

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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# STATE OF NORTH DAKOTA

## Statement of Net Assets June 30, 2004

|                                    | Primary Government         |                             |                      | Component<br>Units |
|------------------------------------|----------------------------|-----------------------------|----------------------|--------------------|
|                                    | Governmental<br>Activities | Business-Type<br>Activities | Total                |                    |
| <b>ASSETS</b>                      |                            |                             |                      |                    |
| Cash and Cash Equivalents          | \$ 7,483,122               | \$ 483,934,356              | \$ 491,417,478       | \$ 24,733,184      |
| Investments                        | 732,175,269                | 1,674,610,291               | 2,406,785,560        | 578,796,307        |
| Accounts Receivable - Net          | 35,273,724                 | 68,663,743                  | 103,937,467          | 6,786,935          |
| Taxes Receivable - Net             | 169,134,234                | -                           | 169,134,234          | -                  |
| Interest Receivable - Net          | 5,940,502                  | 31,284,866                  | 37,225,368           | 3,474,222          |
| Intergovernmental Receivable - Net | 144,181,135                | 45,314,401                  | 189,495,536          | -                  |
| Internal Receivable                | 468,649,478                | -                           | 144,463,972          | -                  |
| Due from Fiduciary Funds           | 142,183                    | 9,933                       | 152,116              | -                  |
| Due from Component Units           | -                          | 1,388,885                   | 1,388,885            | -                  |
| Due from Primary Government        | -                          | -                           | -                    | 10,420,105         |
| Prepaid Items                      | 3,092,393                  | 1,473,120                   | 4,565,513            | -                  |
| Inventory                          | 11,234,042                 | 19,522,191                  | 30,756,233           | 622,138            |
| Loans and Notes Receivable - Net   | 95,673,151                 | 2,048,148,999               | 2,143,822,150        | 5,894,007          |
| Unamortized Bond Financing Costs   | 1,075,495                  | 9,124,101                   | 10,199,596           | 1,442,357          |
| Pension Assets                     | 2,480,673                  | -                           | 2,480,673            | -                  |
| Other Assets                       | -                          | 9,865,477                   | 9,865,477            | 7,825,233          |
| Capital Assets:                    |                            |                             |                      |                    |
| Land and Construction in Progress  | 250,348,020                | 49,621,113                  | 299,969,133          | 8,103,567          |
| Infrastructure - Net               | 602,089,424                | 89,943,139                  | 692,032,563          | 549,874            |
| Buildings and Equipment - Net      | 297,934,446                | 500,979,328                 | 798,913,774          | 116,006,283        |
| Total Assets                       | <u>2,826,907,291</u>       | <u>5,033,883,943</u>        | <u>7,536,605,728</u> | <u>764,654,212</u> |

