loan Fund	Edutech	Fire and Tornado	Guaranteed Student Loan
ASSETS								
Current Assets:								
Cash Deposits at the Bank of ND	\$ 121,602	\$ 11,247,000	\$ 521,443	\$ 4,341,000	\$ 1,271,000	\$ 327,358	\$ 881,726	\$ 49,650,952
Cash and Cash Equivalents	—	—	1,315,126	—	—	—	1,240,502	—
Investments at the Bank of ND	—	—	—	—	—	—	—	—
Investments	—	—	2,123,510	—	—	—	14,844,458	—
Accounts Receivable - Net	—	—	150,571	—	—	—	—	—
Interest Receivable - Net	1,753	—	29,976	1,000	103,000	—	152,690	—
Intergovernmental Receivable - Net	—	—	—	—	—	—	—	—
Due from Other Funds	—	—	—	—	—	—	—	—
Prepaid Items	—	838,000	—	—	—	—	550,938	—
Inventory	—	—	—	—	—	—	—	—
Lease Receivable - Net	—	—	—	—	—	—	—	—
Loans and Notes Receivable - Net	8,442	—	—	57,000	7,159,000	—	—	—
Other Assets	—	—	—	—	—	—	—	78,729
Restricted Cash at the Bank of ND	—	—	—	—	—	—	—	—
Restricted Cash and Cash Equivalents	—	—	—	—	—	—	—	—
Restricted Investments at the Bank of ND	—	—	—	—	—	—	—	—
Restricted Loans Receivable - Net	—	—	—	—	—	—	—	—
Total Current Assets	131,797	12,085,000	4,140,626	4,399,000	8,533,000	327,358	17,670,314	49,729,681
Noncurrent Assets:								
Lease Receivable	—	—	—	—	—	—	—	—
Loans and Notes Receivable - Net	53,539	—	—	619,000	35,341,000	—	—	—
Other Noncurrent Assets	—	2,458,000	—	—	—	—	—	—
Capital Assets:								
Nondepreciable	—	—	—	—	—	—	—	—
Depreciable, Net	—	—	—	—	—	—	—	—
Total Noncurrent Assets	53,539	2,458,000	—	619,000	35,341,000	—	—	—
Total Assets	185,336	14,543,000	4,140,626	5,018,000	43,874,000	327,358	17,670,314	49,729,681
DEFERRED OUTFLOWS OF RESOURCES								
Decrease in Fair Value of Hedging Derivatives	—	—	—	—	—	—	—	—
Derived from Pensions	—	—	—	—	—	—	—	—
Derived from OPEB	—	—	—	—	—	—	—	—
Total Deferred Outflows of Resources	—	—	—	—	—	—	—	—
LIABILITIES								
Current Liabilities:								
Accounts Payable	—	—	1,760	—	—	18,924	13,278	433,846
Accrued Payroll	—	—	—	—	—	—	—	—
Securities Lending Collateral	—	—	28,756	—	—	—	167,628	—
Interest Payable	—	—	—	—	2,614,000	—	—	—
Intergovernmental Payable	—	—	—	—	—	—	—	—
Due to Other Funds	—	—	—	1,000	15,037,000	12,931	—	5,000
Claims/Judgments Payable	—	—	134,068	—	—	—	2,658,571	—
Compensated Absences Payable	—	—	—	—	—	—	—	—
Leases/SBITAs Payable	—	—	—	—	—	—	—	—
Bonds Payable	—	—	—	—	—	—	—	—
Financial Derivative Instrument	—	—	—	—	—	—	—	—
Unearned Revenue	—	—	—	—	—	—	—	—
Other Current Liabilities	—	—	—	—	—	—	—	—
Total Current Liabilities	—	—	164,584	1,000	17,651,000	31,855	2,839,477	438,846
Noncurrent Liabilities:								
Compensated Absences Payable	—	—	—	—	—	—	—	—
Leases/SBITAs Payable	—	—	—	—	—	—	—	—
Bonds Payable	—	—	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—	—	—
Net Pension OPEB	—	—	—	—	—	—	—	—
Other Noncurrent Liabilities	—	—	—	—	—	—	—	27,717,909
Total Noncurrent Liabilities	—	—	—	—	—	—	—	27,717,909
Total Liabilities	—	—	164,584	1,000	17,651,000	31,855	2,839,477	28,156,755
DEFERRED INFLOWS OF RESOURCES								
Right-to-Use Leases	—	—	—	—	—	—	—	—
Derived from Pensions	—	—	—	—	—	—	—	—
Derived from OPEB	—	—	—	—	—	—	—	—
Total Deferred Inflows of Resources	—	—	—	—	—	—	—	—
Net Position								
Net Investment in Capital Assets	—	—	—	—	—	—	—	—
Restricted for:								
Debt Service	—	—	—	—	—	—	—	—
Loan Purposes	—	—	—	—	—	—	—	—
Unemployment Compensation	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Unrestricted	185,336	14,543,000	3,976,042	5,017,000	26,223,000	295,503	14,830,837	21,572,926
Total Net Position	\$ 185,336	\$ 14,543,000	\$ 3,976,042	\$ 5,017,000	\$ 26,223,000	\$ 295,503	\$ 14,830,837	\$ 21,572,926

HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Innovation Loan Fund	Legacy Infrastructure Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Permanent Loan Program	Roughrider Industries
\$ —	\$ 60,591,000	\$ 44,897,351	\$ 10,688,000	\$ 2,175,000	\$ 11,678,000	\$ 225	\$ 2,295,905	\$ 13,544,000	\$ 12,237,748
—	—	—	—	—	—	—	2,260,600	—	500
—	—	—	—	—	—	—	—	—	—
—	—	390,731	—	—	—	—	56,158,352	—	—
267	689,000	—	24,000	324,000	24,000	—	465,470	—	728,764
—	—	—	—	—	—	—	—	31,000	—
—	—	942,054	—	—	—	—	—	—	304,274
—	—	6,643	—	—	—	—	—	—	40,896
—	—	—	—	—	—	2,168,604	—	—	—
—	—	—	—	—	—	36,762,897	—	—	3,023,664
—	—	—	—	—	—	—	—	—	—
205,330	13,899,000	—	5,002,000	2,402,000	2,082,000	2,117,647	—	4,183,000	—
—	—	—	—	—	—	—	340,601	—	—
3,148,082	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
3,353,679	75,179,000	46,236,779	15,714,000	4,901,000	13,784,000	119,336,939	61,520,928	17,758,000	16,335,846
—	—	—	—	—	—	—	—	—	—
63,343	159,009,000	—	18,392,000	44,564,000	37,380,000	4,235,294	—	22,794,000	—
—	—	—	—	—	—	986,030	—	—	—
—	—	2,161,790	—	—	—	41,080,779	—	—	—
—	—	18,211,527	—	—	—	159,351,801	72,011	—	1,369,684
63,343	159,009,000	20,373,317	18,392,000	44,564,000	37,380,000	205,653,904	72,011	22,794,000	1,369,684
3,417,022	234,188,000	66,610,096	34,106,000	49,465,000	51,164,000	324,990,843	61,592,939	40,552,000	17,705,530
—	—	—	—	—	—	2,636,375	—	—	—
—	—	—	—	—	—	10,964,652	—	—	1,707,682
—	—	—	—	—	—	392,279	—	—	66,086
—	—	—	—	—	—	13,993,306	—	—	1,773,768
733	—	455,864	—	—	—	23,032,416	425,653	5,000	370,524
—	—	12,600	—	—	—	489,327	115,249	—	189,479
—	—	—	—	—	—	—	—	—	—
—	—	52,739	—	—	—	—	—	—	—
—	217,000	880,259	34,000	128,000	51,000	112,922,467	10,561	11,562,000	19,289
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	112,957	7,991	—	—
—	—	88,320	—	—	—	7,666,395	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	2,636,375	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	2,493,651	—	—	991
733	217,000	1,489,782	34,000	128,000	51,000	149,353,588	559,454	11,567,000	580,283
—	—	—	—	—	—	1,159,084	82,001	—	—
—	—	14,793,087	—	—	—	25,003,906	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	15,569,905	—	—	2,491,861
—	—	—	—	—	—	744,614	—	—	140,543
—	—	—	—	—	—	—	—	—	—
—	—	14,793,087	—	—	—	42,477,509	82,001	—	2,632,404
733	217,000	16,282,869	34,000	128,000	51,000	191,831,097	641,455	11,567,000	3,212,687
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	12,290,634	—	—	2,048,219
—	—	—	—	—	—	71,063	—	—	17,396
—	—	—	—	—	—	12,361,697	—	—	2,065,615
—	—	5,491,910	—	—	—	134,075,746	72,011	—	1,369,684
3,148,082	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
268,207	233,971,000	44,835,317	34,072,000	49,337,000	51,113,000	715,609	60,879,473	28,985,000	12,831,312
\$ 3,416,289	\$ 233,971,000	\$ 50,327,227	\$ 34,072,000	\$ 49,337,000	\$ 51,113,000	\$ 134,791,355	\$ 60,951,484	\$ 28,985,000	\$ 14,200,996

STATE OF NORTH DAKOTA

Combining Statement of Net Position Nonmajor Enterprise Funds (Continued) June 30, 2024

	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Water Infrastructure Revolving Loan Fund	Total
ASSETS							
Current Assets:							
Cash Deposits at the Bank of ND	\$ 78,716,000	\$ 9,055,010	\$ 11,003,053	\$ —	\$ 58,311	\$ 17,875,000	\$ 343,176,684
Cash and Cash Equivalents	—	58,675	781,338	—	328,842,987	—	334,499,728
Investments at the Bank of ND	—	4,000,000	—	—	—	—	4,000,000
Investments	—	—	—	—	—	—	73,126,320
Accounts Receivable - Net	—	37,968	334,966	—	31,472,234	—	111,868,270
Interest Receivable - Net	2,108,000	—	—	2,000	2,267,120	274,000	6,031,806
Intergovernmental Receivable - Net	—	—	—	—	719,116	—	719,116
Due from Other Funds	—	—	—	5,000	—	—	1,251,328
Prepaid Items	—	56,534	12,500	—	—	—	3,674,115
Inventory	—	—	—	—	—	—	39,786,561
Lease Receivable - Net	—	184,858	—	—	—	—	184,858
Loans and Notes Receivable - Net	32,321,000	—	—	—	—	2,840,000	72,276,419
Other Assets	—	—	—	—	—	—	419,330
Restricted Cash at the Bank of ND	—	—	—	—	—	—	3,148,082
Restricted Cash and Cash Equivalents	—	—	—	743,000	—	—	743,000
Restricted Investments at the Bank of ND	—	—	—	1,000,000	—	—	1,000,000
Restricted Loans Receivable - Net	—	—	—	53,000	—	—	53,000
Total Current Assets	113,145,000	13,393,045	12,131,857	1,803,000	363,359,768	20,989,000	995,958,617
Noncurrent Assets:							
Lease Receivable	—	176,729	—	—	—	—	176,729
Loans and Notes Receivable - Net	279,777,000	—	—	388,000	—	44,349,000	646,965,176
Other Noncurrent Assets	—	—	1,544,811	—	—	—	4,988,841
Capital Assets:							
Nondepreciable	—	922,056	—	—	—	—	44,164,625
Depreciable, Net	—	20,113,362	241,608	—	—	—	199,359,993
Total Noncurrent Assets	279,777,000	21,212,147	1,786,419	388,000	—	44,349,000	895,655,364
Total Assets	392,922,000	34,605,192	13,918,276	2,191,000	363,359,768	65,338,000	1,891,613,981
DEFERRED OUTFLOWS OF RESOURCES							
Decrease in Fair Value of Hedging Derivatives	—	—	—	—	—	—	2,636,375
Derived from Pensions	—	1,371,704	756,691	—	—	—	14,800,729
Derived from OPEB	—	30,651	32,906	—	—	—	521,922
Total Deferred Outflows of Resources	—	1,402,355	789,597	—	—	—	17,959,026
LIABILITIES							
Current Liabilities:							
Accounts Payable	—	56,299	720,606	—	9,829,966	—	35,364,869
Accrued Payroll	—	204,240	98,269	—	—	—	1,109,164
Securities Lending Collateral	—	—	—	—	—	—	196,384
Interest Payable	—	—	—	—	—	—	2,666,739
Intergovernmental Payable	—	166,307	—	—	1,548,690	—	1,714,997
Due to Other Funds	395,000	—	8,638,020	6,000	32,104	57,000	150,008,631
Claims/Judgments Payable	—	—	—	—	—	—	2,792,639
Compensated Absences Payable	—	70,000	—	—	—	—	190,948
Leases/SBITAs Payable	—	—	28,338	—	—	—	7,783,053
Bonds Payable	—	152,260	—	—	—	—	152,260
Financial Derivative Instrument	—	—	—	—	—	—	2,636,375
Unearned Revenue	—	—	315,552	—	—	—	315,552
Other Current Liabilities	—	—	—	—	—	—	2,494,642
Total Current Liabilities	395,000	649,106	9,800,785	6,000	11,410,760	57,000	207,426,253
Noncurrent Liabilities:							
Compensated Absences Payable	—	14,791	78,903	—	—	—	1,334,779
Leases/SBITAs Payable	—	—	208,847	—	—	—	40,005,840
Bonds Payable	—	843,234	—	1,000,000	—	—	1,843,234
Net Pension Liability	—	1,902,954	1,124,634	—	—	—	21,089,354
Net Pension OPEB	—	80,066	70,937	—	—	—	1,036,160
Other Noncurrent Liabilities	—	—	—	—	—	—	27,717,909
Total Noncurrent Liabilities	—	2,841,045	1,483,321	1,000,000	—	—	93,027,276
Total Liabilities	395,000	3,490,151	11,284,106	1,006,000	11,410,760	57,000	300,453,529
DEFERRED INFLOWS OF RESOURCES							
Right-to-Use Leases	—	335,869	—	—	—	—	335,869
Derived from Pensions	—	1,505,149	965,623	—	—	—	16,809,625
Derived from OPEB	—	13,702	9,008	—	—	—	111,169
Total Deferred Inflows of Resources	—	1,854,720	974,631	—	—	—	17,256,663
Net Position							
Net Investment in Capital Assets	—	20,039,926	4,423	—	—	—	161,053,700
Restricted for:							
Debt Service	—	—	—	796,000	—	—	796,000
Loan Purposes	—	—	—	—	—	—	3,148,082
Unemployment Compensation	—	—	—	—	351,949,008	—	351,949,008
Other	—	—	1,544,811	—	—	—	1,544,811
Unrestricted	392,527,000	10,622,750	899,902	389,000	—	65,281,000	1,073,371,214
Total Net Position	\$ 392,527,000	\$ 30,662,676	\$ 2,449,136	\$ 1,185,000	\$ 351,949,008	\$ 65,281,000	\$ 1,591,862,815



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STATE OF NORTH DAKOTA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds For the Fiscal Year Ended June 30, 2024

	Addiction Counselor Internship Loan	Agriculture Diversification Development Fund	Bonding	Bulk Propane Storage Tank	Clean Sustainable Energy Loan Fund	Edutech	Fire and Tornado	Guaranteed Student Loan
OPERATING REVENUES								
Sales and Services	\$ —	\$ —	\$ —	\$ —	\$ —	319,298	\$ 2,710,856	\$ 1,584,786
Royalties and Rents	—	—	—	—	—	—	—	—
Interest and Investment Income	4,152	—	—	8,000	781,000	—	—	—
Miscellaneous	—	—	—	—	—	—	—	—
Total Operating Revenues	4,152	—	—	8,000	781,000	319,298	2,710,856	1,584,786
OPERATING EXPENSES								
Cost of Sales and Services	—	—	—	—	—	—	—	—
Salaries and Benefits	—	—	—	—	—	8,022	—	—
Operating	6,026	450,163	—	18,000	630,000	551,369	1,047,575	742,645
Claims	—	—	—	—	—	—	4,595,146	—
Interest	—	611,000	—	—	1,105,000	—	—	—
Depreciation	—	—	—	—	—	—	—	—
Miscellaneous	—	—	8,641	—	—	—	133,614	—
Total Operating Expenses	6,026	1,061,163	8,641	18,000	1,735,000	559,391	5,776,335	742,645
Operating Income (Loss)	(1,874)	(1,061,163)	(8,641)	(10,000)	(954,000)	(240,093)	(3,065,479)	842,141
NONOPERATING REVENUES (EXPENSES)								
Grants and Contracts	—	—	—	—	—	—	—	—
Interest and Investment Income	699	—	181,096	27,000	4,000	—	1,627,602	281,018
Interest Expense	—	—	(3,956)	—	—	—	(31,733)	—
Loss on Sale of Capital Assets	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Total Nonoperating Revenues (Expenses)	699	—	177,140	27,000	4,000	—	1,595,869	281,018
Income (Loss) Before Contributions and Transfers	(1,175)	(1,061,163)	168,499	17,000	(950,000)	(240,093)	(1,469,610)	1,123,159
Transfers In	—	7,500,000	—	5,000,000	30,000,000	—	—	—
Transfer Out	—	—	—	—	—	—	—	—
Change in Net Position	(1,175)	6,438,837	168,499	5,017,000	29,050,000	(240,093)	(1,469,610)	1,123,159
Total Net Position - Beginning of Year	186,511	8,104,163	3,807,543	—	(2,827,000)	535,596	16,300,447	20,449,767
Total Net Position - End of Year	\$ 185,336	\$ 14,543,000	\$ 3,976,042	\$ 5,017,000	\$ 26,223,000	\$ 295,503	\$ 14,830,837	\$ 21,572,926

HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Innovation Loan Fund	Legacy Infrastructure Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Permanent Loan Program	Roughrider Industries
\$ —	\$ —	\$ 6,989,271	\$ —	\$ —	\$ —	\$ 410,323,096	\$ 402,986,734	\$ —	\$ 10,238,916
—	—	—	—	—	—	—	—	—	143,783
25,244	3,247,000	—	180,000	888,000	416,000	—	—	324,000	—
—	—	—	—	—	—	—	6,408	422,568	177,565
25,244	3,247,000	6,989,271	180,000	888,000	416,000	410,323,096	402,993,142	746,568	10,560,264
—	—	—	—	—	—	340,116,043	—	—	6,127,936
—	—	101,303	—	—	—	25,188,009	1,399,041	—	2,730,835
3,465	1,389,000	3,881,704	2,324,000	722,000	44,000	11,472,057	404,287,861	246,000	999,170
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	2,544,633	—	—	—	8,136,823	24,915	—	217,016
—	—	—	—	—	—	—	—	—	—
3,465	1,389,000	6,527,640	2,324,000	722,000	44,000	384,912,932	405,711,817	246,000	10,074,957
21,779	1,858,000	461,631	(2,144,000)	166,000	372,000	25,410,164	(2,718,675)	500,568	485,307
—	—	—	—	—	—	—	—	—	—
—	245,000	94,160	55,000	2,000	63,000	514,044	4,411,178	71,000	—
—	—	(643,615)	—	—	—	(5,211,483)	—	—	—
—	—	—	—	—	—	(32,118)	—	—	—
—	—	—	—	—	—	114,560	(360,000)	—	—
—	245,000	(549,455)	55,000	2,000	63,000	(4,614,997)	4,051,178	71,000	—
21,779	2,103,000	(87,824)	(2,089,000)	168,000	435,000	20,795,167	1,332,503	571,568	485,307
—	75,258,000	20,000,000	10,000,000	49,169,000	—	—	—	—	—
—	—	—	—	—	—	(11,037,463)	—	—	—
21,779	77,361,000	19,912,176	7,911,000	49,337,000	435,000	9,757,704	1,332,503	571,568	485,307
3,394,510	156,610,000	30,415,051	26,161,000	—	50,678,000	125,033,651	59,618,981	28,413,432	13,715,689
\$ 3,416,289	\$ 233,971,000	\$ 50,327,227	\$ 34,072,000	\$ 49,337,000	\$ 51,113,000	\$ 134,791,355	\$ 60,951,484	\$ 28,985,000	\$ 14,200,996

STATE OF NORTH DAKOTA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds (Continued) For the Fiscal Year Ended June 30, 2024

	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Water Infrastructure Revolving Loan Fund	Total
OPERATING REVENUES							
Sales and Services	\$ —	\$ 11,050,534	\$ 40,455,491	\$ —	\$ 102,283,932	\$ —	\$ 988,942,914
Royalties and Rents	—	—	—	—	—	—	143,783
Interest and Investment Income	5,608,000	—	—	27,000	—	1,009,000	12,517,396
Miscellaneous	—	—	—	—	—	—	606,541
Total Operating Revenues	5,608,000	11,050,534	40,455,491	27,000	102,283,932	1,009,000	1,002,210,634
OPERATING EXPENSES							
Cost of Sales and Services	—	—	—	—	—	—	346,243,979
Salaries and Benefits	—	2,219,760	1,259,709	—	—	—	32,906,679
Operating	1,910,000	6,561,901	28,633,824	14,000	—	175,000	466,109,760
Claims	—	—	—	—	89,041,785	—	93,636,931
Interest	—	—	10,710	61,000	—	—	1,787,710
Depreciation	—	1,195,074	29,083	—	—	—	12,147,544
Miscellaneous	—	—	—	—	—	—	142,255
Total Operating Expenses	1,910,000	9,976,735	29,933,326	75,000	89,041,785	175,000	952,974,858
Operating Income (Loss)	3,698,000	1,073,799	10,522,165	(48,000)	13,242,147	834,000	49,235,776
NONOPERATING REVENUES (EXPENSES)							
Grants and Contracts	—	543,923	—	—	—	—	543,923
Interest and Investment Income	508,000	57,159	24,377	25,000	8,840,370	—	17,031,703
Interest Expense	—	(45,275)	—	—	—	—	(5,936,062)
Loss on Sale of Capital Assets	—	—	—	—	—	—	(32,118)
Other	—	(4,810)	—	—	—	—	(250,250)
Total Nonoperating Revenues (Expenses)	508,000	550,997	24,377	25,000	8,840,370	—	11,357,196
Income (Loss) Before Contributions and Transfers	4,206,000	1,624,796	10,546,542	(23,000)	22,082,517	834,000	60,592,972
Transfers In	75,000,000	321,417	—	—	—	—	272,248,417
Transfer Out	—	—	(9,920,000)	—	—	—	(20,957,463)
Change in Net Position	79,206,000	1,946,213	626,542	(23,000)	22,082,517	834,000	311,883,926
Total Net Position - Beginning of Year	313,321,000	28,716,463	1,822,594	1,208,000	329,866,491	64,447,000	1,279,978,889
Total Net Position - End of Year	\$ 392,527,000	\$ 30,662,676	\$ 2,449,136	\$ 1,185,000	\$ 351,949,008	\$ 65,281,000	\$ 1,591,862,815



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STATE OF NORTH DAKOTA

Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Fiscal Year Ended June 30, 2024

	Addiction Counselor Internship Loan	Agriculture Diversification Development Fund	Bonding	Bulk Propane Storage	Clean Sustainable Energy Loan Fund	Edutech	Fire and Tornado	Guaranteed Student Loan
Cash Flows from Operating Activities:								
Receipts from Customers and Users	\$ —	\$ —	\$ 5,751	\$ —	\$ —	\$ 402,559	\$ 2,771,715	\$ 1,626,040
Interest Income on Loans	—	—	—	—	—	—	—	—
Receipts from Loan Principal Repayments	—	—	—	—	—	—	—	1,688,076
Receipts from Others	—	—	—	—	—	—	—	—
Payments to Other Funds	—	—	—	—	—	—	(7,799)	—
Payments for Loan Funds	—	—	—	—	—	—	—	(3,311,330)
Payments to Suppliers	—	—	(6,918)	—	—	(664,241)	(1,034,513)	(821,374)
Payments to Employees	—	—	(1,928)	—	—	(14,194)	(15,451)	—
Claim Payments	—	—	—	—	—	—	(5,003,544)	—
Payments to Others	(6,365)	(2,350,000)	—	—	(129,000)	—	—	—
Other	—	—	—	—	—	—	—	—
Net Cash Provided by (Used for) Operating Activities	(6,365)	(2,350,000)	(3,095)	—	(129,000)	(275,876)	(3,289,592)	(818,588)
Cash Flows from Noncapital Financing Activities:								
Proceeds from Sale of Notes and Other Borrowings	—	—	—	—	—	—	—	—
Principal Payments - Notes and Other Borrowings	—	—	—	—	—	—	—	—
Interest Payments - Bonds	—	—	—	—	—	—	—	—
Interest Payments - Notes and Other Borrowings	—	—	—	—	—	—	—	—
Transfers In	—	7,500,000	—	5,000,000	—	—	—	—
Transfers Out	—	—	—	—	—	—	—	—
Principal Payments on Due To Other Funds	—	—	—	—	—	—	—	—
Grants Received	—	—	—	—	—	—	—	—
Net Cash Provided by (Used for) Noncapital Financing Activities	—	7,500,000	—	5,000,000	—	—	—	—
Cash Flows from Capital and Related Financing Activities:								
Acquisition and Construction of Capital Assets	—	—	—	—	—	—	—	—
Loan proceeds from other funds	—	—	—	—	—	—	—	—
Proceeds from Bonds	—	—	—	—	—	—	—	—
Proceeds from Sale of Notes and Other Borrowings	—	—	—	—	10,000,000	—	—	—
Principal Payments - Bonds	—	—	—	—	—	—	—	—
Interest Payments - Bonds	—	—	—	—	—	—	—	—
Payment of Bond Issue Costs	—	—	—	—	—	—	—	—
Principal Payments on Lease/SBITA Payable	—	—	—	—	—	—	—	—
Interest Paid on Lease/SBITA Payable	—	—	—	—	—	—	—	—
Net Cash Provided by (Used for) Capital and Related Financing Activities	—	—	—	—	10,000,000	—	—	—
Cash Flows from Investing Activities:								
Proceeds from Sale and Maturities of Investment Securities	—	—	—	—	—	—	—	—
Purchase of Investment Securities	—	—	—	—	—	—	—	—
Net Increase (Decrease) In Investments	—	—	(70,281)	—	—	—	1,673,985	—
Interest and Dividends on Investments	699	—	173,752	27,000	4,000	—	1,585,828	281,018
Net Decrease In Loans	—	—	—	—	(10,223,000)	—	—	—
Disbursements for Loans and Loan Purchases	(7,500)	—	—	(730,000)	—	—	—	—
Receipt of Loan Principal Repayments	—	—	—	—	—	—	—	—
Proceeds from Collection of Loans and Notes Receivable	14,637	—	—	37,000	498,000	—	—	—
Loan Income Received	3,311	—	—	7,000	757,000	—	—	—
Net Cash Provided by (Used for) Investing Activities	11,147	—	103,471	(659,000)	(8,964,000)	—	3,259,813	281,018
Net Change in Cash:								
Net Increase (Decrease) in Cash and Cash Equivalents	4,782	5,150,000	100,376	4,341,000	907,000	(275,876)	(29,779)	(537,570)
Cash and Cash Equivalents at June 30, 2023	116,820	6,097,000	1,736,193	—	364,000	603,234	2,152,007	50,188,522
Cash and Cash Equivalents at June 30, 2024	\$ 121,602	\$ 11,247,000	\$ 1,836,569	\$ 4,341,000	\$ 1,271,000	\$ 327,358	\$ 2,122,228	\$ 49,650,952
Reconciliation:								
Current:								
Cash Deposits at the Bank of North Dakota	121,602	11,247,000	521,443	4,341,000	1,271,000	327,358	881,726	49,650,952
Cash and Cash Equivalents	—	—	1,315,126	—	—	—	1,240,502	—
Restricted Cash Deposits at the Bank of North Dakota	—	—	—	—	—	—	—	—
Restricted Cash and Cash Equivalents	—	—	—	—	—	—	—	—
Cash and Cash Equivalents	\$ 121,602	\$ 11,247,000	\$ 1,836,569	\$ 4,341,000	\$ 1,271,000	\$ 327,358	\$ 2,122,228	\$ 49,650,952

HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Innovation Loan Fund	Legacy Infrastructure Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Permanent Loan Program	Roughrider Industries
\$ —	\$ —	\$ 9,061,920	\$ —	\$ —	\$ —	\$ 509,581,858	\$ 402,641,022	\$ —	\$ 10,776,284
25,411	—	—	—	—	—	—	—	—	—
291,187	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	(167,000)	(81,544)
(3,853)	—	(3,769,109)	—	—	—	(435,690,847)	(404,735,342)	—	(6,803,060)
—	—	(141,600)	—	—	—	(24,143,893)	(1,388,205)	—	(2,637,183)
—	—	—	—	—	—	—	—	—	—
—	(860,000)	—	(229,000)	—	(216,000)	—	—	(82,000)	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	(44,768)	—	—
312,745	(860,000)	5,151,211	(229,000)	—	(216,000)	49,747,118	(3,527,293)	(249,000)	1,254,497
—	—	—	—	—	—	234,929,522	—	—	—
—	—	—	—	—	—	(253,251,830)	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	75,258,000	20,000,000	10,000,000	49,169,000	—	(4,505,783)	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	(9,170,088)	(360,000)	—	—
—	—	—	—	—	—	—	—	(2,185,000)	—
—	—	—	—	—	—	—	—	—	—
—	75,258,000	20,000,000	10,000,000	49,169,000	—	(31,998,179)	(360,000)	(2,185,000)	—
—	—	(79,395)	—	—	—	(25,871,730)	—	—	(160,917)
—	—	(40,000,000)	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	(70,258)	—	—	—	(8,887,731)	—	—	—
—	—	(633,956)	—	—	—	(1,780,746)	—	—	—
—	—	(40,783,609)	—	—	—	(17,751,451)	—	—	(160,917)
—	—	—	—	—	—	—	183,717,900	—	—
—	—	—	—	—	—	—	(184,200,000)	—	—
—	—	—	—	—	—	—	4,411,178	—	—
—	245,000	94,160	219,000	2,000	63,000	2,512	—	71,000	—
—	—	—	—	—	—	—	—	—	—
—	(96,408,000)	—	(6,273,000)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	9,140,000	—	—	1,609,000	2,093,000	—	—	5,278,000	—
—	3,400,000	—	—	564,000	416,000	—	—	322,000	—
—	(34,454,000)	94,160	(6,054,000)	(46,994,000)	2,572,000	2,512	3,929,078	5,671,000	—
312,745	39,944,000	(15,538,238)	3,717,000	2,175,000	2,356,000	—	41,785	3,237,000	1,093,580
2,835,337	20,647,000	60,427,873	6,971,000	—	9,322,000	225	4,514,720	10,307,000	11,144,668
\$ 3,148,082	\$ 60,591,000	\$ 44,889,635	\$ 10,688,000	\$ 2,175,000	\$ 11,678,000	\$ 225	\$ 4,556,505	\$ 13,544,000	\$ 12,238,248
—	60,591,000	44,889,635	10,688,000	2,175,000	11,678,000	—	1,583,916	13,544,000	12,237,748
—	—	—	—	—	—	225	2,972,589	—	500
3,148,082	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
\$ 3,148,082	\$ 60,591,000	\$ 44,889,635	\$ 10,688,000	\$ 2,175,000	\$ 11,678,000	\$ 225	\$ 4,556,505	\$ 13,544,000	\$ 12,238,248

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows Nonmajor Enterprise Funds (Continued) For the Fiscal Year Ended June 30, 2024

	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Water Infrastructure Revolving Loan Fund	Total
Cash Flows from Operating Activities:							
Receipts from Customers and Users	\$ —	\$ 11,049,260	\$ 30,266,698	\$ 75,000	\$ 96,091,691	\$ —	\$ 1,074,349,798
Interest Income on Loans	—	—	—	—	—	—	25,411
Receipts from Loan Principal Repayments	—	—	—	—	—	—	1,979,263
Receipts from Others	—	—	—	—	1,123,877	—	1,123,877
Payments to Other Funds	—	—	—	—	—	—	(256,343)
Payments for Loan Funds	—	—	—	—	—	—	(3,311,330)
Payments to Suppliers	(1,479,000)	(6,321,998)	(18,347,812)	(15,000)	(7,058,901)	(218,000)	(886,969,968)
Payments to Employees	—	(2,112,706)	(1,166,630)	—	(6,417,615)	—	(38,039,405)
Claim Payments	—	—	—	—	(73,267,578)	—	(78,271,122)
Payments to Others	—	—	(32,974)	—	(418,466)	—	(4,323,805)
Other	—	—	—	—	—	—	(44,768)
Net Cash Provided by (Used for) Operating Activities	(1,479,000)	2,614,556	10,719,282	60,000	10,053,008	(218,000)	66,261,608
Cash Flows from Noncapital Financing Activities:							
Proceeds from Sale of Notes and Other Borrowings	—	—	—	—	—	—	234,929,522
Principal Payments - Notes and Other Borrowings	—	—	—	—	—	—	(253,251,830)
Interest Payments - Bonds	—	—	—	(61,000)	—	—	(61,000)
Interest Payments - Notes and Other Borrowings	—	—	—	—	—	—	(4,505,783)
Transfers In	75,000,000	—	—	—	—	—	241,927,000
Transfers Out	—	—	(8,720,000)	—	—	—	(18,250,088)
Principal Payments on Due To Other Funds	—	—	—	—	—	—	(2,185,000)
Grants Received	—	865,340	—	—	—	—	865,340
Net Cash Provided by (Used for) Noncapital Financing Activities	75,000,000	865,340	(8,720,000)	(61,000)	—	—	199,468,161
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	—	(1,262,797)	—	—	—	—	(27,374,839)
Loan proceeds from other funds	—	—	—	—	—	—	(40,000,000)
Proceeds from Bonds	—	—	—	—	—	—	18,788,756
Proceeds from Sale of Notes and Other Borrowings	—	—	—	—	—	—	10,000,000
Principal Payments - Bonds	—	(135,000)	—	—	—	—	(135,000)
Interest Payments - Bonds	—	(45,275)	—	—	—	—	(45,275)
Payment of Bond Issue Costs	—	(17,070)	—	—	—	—	(17,070)
Principal Payments on Lease/SBITA Payable	—	—	—	—	—	—	(8,957,989)
Interest Paid on Lease/SBITA Payable	—	—	—	—	—	—	(2,414,702)
Net Cash Provided by (Used for) Capital and Related Financing Activities	—	(1,460,142)	—	—	—	—	(50,156,119)
Cash Flows from Investing Activities:							
Proceeds from Sale and Maturities of Investment Securities	—	—	—	2,000,000	—	—	185,717,900
Purchase of Investment Securities	—	(2,000,000)	—	(2,000,000)	—	—	(188,200,000)
Net Increase (Decrease) In Investments	—	—	—	—	—	—	6,014,882
Interest and Dividends on Investments	508,000	57,159	17,079	25,000	8,083,060	133,000	11,592,267
Net Decrease In Loans	—	—	—	—	—	—	(10,223,000)
Disbursements for Loans and Loan Purchases	(61,113,000)	—	—	—	—	(10,388,000)	(174,919,500)
Receipt of Loan Principal Repayments	22,632,000	—	—	—	—	2,625,000	25,257,000
Proceeds from Collection of Loans and Notes Receivable	—	—	—	6,000	—	—	18,675,637
Loan Income Received	5,064,000	—	—	—	—	839,000	11,372,311
Net Cash Provided by (Used for) Investing Activities	(32,909,000)	(1,942,841)	17,079	31,000	8,083,060	(6,791,000)	(114,712,503)
Net Change in Cash:							
Net Increase (Decrease) in Cash and Cash Equivalents	40,612,000	76,913	2,016,361	30,000	18,136,068	(7,009,000)	100,861,147
Cash and Cash Equivalents at June 30, 2023	38,104,000	9,036,772	9,768,030	713,000	310,765,230	24,884,000	580,698,631
Cash and Cash Equivalents at June 30, 2024	\$ 78,716,000	\$ 9,113,685	\$ 11,784,391	\$ 743,000	\$ 328,901,298	\$ 17,875,000	\$ 681,559,778
Reconciliation:							
Current:							
Cash Deposits at the Bank of North Dakota	78,716,000	9,113,685	11,003,053	—	58,311	17,875,000	342,515,429
Cash and Cash Equivalents	—	—	781,338	—	328,842,987	—	335,153,267
Restricted Cash Deposits at the Bank of North Dakota	—	—	—	—	—	—	3,148,082
Restricted Cash and Cash Equivalents	—	—	—	743,000	—	—	743,000
Cash and Cash Equivalents	\$ 78,716,000	\$ 9,113,685	\$ 11,784,391	\$ 743,000	\$ 328,901,298	\$ 17,875,000	\$ 681,559,778

Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Fiscal Year Ended June 30, 2024

	Addition Counselor Internship Loan	Agriculture Diversification Development Fund	Bonding	Bulk Propane Storage Tank	Clean Sustainable Energy Loan Fund	Edutech	Fire and Tornado
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:							
Operating Income (Loss)	\$ (1,874)	\$ (1,061,000)	\$ (8,641)	\$ (10,000)	\$ (954,000)	\$ (240,092)	\$ (3,065,479)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	—	—	—	—	—	—	—
Amortization\Accretion	—	—	—	—	—	—	—
Reclassification of Interest Revenue\Expense	—	—	—	—	—	—	—
Loss On Sale of Real Estate	—	—	—	—	—	—	—
Interest Expense Paid on Lease Activities	—	—	—	—	—	—	—
Interest Received on Program Loans	—	—	—	(8,000)	(781,000)	—	—
Receipt of Loan Principal Repayments	—	—	—	—	—	—	—
Provision for Losses	(339)	—	—	17,000	486,000	—	—
Other	—	—	—	—	—	—	—
Deferred Outflows	—	—	(111)	—	—	—	—
Deferred Inflows	—	—	187	—	—	—	—
Change in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	—	—	5,751	—	—	27,950	60,859
(Increase) Decrease in Interest Receivable	(4,152)	—	—	—	—	—	—
(Increase) Decrease in Due From	—	—	—	1,000	—	55,311	—
Increase in Intergovernmental Receivable	—	—	—	—	—	—	—
Decrease in Notes Receivable	—	—	—	—	—	—	—
Increase in Prepaid Items	—	(1,289,000)	—	—	—	—	—
Decrease in Inventories	—	—	—	—	—	—	—
Increase in Other Assets	—	—	—	—	—	—	—
Increase (Decrease) in Accounts Payable	—	—	1,723	—	—	(125,265)	13,062
Decrease in Claims\Judgments Payable	—	—	—	—	—	—	(274,784)
Increase (Decrease) in Intergovernmental Payable	—	—	—	—	1,120,000	—	(7,799)
Increase (Decrease) in Accrued Payroll	—	—	(2,004)	—	—	(6,171)	(15,451)
Increase (Decrease) in Compensated Absences	—	—	—	—	—	—	—
Increase (Decrease) in Due To	—	—	—	—	—	12,391	—
Increase (Decrease) in Net Pension Liability	—	—	—	—	—	—	—
Decrease in Net OPEB Liability	—	—	—	—	—	—	—
Increase (Decrease) in Other Liabilities	—	—	—	—	—	—	—
Total Adjustments	(4,491)	(1,289,000)	5,546	10,000	825,000	(35,784)	(224,113)
Net Cash Provided by (Used for) Operating Activities	\$ (6,365)	\$ (2,350,000)	\$ (3,095)	\$ —	\$ (129,000)	\$ (275,876)	\$ (3,289,592)
Noncash Transactions:							
Net Change in Fair Value of Investments	\$ —	\$ —	\$ 16,534	\$ —	\$ —	\$ —	\$ 541,069
Reduction in pension and OPEB liability	—	—	—	—	—	—	(371,383)
Interest Revenue on Prize Reserves	—	—	—	—	—	—	—
Assets Acquired Through Lease	—	—	—	—	—	—	—
Total Noncash Transactions	\$ —	\$ —	\$ 16,534	\$ —	\$ —	\$ —	\$ 169,686

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows Nonmajor Enterprise Funds (Continued) For the Fiscal Year Ended June 30, 2024

	Guaranteed Student Loan	HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Innovation Loan Fund	Legacy Infrastructure Loan Fund	Medical Facility Infrastructure Loan Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:							
Operating Income (Loss)	\$ 842,141	\$ 21,780	\$ 1,858,000	\$ 458,766	\$ (2,144,000)	\$ 166,000	\$ 372,000
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	—	—	—	2,544,633	—	—	—
Amortization\Accretion	—	—	—	—	—	—	—
Reclassification of Interest Revenue\Expense	—	—	—	—	(180,000)	—	(416,000)
Interest Expense Paid on Lease Activities	—	—	—	—	—	—	—
Interest Received on Program Loans	—	—	(3,247,000)	—	—	(888,000)	—
Receipt of Loan Principal Repayments	—	—	—	—	—	—	—
Provision for Losses	(1,658,255)	—	477,000	—	2,089,000	594,000	(170,000)
Other	—	—	—	—	—	—	—
Deferred Outflows	—	—	—	—	—	—	—
Deferred Inflows	—	—	—	—	—	—	—
Change in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	43,097	—	—	(84,256)	—	—	—
(Increase) Decrease in Interest Receivable	—	166	—	—	—	—	—
(Increase) Decrease in Due From	—	—	52,000	3,008,044	—	128,000	(2,000)
Increase in Intergovernmental Receivable	—	—	—	—	—	—	—
Decrease in Notes Receivable	—	291,187	—	—	—	—	—
Increase in Prepaid Items	—	—	—	(6,643)	—	—	—
Decrease in Inventories	—	—	—	—	—	—	—
Increase in Other Assets	—	—	—	—	—	—	—
Increase (Decrease) in Accounts Payable	(43,728)	(388)	—	(761,019)	—	—	—
Decrease in Claims\Judgments Payable	—	—	—	—	—	—	—
Increase (Decrease) in Intergovernmental Payable	—	—	—	—	—	—	—
Increase (Decrease) in Accrued Payroll	—	—	—	(12,610)	—	—	—
Increase (Decrease) in Compensated Absences Payable	—	—	—	(27,688)	—	—	—
Increase (Decrease) in Due To	—	—	—	31,984	6,000	—	—
Increase (Decrease) in Net Pension Liability	—	—	—	—	—	—	—
Decrease in Net OPEB Liability	—	—	—	—	—	—	—
Increase (Decrease) in Other Liabilities	(1,843)	—	—	—	—	—	—
Total Adjustments	(1,660,729)	290,965	(2,718,000)	4,692,445	1,915,000	(166,000)	(588,000)
Net Cash Provided by (Used for) Operating Activities	\$ (818,588)	\$ 312,745	\$ (860,000)	\$ 5,151,211	\$ (229,000)	\$ —	\$ (216,000)
Noncash Transactions:							
Net Change in Fair Value of Investments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Reduction in pension and OPEB liability	—	—	—	—	—	—	—
Interest Revenue on Prize Reserves	—	—	—	—	—	—	—
Assets Acquired Through Lease	—	—	—	2,485,799	—	—	—
Total Noncash Transactions	\$ —	\$ —	\$ —	\$ 2,485,799	\$ —	\$ —	\$ —

STATE OF NORTH DAKOTA

Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Permanent Loan Program	Roughrider Industries	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Water Infrastructure Revolving Loan Fund	Total
\$ 25,410,164	\$ (2,718,675)	\$ 501,000	\$ 485,307	\$ 3,698,000	\$ 1,073,802	\$ 10,522,164	\$ (48,000)	\$ 13,242,147	\$ 701,000	\$ 49,100,510
8,136,823	24,915	—	217,016	—	1,195,074	29,083	—	—	—	12,147,544
9,140,383	—	—	—	—	—	—	—	—	—	9,140,383
—	—	(324,000)	—	(5,608,000)	—	—	61,000	—	(876,000)	(7,343,000)
1,074,234	—	—	—	—	—	—	—	—	—	1,074,234
—	—	—	—	—	—	—	—	—	—	(4,924,000)
—	—	—	—	—	—	—	46,000	—	—	46,000
—	—	(423,000)	—	385,000	—	—	—	—	(51,000)	1,745,406
643,964	—	—	—	—	—	—	—	—	—	643,964
(1,189,059)	—	—	1,050,751	—	531,684	408,033	—	—	—	801,298
—	—	—	501,980	—	488,234	255,322	—	—	—	1,245,723
2,404,569	(165,131)	—	216,020	—	24,444	39,947	—	(3,174,013)	—	(600,763)
—	—	—	—	—	—	—	(1,000)	—	—	(4,986)
—	—	—	(80,650)	—	—	—	2,000	830	—	3,164,535
—	—	—	—	—	—	—	—	(80,151)	—	(80,151)
2,117,647	—	—	—	—	—	—	—	—	—	2,408,834
(145,501)	—	—	(6,390)	—	(3,365)	—	—	—	—	(1,450,899)
9,273,828	—	—	277,313	—	—	—	—	—	—	9,551,141
(22,559)	(231,757)	—	—	—	(164,208)	(22,263)	—	—	—	(440,787)
(9,396,504)	(449,137)	(3,000)	49,944	—	43,545	70,712	—	39,629	—	(10,560,426)
—	—	—	—	—	—	—	—	—	—	(274,784)
—	1,656	—	—	—	166,307	—	—	87,805	—	1,367,969
561,943	6,008	—	21,052	—	37,647	5,369	—	—	—	595,783
93,914	4,828	—	—	—	(14,853)	7,434	—	—	—	63,635
—	—	—	893	46,000	—	25,370	—	(63,239)	8,000	67,399
1,577,319	—	—	(1,445,968)	—	(788,873)	(574,398)	—	—	—	(1,231,920)
—	—	—	(34,163)	—	(8,295)	(8,681)	—	—	—	(51,139)
65,953	—	—	1,392	—	—	(38,810)	—	—	—	26,692
24,336,954	(808,618)	(750,000)	769,190	(5,177,000)	1,540,754	197,118	108,000	(3,189,139)	(919,000)	17,161,098
\$ 49,747,118	\$ (3,527,293)	\$ (249,000)	\$ 1,254,497	\$ (1,479,000)	\$ 2,614,556	\$ 10,719,282	\$ 60,000	\$ 10,053,008	\$ (218,000)	\$ 66,261,608
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	557,603
—	—	—	—	—	—	—	—	—	—	(371,383)
—	—	—	—	—	—	7,364	—	—	—	7,364
13,702,215	—	—	—	—	—	157,855	—	—	—	16,345,869
\$ 13,702,215	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 165,219	\$ —	\$ —	\$ —	\$ 16,539,453

Internal Service Funds

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

790 (927) - Central Services

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

700 (918) - Fleet Services

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

780 (929) - Information Technology Department

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

288\275 (912) - Risk Management Fund

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

STATE OF NORTH DAKOTA

Combining Statement of Net Position Internal Service Funds June 30, 2024

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
ASSETS					
Current Assets:					
Cash Deposits at the Bank of ND	\$ 1,069,085	\$ 26,332,492	\$ 5,687,764	\$ 1,577,117	\$ 34,666,458
Cash and Cash Equivalents	300	—	—	278,340	278,640
Investments	—	—	—	6,282,845	6,282,845
Accounts Receivable - Net	8,216	104,797	71,234	—	184,247
Interest Receivable - Net	—	—	—	62,557	62,557
Intergovernmental Receivable - Net	31,055	—	910,983	—	942,038
Due from Other Funds	200,878	3,118,505	9,388,426	84,641	12,792,450
Prepaid Items	3,130	153,695	4,911,133	—	5,067,958
Inventory	122,730	—	—	—	122,730
Total Current Assets	1,435,394	29,709,489	20,969,540	8,285,500	60,399,923
Noncurrent Assets:					
Capital Assets:					
Depreciable, Net	1,050,535	102,596,300	23,539,591	203,863	127,390,289
Total Noncurrent Assets	1,050,535	102,596,300	23,539,591	203,863	127,390,289
Total Assets	2,485,929	132,305,789	44,509,131	8,489,363	187,790,212
DEFERRED OUTFLOWS OF RESOURCES					
Derived from Pensions	846,576	2,051,196	36,818,186	381,727	40,097,685
Derived from OPEB	29,712	67,148	1,294,290	16,442	1,407,592
Total Deferred Outflow of Resources	876,288	2,118,344	38,112,476	398,169	41,505,277
LIABILITIES					
Current Liabilities:					
Accounts Payable	73,130	1,293,336	1,176,370	33,810	2,576,646
Accrued Payroll	80,163	239,729	4,189,764	42,489	4,552,145
Securities Lending Collateral	—	—	—	80,820	80,820
Interest Payable	4,756	—	755,634	12,040	772,430
Due to Other Funds	94,200	358,662	19,178	115,609	587,649
Claims/Judgments Payable	—	—	—	873,759	873,759
Compensated Absences Payable	4,178	6,829	355,811	6,250	373,068
Notes Payable	—	—	453,894	—	453,894
Leases/SBITAs Payable	152,581	—	12,022,279	146,320	12,321,180
Total Current Liabilities	409,008	1,898,556	18,972,930	1,311,097	22,591,591
Noncurrent Liabilities:					
Claims/Judgments Payable	—	—	—	6,324,096	6,324,096
Compensated Absences Payable	47,279	77,270	3,900,296	60,952	4,085,797
Notes Payable	—	—	452,713	—	452,713
Leases/SBITAs Payable	1,228,124	—	9,662,229	—	10,890,353
Net Pension Liability	1,172,985	3,037,414	48,139,637	561,194	52,911,230
Net OPEB Liability	63,636	149,199	2,549,680	35,398	2,797,913
Total Noncurrent Liabilities	2,512,024	3,263,883	64,704,555	6,981,640	77,462,102
Total Liabilities	2,921,032	5,162,439	83,677,485	8,292,737	100,053,693
DEFERRED INFLOWS OF RESOURCES					
Derived from Pensions	980,089	2,383,565	36,836,152	457,029	40,656,835
Derived from OPEB	11,157	17,765	262,951	4,333	296,206
Total Deferred Inflow of Resources	991,246	2,401,330	37,099,103	461,362	40,953,041
NET POSITION					
Net Investment in Capital Assets	(330,170)	102,596,300	948,476	57,543	103,272,149
Unrestricted	(219,891)	24,264,064	(39,103,457)	75,890	(14,983,394)
Total Net Position	\$ (550,061)	\$ 126,860,364	\$ (38,154,981)	\$ 133,433	\$ 88,288,755

STATE OF NORTH DAKOTA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Fiscal Year Ended June 30, 2024

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
OPERATING REVENUES					
Sales and Services	\$ 2,352,304	\$ 35,708,290	\$ 98,956,063	\$ 4,453,195	\$ 141,469,852
Miscellaneous	—	218,385	—	—	218,385
Total Operating Revenues	2,352,304	35,926,675	98,956,063	4,453,195	141,688,237
OPERATING EXPENSES					
Cost of Sales and Services	799,671	—	—	—	799,671
Salaries and Benefits	932,454	3,428,051	52,669,225	538,512	57,568,242
Operating	562,420	20,151,897	40,302,893	562,632	61,579,842
Claims	—	—	—	3,618,425	3,618,425
Interest	—	—	644,516	—	644,516
Depreciation	340,847	10,123,778	12,378,876	187,199	23,030,700
Miscellaneous	—	333,359	—	—	333,359
Total Operating Expenses	2,635,392	34,037,085	105,995,510	4,906,768	147,574,755
Operating Income (Loss)	(283,088)	1,889,590	(7,039,447)	(453,573)	(5,886,518)
NONOPERATING REVENUES					
Interest and Investment Income	—	—	—	373,429	373,429
Interest Expense	(60,321)	—	—	(18,061)	(78,382)
Gain (Loss) on Sale of Capital Assets	(2,434)	1,275,858	7,200	—	1,280,624
Total Nonoperating Revenues (Expenses)	(62,755)	1,275,858	7,200	355,368	1,575,671
Income (Loss) Before Contributions and Transfers	(345,843)	3,165,448	(7,032,247)	(98,205)	(4,310,847)
Transfers In	—	—	4,780,703	—	4,780,703
Changes in Net Position	(345,843)	3,165,448	(2,251,544)	(98,205)	469,856
Total Net Position - Beginning of Year, as Previously Reported	(204,218)	123,694,916	(39,271,476)	231,638	84,450,860
Restatement for Correction of Error	—	—	3,368,039	—	3,368,039
Total Net Position - End of Year	\$ (550,061)	\$ 126,860,364	\$ (38,154,981)	\$ 133,433	\$ 88,288,755