|   | Primary Government         |                             |                  | Component<br>Units |
|---|----------------------------|-----------------------------|------------------|--------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total            |                    |
| <b>LIABILITIES</b>                              |                            |                             |                  |                    |
| Accounts Payable                                | 141,198,886                | 24,990,087                  | 166,188,973      | 4,757,957          |
| Accrued Payroll                                 | 28,027,464                 | 9,146,694                   | 37,174,158       | -                  |
| Securities Lending Collateral                   | 62,919,132                 | 280,513,479                 | 343,432,611      | -                  |
| Interest Payable                                | 1,793,214                  | 14,347,400                  | 16,140,614       | 1,568,000          |
| Intergovernmental Payable                       | 33,402,972                 | 1,661,088                   | 35,064,060       | -                  |
| Tax Refunds Payable                             | 40,065,704                 | -                           | 40,065,704       | -                  |
| Internal Payable                                | -                          | 324,185,506                 | -                | -                  |
| Due to Fiduciary Funds                          | 2,453                      | 26,605                      | 29,058           | -                  |
| Due to Component Units                          | -                          | 298,927                     | 298,927          | -                  |
| Due to Primary Government                       | -                          | -                           | -                | 1,388,885          |
| Contracts Payable                               | 6,982,441                  | 939,397                     | 7,921,838        | -                  |
| Federal Funds Purchased                         | -                          | 170,097,000                 | 170,097,000      | -                  |
| Reverse Repurchase Agreements                   | -                          | 20,500,000                  | 20,500,000       | -                  |
| Claimant Liability                              | 4,569,845                  | -                           | 4,569,845        | 1,525,000          |
| Deposits Held for Other Funds                   | -                          | -                           | -                | -                  |
| Other Deposits                                  | -                          | 487,391,365                 | 487,391,365      | -                  |
| Amounts Held in Custody for Others              | -                          | 6,306,087                   | 6,306,087        | -                  |
| Deferred Revenue                                | 11,791,893                 | 62,232,316                  | 74,024,209       | 4,716,083          |
| Other Liabilities                               | -                          | 12,350,176                  | 12,350,176       | 23,099,736         |
| Long-Term Liabilities                           |                            |                             |                  |                    |
| Due within one year                             | 13,943,797                 | 241,760,496                 | 255,704,293      | 12,208,874         |
| Due in more than one year                       | 174,439,656                | 1,799,201,707               | 1,973,641,363    | 187,124,837        |
| Total Liabilities                               | 519,137,457                | 3,455,948,330               | 3,650,900,281    | 236,389,372        |
| <b>NET ASSETS</b>                               |                            |                             |                  |                    |
| Invested in Capital Assets, Net of Related Debt | 1,027,252,008              | 499,222,000                 | 1,526,474,008    | 112,595,978        |
| Restricted for:                                 |                            |                             |                  |                    |
| General Government                              | 5,406,604                  | -                           | 5,406,604        | -                  |
| Education                                       | 12,566,822                 | -                           | 12,566,822       | -                  |
| Health and Human Services                       | 47,215,292                 | -                           | 47,215,292       | -                  |
| Regulatory Purposes                             | 13,059,160                 | -                           | 13,059,160       | -                  |
| Agriculture and Commerce                        | 13,688,158                 | -                           | 13,688,158       | -                  |
| Cultural and Natural Resources                  | 56,341,458                 | -                           | 56,341,458       | -                  |
| Transportation                                  | 90,462,520                 | -                           | 90,462,520       | -                  |
| Capital Projects                                | 8,906,206                  | 2,420,937                   | 11,327,143       | -                  |
| Debt Service                                    | 15,670,785                 | 80,257,900                  | 95,928,685       | 71,638,000         |
| Loan Purposes                                   | -                          | 46,968,136                  | 46,968,136       | 89,334,000         |
| Pledged Assets                                  | -                          | 143,023,000                 | 143,023,000      | -                  |
| Unemployment Compensation                       | -                          | 72,785,081                  | 72,785,081       | -                  |
| Permanent and Endowment Funds - Expendable      | 18,139,109                 | 12,541,510                  | 30,680,619       | -                  |
| Permanent and Endowment Funds - Nonexpendable   | 645,868,206                | 8,888,957                   | 654,757,163      | -                  |
| Other   | -                          | 50,916                      | 50,916           | 208,894,741        |
| Unrestricted                                    | 353,193,506                | 711,777,176                 | 1,064,970,682    | 45,802,121         |
| Total Net Assets                                | \$ 2,307,769,834           | \$ 1,577,935,613            | \$ 3,885,705,447 | \$ 528,264,840     |

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, 2004

| Functions/Programs                  | Expenses                | Program Revenues      |                                    |                                  |
|-------------------------------------|-------------------------|-----------------------|------------------------------------|----------------------------------|
|                                     |                         | Charges for Services  | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government:</b>          |                         |                       |                                    |                                  |
| Governmental Activities:            |                         |                       |                                    |                                  |
| General Government                  | \$ 81,510,068           | \$ 21,798,406         | \$ 31,098,943                      | \$ -                             |
| Education                           | 466,908,523             | 3,443,449             | 206,861,216                        | -                                |
| Health and Human Services           | 803,600,511             | 19,339,252            | 590,157,677                        | 20,000                           |
| Regulatory                          | 15,104,651              | 19,476,543            | 3,352,906                          | -                                |
| Public Safety and Corrections       | 107,036,068             | 5,460,128             | 44,740,942                         | -                                |
| Agriculture and Commerce            | 57,532,612              | 20,260,986            | 19,700,451                         | -                                |
| Natural Resources                   | 63,117,591              | 20,873,885            | 11,130,354                         | 8,647,581                        |
| Transportation                      | 360,231,121             | 64,565,890            | 143,615,231                        | 64,745,153                       |
| Intergovernmental - Revenue Sharing | 157,200,675             | -                     | -                                  | -                                |
| Interest on Long Term Debt          | 7,372,042               | -                     | -                                  | -                                |
| Total Governmental Activities       | <u>2,119,613,862</u>    | <u>175,218,539</u>    | <u>1,050,657,720</u>               | <u>73,412,734</u>                |
| Business-Type Activities:           |                         |                       |                                    |                                  |
| Bank of North Dakota                | 58,865,964              | 88,549,000            | -                                  | -                                |
| Housing Finance                     | 49,646,082              | 39,327,000            | 12,689,000                         | -                                |
| Loan Programs                       | 13,846,154              | 16,980,295            | 460,486                            | -                                |
| Mill and Elevator                   | 92,261,275              | 97,914,279            | 17,902                             | -                                |
| State Fair                          | 4,323,777               | 3,201,041             | 310,541                            | -                                |
| Unemployment Compensation           | 49,327,620              | 64,644,433            | 3,046,308                          | -                                |
| University System                   | 656,811,533             | 270,650,811           | 194,827,531                        | 9,405,153                        |
| Workforce Safety and Insurance      | 125,727,859             | 99,083,053            | 95,416,258                         | -                                |
| Other                               | 11,131,686              | 15,270,970            | 2,380,925                          | -                                |
| Total Business-Type Activities      | <u>1,061,941,950</u>    | <u>695,620,882</u>    | <u>309,148,951</u>                 | <u>9,405,153</u>                 |
| Total Primary Government            | <u>\$ 3,181,555,812</u> | <u>\$ 870,839,421</u> | <u>\$ 1,359,806,671</u>            | <u>\$ 82,817,887</u>             |
| <b>Component Units:</b>             | <u>\$ 61,110,043</u>    | <u>\$ 27,969,195</u>  | <u>\$ 178,441,401</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 Permanent Fund Principal

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets, Beginning of Year, as Restated

Net Assets, Ending

| <b>Net (Expense) Revenue and Change in Net Assets</b> |                                     |                    |                            |
|---|-------------------------------------|--------------------|----------------------------|
| <b>Primary Government</b>                             |                                     |                    | <b>Component<br/>Units</b> |
| <b>Governmental<br/>Activities</b>                    | <b>Business-Type<br/>Activities</b> | <b>Total</b>       |                            |
| \$  | (28,612,719)                        | \$                 | (28,612,719)               |
|   | (256,603,858)                       |                    | (256,603,858)              |
|   | (194,083,582)                       |                    | (194,083,582)              |
|   | 7,724,798                           |                    | 7,724,798                  |
|   | (56,834,998)                        |                    | (56,834,998)               |
|   | (17,571,175)                        |                    | (17,571,175)               |
|   | (22,465,771)                        |                    | (22,465,771)               |
|   | (87,304,847)                        |                    | (87,304,847)               |
|   | (157,200,675)                       |                    | (157,200,675)              |
|   | (7,372,042)                         |                    | (7,372,042)                |
|   | <u>(820,324,869)</u>                |                    | <u>(820,324,869)</u>       |
|   | \$ 29,683,036                       |                    | 29,683,036                 |
|   | 2,369,918                           |                    | 2,369,918                  |
|   | 3,594,627                           |                    | 3,594,627                  |
|   | 5,670,906                           |                    | 5,670,906                  |
|   | (812,195)                           |                    | (812,195)                  |
|   | 18,363,121                          |                    | 18,363,121                 |
|   | (181,928,038)                       |                    | (181,928,038)              |
|   | 68,771,452                          |                    | 68,771,452                 |
|   | 6,520,209                           |                    | 6,520,209                  |
|   | <u>-</u>                            |                    | <u>(47,766,964)</u>        |
|   | <u>(820,324,869)</u>                |                    | <u>(868,091,833)</u>       |
|   |                                     |                    | <u>\$ 145,300,553</u>      |
|   | 266,252,580                         | -                  | 266,252,580                |
|   | 599,064,637                         | -                  | 599,064,637                |
|   | 112,454,541                         | -                  | 112,454,541                |
|   | 61,395,792                          | -                  | 61,395,792                 |
|   | 1,103,625                           | -                  | 1,103,625                  |
|   | 12,640,791                          | -                  | 12,640,791                 |
|   | 10,528,733                          | -                  | 10,528,733                 |
|   | -                                   | -                  | -                          |
|   | 11,262,038                          | -                  | 11,262,038                 |
|   | (152,421,836)                       | 155,342,786        | 2,920,950                  |
|   | <u>922,280,901</u>                  | <u>155,342,786</u> | <u>1,077,623,687</u>       |
|   | 101,956,032                         | 107,575,822        | 209,531,854                |
|   | 2,205,813,802                       | 1,470,359,791      | 3,676,173,593              |
| \$  | <u>2,307,769,834</u>                | \$                 | <u>1,577,935,613</u>       |
|   |                                     | \$                 | <u>3,885,705,447</u>       |
|   |                                     |                    | <u>\$ 528,264,840</u>      |