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended June 30, 2024

	Central Services	Fleet Services	Information Technology	Risk Management	Total
Cash Flows from Operating Activities:					
Receipts from Customers and Users	\$ 499,431	\$ 284,447	\$ 2,620,361	\$ —	\$ 3,404,239
Receipts from Other Funds	1,901,038	37,288,026	95,636,624	4,453,195	139,278,883
Payments to Other Funds	—	—	—	(3,708,846)	(3,708,846)
Payments to Suppliers	(1,394,290)	(20,741,168)	(41,060,774)	(712,187)	(63,908,419)
Payments to Employees	(810,461)	(3,444,951)	(49,542,600)	(505,690)	(54,303,702)
Claim Payments	—	—	—	(239,661)	(239,661)
Net Cash Provided by (Used for) Operating Activities	195,718	13,386,354	7,653,611	(713,189)	20,522,494
Cash Flows from Noncapital Financing Activities:					
Transfers In	—	—	4,780,703	—	4,780,703
Net Cash Provided by (Used for) Noncapital Financing Activities	—	—	4,780,703	—	4,780,703
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	—	(21,695,549)	(698,742)	—	(22,394,291)
Proceeds from Sale of Capital Assets	—	4,810,217	7,200	—	4,817,417
Principal Payments - Notes and Other Borrowings	—	—	(443,585)	—	(443,585)
Interest Payments - Notes and Other Borrowings	—	—	(9,076)	—	(9,076)
Principal Payments on Lease/SBITA Payable	(148,835)	—	(13,226,522)	—	(13,375,357)
Interest Paid on Lease/SBITA Payable	(60,919)	—	—	—	(60,919)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(209,754)	(16,885,332)	(14,370,725)	—	(31,465,811)
Cash Flows from Investing Activities:					
Proceeds from Sale and Maturities of Investment Securities	—	—	—	(8,832)	(8,832)
Interest and Dividends on Investments	—	—	—	289,154	289,154
Net Cash Provided by Investing Activities	—	—	—	280,322	280,322
Net Change in Cash:					
Net Decrease in Cash and Cash Equivalents	(14,036)	(3,498,978)	(1,936,411)	(432,867)	(5,882,292)
Cash and Cash Equivalents at June 30, 2023	1,083,421	29,831,470	7,624,175	2,288,324	40,827,390
Cash and Cash Equivalents at June 30, 2024	\$ 1,069,385	\$ 26,332,492	\$ 5,687,764	\$ 1,855,457	\$ 34,945,098
Reconciliation:					
Cash Deposits at the Bank of North Dakota	\$ 1,069,085	\$ 26,332,492	\$ 5,687,764	\$ 1,577,117	\$ 34,666,458
Cash and Cash Equivalents	300	—	—	278,340	278,640
Cash and Cash Equivalents	\$ 1,069,385	\$ 26,332,492	\$ 5,687,764	\$ 1,855,457	\$ 34,945,098
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ (283,088)	\$ 1,889,591	\$ (7,039,446)	\$ (453,573)	\$ (5,886,516)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	340,847	10,123,778	12,378,876	187,199	23,030,700
Reclassification of Interest Revenue/Expense	—	—	644,516	—	644,516
Deferred Outflows	343,630	1,008,713	17,814,301	216,356	19,383,000
Deferred Inflows	178,419	508,869	8,874,621	114,541	9,676,450
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(5,785)	1,073,302	2,017	—	1,069,534
Decrease in Due From	179,403	495,437	612,594	47,964	1,335,398
(Increase) Decrease in Intergovernmental Receivable	(23,638)	39,933	(1,313,689)	—	(1,297,394)
(Increase) Decrease in Prepaid Items	37,890	(99,932)	(249,407)	61,523	(249,926)
Decrease in Inventories	27,041	—	—	—	27,041
Increase (Decrease) in Accounts Payable	(64,117)	(155,980)	—	30,332	(189,765)
Increase (Decrease) in Interest Payable	—	—	(497,634)	6,219	(491,415)
Decrease in Claims/Judgments Payable	—	—	—	(725,485)	(725,485)
Decrease in Intergovernmental Payable	—	(1,750)	—	—	(1,750)
Increase (Decrease) in Accrued Payroll	(27,379)	(10,570)	243,913	2,736	208,700
Increase (Decrease) in Compensated Absences Payable	(24,590)	(11,894)	276,388	5,072	244,976
Increase (Decrease) in Due To	75,918	38,876	(10,840)	99,810	203,764
Decrease In Net OPEB Liability	(12,709)	(25,572)	(465,177)	(5,000)	(508,458)
Decrease In Net Pension Liability	(546,124)	(1,486,447)	(23,617,422)	(300,883)	(25,950,876)
Total Adjustments	478,806	11,496,763	14,693,057	(259,616)	26,409,010
Net Cash Provided by (Used for) Operating Activities	\$ 195,718	\$ 13,386,354	\$ 7,653,611	\$ (713,189)	\$ 20,522,494
Noncash Transactions:					
Net Change in Fair Value of Investments	—	—	—	58,020	58,020
Decrease in Securities Lending Collateral	—	—	—	43,234	43,234
Assets Acquired Through Lease	66,801	141,383	—	—	208,184
Assets Acquired Through Long-Term Software Based IT Arrangements	—	—	3,333,332	294,416	3,627,748
Total Noncash Transactions	\$ 66,801	\$ 141,383	\$ 3,333,332	\$ 395,670	\$ 3,937,186

Fiduciary Funds

Fiduciary funds account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental organizations.

Pension and Other Employee-Related Benefit Trust Funds

DEFERRED COMPENSATION

981 - Deferred Compensation Fund

Accounts for the activity of the deferred compensation plan adopted under the provisions of Internal Revenue Service Code, Section 457, for State employees.

PERS FLEXCOMP

932 - Flex Program

Accounts for pre-tax premium conversions, a medical spending account and a dependent care spending account according to Section 125 of the Internal Revenue Code.

HIGHWAY PATROLMEN'S RETIREMENT

982 - Highway Patrolmen's Retirement Fund

A single employer defined benefit pension plan covering officers of the State Highway Patrol.

JOB SERVICE RETIREMENT

920 - Job Service Retirement Fund

A single employer defined benefit pension plan for Job Service employees. Participation in this plan is limited to employees participating in the program as of September 30, 1980.

PREFUNDED RETIREE HEALTH PROGRAM

933 - Prefunded Retiree Health Program

Members receiving retirement benefits from NDPERS receive a credit toward their monthly eligible insurance premium.

PUBLIC EMPLOYEES' RETIREMENT

470 (983) - Public Employees Retirement System

Accounts for the financial resources associated with the Public Employees Retirement System.

DEFINED CONTRIBUTION RETIREMENT

930 - Defined Contribution Retirement Plan

Accounts for the financial resources of the Defined Contribution Retirement Plan. Participation in this plan is limited to state employees who are in positions not classified by the Central Personnel Division and who are not employees of the judicial branch or board of higher education.

TEACHERS' RETIREMENT

964 - North Dakota Teachers' Fund For Retirement

Accounts for the financial resources of the Teachers' Retirement Fund.

Investment Trust Funds

911 - ND Association of Counties RIO Investments

Account for the investment assets held by the State Investment Board in a trustee capacity as an agent for the North Dakota Association of Counties.

913 - City of Bismarck RIO Investments

Account for the investment assets held by the State Investment Board in a trustee capacity as an agent for the City of Bismarck.

936 - City of Grand Forks RIO Investments

Account for the investment assets held by the State Investment Board in a trustee capacity as an agent for the City of Grand Forks.

950 - City of Fargo RIO Investments

Account for the investment assets held by the State Investment Board in a trustee capacity as an agent for the City of Fargo.

Private Purpose Trust Funds

STUDENT AND CULTURAL DONATIONS

928 - Indian Cultural Education Trust Fund

Trust accounts for donations provided for the purpose of generating income to benefit Indian Culture.

COLLEGE SAVE

940 - College SAVE

Program established by the State of North Dakota to encourage the investment of funds to be used for qualified higher education expenses at institutions of higher education.

MANDAN REMEDIATION TRUST

943 - Mandan Remediation Trust

Accounts for the funds obtained from a lawsuit settlement for the remediation efforts of the North Dakota Health Department and the City of Mandan.

Custodial Funds

CHILD SUPPORT

463 - Child Support Disbursement Unit Fund

Accounts for all child support payments received by the state disbursement unit.

STUDENT AND OTHER

946 - District Court Collection Fund

Accounts for collections for third parties.

986 - Developmental Center Residents' Funds

Accounts for funds belonging to patients of the State Developmental Center.

990 - Veteran's Home-Custodial

Accounts for resident's personal funds.

991 - State Hospital Patients

Accounts for patient's personal funds.

STATE OF NORTH DAKOTA

STUDENT AND OTHER cont.

992 - Prisoner Accounts

Accounts for prisoner's personal fund.

993 - Youth Correctional Center Student Accounts

Account for the student's personal funds.

994 - School for the Deaf Students

Account for the students personal funds.

995 - NDUS Fiduciary Fund

Account for the student organization funds.

TAX COLLECTION

434 - Local Option Lodging Tax Suspense

Accounts for city and county lodging tax collected by the State Tax Commissioner.

435 - Local Option Sales Tax Suspense

Accounts for city and county sales and use tax collected by the State Tax Commissioner.

437 - City Motor Vehicle Rental Tax

Accounts for city motor vehicle rental tax collected by the State Tax Commissioner.

438 - Local Option Restaurant and Lodging Tax Suspense

A city or county tax, at a rate not to exceed one percent, upon the gross receipts of retailers on the leasing or renting of hotel, motel, or tourist court accommodations within the city or county and gross receipts of a restaurant from any sales of prepared food or beverages, not including alcoholic beverages for consumption off the premises where purchased is collected by the State Tax Commissioner. Proceeds, net of a 3% administrative fee which is deposited into the general fund, are remitted quarterly to each city or county collecting the tax.



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STATE OF NORTH DAKOTA

Combining Statement of Fiduciary Net Position Pension and Other Employee Benefit Trust Funds June 30, 2024

	Pension and Other Employee Benefit Trust Funds					
	Deferred Compensation	Defined Contribution Retirement	Highway Patrolmen's Retirement	Job Service Retirement	PERS Flexcomp	Prefunded Retiree Health Program
ASSETS						
Cash Deposits at the Bank of ND	\$ 513,932	\$ 190,245	\$ 114,613	\$ 101,129	\$ 186,007	\$ 1,583,500
Cash and Cash Equivalents	—	—	—	—	—	—
Receivables:						
Contributions Receivable	1,358,625	95,215	730,305	759	565,906	862,111
Interest Receivable - Net	—	—	220,640	430	—	1,202
Due from Other Funds	—	—	—	—	—	183
Due from Fiduciary Funds	—	—	—	—	—	—
Total Receivables	1,358,625	95,215	950,945	1,189	565,906	863,496
Investments, at Fair Value:						
Equities	—	—	—	—	—	—
Equity Pool	—	—	63,366,258	16,452,057	—	120,260,279
Fixed Income Pool	7,989,660	1,772,155	25,097,923	66,270,484	—	63,927,579
Cash and Cash Pool	5,009,937	680,639	571,592	49,324	—	57,181
Real Estate Pool	—	—	17,118,709	—	—	—
Mutual Funds	207,072,484	20,745,279	—	—	—	—
Total Investments	220,072,081	23,198,073	106,154,482	82,771,865	—	184,245,039
Invested Securities Lending Collateral	—	—	1,537,979	—	—	—
Capital Assets (Net of Depreciation)	44,835	287	1,146	366	14,491	49,456
Total Assets	221,989,473	23,483,820	108,759,165	82,874,549	766,404	186,741,491
DEFERRED OUTFLOWS OF RESOURCES						
Derived from Pensions	—	—	—	—	—	—
Total Deferred Outflows of Resources	—	—	—	—	—	—
LIABILITIES						
Accounts Payable	82,722	4,163	—	70,908	14,415	165,491
Accrued Payroll	170,948	3,927	—	—	25,689	—
Securities Lending Collateral	—	—	1,537,705	—	—	—
Due to Other Funds	5,124	402	—	—	2,715	—
Amounts Held in Custody for Others	8,405	—	—	—	—	—
Compensated Absences Payable	30,339	—	—	—	17,351	—
Total Liabilities	297,538	8,492	1,537,705	70,908	60,170	165,491
DEFERRED INFLOWS OF RESOURCES						
Derived from Pensions	—	—	—	—	—	—
Total Deferred Inflows of Resources	—	—	—	—	—	—
NET POSITION						
Net Position Restricted for:						
Pension Benefits	221,691,935	23,475,328	107,221,460	82,803,641	—	186,576,000
Other Employee Benefits	—	—	—	—	706,234	—
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ 221,691,935	\$ 23,475,328	\$ 107,221,460	\$ 82,803,641	\$ 706,234	\$ 186,576,000

STATE OF NORTH DAKOTA

Pension and Other Employee Benefit Trust Funds			
	Public Employees Retirement	Teachers Retirement	Total
\$	23,826,896	\$ 37,571,493	\$ 64,087,815
	340,988	—	340,988
	12,944,304	26,012,291	42,569,516
	8,978,952	11,667,607	20,868,831
	—	—	183
	—	743	743
	21,923,256	37,680,641	63,439,273
	—	1,842,466,840	1,842,466,840
	2,521,012,609	—	2,721,091,203
	998,515,326	877,328,837	2,040,901,964
	22,740,679	36,508,020	65,617,372
	681,064,060	519,442,836	1,217,625,605
	—	—	227,817,763
	4,223,332,674	3,275,746,533	8,115,520,747
	62,523,660	45,978,717	110,040,356
	106,452	5,005,816	5,222,849
	4,332,053,926	3,401,983,200	8,358,652,028
	—	2,041,484	2,041,484
	—	2,041,484	2,041,484
	3,952,995	5,487,592	9,778,286
	170,948	—	371,512
	62,523,934	45,978,717	110,040,356
	14,668	38,561	61,470
	—	—	8,405
	104,032	—	151,722
	66,766,577	51,504,870	120,411,751
	—	1,511,973	1,511,973
	—	1,511,973	1,511,973
	4,265,287,349	3,351,007,841	8,238,063,554
	—	—	706,234
\$	4,265,287,349	\$ 3,351,007,841	\$ 8,238,769,788

STATE OF NORTH DAKOTA

Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefit Trust Funds For the Fiscal Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds					
	Deferred Compensation	Defined Contribution Retirement	Highway Patrolmen's Retirement	Job Service Retirement	PERS Flexcomp	Prefunded Retiree Health Program
ADDITIONS						
Contributions:						
Employer	—	656,832	2,515,772	—	—	12,328,091
Employee	18,730,883	621,701	1,747,354	4,936	5,702,303	7,894
Transfers from Other Funds	—	—	3,000,000	—	—	—
Transfers from Other Plans	710,000	45,482	—	—	—	—
Miscellaneous	720,860	—	—	—	—	—
Total Contributions	20,161,743	1,324,015	7,263,126	4,936	5,702,303	12,335,985
Investment Income:						
Net Change in Fair Value of Investments	26,705,831	1,769,305	7,282,942	1,160,091	—	16,039,784
Interest and Dividends	125,313	1,038,755	1,565,371	3,728,489	1,548	5,306,731
Less Investment Expense	—	26,000	233,216	276,920	—	542,564
Net Investment Income	26,831,144	2,782,060	8,615,097	4,611,660	1,548	20,803,951
Securities Lending Activity:						
Securities Lending Income	—	—	5,606	—	—	—
Less Securities Lending Expense	—	—	—	—	—	—
Net Securities Lending Income	—	—	5,606	—	—	—
Repurchase Service Credit	—	—	30,861	—	—	282,386
Miscellaneous Income	362,861	3,579	142	—	904,911	596
Total Additions	47,355,748	4,109,654	15,914,832	4,616,596	6,608,762	33,422,918
DEDUCTIONS						
Benefits Paid to Participants	19,276,921	581,952	6,649,852	5,283,299	5,640,538	—
Refunds	—	—	38,248	—	—	11,197
Prefunded Credit Applied	—	—	—	—	—	14,783,098
Transfer to Other Plans	—	—	—	—	350,000	—
Administrative Expenses	1,105,954	46,347	40,394	14,976	561,898	370,675
Total Deductions	20,382,875	628,299	6,728,494	5,298,275	6,552,436	15,164,970
Redemption of Units at \$1.00 Per Unit	—	—	—	—	—	—
Net Increase (Decrease) in Fiduciary Net	26,972,873	3,481,355	9,186,338	(681,679)	56,326	18,257,948
Position Net Position - Beginning of Year	194,719,062	19,993,973	98,035,122	83,485,320	649,908	168,318,052
Net Position - End of Year	\$ 221,691,935	\$ 23,475,328	\$ 107,221,460	\$ 82,803,641	\$ 706,234	\$ 186,576,000

STATE OF NORTH DAKOTA

Pension and Other Employee Benefit Trust Funds

Public Employees Retirement	Teachers Retirement	Total
123,000,618	108,087,909	246,589,222
102,073,900	99,610,414	228,499,385
135,000,000	—	138,000,000
—	—	755,482
—	—	720,860
<u>360,074,518</u>	<u>207,698,323</u>	<u>614,564,949</u>
293,802,907	203,124,840	549,885,700
63,246,960	52,075,126	127,088,293
<u>9,533,328</u>	<u>6,293,751</u>	<u>16,905,779</u>
<u>347,516,539</u>	<u>248,906,215</u>	<u>660,068,214</u>
225,528	265,638	496,772
—	53,091	53,091
<u>225,528</u>	<u>212,547</u>	<u>443,681</u>
6,539,922	1,195,665	8,048,834
22,897	87,985	1,382,971
<u>714,379,404</u>	<u>458,100,735</u>	<u>1,284,508,649</u>
269,179,193	265,434,894	572,046,649
20,462,340	12,225,640	32,737,425
—	—	14,783,098
405,482	—	755,482
2,985,782	3,312,773	8,438,799
<u>293,032,797</u>	<u>280,973,307</u>	<u>628,761,453</u>
—	(28,042)	(28,042)
421,346,607	177,099,386	655,719,154
<u>3,843,940,742</u>	<u>3,173,908,455</u>	<u>7,583,050,634</u>
<u>\$ 4,265,287,349</u>	<u>\$ 3,351,007,841</u>	<u>\$ 8,238,769,788</u>

**Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2024**

	Investment Trust Funds				
	City of Bismarck	ND Association of Counties	City of Grand Forks	City of Fargo	Total
ASSETS					
Cash Deposits at the Bank of ND	\$ 113,200	\$ 55,765	\$ 132,573	\$ 102,861	\$ 404,399
Receivables:					
Interest Receivable - Net	400,051	9,515	134,636	51,774	595,976
Total Receivables	400,051	9,515	134,636	51,774	595,976
Investments, at Fair Value:					
Equities	90,019,711	2,778,941	51,846,754	22,119,806	166,765,212
Fixed Income Pool	61,367,964	4,842,572	21,050,272	16,904,078	104,164,886
Cash and Cash Pool	569,113	177,122	663,371	329,747	1,739,353
Real Estate Pool	32,672,214	—	12,451,462	4,341,112	49,464,788
Total Investments	184,629,002	7,798,635	86,011,859	43,694,743	322,134,239
Invested Securities Lending Collateral	2,626,343	84,548	1,347,429	454,544	4,512,864
Total Assets	187,768,596	7,948,463	87,626,497	44,303,922	327,647,478
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	—	—	—	—
LIABILITIES					
Accounts Payable	111,816	4,614	47,972	33,722	198,124
Securities Lending Collateral	2,626,343	84,548	1,347,429	454,544	4,512,864
Total Liabilities	2,738,159	89,162	1,395,401	488,266	4,710,988
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	—	—	—	—
NET POSITION					
Net Position Restricted for:					
External Investment Pool Participants	185,030,437	7,859,301	86,231,096	43,815,656	322,936,490
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ 185,030,437	\$ 7,859,301	\$ 86,231,096	\$ 43,815,656	\$ 322,936,490

**Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Fiscal Year Ended June 30, 2024**

	Investment Trust Funds				Total
	City of Bismarck	ND Association of Counties	City of Grand Forks	City of Fargo	
ADDITIONS					
Contributions:					
Total Contributions	—	—	—	—	—
Investment Income:					
Net Change in Fair Value of Investments	11,304,514	459,944	6,849,163	3,176,981	21,790,602
Interest and Dividends	3,143,351	194,141	1,326,415	868,958	5,532,865
Less Investment Expense	417,069	13,562	186,223	104,293	721,147
Net Investment Income	14,030,796	640,523	7,989,355	3,941,646	26,602,320
Securities Lending Activity:					
Securities Lending Income	11,163	910	6,820	5,505	24,398
Less Securities Lending Expense	2,231	180	1,364	1,097	4,872
Net Securities Lending Income	8,932	730	5,456	4,408	19,526
Total Additions	14,039,728	641,253	7,994,811	3,946,054	26,621,846
DEDUCTIONS					
Total Deductions	—	—	—	—	—
Redemption of Units at \$1.00 Per Unit	(4,000,000)	—	(5,368,904)	(2,750,000)	(12,118,904)
Net Increase (Decrease) in Fiduciary Net	10,039,728	641,253	2,625,907	1,196,054	14,502,942
Position Net Position - Beginning of Year	174,990,709	7,218,048	83,605,189	42,619,602	308,433,548
Net Position - End of Year	\$ 185,030,437	\$ 7,859,301	\$ 86,231,096	\$ 43,815,656	\$ 322,936,490

**Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2024**

	Private Purpose Trust Funds				
	Grain Insolvency Trust Fund	Student and Cultural Donations	Mandan Remediation Trust	College SAVE	Total
ASSETS					
Cash Deposits at the Bank of ND	\$ —	\$ 4,319	\$ 5,892,332	\$ —	\$ 5,896,651
Cash and Cash Equivalents	—	—	—	795,752	795,752
Receivables:					
Accounts Receivable - Net	—	—	—	309,403	309,403
Interest Receivable - Net	—	877	—	—	877
Total Receivables	—	877	—	309,403	310,280
Investments, at Fair Value:					
Fixed Income Pool	—	1,477,919	—	—	1,477,919
Mutual Funds	—	—	—	602,505,906	602,505,906
Total Investments	—	1,477,919	—	602,505,906	603,983,825
Invested Securities Lending Collateral	—	2,459	—	—	2,459
Total Assets	—	1,485,574	5,892,332	603,611,061	610,988,967
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	—	—	—	—
LIABILITIES					
Accounts Payable	—	89	6,375	1,309,381	1,315,845
Securities Lending Collateral	—	2,459	—	—	2,459
Total Liabilities	—	2,548	6,375	1,309,381	1,318,304
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	—	—	—	—
NET POSITION					
Net Position Restricted for:					
Other Purposes	—	1,483,026	5,885,957	602,301,680	609,670,663
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ —	\$ 1,483,026	\$ 5,885,957	\$ 602,301,680	\$ 609,670,663

**Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2024**

	Private Purpose Trust Funds				Total
	Grain Insolvency Trust Fund	Student and Cultural Donations	Mandan Remediation Trust	College SAVE	
ADDITIONS					
Contributions:					
From Participants	—	—	—	45,631,896	45,631,896
Total Contributions	—	—	—	45,631,896	45,631,896
Investment Income:					
Net Change in Fair Value of Investments	—	136,401	—	60,168,864	60,305,265
Interest and Dividends	3,193	25,329	291,181	16,048,137	16,367,840
Less Investment Expense	—	3,838	—	—	3,838
Net Investment Income	3,193	157,892	291,181	76,217,001	76,669,267
Securities Lending Activity:					
Net Securities Lending Income	—	—	—	—	—
Miscellaneous Income	—	2,649	—	—	2,649
Total Additions	3,193	160,541	291,181	121,848,897	122,303,812
DEDUCTIONS					
Payments in Accordance with Trust Agreements	721,136	49,104	38,501	57,357,966	58,166,707
Administrative Expenses	—	1,041	10,553	3,509,489	3,521,083
Total Deductions	721,136	50,145	49,054	60,867,455	61,687,790
Net Increase (Decrease) in Fiduciary Net	(717,943)	110,396	242,127	60,981,442	60,616,022
Position Net Position - Beginning of Year	717,943	1,372,630	5,643,830	541,320,238	549,054,641
Net Position - End of Year	\$ —	\$ 1,483,026	\$ 5,885,957	\$ 602,301,680	\$ 609,670,663

**Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024**

	Custodial Funds			
	Child Support	Student and Other	Tax Collection	Total
ASSETS				
Cash Deposits at the Bank of ND	\$ 4,708,716	\$ 4,077,409	\$ 22,388,610	\$ 31,174,735
Cash and Cash Equivalents	364,678	327,258	—	691,936
Receivables:				
Accounts Receivable - Net	—	14,882	—	14,882
Taxes Receivable for Other Governments - Net	—	—	59,580,977	59,580,977
Interest Receivable - Net	—	549	—	549
Total Receivables	—	15,431	59,580,977	59,596,408
Investments, at Fair Value:				
Investments at the Bank of ND	—	50,000	—	50,000
Total Investments	—	50,000	—	50,000
Invested Securities Lending Collateral	—	—	—	—
Capital Assets (Net of Depreciation)	—	—	—	—
Total Assets	5,073,394	4,470,098	81,969,587	91,513,079
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	—	—	—	—
LIABILITIES				
Accounts Payable	4,711,019	1,210	—	4,712,229
Due to Local Governments	—	—	76,901,398	76,901,398
Tax Refunds Payable	—	—	1,404	1,404
Due to Other Funds	362,375	—	—	362,375
Other Liabilities	—	26,801	—	26,801
Total Liabilities	5,073,394	28,011	76,902,802	82,004,207
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	—	—	5,066,782	5,066,782
Total Deferred Inflows of Resources	—	—	5,066,782	5,066,782
NET POSITION				
Net Position Restricted for:				
Individuals, Organizations, and Other Governments	—	4,442,087	—	4,442,087
Other Purposes	—	—	3	3
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ —	\$ 4,442,087	\$ 3	\$ 4,442,090

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2024**

	Custodial Funds			
	Child Support	Students and Other	Tax Collection	Total
ADDITIONS				
Contributions:				
Child Support Collections	\$ 136,561,287	\$ —	\$ —	\$ 136,561,287
Collections for District Courts	—	2,571,109	—	2,571,109
Student, Patient, and Inmate Accounts	—	5,775,987	—	5,775,987
Tax Collections for Local Governments	—	—	390,124,014	390,124,014
Total Contributions	136,561,287	8,347,096	390,124,014	535,032,397
Investment Income:				
Interest and Dividends	—	548	—	548
Less Investment Expense	—	—	—	—
Net Investment Income	—	548	—	548
Securities Lending Activity:				
Net Securities Lending Income	—	—	—	—
Miscellaneous Income				
	—	—	—	—
Total Additions	136,561,287	8,347,644	390,124,014	535,032,945
DEDUCTIONS				
Child Support Distributions	136,561,287	—	—	136,561,287
Distributions to District Courts	—	2,448,616	—	2,448,616
Distributions of Taxes to Local Governments	—	—	388,573,316	388,573,316
Student, Patient, and Inmate Accounts	—	5,670,860	—	5,670,860
Refunds	—	—	23,748	23,748
Administrative Expenses	—	1,316,310	1,526,950	2,843,260
Total Deductions	136,561,287	9,435,786	390,124,014	536,121,087
Net Increase (Decrease) in Fiduciary Net	—	(1,088,142)	—	(1,088,142)
Position Net Position - Beginning of Year	—	5,530,229	3	5,530,232
Net Position - End of Year	\$ —	\$ 4,442,087	\$ 3	\$ 4,442,090

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**Schedule 1 -- Net Position by Component
Last Ten Fiscal Years**
(accrual basis of accounting)

	2015	2016	2017	2018
Governmental Activities				
Net Investment in Capital Assets	\$ 3,622,722,021	\$ 4,299,696,899	\$ 4,759,286,304	\$ 4,988,838,700
Restricted	6,254,673,532	6,246,873,312	6,224,908,099	6,355,103,413
Unrestricted	6,812,545,677	5,781,826,861	5,989,501,438	7,172,275,944
Total Governmental Activities Net Position	\$ 16,689,941,230	\$ 16,328,397,072	\$ 16,973,695,841	\$ 18,516,218,057
Business-Type Activities				
Net Investment in Capital Assets	1,023,384,933	1,155,758,401	1,223,438,996	1,214,133,386
Restricted	485,012,106	533,664,273	888,080,253	924,610,477
Unrestricted	1,439,859,232	1,528,847,402	1,633,421,219	1,779,197,611
Total Business-Type Activities Net Position	\$ 2,948,256,271	\$ 3,218,270,076	\$ 3,744,940,468	\$ 3,917,941,474
Primary Government				
Net Investment in Capital Assets	4,646,106,954	5,455,455,300	5,982,725,300	6,202,972,086
Restricted	6,739,685,638	6,780,537,585	7,112,988,352	7,279,713,890
Unrestricted	8,252,404,909	7,310,674,263	7,622,922,657	8,951,473,555
Total Primary Government Net Position	\$ 19,638,197,501	\$ 19,546,667,148	\$ 20,718,636,309	\$ 22,434,159,531

2019	2020	2021	2022	2023	2024
\$ 5,185,682,467	\$ 5,427,964,743	\$ 5,558,196,905	\$ 5,673,770,741	\$ 5,794,753,920	\$ 6,025,171,278
6,639,785,616	6,543,041,908	7,676,068,973	8,029,841,388	8,895,773,769	9,912,512,944
8,786,695,069	9,578,050,070	11,474,698,414	11,480,822,257	13,582,081,892	15,300,989,672
<u>\$ 20,612,163,152</u>	<u>\$ 21,549,056,721</u>	<u>\$ 24,708,964,292</u>	<u>\$ 25,184,434,386</u>	<u>\$ 28,272,609,581</u>	<u>\$ 31,238,673,894</u>
1,246,740,894	1,243,098,375	1,339,862,982	1,419,736,052	1,475,621,076	1,622,973,864
972,887,591	1,374,338,655	1,670,769,520	1,538,720,043	684,412,102	1,529,675,713
1,904,500,531	1,952,266,055	1,905,177,868	1,986,232,970	2,921,112,813	2,711,144,256
<u>\$ 4,124,129,016</u>	<u>\$ 4,569,703,085</u>	<u>\$ 4,915,810,370</u>	<u>\$ 4,944,689,065</u>	<u>\$ 5,081,145,991</u>	<u>\$ 5,863,793,833</u>
6,432,423,361	6,671,063,118	6,898,059,887	7,093,506,793	7,270,374,996	7,648,145,142
7,612,673,207	7,917,380,563	9,346,838,493	9,568,561,431	9,580,185,871	11,442,188,657
10,691,195,600	11,530,316,125	13,379,876,282	13,467,055,227	16,503,194,705	18,012,133,928
<u>\$ 24,736,292,168</u>	<u>\$ 26,118,759,806</u>	<u>\$ 29,624,774,662</u>	<u>\$ 30,129,123,451</u>	<u>\$ 33,353,755,572</u>	<u>\$ 37,102,467,727</u>

STATE OF NORTH DAKOTA

Schedule 2 -- Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental Activities:				
General Governmental	\$ 1,171,207,640	\$ 1,055,377,601	\$ 955,118,609	\$ 1,034,864,058
Education	1,415,255,393	1,175,550,087	1,214,358,440	1,208,513,849
Health and Human Services	1,706,333,172	1,776,822,167	1,851,801,955	1,930,264,975
Regulatory	66,743,817	69,084,070	76,261,665	60,781,953
Public Safety and Corrections	249,290,966	227,617,802	238,515,283	241,143,887
Agriculture and Commerce	106,455,113	106,845,611	100,774,792	95,411,926
Natural Resources	236,079,321	321,992,458	286,546,075	230,194,737
Transportation	603,812,692	679,070,102	529,532,248	444,530,511
Interest on Long Term Debt	7,154,580	1,334,285	2,677,665	2,502,540
Total Governmental Activities Expenses	5,562,332,694	5,413,694,183	5,255,586,732	5,248,208,436
Business-Type Activities:				
Bank of North Dakota	71,053,171	85,822,027	88,791,813	86,073,174
Housing Finance	37,510,475	40,245,934	40,997,193	46,083,037
Loan Programs	11,366,158	17,322,830	13,172,549	13,320,203
State Lottery	20,359,788	26,038,434	20,637,595	23,214,880
Unemployment Compensation	144,920,974	225,358,209	156,930,938	115,486,597
University System	1,170,159,474	1,211,438,892	1,204,936,394	1,178,669,412
Workers Compensation	377,926,363	366,662,703	254,467,332	270,197,345
Other	549,799,020	569,432,422	571,077,157	632,911,836
Total Business-Type Activities Expenses	2,383,095,423	2,542,321,451	2,351,010,971	2,365,956,484
Total Primary Government Expenses	\$ 7,945,428,117	\$ 7,956,015,634	\$ 7,606,597,703	\$ 7,614,164,920
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Governmental	37,107,914	36,278,126	33,728,302	33,504,205
Education	6,806,001	7,071,212	7,530,807	6,987,309
Health and Human Services	64,507,593	42,982,802	43,283,756	48,201,500
Regulatory	25,862,700	52,583,727	29,390,590	31,489,459
Public Safety and Corrections	30,428,332	24,446,658	23,272,409	30,370,076
Agriculture and Commerce	31,198,196	38,222,183	35,559,194	40,756,601
Natural Resources	33,895,342	35,142,635	35,392,128	33,128,741
Transportation	132,160,558	122,699,922	124,378,227	120,482,453
Operating Grants and Contributions	1,888,797,868	1,755,539,596	2,221,211,526	2,156,381,884
Capital Grants and Contributions	1,388,033	3,416,338	1,205,837	94,772
Total Governmental Activities Program Revenues	2,252,152,537	2,118,383,199	2,554,952,776	2,501,397,000
Business-Type Activities:				
Charges for Services:				
Bank of North Dakota	175,117,000	207,836,000	223,476,000	221,210,000
Housing Finance	34,386,013	36,286,659	37,984,271	39,821,469
Loan Programs	10,365,115	12,212,352	11,530,798	7,391,511
State Lottery	27,212,010	35,736,460	27,744,572	31,520,906
Unemployment Compensation	127,328,232	147,802,377	193,118,386	162,161,260
University System	517,570,660	537,645,053	546,737,253	549,206,645
Workers Compensation	339,806,696	308,682,776	244,720,318	239,542,884
Other	554,752,747	573,829,155	577,288,875	639,883,523
Operating Grants and Contributions	312,136,231	298,603,154	380,842,641	363,266,299
Capital Grants and Contributions	36,923,275	29,609,083	32,025,992	4,769,350
Total Business-Type Activities Program Revenues	2,135,597,979	2,188,243,069	2,275,469,106	2,258,773,847
Total Primary Government Program Revenues	\$ 4,387,750,516	\$ 4,306,626,268	\$ 4,830,421,882	\$ 4,760,170,847
Net (Expense)/Revenue				
Governmental Activities	(3,310,180,157)	(3,295,310,984)	(2,700,633,956)	(2,746,811,436)
Business-Type Activities	(247,497,444)	(354,078,382)	(75,541,865)	(107,182,637)
Total Primary Government Net Expense	\$ (3,557,677,601)	\$ (3,649,389,366)	\$ (2,776,175,821)	\$ (2,853,994,073)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Individual and Corporate Income Taxes	732,975,064	414,964,865	418,040,178	452,792,812
Sales and Use Taxes	1,804,380,378	1,348,342,960	1,236,701,340	1,326,248,557
Oil, Gas and Coal Taxes	2,734,507,198	1,457,361,212	1,490,398,754	2,196,877,038
Business and Other Taxes	92,936,834	99,295,506	98,374,118	100,127,079
Unrestricted Investment Earnings	117,643,232	64,347,477	489,070,430	380,164,919
Tobacco Settlement	21,789,723	22,776,760	21,599,800	55,305,183
Miscellaneous	161,725,312	119,545,563	119,134,899	163,996,339
Contributions to Permanent Fund Principal	16,382,336	15,637,987	11,895,026	4,393,122
Special Items	—	(4,948,596)	—	—
Extraordinary Item	—	—	(38,379,966)	—
Transfers	(542,713,254)	(603,556,908)	(503,278,766)	(367,497,321)
Total Governmental Activities	5,139,626,823	2,933,766,826	3,343,555,813	4,312,407,728
Business-Type Activities:				
Miscellaneous	9,562,071	93,003	4,846,618	2,921,705
Transfers	535,979,992	611,332,622	598,094,515	285,002,133
Total Business-Type Activities	545,542,063	611,425,625	602,941,133	287,923,838
Total Primary Government	\$ 5,685,168,886	\$ 3,545,192,451	\$ 3,946,496,946	\$ 4,600,331,566
Change in Net Position				
Governmental Activities	1,829,446,666	(361,544,158)	642,921,857	1,565,596,292
Business-Type Activities	298,044,619	257,347,243	527,399,268	180,741,201
Total Primary Government	\$ 2,127,491,285	\$ (104,196,915)	\$ 1,170,321,125	\$ 1,746,337,493