The Accompanying Notes are an Integral Part of the Financial Statements

# STATE OF NORTH DAKOTA

## Balance Sheet Governmental Funds June 30, 2004

|  | General               | Federal               | School<br>Permanent<br>Trust Fund | Other<br>Governmental<br>Funds | Total                   |
|--|-----------------------|-----------------------|-----------------------------------|--------------------------------|-------------------------|
| <b>ASSETS</b>                              |                       |                       |                                   |                                |                         |
| Cash Deposits at the Bank of ND            | \$ 72,958,642         | \$ 50,736,770         | \$ 3,299,894                      | \$ 260,230,283                 | \$ 387,225,589          |
| Cash and Cash Equivalents                  | 1,245,959             | 68,346                | -                                 | 6,165,067                      | 7,479,372               |
| Investments at the Bank of ND              | -                     | -                     | -                                 | 53,095,985                     | 53,095,985              |
| Investments                                | -                     | -                     | 672,695,870                       | 52,933,276                     | 725,629,146             |
| Accounts Receivable - Net                  | 3,174,549             | 5,759,119             | 5,191,210                         | 21,088,265                     | 35,213,143              |
| Taxes Receivable - Net                     | 124,571,690           | -                     | 219,583                           | 44,342,961                     | 169,134,234             |
| Interest Receivable - Net                  | 2,798                 | 45                    | 4,669,904                         | 1,214,777                      | 5,887,524               |
| Intergovernmental Receivable - Net         | 541,704               | 138,039,333           | -                                 | 5,402,539                      | 143,983,576             |
| Due from Other Funds                       | 90,052,858            | 12,301,571            | 5,554,445                         | 22,777,329                     | 130,686,203             |
| Prepaid Items                              | 360,385               | 904,560               | -                                 | 1,824,249                      | 3,089,194               |
| Inventory                                  | 701,822               | 3,059,510             | -                                 | 4,431,196                      | 8,192,528               |
| Loans and Notes Receivable - Net           | 94,904                | -                     | 24,020,190                        | 71,558,057                     | 95,673,151              |
| <b>Total Assets</b>                        | <b>\$ 293,705,311</b> | <b>\$ 210,869,254</b> | <b>\$ 715,651,096</b>             | <b>\$ 545,063,984</b>          | <b>\$ 1,765,289,645</b> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                       |                       |                                   |                                |                         |
| Liabilities:                               |                       |                       |                                   |                                |                         |
| Accounts Payable                           | \$ 23,223,249         | \$ 92,690,943         | \$ 282,094                        | \$ 23,960,237                  | \$ 140,156,523          |
| Accrued Payroll                            | 14,188,598            | 5,897,934             | -                                 | 6,743,776                      | 26,830,308              |
| Securities Lending Collateral              | -                     | -                     | 46,744,450                        | 14,995,575                     | 61,740,025              |
| Interest Payable                           | 36,867                | -                     | -                                 | 3,117                          | 39,984                  |
| Intergovernmental Payable                  | 373,580               | 1,632,685             | -                                 | 31,396,107                     | 33,402,372              |
| Tax Refunds Payable                        | 39,722,869            | -                     | -                                 | 342,835                        | 40,065,704              |
| Due to Other Funds                         | 16,453,526            | 72,875,154            | 47,392                            | 22,487,340                     | 111,863,412             |
| Contracts Payable                          | 2,991                 | 5,623,061             | -                                 | 1,356,389                      | 6,982,441               |
| Claims/Judgments Payable                   | -                     | -                     | 4,569,845                         | -                              | 4,569,845               |
| Deferred Revenue                           | 2,948,718             | 12,249,776            | -                                 | 10,091,756                     | 25,290,250              |
| <b>Total Liabilities</b>                   | <b>96,950,398</b>     | <b>190,969,553</b>    | <b>51,643,781</b>                 | <b>111,377,132</b>             | <b>450,940,864</b>      |
| Fund Balances:                             |                       |                       |                                   |                                |                         |
| Reserved for:                              |                       |                       |                                   |                                |                         |
| Inventory                                  | 701,822               | 207,013               | -                                 | 4,431,196                      | 5,340,031               |
| Long - Term Receivables                    | 46,650                | -                     | -                                 | 66,218,812                     | 66,265,462              |
| Capital Projects                           | -                     | -                     | -                                 | 8,906,206                      | 8,906,206               |
| Debt Service                               | -                     | -                     | -                                 | 16,885,869                     | 16,885,869              |
| Prepaid Expenditures                       | 360,385               | 904,560               | -                                 | 1,824,249                      | 3,089,194               |
| Legal Requirements                         | -                     | -                     | -                                 | 9,318,192                      | 9,318,192               |
| Undistributed Revenue                      | -                     | -                     | 10,596,616                        | -                              | 10,596,616              |
| Permanent Trust Fund                       | -                     | -                     | 653,410,699                       | -                              | 653,410,699             |
| Unreserved, Reported in :                  |                       |                       |                                   |                                |                         |
| General Fund                               | 195,646,056           | -                     | -                                 | -                              | 195,646,056             |
| Special Revenue Funds                      | -                     | 18,788,128            | -                                 | 326,102,328                    | 344,890,456             |
| <b>Total Fund Balances</b>                 | <b>196,754,913</b>    | <b>19,899,701</b>     | <b>664,007,315</b>                | <b>433,686,852</b>             | <b>1,314,348,781</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 293,705,311</b> | <b>\$ 210,869,254</b> | <b>\$ 715,651,096</b>             | <b>\$ 545,063,984</b>          | <b>\$ 1,765,289,645</b> |

# STATE OF NORTH DAKOTA

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## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

June 30, 2004

**Total Fund Balances-Governmental Funds** \$ 1,314,348,781

Amounts reported for governmental activities in the statement of net assets 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 \$3,594,797,294 and the accumulated depreciation is \$2,501,413,162. 1,093,384,132

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 deferred in the funds. 16,625,032

Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 57,270,835

Bonds issued by the State have associated costs that are paid from current available financial resources in the funds. However, these costs are deferred on the statement of net assets. 1,009,000

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. 2,480,673

Long-term liabilities 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                             | (140,422,602) |                      |
| Notes Payable                             | (5,021,590)   |                      |
| Accrued Interest on Long-Term Liabilities | (1,746,171)   |                      |
| Compensated Absences                      | (27,437,572)  |                      |
| Intergovernmental Payable                 | (668,248)     |                      |
| Capital Leases                            | (1,052,436)   |                      |
| Claims and Judgments                      | (1,000,000)   |                      |
| Total Long-Term Liabilities               |               | <u>(177,348,619)</u> |

**Net Assets of Governmental Activities** \$ 2,307,769,834

# STATE OF NORTH DAKOTA

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2004

|   | General              | Federal             | School<br>Permanent<br>Trust Fund | Other<br>Governmental<br>Funds | Total                |
|---|----------------------|---------------------|-----------------------------------|--------------------------------|----------------------|
| <b>REVENUES</b>                                   |                      |                     |                                   |                                |                      |
| Individual and Corporate Income Taxes             | \$ 258,325,963       | \$ -                | \$ -                              | \$ 7,581,394                   | \$ 265,907,357       |
| Sales and Use Taxes                               | 442,915,770          | -                   | -                                 | 156,491,595                    | 599,407,365          |
| Oil, Gas, and Coal Taxes                          | 67,302,408           | -                   | 2,550,592                         | 42,601,541                     | 112,454,541          |
| Business Taxes                                    | 42,892,875           | -                   | -                                 | 18,502,917                     | 61,395,792           |
| Licenses, Permits and Fees                        | 11,824,190           | 15,595              | -                                 | 88,662,710                     | 100,502,495          |
| Intergovernmental                                 | 25,444,241           | 984,518,807         | -                                 | 1,370,882                      | 1,011,333,930        |
| Sales and Services                                | 2,293,692            | 2,682,441           | -                                 | 39,453,332                     | 44,429,465           |
| Royalties and Rents                               | 6,356,596            | -                   | 16,125,279                        | 2,998,201                      | 25,480,076           |
| Fines and Forfeits                                | 7,379,437            | -                   | 919,573                           | 7,056,736                      | 15,355,746           |
| Interest and Investment Income                    | 956,020              | 14,308              | 76,645,977                        | 6,679,062                      | 84,295,367           |
| Tobacco Settlement                                | -                    | -                   | 10,342,465                        | 12,640,791                     | 22,983,256           |
| Commodity Assessments                             | -                    | -                   | -                                 | 11,897,001                     | 11,897,001           |
| Miscellaneous                                     | 1,196,937            | 21,233              | -                                 | 4,192,843                      | 5,411,013            |
| <b>Total Revenues</b>                             | <b>866,888,129</b>   | <b>987,252,384</b>  | <b>106,583,886</b>                | <b>400,129,005</b>             | <b>2,360,853,404</b> |
| <b>EXPENDITURES</b>                               |                      |                     |                                   |                                |                      |
| Current:  |                      |                     |                                   |                                |                      |
| General Government                                | 61,905,844           | 5,050,639           | -                                 | 7,256,257                      | 74,212,740           |
| Education   | 310,471,873          | 109,194,718         | 2,835,685                         | 39,289,107                     | 461,791,383          |
| Health and Human Services                         | 206,303,706          | 554,114,922         | -                                 | 34,593,959                     | 795,012,587          |
| Regulatory  | 7,105,914            | 2,412,473           | -                                 | 5,429,917                      | 14,948,304           |
| Public Safety and Corrections                     | 60,953,820           | 37,346,805          | -                                 | 3,974,618                      | 102,275,243          |
| Agriculture and Commerce                          | 12,182,156           | 20,416,859          | -                                 | 24,877,124                     | 57,476,139           |
| Natural Resources                                 | 11,346,360           | 11,625,474          | -                                 | 34,565,140                     | 57,536,974           |
| Transportation                                    | 522,500              | 142,889,814         | -                                 | 96,631,326                     | 240,043,640          |
| Intergovernmental - Revenue Sharing               | -                    | -                   | -                                 | 157,200,675                    | 157,200,675          |
| Capital Outlay                                    | 4,005,247            | 82,787,847          | -                                 | 38,738,123                     | 125,531,217          |
| Debt Service:                                     |                      |                     |                                   |                                |                      |
| Principal   | 59,782               | 20,528              | -                                 | 8,301,460                      | 8,381,770            |
| Interest and Other Charges                        | -                    | -                   | -                                 | 6,962,225                      | 6,962,225            |
| <b>Total Expenditures</b>                         | <b>674,857,202</b>   | <b>965,860,079</b>  | <b>2,835,685</b>                  | <b>457,819,931</b>             | <b>2,101,372,897</b> |
| Revenues over (under) Expenditures                | 192,030,927          | 21,392,305          | 103,748,201                       | (57,690,926)                   | 259,480,507          |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                      |                     |                                   |                                |                      |
| Bonds and Notes Issued                            | 1,869,275            | 2,501,493           | -                                 | 1,500,243                      | 5,871,011            |
| Capital Lease Acquisitions                        | 156,018              | 31,265              | -                                 | -                              | 187,283              |
| Sale of Capital Assets                            | 13,409               | -                   | -                                 | 567,641                        | 581,050              |
| Other   | (18,083)             | -                   | -                                 | 10,221                         | (7,862)              |
| Transfers In                                      | 97,345,371           | 156,087             | -                                 | 109,978,536                    | 207,479,994          |
| Transfers Out                                     | (221,558,208)        | (29,928,242)        | (32,287,952)                      | (76,563,592)                   | (360,337,994)        |
| <b>Total Other Financing Sources (Uses)</b>       | <b>(122,192,218)</b> | <b>(27,239,397)</b> | <b>(32,287,952)</b>               | <b>35,493,049</b>              | <b>(146,226,518)</b> |
| Net Change in Fund Balances                       | 69,838,709           | (5,847,092)         | 71,460,249                        | (22,197,877)                   | 113,253,989          |
| Fund Balances - Beginning of Year,<br>as Adjusted | 126,916,204          | 25,746,793          | 592,547,066                       | 455,884,729                    | 1,201,094,792        |
| Fund Balances - End of Year                       | \$ 196,754,913       | \$ 19,899,701       | \$ 664,007,315                    | \$ 433,686,852                 | \$ 1,314,348,781     |