2019	2020	2021	2022	2023	2024
\$ 1,183,233,944	\$ 1,034,052,808	\$ 1,214,720,174	\$ 1,511,677,383	\$ 1,640,333,057	\$ 1,427,905,308
1,238,988,634	1,288,935,269	1,440,183,047	1,537,651,374	1,579,569,829	1,692,041,966
1,947,263,363	2,077,950,367	2,429,626,253	2,527,706,456	2,753,186,043	2,666,060,312
61,213,248	78,441,824	262,054,990	153,118,491	232,362,836	250,017,939
230,666,579	249,751,212	303,434,122	259,572,771	326,906,314	321,352,280
99,247,117	107,574,065	235,626,424	138,348,393	175,559,082	185,615,694
261,307,506	217,545,757	292,875,625	326,713,061	306,630,292	265,513,767
443,629,333	429,801,053	518,412,351	546,264,425	679,592,179	654,864,608
1,952,361	1,691,314	4,267,910	4,973,283	24,213,233	31,244,429
<u>5,467,502,085</u>	<u>5,485,743,669</u>	<u>6,701,200,896</u>	<u>7,006,025,637</u>	<u>7,718,352,865</u>	<u>7,494,616,303</u>
98,931,503	103,391,326	93,811,024	67,629,011	76,924,292	176,250,146
52,714,991	56,536,682	60,546,134	56,986,319	74,380,121	91,153,893
12,665,669	16,395,752	11,287,518	8,811,142	12,579,456	10,451,299
26,174,686	18,929,003	23,631,524	21,962,144	28,204,785	29,933,326
84,205,911	611,219,223	731,052,695	75,427,408	68,868,118	89,041,785
1,198,989,180	1,227,857,663	1,349,698,370	1,350,756,645	1,427,038,459	1,509,752,564
297,497,091	220,279,394	208,717,011	213,028,340	196,649,154	210,480,904
594,491,102	616,265,019	652,042,298	771,218,508	818,848,351	829,926,432
2,365,670,133	2,870,874,062	3,130,786,574	2,565,819,517	2,703,492,736	2,946,990,349
<u>\$ 7,833,172,218</u>	<u>\$ 8,356,617,731</u>	<u>\$ 9,831,987,470</u>	<u>\$ 9,571,845,154</u>	<u>\$ 10,421,845,601</u>	<u>\$ 10,441,606,652</u>
37,185,115	31,944,485	39,724,160	34,801,028	42,833,545	46,790,978
7,147,934	10,566,897	11,240,158	38,841,000	28,783,948	12,566,411
80,627,617	47,748,086	40,135,912	42,907,917	24,376,640	31,501,392
29,490,252	37,130,755	43,663,963	45,108,826	50,903,881	56,000,926
32,002,961	20,811,638	18,539,074	23,597,161	23,700,287	32,635,253
32,809,364	38,228,838	37,917,725	42,576,324	43,441,972	46,183,609
38,390,527	44,662,134	41,529,095	43,343,120	45,924,091	43,823,893
120,377,945	116,062,224	121,945,135	115,516,012	115,690,263	121,156,801
2,121,702,987	2,028,277,553	4,178,131,574	2,869,390,395	3,789,645,123	3,647,964,987
106,834	1,939	—	4,090,669	3,045,978	54,472,121
<u>2,499,841,536</u>	<u>2,375,434,549</u>	<u>4,532,826,796</u>	<u>3,260,172,452</u>	<u>4,168,345,728</u>	<u>4,093,096,371</u>
251,626,000	279,302,000	248,655,000	205,560,000	288,783,000	481,017,000
49,362,786	58,096,789	49,989,561	44,366,000	65,371,000	89,451,000
13,095,470	17,114,318	15,543,719	13,284,979	11,985,500	14,193,461
35,511,058	24,505,932	30,501,286	29,329,209	39,507,316	40,455,491
114,657,558	452,421,028	549,743,788	82,240,700	91,932,860	102,283,932
540,691,218	528,517,702	546,245,171	586,903,796	604,037,145	618,170,001
249,787,742	230,442,756	185,328,576	169,374,325	190,575,569	185,758,905
600,125,017	623,799,925	655,012,904	805,400,331	829,737,785	845,072,493
410,790,831	596,060,095	855,176,187	135,133,591	202,540,217	562,286,168
19,925,817	17,501,749	17,610,105	54,601,115	31,018,883	42,512,985
2,285,573,497	2,827,762,294	3,153,806,297	2,126,194,046	2,355,489,275	2,981,201,436
<u>\$ 4,785,415,033</u>	<u>\$ 5,203,196,843</u>	<u>\$ 7,686,633,093</u>	<u>\$ 5,386,366,498</u>	<u>\$ 6,523,835,003</u>	<u>\$ 7,074,297,807</u>
(2,967,660,549)	(3,110,309,120)	(2,168,374,100)	(3,745,853,185)	(3,550,007,137)	(3,401,519,932)
(80,096,636)	(43,111,768)	23,019,723	(439,625,471)	(348,003,461)	34,211,087
<u>\$ (3,047,757,185)</u>	<u>\$ (3,153,420,888)</u>	<u>\$ (2,145,354,377)</u>	<u>\$ (4,185,478,656)</u>	<u>\$ (3,898,010,598)</u>	<u>\$ (3,367,308,845)</u>
604,088,632	513,419,336	581,766,062	646,802,135	812,953,433	638,143,776
1,435,129,762	1,364,664,641	1,327,568,100	1,459,331,771	1,725,168,258	1,737,541,874
2,586,569,876	1,949,036,077	1,746,983,327	3,027,333,528	2,967,166,869	3,112,312,361
110,714,853	107,173,491	128,552,656	137,741,934	146,852,833	134,809,258
360,264,138	333,528,092	1,676,824,486	(905,927,220)	787,382,703	1,276,314,177
20,752,400	21,159,397	22,586,170	23,205,519	24,844,863	22,079,919
231,745,021	190,047,481	185,658,136	316,225,687	400,722,677	486,936,774
11,014,244	9,515,851	11,162,710	4,870,341	9,148,366	6,341,407
—	—	—	—	—	—
(290,718,287)	(440,249,767)	(365,978,579)	(483,294,196)	(254,142,416)	(1,046,895,301)
<u>5,069,560,639</u>	<u>4,048,294,599</u>	<u>5,315,123,068</u>	<u>4,226,289,499</u>	<u>6,620,097,586</u>	<u>6,367,584,245</u>
5,162,713	3,576,763	336,679	2,723,709	3,217,757	1,546,725
277,018,465	485,109,074	334,080,678	454,006,736	448,310,037	746,890,030
282,181,178	488,685,837	334,417,357	456,730,445	451,527,794	748,436,755
<u>\$ 5,351,741,817</u>	<u>\$ 4,536,980,436</u>	<u>\$ 5,649,540,425</u>	<u>\$ 4,683,019,944</u>	<u>\$ 7,071,625,380</u>	<u>\$ 7,116,021,000</u>
2,101,900,090	937,985,479	3,146,748,968	480,436,314	3,070,090,449	2,966,064,313
202,084,542	445,574,069	357,437,080	17,104,974	103,524,333	782,647,842
<u>\$ 2,303,984,632</u>	<u>\$ 1,383,559,548</u>	<u>\$ 3,504,186,048</u>	<u>\$ 497,541,288</u>	<u>\$ 3,173,614,782</u>	<u>\$ 3,748,712,155</u>

Schedule 3 -- Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 3,465,933,483	\$ 3,908,797,255	\$ 4,761,588,134	\$ 5,551,216
Restricted	—	—	—	8,990,891
Committed	1,332,805,458	997,494,805	364,544,853	411,711,769
Unassigned	1,061,519,282	421,702,619	353,772,107	6,242,855,378
Total General Fund	<u>5,860,258,223</u>	<u>5,327,994,679</u>	<u>5,479,905,094</u>	<u>6,669,109,254</u>
All Other Governmental Funds				
Nonspendable	179,976,824	197,452,648	208,038,662	216,171,493
Restricted	6,037,108,398	6,000,049,002	5,996,248,585	6,124,510,110
Committed	1,230,446,562	617,111,539	480,910,925	398,555,411
Assigned	—	79,512,397	228,964,056	381,732,051
Unassigned	(8,477,525)	(3,376,686)	(3,146,889)	—
Total All Other Governmental Funds	<u>7,439,054,259</u>	<u>6,890,748,900</u>	<u>6,911,015,339</u>	<u>7,120,969,065</u>
Total Fund Balances, Governmental Funds	<u><u>\$ 13,299,312,482</u></u>	<u><u>\$ 12,218,743,579</u></u>	<u><u>\$ 12,390,920,433</u></u>	<u><u>\$ 13,790,078,319</u></u>

2019	2020	2021	2022	2023	2024
\$ 6,638,440	\$ 6,194,850	\$ 7,560,989	\$ 7,983,403	\$ 7,356,933	\$ 7,569,502
279,367	396	1,189,782	567,263	—	—
348,222,819	1,066,688,590	1,020,424,743	1,136,436,411	1,532,804,951	1,448,036,912
7,231,354,796	7,655,894,378	9,708,645,637	9,795,178,076	11,199,264,744	12,865,735,980
7,586,495,422	8,728,778,214	10,737,821,151	10,940,165,153	12,739,426,628	14,321,342,394
101,738,203	103,260,391	136,551,832	134,831,158	127,402,160	133,465,003
6,488,554,439	6,410,963,955	7,514,294,011	7,876,626,867	8,759,261,125	9,730,009,482
1,187,965,245	840,247,407	953,335,924	1,319,832,396	1,939,645,375	1,966,534,108
374,609,779	419,726,973	386,292,467	265,429,426	301,458,315	357,304,625
(1,642,214)	(4,821,080)	(9,019,900)	—	—	(6,264,544)
8,151,225,452	7,769,377,646	8,981,454,334	9,596,719,847	11,127,766,975	12,181,048,674
<u>\$ 15,737,720,874</u>	<u>\$ 16,498,155,860</u>	<u>\$ 19,719,275,485</u>	<u>\$ 20,536,885,000</u>	<u>\$ 23,867,193,603</u>	<u>\$ 26,502,391,068</u>

Schedule 4 -- Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018
Revenues				
Individual and Corporate Income Taxes	\$ 714,657,090	\$ 424,229,756	\$ 397,563,377	\$ 459,742,512
Sales and Use Taxes	1,790,646,715	1,353,955,780	1,227,777,645	1,308,380,507
Oil, Gas, and Coal Taxes	2,734,607,036	1,457,086,135	1,489,177,632	2,198,245,617
Business and Other Taxes	93,445,691	99,743,017	99,358,473	100,050,115
Licenses, Permits and Fees	215,706,207	207,163,123	201,347,912	209,425,979
Intergovernmental	1,626,610,762	1,643,431,832	1,718,291,215	1,666,435,743
Sales and Services	81,988,980	57,382,857	56,713,042	59,147,530
Royalties and Rents	398,048,916	237,379,524	256,351,062	358,554,090
Fines and Forfeits	26,167,673	22,979,377	25,792,953	27,794,757
Interest and Investment Income	149,053,816	63,615,120	863,607,155	668,469,231
Tobacco Settlement	30,512,364	31,872,848	25,677,716	55,305,183
Commodity Assessments	23,662,092	25,007,037	27,771,103	25,879,090
Miscellaneous	17,176,577	43,591,538	19,059,502	32,577,808
Total Revenues	7,902,283,919	5,667,437,944	6,408,488,787	7,170,008,162
Expenditures				
Current:				
General Government	690,034,696	363,410,801	375,462,221	196,145,504
Education	1,116,260,493	1,174,928,314	1,212,413,715	1,205,816,564
Health and Human Services	1,707,702,397	1,774,061,712	1,830,146,819	1,895,273,724
Regulatory	58,625,606	60,161,098	66,319,143	50,990,125
Public Safety and Corrections	237,542,738	216,354,458	221,427,867	217,079,519
Agriculture and Commerce	106,304,742	106,791,473	100,053,823	93,502,803
Natural Resources	185,712,117	307,669,526	270,375,075	210,225,132
Transportation	550,382,661	613,815,927	446,115,824	369,478,453
Intergovernmental - Revenue Sharing	811,392,745	693,793,125	574,300,791	826,616,477
Capital Outlay	648,582,253	770,056,268	585,432,696	339,847,100
Debt Service:				
Principal	35,744,666	63,766,311	11,576,381	16,169,612
Interest and Other Charges	7,915,666	4,544,267	2,809,155	2,532,662
Bond and Note Cost of Issuance	—	—	—	—
Total Expenditures	6,156,200,780	6,149,353,280	5,696,433,510	5,423,677,675
Revenue over (under) Expenditures	1,746,083,139	(481,915,336)	712,055,277	1,746,330,487
Other Financing Sources (Uses)				
Bonds and Notes Issued	—	—	—	42,812,909
Payment of Refunded Bonds	—	—	—	(20,347,000)
Lease Acquisitions	244,493	149,891	1,728,159	175,968
Sale of Capital Assets	49,910	5,712,951	27,150	19,343
Other	—	—	—	—
Transfers In	1,176,200,047	838,882,833	346,374,625	291,318,581
Transfers Out	(1,718,913,302)	(1,443,399,242)	(849,628,391)	(658,815,902)
Total Other Financing Sources (Uses)	(542,418,852)	(598,653,567)	(501,498,457)	(344,836,101)
Extraordinary Item	—	—	(38,379,966)	—
Net Changes in Fund Balances	\$ 1,203,664,287	\$ (1,080,568,903)	\$ 172,176,854	\$ 1,401,494,386
Debt Service as a Percentage of Noncapital Expenditures	<1%	1.27%	<1%	<1%

2019	2020	2021	2022	2023	2024
\$ 594,902,271	\$ 514,474,130	\$ 580,658,626	\$ 664,895,947	\$ 806,747,080	\$ 626,714,948
1,447,039,166	1,382,950,275	1,326,013,473	1,461,872,541	1,722,350,685	1,727,758,851
2,586,461,875	1,949,413,720	1,746,635,471	3,016,379,426	2,978,251,411	3,112,132,311
113,491,911	107,904,881	125,055,742	138,985,340	149,088,825	142,338,807
208,629,095	205,881,199	205,204,816	197,636,285	198,612,574	219,209,786
1,722,371,509	1,935,418,579	2,954,711,047	2,894,663,210	3,115,793,060	2,707,209,595
87,945,566	63,647,829	61,109,068	61,158,343	63,823,059	59,570,428
428,518,481	350,303,312	353,401,250	617,606,229	680,664,152	684,000,661
31,643,952	28,740,584	36,954,902	24,960,386	39,725,547	42,774,534
568,502,158	267,822,601	2,736,264,540	(1,183,555,882)	1,187,959,595	1,968,118,755
20,752,400	21,159,397	22,586,170	23,205,519	24,844,863	22,079,919
24,055,725	23,180,351	27,911,971	27,563,462	32,367,127	30,611,067
26,261,882	32,010,373	27,671,984	24,438,015	40,751,317	145,269,966
7,860,575,991	6,882,907,231	10,204,179,060	7,969,808,821	11,040,979,295	11,487,789,628
212,878,777	221,601,805	421,622,553	411,498,194	551,474,755	446,499,947
1,236,434,495	1,286,565,575	1,417,944,095	1,519,738,946	1,577,259,003	1,596,929,344
1,901,317,937	2,036,979,868	2,346,331,566	2,485,114,631	2,661,241,445	2,618,626,033
44,017,306	66,636,947	238,371,129	137,003,570	202,896,412	232,609,566
206,073,620	228,482,829	248,403,023	235,852,853	287,859,738	290,996,342
97,290,753	106,261,515	230,631,647	137,476,833	172,097,075	184,376,499
240,134,308	196,940,075	264,426,811	306,294,713	272,864,649	242,851,360
359,256,938	330,326,337	380,064,758	397,269,719	508,032,541	484,954,191
964,483,838	805,934,582	761,332,025	1,115,020,869	1,067,904,006	1,063,882,848
341,357,479	383,713,350	401,825,733	296,216,316	426,673,396	591,429,380
10,839,024	20,566,373	6,434,015	17,247,882	23,077,580	53,345,601
2,073,539	1,800,116	4,027,874	6,418,386	20,432,118	29,837,971
—	—	—	1,886,000	1,523,000	—
5,616,158,014	5,685,809,372	6,721,415,229	7,067,038,912	7,773,335,718	7,836,339,082
2,244,417,977	1,197,097,859	3,482,763,831	904,655,909	3,267,643,577	3,651,450,546
—	3,344,100	89,728,267	389,962,280	319,038,000	—
—	—	—	—	—	—
184,258	145,827	1,310,560	14,086,369	4,306,452	30,579,019
1,141,039	269,769	191,812	644	84,718	63,200
—	—	—	—	—	—
285,737,190	563,143,071	742,667,620	444,562,760	537,885,413	463,660,748
(576,455,477)	(1,003,565,640)	(1,108,701,068)	(927,860,759)	(792,371,894)	(1,510,556,048)
(289,392,990)	(436,662,873)	(274,802,809)	(79,248,706)	68,942,689	(1,016,253,081)
—	—	—	—	—	—
\$ 1,955,024,987	\$ 760,434,986	\$ 3,207,961,022	\$ 823,521,203	\$ 3,336,586,266	\$ 2,635,197,465
<1%	<1%	<1%	<1%	<1%	1.15%

Schedule 5
Taxable Sales by Industry
Last Ten Calendar Years

	Calendar Year			
	2014	2015	2016	2017
Mining and Oil Extraction	\$5,194,104,870	\$3,195,799,670	\$1,270,571,326	\$1,933,586,774
Construction	965,197,436	893,628,575	788,360,652	572,742,527
Manufacturing	1,527,873,493	1,256,620,179	955,191,364	940,433,285
Transportation, Communications, And Public Utilities	630,444,105	566,226,446	359,835,574	325,778,272
Wholesale	7,391,400,913	5,339,698,317	3,564,195,615	3,971,599,479
Retail	6,900,590,520	6,634,790,900	6,137,317,234	6,039,261,375
Services	3,684,213,017	3,176,227,835	2,547,155,903	2,411,082,485
Accommodation and Food Service	1,928,607,097	1,839,842,915	1,705,940,154	1,706,215,062
Miscellaneous				
Total	\$28,222,431,451	\$22,902,834,837	\$17,328,567,822	\$17,900,699,259
Effective Tax Rate	5.00 %	5.35 %	5.42 %	5.06 %

Source: ND State Tax Department

Schedule 6
Sales Tax Revenue Payers by Industry
Calendar Years 2014 and 2023

(Dollars are in Millions)

	Calendar Year 2014			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	11,292	32.2 %	\$ 373	22.0 %
Wholesale Trade	5,259	15.0 %	\$ 333	19.6 %
Services	8,338	23.8 %	\$ 574	33.9 %
Transportation, Communications, And Public Utilities	4,577	13.1 %	\$ 32	1.9 %
Manufacturing	2,446	7.0 %	\$ 75	4.4 %
Construction	2,485	7.1 %	\$ 48	2.9 %
Miscellaneous				
Mining and Oil Extraction	625	1.8 %	\$ 260	15.3 %
Total	35,022	100.0 %	\$ 1,694	100.0 %

Source: ND State Tax Department

Calendar Year

2018	2019	2020	2021	2022	2023
\$ 2,798,102,134	\$ 3,099,269,900	\$ 1,670,338,769	\$ 1,550,152,783	\$ 2,214,642,058	\$ 2,768,243,116
581,608,306	618,279,202	552,912,062	572,799,245	725,447,618	720,443,339
1,073,576,742	1,167,694,348	199,376,511	1,138,536,628	1,404,869,602	1,408,289,550
520,830,231	607,973,352	309,734,767	542,253,695	438,619,126	522,046,533
4,849,827,096	4,972,679,709	3,840,938,987	4,239,430,757	5,843,206,893	6,630,778,930
6,253,114,138	6,686,103,548	7,175,885,046	8,117,420,573	8,536,747,803	8,279,411,498
2,420,785,043	2,537,470,588	3,361,463,017	2,328,226,383	2,818,238,152	4,777,065,702
1,765,283,726	1,834,041,363	1,476,480,919	1,853,920,237	2,020,329,248	1,720,463,478
<u>\$ 20,263,127,416</u>	<u>\$ 21,523,512,010</u>	<u>\$ 18,587,130,078</u>	<u>\$ 20,342,740,301</u>	<u>\$ 24,002,100,500</u>	<u>\$ 26,826,742,146</u>
5.12 %	5.11 %	5.13 %	5.13 %	4.96 %	4.99 %

Calendar Year 2023

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
15,998	32.5 %	\$ 419.11	31.3 %
7,048	14.3 %	319.92	23.9 %
16,389	33.3 %	328.96	24.6 %
607.00	1.2 %	26.04	1.9 %
5,285	10.7 %	70.48	5.3 %
3,185	6.5 %	35.99	2.7 %
751	1.5 %	138.41	10.3 %
49,263	100.0 %	\$ 1,338.91	100.0 %

Schedule 7
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
Revenue Bonds	\$ 129,345	\$ 64,049	\$ 54,105	\$ 40,429
Leases Payable	600	467	1,695	1,415
SBITA Payable	—	—	—	—
Notes Payable	4,412	3,891	2,181	22,248
Total Governmental Activities	134,357	68,407	57,981	64,092
Business-type Activities				
Revenue Bonds	884,086	1,040,019	1,019,125	1,242,368
Certificates of Participation	—	—	—	—
Leases Payable	41,224	38,533	41,425	40,058
SBITA Payable	—	—	—	—
Notes Payable	665,792	747,186	1,299,860	1,289,686
Total Business-Type Activities	1,591,102	1,825,738	2,360,410	2,572,112
Total Primary Government	\$ 1,725,459	\$ 1,894,145	\$ 2,418,391	\$ 2,636,204
Debt as a Percentage of Personal Income ¹	4.3 %	4.4 %	5.8 %	6.4 %
Amount of Debt per Capita ¹	\$ 2,383	\$ 2,560	\$ 3,195	\$ 3,478

¹ These ratios are calculated using personal income and population for the prior calendar year. See Schedule 10 for personal income and population data.