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, 2004

**Net Change in Fund Balances-Total Governmental Funds** \$ 113,253,989

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                                     | 125,537,567          |              |
| Depreciation Expense                               | <u>(138,080,083)</u> |              |
| Excess of capital outlay over depreciation expense |                      | (12,542,516) |

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 assets differs from the change in fund balance by the book value of the assets sold. (4,735,345)

Donations of capital assets increase net assets in the statement of activities but do not appear in the governmental funds because they are not financial resources. 440,745

Some of the assets acquired this year were financed through capital leases. The amount financed is reported in the governmental funds as a source of financing. However, capital leases are reported as long-term liabilities in the statement of net assets. (187,283)

Based on receipt dates, some revenues are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased/decreased by this amount this year. (235,068)

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 3,999,987

Bonds proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (1,500,243)

Notes payable proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (4,370,768)

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. (90,966)

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 assets. In the current year, these amounts consist of:

|                                |                  |           |
|--------------------------------|------------------|-----------|
| Bond principal retirement      | 7,746,210        |           |
| Note payments                  | 338,372          |           |
| Capital lease payments         | <u>1,391,882</u> |           |
| Total long-term debt repayment |                  | 9,476,464 |

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. These activities consist of:

|   |                  |                    |
|---|------------------|--------------------|
| Net increase/decrease in accrued interest     | 76,920           |                    |
| Net increase/decrease in compensated absences | (1,358,333)      |                    |
| Net increase/decrease in claims and judgments | <u>(271,551)</u> |                    |
| Total additional expenditures                 |                  | <u>(1,552,964)</u> |