Details regarding the state's debt can be found in Note 3-L of the financial statements.

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 29,950	\$ 19,730	\$ 112,488	\$ 491,725	\$ 787,130	\$ 754,697
1,118	834	3,301	40,409	41,400	40,388
—	—	—	—	46,668	54,791
21,897	14,817	16,406	17,157	15,835	14,257
52,965	35,381	132,195	549,291	891,033	864,133
1,525,285	1,666,599	1,692,518	1,795,064	1,902,601	2,226,968
96,843	104,120	104,123	262,217	260,727	251,166
54,359	51,662	49,950	67,495	77,923	80,878
—	—	—	—	22,336	16,862
1,120,787	648,266	198,740	135,353	698,447	44,013
2,797,274	2,470,647	2,045,331	2,260,130	2,962,034	2,619,887
<u>\$ 2,850,239</u>	<u>\$ 2,506,028</u>	<u>\$ 2,177,526</u>	<u>\$ 2,809,421</u>	<u>\$ 3,853,068</u>	<u>\$ 3,484,020</u>
6.9 %	6.1 %	4.8 %	5.5 %	7.5 %	6.2 %
\$ 3,760	\$ 3,306	\$ 2,845	\$ 3,625	\$ 4,945	\$ 4,444

Schedule 8
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Requirements		Coverage
				Principal	Interest	
BUILDING AUTHORITY BONDS						
2015	\$ 8,163,000	\$ —	\$ 8,163,000	\$ 6,130,000	\$ 2,080,000	0.99
2016	9,868,000	—	9,868,000	6,375,000	1,896,000	1.19
2017	5,300,000	—	5,300,000	5,315,000	1,680,000	0.76
2018	32,500,000	—	32,500,000	31,110,000	1,485,000	1.00
2019	6,343,000	—	6,343,000	5,200,000	1,092,000	1.01
2020	5,312,000	—	5,312,000	4,400,000	879,000	1.01
2021	5,363,000	—	5,363,000	4,620,000	3,307,000	0.68
2022	12,008,000	—	12,008,000	7,185,000	4,838,000	1.00
2023	10,050,000	—	10,050,000	5,955,000	4,526,000	0.96
2024	10,093,000	—	10,093,000	5,795,000	4,233,000	1.01
<i>Pledged revenues include interest and lease payments.</i>						
WATER COMMISSION BONDS						
2015	\$ 8,783,565	\$ —	\$ 8,783,565	\$ 13,343,592	\$ 3,318,972	0.53
2016	45,840,868	—	45,840,868	52,525,000	1,309,125	0.85
<i>Pledged revenues include user fees, interest, and Tobacco Settlement funds.</i>						
DEPARTMENT OF TRANSPORTATION BONDS						
2015	\$ 5,318,070	\$ —	\$ 5,318,070	\$ 4,015,000	\$ 1,303,070	1.00
2016	5,317,250	—	5,317,250	4,165,000	1,150,500	1.00
2017	5,315,500	—	5,315,500	4,375,000	942,250	1.00
2018	5,314,000	—	5,314,000	4,590,000	723,500	1.00
2019	5,313,500	—	5,313,500	4,820,000	494,000	1.00
2020	5,313,000	—	5,313,000	5,060,000	253,000	1.00
<i>Pledged revenues include interest and federal (intergovernmental revenues and transfers from fund 002), highway fund appropriations, and transfers from Highway fund (200).</i>						
LEGACY BONDS						
2022	\$ 389,848,000	\$ 1,886,000	\$ 387,962,000	\$ —	\$ —	—
2023	323,886,000	78,277,539	245,608,461	—	13,821,000	17.77
2024	21,547,000	73,000	21,474,000	28,460,000	23,111,000	0.42
<i>Pledged revenues include user fees.</i>						

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Requirements		Coverage
				Principal	Interest	
STUDENT LOAN TRUST						
2015	\$ 732,000	\$ 487,000	\$ 245,000	\$ —	\$ 9,000	27.22
2016	639,000	402,000	237,000	—	10,000	23.70
2017	543,000	361,000	182,000	—	14,000	13.00
2018	237,000	57,000	180,000	—	22,000	8.18
2019	84,000	38,000	46,000	—	31,000	1.48
2020	70,000	26,000	44,000	—	23,000	1.91
2021	47,000	17,000	30,000	—	8,000	3.75
2022	36,000	15,000	21,000	—	10,000	2.10
2023	37,000	14,000	23,000	—	46,000	0.50
2024	52,000	14,000	38,000	—	61,000	0.62

Pledged revenues include federal revenues, and loan and investment interest.

HOUSING FINANCE AGENCY						
2015	\$ 46,104,013	\$ 25,535,000	\$ 20,569,013	\$ 136,385,000	\$ 18,303,000	0.13
2016	48,479,659	27,986,000	20,493,659	102,480,000	17,801,000	0.17
2017	50,851,271	28,185,000	22,666,271	249,400,000	17,985,000	0.08
2018	54,771,000	29,905,000	24,866,000	126,620,000	18,900,000	0.17
2019	64,712,000	37,843,000	26,869,000	89,660,000	23,474,000	0.24
2020	72,051,000	43,041,000	29,010,000	109,720,000	30,104,000	0.21
2021	66,753,000	44,296,000	22,457,000	233,210,000	33,530,000	0.08
2022	59,012,000	41,917,000	17,095,000	266,540,000	28,989,000	0.06
2023	87,644,000	52,234,000	35,410,000	123,540,000	33,300,000	0.23
2024	114,345,752	70,503,000	43,842,752	126,840,000	45,897,000	0.25

Pledged revenues include income and proceeds from mortgage loan activity.

UNIVERSITY SYSTEM						
2015	\$ 758,127,326	\$ 1,090,845,378	\$ (332,718,052)	\$ 45,904,456	\$ 13,702,718	(5.58)
2016	838,245,926	1,200,399,795	(362,153,869)	60,435,257	12,328,344	(4.98)
2017	794,108,239	1,186,452,340	(392,344,101)	46,330,594	12,539,581	(6.66)
2018	795,593,560	1,160,802,712	(365,209,152)	44,073,161	12,241,613	(6.49)
2019	814,825,704	1,179,695,430	(364,869,726)	20,538,565	11,627,313	(11.34)
2020	802,320,682	1,192,083,445	(389,762,763)	19,508,893	13,753,146	(11.72)
2021	967,486,213	1,308,671,037	(341,184,824)	26,018,512	20,177,507	(7.39)
2022	939,531,681	1,233,808,828	(294,277,147)	44,274,373	25,014,172	(4.25)
2023	975,769,896	1,299,337,474	(323,567,578)	35,301,656	23,661,813	(5.49)
2024	1,055,588,850	1,359,676,179	(304,087,329)	41,335,834	22,413,782	(4.77)

Pledged revenues include student fees, auxiliary revenues, sales, tax revenue, investment income and debt service grants.

NOTE: Gross revenues include nonoperating interest income. Operating expenses do not include bond interest or depreciation expenses.

Schedule 9**Legal Debt Limit****Fiscal Year Ending June 30, 2024**

The state may issue or guarantee the payment of bonds, provided that all bonds in excess of two million dollars shall be secured by first mortgage upon real estate in amounts not to exceed sixty-five percent of its value; or upon real and personal property of state-owned utilities, enterprises, or industries, in amounts not exceeding its value, and provided further, that the state shall not issue or guarantee bonds upon property of state-owned utilities, enterprises, or industries in excess of ten million dollars.

No further indebtedness shall be incurred by the state unless evidenced by a bond issue, which shall be authorized by law for certain purposes, to be clearly defined. Every law authorizing a bond issue shall provide for levying an annual tax, or make other provision, sufficient to pay the interest semiannually, and the principal within thirty years from the date of the issue of such bonds and shall specially appropriate the proceeds of such tax, or of such other provisions to the payment of said principal and interest, and such appropriation shall not be repealed nor the tax or other provisions discontinued until such debt, both principal and interest, shall have been paid. No debt in excess of the limit named herein shall be incurred except for the purpose of repelling invasion, suppressing insurrection, defending the state in time of war or to provide for the public defense in case of threatened hostilities.

The State is in compliance with the Legal Debt Margin.

Source: North Dakota Constitution, Art. X, Section 13.

The State of North Dakota has had no General Obligation Bonded Debt since Fiscal Year 1998. No Schedule of Ratios of General Bonded Debt is being presented.

Schedule 10
Demographic and Economic Indicators
Last Ten Calendar Years

Year	Population (a)	Total Personal Income (b) (000's)	Per Capita Personal Income (b)	ND Unemployment Rate (c)	Annual Average UI Covered Employment (d)
2014	738,736	\$41,526,200	\$56,314	2.7 %	444,658
2015	755,537	\$40,600,600	\$53,842	2.8 %	437,078
2016	754,434	\$39,104,000	\$52,519	3.1 %	417,150
2017	754,942	\$39,812,900	\$52,686	2.7 %	414,039
2018	758,080	\$42,291,900	\$55,598	2.6 %	417,578
2019	762,062	\$43,614,400	\$57,501	2.4 %	422,826
2020	765,309	\$45,450,200	\$59,388	5.1 %	395,988
2021	774,948	\$50,793,100	\$65,544	3.7 %	400,472
2022	779,261	\$51,574,500	\$66,184	2.1 %	411,308
2023	783,926	\$56,475,100	\$72,041	1.9 %	421,639

Source:

- (a) Census Bureau
- (b) Bureau of Economic Analysis
- (c) Local Area Unemployment Statistics program (SA)
- (d) Quarterly Census of Employment and Wages program

Schedule 11 Principal Employers

North Dakota Century Code 52-01-02 and 52-01-03 prohibits Job Service North Dakota from disclosing information provided to them by employers, including the employer name and number of employees, unless authorized by the employer. Sufficient permission has not been received to allow for presentation of this schedule.

The following schedule is being presented as an alternative to the principal employer schedule:

Schedule 12 Employment by Industry Current Calendar Year and Ten Years Ago

Industry	2023			2014		
	Number of Employees	Rank	Percent of Total Nonagricultural Wage and Salary Employment	Number of Employees	Rank	Percent of Total Nonagricultural Wage and Salary Employment
Government	82,600	1	18.88 %	80,600	1	17.46 %
Educational and Health Services	67,700	2	15.47 %	59,400	2	12.87 %
Retail Trade	45,200	3	10.33 %	50,700	3	10.98 %
Leisure and Hospitality	39,900	4	9.12 %	40,700	4	8.82 %
Professional and Business Services	34,900	5	7.98 %	36,200	5	7.84 %
Manufacturing	28,400	6	6.49 %	26,100	10	5.65 %
Construction	27,700	7	6.33 %	34,900	6	7.56 %
Financial Activities	25,100	8	5.74 %	24,000	11	5.20 %
Wholesale Trade	23,900	9	5.46 %	27,400	9	5.94 %
Transportation, Warehousing and Utilities	23,100	10	5.28 %	28,100	8	6.09 %
Logging and Mining	18,100	11	4.14 %	29,800	7	6.46 %
Other Services	15,300	12	3.50 %	16,900	12	3.66 %
Information	5,600	13	1.28 %	6,800	13	1.47 %
Total	<u>437,500</u>		<u>100 %</u>	<u>461,600</u>		<u>100 %</u>

Source: Job Service North Dakota: Current Employment Statistics Program.

Schedule 13 Education Enrollment Last Ten Academic Years

Public School Enrollment

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Kindergarten	8,925	8,841	9,271	9,324	9,620	8,992	9,524	9,235	8,636	8,763
Grades 1-3	26,585	26,320	26,316	26,663	27,208	26,812	27,034	27,696	27,888	29,232
Grades 4-6	24,513	25,244	26,076	26,580	26,622	25,880	26,246	26,759	27,268	27,480
Grades 7-8	15,642	16,115	16,511	16,845	17,561	17,742	17,707	17,603	17,419	17,895
Grades 9-12	30,405	30,343	30,771	31,430	31,847	32,619	33,347	34,092	34,556	34,816
Total Enrollment	106,070	106,863	108,945	110,842	112,858	112,045	113,858	115,385	115,767	116,598
Special Education Students	13,988	14,429	15,175	15,902	16,459	16,485	17,054	17,686	18,206	—

Source: Department of Public Instruction

University System Full-Time Equivalent Student Enrollment

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Bismarck State College	2,912	2,860	2,646	2,611	2,598	2,558	2,390	2,466	2,599	2,812
Dakota College at Bottineau	459	490	527	590	596	552	615	550	576	590
Dickinson State University	1,070	1,114	1,128	1,090	1,093	1,147	1,154	1,155	1,118	1,120
Lake Region State College	981	971	995	1,005	974	867	791	797	858	906
Mayville State University	796	782	784	817	801	801	815	784	734	794
Minot State University	2,570	2,591	2,467	2,483	2,399	2,273	2,242	2,167	2,135	2,125
ND State College Of Science	2,305	2,298	2,253	2,126	2,076	2,020	2,029	2,064	2,124	2,305
North Dakota State University	12,834	12,782	12,784	12,394	11,704	11,252	10,861	10,701	10,552	10,442
University of North Dakota	12,455	12,180	11,964	11,585	11,164	10,933	10,842	10,760	10,955	11,731
Valley City State University	1,031	1,044	1,086	1,096	1,164	1,160	1,090	1,073	1,112	1,184
Williston State College	738	756	763	806	783	703	668	646	658	771
Total	38,151	37,870	37,398	36,603	35,352	34,268	33,497	33,164	33,421	34,780

Note: Full-Time Equivalent Enrollment is based upon student credit hours.

Source: North Dakota University System

Schedule 14
State Employees by State Agency
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXECUTIVE BRANCH										
Adjutant General	170	155	155	155	155	151	154	203	205	218
Aeronautics Commission	6	7	7	7	7	7	7	6	6	6
Bank of North Dakota	180	182	183	190	190	190	174	182	165	195
Barley Council	5	5	5	5	1	1	1	1	1	1
Beef Commission	2	2	3	3	3	4	4	4	2	3
Career and Technical Education	29	27	27	25	25	55	55	47	49	23
Center for Distance Education	0	0	0	0	0	0	0	0	0	29
Corn Council	6	6	6	6	3	3	3	2	3	3
Council on the Arts	5	5	5	5	5	5	5	6	5	6
Department of Agriculture	77	77	77	73	74	78	78	78	78	78
Department of Commerce	69	69	69	54	66	62	61	53	58	60
Department of Corrections and Rehabilitation	834	838	845	845	895	899	906	829	835	879
Department of Environmental Quality	0	0	0	0	2	158	163	148	152	154
Department of Financial Institutions	29	30	31	30	30	31	31	28	31	34
Department of Health and Human Services	0	0	0	0	0	0	0	0	0	2,347
Department of Human Services	2,215	2,216	2,218	2,163	2,140	2,223	2,273	1,973	2,008	0
Department of Mineral Resources	0	0	0	0	0	0	0	0	0	98
Department of Public Instruction	100	100	92	92	94	89	87	78	78	82
Department of Transportation	1,082	1,081	1,081	1,047	1,008	985	985	941	937	962
Department of Trust Lands	34	34	33	30	30	29	30	28	30	32
Ethics Commission	0	0	0	0	0	2	2	1	1	3
Game and Fish Department	164	163	163	163	164	166	165	164	164	169
Highway Patrol	215	215	204	204	204	204	202	184	179	202
Historical Society	73	80	80	77	78	77	81	79	81	83
Indian Affairs Commission	5	5	5	5	4	4	4	3	4	4
Industrial Commission	114	113	114	106	108	108	108	93	99	4
Information Technology Department	354	350	352	346	447	400	455	435	450	469
Job Service North Dakota	238	182	182	182	182	173	159	143	144	150
Milk Marketing Board	6	6	6	6	4	4	4	1	1	2
ND Department of Health	365	366	368	360	365	205	213	203	204	0
ND Horse Racing Commission	2	2	2	2	2	2	2	2	2	2
ND Housing Finance Agency	40	41	41	41	42	43	43	49	48	50
ND Mill and Elevator Association	135	142	147	153	151	150	153	155	149	155
ND Vision Services/School for the Blind	33	32	32	30	30	29	29	27	28	28
North Dakota University System	8,028	8,012	7,532	7,290	7,207	7,192	7,165	7,222	7,295	7,439
Office of Administrative Hearings	5	5	5	5	5	5	5	5	5	5

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXECUTIVE BRANCH, Continued										
Office of Management and Budget	132	124	123	117	118	114	109	100	101	100
Office of the Attorney General	248	253	253	240	249	246	249	236	230	237
Office of the Governor	18	18	19	17	17	17	17	16	16	19
Office of the Insurance Commissioner	49	49	49	46	46	41	41	33	33	44
Office of the Labor Commissioner	15	15	15	14	14	14	15	9	10	10
Office of the State Auditor	61	62	62	57	57	59	59	53	51	55
Office of the State Tax Commissioner	134	135	135	132	132	123	123	106	108	109
Office of the State Treasurer	8	8	8	7	7	7	7	7	7	7
Oilseed Council	2	1	1	1	1	1	1	1	1	1
Parks and Recreation Department	65	66	65	63	62	62	58	56	57	61
Protection and Advocacy	28	28	28	28	29	29	23	27	29	28
Public Employees Retirement System	33	35	35	35	35	35	36	36	35	40
Public Service Commission	46	46	47	47	47	44	44	42	41	45
Retirement and Investment Office	19	19	19	19	20	20	18	17	25	27
School for the Deaf	51	51	51	51	51	51	50	44	43	46
Secretary of State	34	34	34	32	32	32	33	28	29	31
Securities Department	9	9	9	10	9	9	11	8	8	7
Seed Department	30	30	31	31	30	30	30	23	23	22
Soybean Council	8	8	8	7	6	6	6	6	4	6
State Fair Association	27	27	26	27	28	26	26	19	21	19
State Library	31	30	30	29	29	28	28	24	26	26
Veteran's Affairs Department	8	9	9	9	7	7	8	8	8	9
Veterans Home	120	116	118	120	119	118	119	94	93	97
Water Commission	95	96	96	93	93	93	93	81	91	87
Wheat Commission	8	8	8	8	6	6	6	5	5	5
Workforce Safety and Insurance	266	265	265	265	267	265	264	234	241	247
LEGISLATIVE BRANCH										
Legislative Council	36	37	36	36	36	36	36	37	39	38
JUDICIAL BRANCH										
Judiciary Branch	364	392	392	355	363	363	362	351	353	372
Total State Employees	16,639	16,598	16,121	15,675	15,707	15,679	15,747	15,139	15,289	15,770

NOTE: Fulltime employees are reported as of fiscal year end. ND University System employees based on annual budgets. Certain agencies have been reorganized, eliminated or created over the fiscal years resulting in fluctuations. Agencies are being displayed based on the organizational structure of the State.