**Change in Net Assets of Governmental Activities** \$ 101,956,032

# STATE OF NORTH DAKOTA

## Statement of Net Assets Proprietary Funds June 30, 2004

|  | Business-Type Activities - Enterprise Funds |                    |                      |                                      |                              | Governmental<br>Activities |                           |
|--|---|--------------------|----------------------|--------------------------------------|------------------------------|----------------------------|---------------------------|
|  | Bank of<br>North<br>Dakota                  | Housing<br>Finance | University<br>System | Workforce<br>Safety and<br>Insurance | Other<br>Enterprise<br>Funds | Total                      | Internal<br>Service Funds |
| <b>ASSETS</b>                            |   |                    |                      |                                      |                              |                            |                           |
| Current Assets:                          |   |                    |                      |                                      |                              |                            |                           |
| Cash Deposits at the Bank of ND          | \$ 1,451,000                                | \$ 56,767,546      | \$ 1,748,242         | \$ 29,813,163                        | \$ 89,779,951                | \$ 8,204,218               |                           |
| Cash and Cash Equivalents                | 35,000                                      | 4,767,609          | -                    | 58,213,623                           | 63,016,232                   | 3,750                      |                           |
| Investments at the Bank of ND            | -   | 52,052,392         | 44,012,071           | 3,203,348                            | 99,267,811                   | -                          |                           |
| Investments                              | 4,164,000                                   | 110,653            | 1,303,048,697        | 25,624,406                           | 1,332,947,756                | 6,546,123                  |                           |
| Accounts Receivable - Net                | 504,000                                     | 12,036,189         | 18,887,646           | 37,235,908                           | 68,663,743                   | 60,581                     |                           |
| Interest Receivable - Net                | 239,000                                     | 9,840              | 7,618,804            | 2,784,354                            | 10,651,998                   | 52,978                     |                           |
| Intergovernmental Receivable - Net       | 349,000                                     | 42,114,563         | -                    | 2,850,838                            | 45,314,401                   | 197,559                    |                           |
| Due from Other Funds                     | 41,000                                      | 6,871,428          | 33,710               | 177,424                              | 7,123,562                    | 4,084,144                  |                           |
| Due from Fiduciary Funds                 | -   | -                  | -                    | 9,933                                | 9,933                        | 142,183                    |                           |
| Due from Component Units                 | -   | 1,388,885          | -                    | -                                    | 1,388,885                    | -                          |                           |
| Prepaid Items                            | 30,000                                      | -                  | 24,520               | 1,418,600                            | 1,473,120                    | 3,199                      |                           |
| Inventory                                | -   | 7,051,335          | -                    | 12,470,856                           | 19,522,191                   | 110,991                    |                           |
| Loans and Notes Receivable - Net         | -   | 5,736,528          | -                    | 13,217,704                           | 18,954,232                   | -                          |                           |
| Other Current Assets                     | -   | 1,883,639          | -                    | -                                    | 1,883,639                    | -                          |                           |
| Restricted Cash at the Bank of ND        | 5,473,000                                   | -                  | -                    | 6,019,901                            | 11,492,901                   | 1,648,029                  |                           |
| Restricted Cash and Cash Equivalents     | 140,182,000                                 | -                  | -                    | -                                    | 140,182,000                  | -                          |                           |
| Restricted Investments at the Bank of ND | -   | -                  | -                    | 37,022,150                           | 37,022,150                   | -                          |                           |
| Restricted Interest Receivable - Net     | 2,532,000                                   | -                  | -                    | 2,995,868                            | 5,527,868                    | -                          |                           |
| Restricted Loans Receivable - Net        | 9,851,000                                   | -                  | -                    | 26,234,000                           | 36,085,000                   | -                          |                           |