Sources: Office of Management and Budget, ND University System, Bank of North Dakota, Mill and Elevator, Housing Finance Agency

**Schedule 15
Operating Indicators by Function
Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Office of the Tax Commissioner										
Number of returns filed electronically 1	412,559	428,347	391,234	460,464	447,690	417,060	463,418	446,023	436,694	440,751
Education										
Department of Public Instruction										
Public School Enrollment 2	106,070	106,863	108,945	110,842	112,858	112,045	113,858	115,385	115,767	116,598
North Dakota University System										
Full Time Equivalent Student Enrollment 3	38,151	37,870	37,398	36,603	35,352	34,268	33,497	33,164	33,421	34,780
Health and Human Services										
North Dakota Department of Health										
Number of Autopsies Performed in ND 4	258	244	234	239	176	111	200	213	201	NA
North Dakota Department of Environmental Quality										
Air Quality - Percent of Facilities in Compliance 4	100	100	100	99	99	99	98	99	99	NA
Public Water Systems - Percent of Facilities in Compliance 4	96	98	99	98	99	100	100	99	99	NA
Department of Human Services										
Number of TANF Caseloads	2,515	2,367	2,313	2,206	1,968	1,981	2,035	1,712	1,223	1,289
Number of Medicaid Recipients	114,364	122,374	123,766	124,371	122,304	119,763	121,527	141,051	149,775	157,096
Regulatory										
Office of the Insurance Commissioner										
Licensed Insurance Agents 4	65,671	66,882	75,769	73,304	83,193	94,289	106,243	112,489	130,075	124,144
Public Service Commission										
Weighing and Measuring Devices Inspected	5,446	6,136	5,172	5,183	4,653	3,526	5,191	5,155	4,091	4,695
Weights and Measures Quality Assurance Inspections	249	216	207	160	79	180	302	269	379	322
Gas Pipeline Safety Inspections	72	81	82	78	42	49	106	42	73	62
Gas Pipeline Safety Inspection-Person Days	124	134	150	191	122	153	236	155	209	152
Public Safety and Corrections										
Department of Corrections and Rehabilitation										
Average Daily Adult Prison Population 4	1,767	1,794	1,813	1,709	1,766	1,492	1,459	1,603	1,719	NA
Office of the Attorney General-Bureau of Investigations										
Criminal Cases Opened 4	449	558	514	339	427	407	355	381	472	NA
Drug Cases Opened 3	387	544	446	278	402	338	325	281	210	NA
Office of the Attorney General-Crime Laboratory										
Toxicology Alcohol Blood and Breath Analyses 4	6,472	5,472	5,201	4,298	4,007	3,080	3,712	4,386	4,479	NA
Methamphetamine/Amphetamine Samples Processed 4	4,527	4,669	3,932	4,077	3,284	2,782	1,686	1,647	1,764	NA
Office of the Adjutant General										
Assigned National Guard 5	4,006	3,980	4,032	4,002	4,094	4,155	4,223	4,111	4,089	4,095
Agriculture and Commerce										
Department of Agriculture										
Pounds of Pesticide Waste Collected	384,857	137,297	180,692	340,074	521,584	114,597	258,115	186,108	302,773	255,325
Job Service North Dakota (JSND)										
Net Job Growth from Nonfarm Employment 4	(7,600)	(19,200)	(2,500)	3,700	4,500	-29,300	4,300	10,200	9,300	NA
Source: Current Employment Statistics, BLS - JSND										
New Private Sector Businesses 4	382	(67)	(281)	(172)	336	115	542	1,502	1,424	NA
Source: Quarterly Census of Employment & Wages, BLS - JSND										
Game and Fish Department										
Registered Boats 4	61,328	67,026	57,220	60,660	62,672	60,123	63,523	79,391	58,392	NA
Hunting and Fishing Licenses Issued	354,728	356,548	351,704	343,709	343,530	342,272	377,378	357,154	343,101	NA
Department of Parks and Recreation										
Park Visitations 4	1,211,150	1,182,628	1,196,868	1,211,744	1,214,226	1,296,509	1,292,896	1,135,530	1,236,527	NA
Camping Nights 4	71,075	73,316	71,555	72,831	72,979	94,079	97,241	88,625	95,181	NA
Snowmobile Registrations 4	8,958	2,779	8,767	2,762	7,478	10,316	7,261	10,046	7,141	NA
OHV Registrations 4	12,753	25,316	13,673	27,148	13,115	42,509	39,289	46,485	42,725	NA
Transportation										
Department of Transportation										
Registered Vehicles 4	1,168,252	1,160,042	1,159,040	1,184,472	1,188,053	1,182,587	1,097,305	1,203,810	1,222,595	NA
Licensed Drivers	545,027	555,935	561,667	561,333	566,015	557,164	559,778	563,161	585,817	565,031
Unemployment Compensation										
Job Service North Dakota										
Number of Covered Workers 4	437,078	417,150	414,039	417,578	422,826	395,988	400,472	411,308	421,639	NA
Workforce Safety and Insurance										
Number of Claims Filed	24,798	21,227	20,045	19,830	19,913	18,813	17,845	17,477	18,128	17,042
Number of Covered Workers	435,993	427,899	408,107	405,367	409,559	414,371	386,414	391,512	402,018	412,536

NA-Not Available

1 Calendar Year Received

2 Academic Year End Enrollment

3 Academic Year Enrollment

4 Statistics on a Calendar Year Basis

5 National Guard member count is at September 30 of each year

Sources: The State agencies listed above provided the statistics for their agency

**Schedule 16
Capital Assets by Function
Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Office of Management and Budget										
Capitol Complex Buildings	7	7	7	7	7	7	7	7	7	7
Education										
Department of Land										
Common Schools Trust										
Land Acreage	632,039	631,794	631,806	631,806	631,806	631,761	631,629	631,629	631,480	631,480
ND University System										
Buildings	528	534	534	516	516	470	475	449	450	444
*Buildings Square Footage	15,852,457	16,299,100	16,299,100	16,571,905	16,571,905	16,682,484	16,543,663	16,174,990	N/A	N/A
Health and Human Services										
Dept. of Human Services										
Buildings	63	63	63	63	63	60	60	60	60	54
Public Safety and Corrections										
Department of Corrections and Rehabilitation										
Buildings	71	71	70	70	70	70	70	70	70	70
Office of the Adjutant General										
Headquarters, Camp and Armory Buildings	298	298	302	330	327	319	319	319	327	321
Natural Resources										
Game and Fish Department										
Wildlife Management Areas	201	200	201	201	201	202	203	201	202	203
Boats, ATV's, Snowmobiles, Tractors,Other	460	472	491	493	498	506	520	536	558	577
Dept. of Parks and Recreation										
Park/Recreational Sites	15	15	15	15	15	15	15	14	14	14
Park Maintenance Vehicles/Equipment	305	363	392	364	409	420	430	384	392	406
Transportation										
Department of Transportation										
Roadway Miles Maintained	8,563	8,614	8,614	8,614	8,622	8,624	8,624	8,624	8,624	8,637
Fleet Vehicles	3,664	3,726	3,740	3,541	3,406	3,386	3,291	3,291	3,345	3,542
Heavy Equipment	448	441	445	479	480	489	489	489	495	520
Buildings	158	159	162	164	165	167	169	169	171	171

Sources: The State agencies listed above provided the data for their agency
*Buildings Square Footage no longer recorded

**Schedule 17
Claims Development Information
Last Ten Fiscal Years**

The following tables illustrate how the individual funds' earned revenues and investment income compare to related costs of loss and other expenses assumed by the funds as of the end of each of the last ten years. The rows of the tables are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operation costs of the fund including overhead and claims expense not allocable to individual claims. (3) This line shows the funds' incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of 10 columns shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This section of 10 columns shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received regarding unknown claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the tables show data for successive policy years (expressed in thousands).

Schedule 17
Claims Development Information
Last Ten Fiscal Years
 (Expressed In Thousands)

Bonding Fund

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1 Net Earned Required Contribution and Investment Revenues	\$ 70	\$ 173	\$ 101	\$ 42	\$ 204	\$ 183	\$ 68	\$ (185)	\$ 77	\$ 181
2 Unallocated Expenses	36	67	26	21	25	8	(16)	9	4	4
3 Estimated Incurred Claims and Expense, End of Policy Year	94	26	21	87	39	(1)	59	3	—	8
4 Paid (Cumulative) as of:										
End of Policy Year	(35)	(77)	(86)	(19)	(106)	(136)	(193)	(131)	134	134
One Year Later	(35)	(77)	(86)	(19)	(106)	(136)	(193)	(131)	134	
Two Years Later	(35)	(77)	(86)	(19)	(106)	(136)	(193)	(131)		
Three Years Later	(35)	(77)	(86)	(19)	(106)	(136)	(193)			
Four Years Later	(35)	(77)	(86)	(19)	(106)	(136)				
Five Years Later	(35)	(77)	(86)	(19)	(106)					
Six Years Later	(35)	(77)	(86)	(19)						
Seven Years Later	(35)	(77)	(86)							
Eight Years Later	(35)	(77)								
Nine Years Later	(35)									
5 Re-estimated Incurred Claims and Expenses:										
End of Policy Year	94	26	(21)	87	39	(1)	59	3	—	8
One Year Later	94	26	(21)	87	39	(1)	59	3	—	
Two Years Later	94	26	(21)	87	39	(1)	59	3		
Three Years Later	94	26	(21)	87	39	(1)	59			
Four Years Later	94	26	(21)	87	39	(1)				
Five Years Later	94	26	(21)	87	39					
Six Years Later	94	26	(21)	87						
Seven Years Later	94	26	(21)							
Eight Years Later	94	26								
Nine Years Later	94									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	—	—	—	—	—	—	—	—	—	—

Schedule 17
Claims Development Information
Last Ten Fiscal Years
 (Expressed In Thousands)

Fire and Tornado Fund

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1 Net Earned Required Contribution and Investment Revenues	\$ (2,124)	\$ 2,908	\$ 4,765	\$ 3,567	\$ 3,845	\$ 2,704	\$ 4,989	\$ 54	\$ 4,000	\$ 4,600
2 Unallocated Expenses	800	912	1,348	1,118	874	541	705	635	795	1,079
3 Estimated Incurred Claims and Expense, End of Policy Year	1,141	3,039	4,750	2,352	2,953	2,576	3,511	1,674	2,933	2,658
4 Paid (Cumulative) as of:										
End of Policy Year	9,378	8,890	3,805	8,318	3,218	2,253	3,705	2,939	3,711	5,141
One Year Later	1,553	3,117	4,466	1,158	3,218	2,253	3,705	2,939	3,711	
Two Years Later	1,564	3,119	4,466	1,158	3,218	2,253	3,705	2,939		
Three Years Later	1,564	3,119	4,466	1,158	3,218	2,253	3,705			
Four Years Later	1,564	3,119	4,466	1,158	3,218	2,253				
Five Years Later	1,564	3,119	4,466	1,158	3,218					
Six Years Later	1,564	3,119	4,466	1,158						
Seven Years Later	1,564	3,119	4,466							
Eight Years Later	1,564	3,119								
Nine Years Later	1,564									
5 Re-estimated Incurred Claims and Expenses:										
End of Policy Year	1,516	3,039	4,750	2,352	3,040	2,953	3,511	1,674	2,933	2,658
One Year Later	1,725	3,292	4,692	3,153	3,040	2,953	3,511	1,674	2,933	
Two Years Later	1,723	3,229	4,634	3,153	3,040	2,953	3,511	1,674		
Three Years Later	1,723	3,226	4,634	3,153	3,040	2,576	3,511			
Four Years Later	1,723	3,226	4,634	3,153	3,040	2,576				
Five Years Later	1,723	3,226	4,634	3,251	3,040					
Six Years Later	1,723	3,226	4,634	3,153						
Seven Years Later	1,723	3,222	4,634							
Eight Years Later	1,723	3,222								
Nine Years Later	1,723									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	582	191	(58)	—	87	—	—	—	—	—

Schedule 17
Claims Development Information
Last Ten Fiscal Years
 (Expressed In Thousands)

Workforce Safety & Insurance

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1 Net Earned Required Contribution and Investment Revenues	\$ 408	\$ 377	\$ 396	\$ 343	\$ 386	\$ 353	\$ 429	\$ (31)	\$ 249	\$ 311
2 Unallocated Expenses	41	43	47	44	45	44	48	43	49	133
3 Estimated Incurred Claims and Expense, End Of Policy Year	315	229	198	193	187	177	145	126	140	159
4 Paid (Cumulative) as of:										
End of Policy Year	61	41	40	42	42	42	33	34	43	53
One Year Later	102	74	65	76	69	62	50	52	67	
Two Years Later	120	84	73	76	77	67	54	57		
Three Years Later	132	84	78	80	82	70	56			
Four Years Later	140	88	82	82	85	73				
Five Years Later	146	91	84	83	86					
Six Years Later	150	92	85	85						
Seven Years Later	152	93	86							
Eight Years Later	153	94								
Nine Years Later	155									
5 Reestimated Incurred Claims and Expenses:										
End of Policy Year	315	229	198	192	187	177	145	126	140	159
One Year Later	283	204	177	179	174	156	118	133	133	
Two Years Later	271	191	164	172	168	134	103	101		
Three Years Later	267	174	154	157	151	123	100			
Four Years Later	265	161	141	140	137	116				
Five Years Later	263	148	131	131	129					
Six Years Later	250	139	126	127						
Seven Years Later	240	133	127							
Eight Years Later	231	121								
Nine Years Later	128									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	(83)	(229)	(73)	(62)	(49)	(54)	(41)	(13)	(66)	—

Schedule 18
Agricultural Production

Value of Export Shares of Agricultural Commodities - 2022 - 2023

	2022 Dollars (Mil.)	2022 % of U.S.	2023 Dollars (Mil.)	2023 % of U.S.
Wheat	1,499.4	18.02	—	0.00
Soybeans and Products	1,655.1	4.09	—	0.00
Other Oil Seeds and Products	764.9	37.99	—	0.00
Vegetables Fresh and Processed	259.0	3.37	—	0.00
Grain Products	188.4	4.10	—	0.00
Vegetable Oils	251.5	5.87	—	0.00
Feeds and Other Feed Grains	309.1	6.73	—	0.00
Corn	420.7	2.27	—	0.00
Other Plant Products	235.5	1.23	—	0.00
Beef, Veal and Pork	188.0	0.97	—	0.00
Other Livestock Products	72.5	1.48	—	0.00
Hides and Skins	12.7	1.14	—	0.00
Dairy Products	13.4	0.14	—	0.00
Other Poultry Products	4.5	0.16	—	0.00
Total	<u>\$ 5,874.7</u>	<u>3.80 %</u>	<u>\$ —</u>	<u>— %</u>

***2023 Source Data was not available for the Value of Export Shares of Agricultural Commodities at the time of publication.**

1/ Includes other nonpoultry meats, animal fat, live farm animals, and other animal parts.

2/ Includes turkey meat, eggs, and other fowl products.

3/ Includes processed feeds, fodder, barley, oats, rye, and sorghum.

4/ Includes peanuts (oil stock), other oil crops, corn meal, other oilcake and meal, protein substances, bran and residues.

5/ Includes sweeteners and products, other horticulture products, planting seeds, cocoa, coffee, and other processed foods.

Data sources: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System).

Totals may not add due to rounding.

2024 Crop Rank Among States

North Dakota Ranks	Crop Description	North Dakota Produces
1st	Canola	83 %
	Flaxseed	73 %
	Pinto Beans	70 %
	Durum Wheat	54 %
	Spring Wheat	53 %
	Sunflower Non-oil	53 %
	SunFlower Oil	49 %
	All Dry Edible Beans	37 %
	Honey Production	28 %
	Rye	25 %
	Oats	14 %

Source: North Dakota Agricultural Statistics August 2024