| <b>Total Current Assets</b>              | <b>164,851,000</b>                          | <b>190,790,607</b> | <b>1,375,373,690</b> | <b>259,292,076</b>                   | <b>1,990,307,373</b>         | <b>21,053,755</b>          |                           |
| Noncurrent Assets:                       |   |                    |                      |                                      |                              |                            |                           |
| Restricted Cash at the Bank of ND        | -   | 9,562,767          | -                    | -                                    | 9,562,767                    | -                          |                           |
| Restricted Cash and Cash Equivalents     | -   | 3,811,781          | -                    | 257,343                              | 4,069,124                    | -                          |                           |
| Investments at the Bank of ND            | -   | 6,909,325          | -                    | -                                    | 6,909,325                    | -                          |                           |
| Investments                              | -   | 13,796,996         | -                    | -                                    | 13,796,996                   | -                          |                           |
| Restricted Investments at the Bank of ND | -   | 26,022,850         | -                    | -                                    | 26,022,850                   | -                          |                           |
| Restricted Investments                   | 26,583,000                                  | 16,807,276         | -                    | 222,263                              | 43,612,539                   | -                          |                           |
| Loans and Notes Receivable - Net         | -   | 37,432,753         | -                    | 54,873,014                           | 92,305,767                   | -                          |                           |
| Restricted Loans Receivable - Net        | 493,315,000                                 | -                  | -                    | 86,374,000                           | 579,689,000                  | -                          |                           |
| Unamortized Bond Issuance Costs          | 5,840,000                                   | 2,319,865          | -                    | 964,236                              | 9,124,101                    | 66,495                     |                           |
| Other Noncurrent Assets                  | 1,891,000                                   | 163,287            | -                    | 1,629,551                            | 3,683,838                    | -                          |                           |
| Capital Assets:                          |   |                    |                      |                                      |                              |                            |                           |
| Land and Construction in Progress        | -   | 47,247,582         | 901,974              | 799,557                              | 48,949,113                   | 3,595,766                  |                           |
| Infrastructure - Net                     | -   | 88,689,107         | -                    | 1,254,032                            | 89,943,139                   | -                          |                           |
| Buildings and Equipment -Net             | 35,000                                      | 443,368,288        | 11,203,614           | 42,235,426                           | 496,842,328                  | 53,391,992                 |                           |
| <b>Total Noncurrent Assets</b>           | <b>527,664,000</b>                          | <b>696,131,877</b> | <b>12,105,588</b>    | <b>188,609,422</b>                   | <b>1,424,510,887</b>         | <b>57,054,253</b>          |                           |
| Bank Related Assets:                     |   |                    |                      |                                      |                              |                            |                           |
| Cash and Cash Equivalents                | \$ 276,667,000                              |                    |                      |                                      | 276,667,000                  |                            |                           |
| Investments                              | 284,253,000                                 |                    |                      |                                      | 284,253,000                  |                            |                           |
| Interest Receivable - Net                | 15,105,000                                  |                    |                      |                                      | 15,105,000                   |                            |                           |
| Due from Other Funds                     | 46,912,000                                  |                    |                      |                                      | 46,912,000                   |                            |                           |
| Loans and Notes Receivable - Net         | 1,321,115,000                               |                    |                      |                                      | 1,321,115,000                |                            |                           |
| Other Assets                             | 4,298,000                                   |                    |                      |                                      | 4,298,000                    |                            |                           |
| Capital Assets:                          |   |                    |                      |                                      |                              |                            |                           |
| Land and Construction in Progress        | 672,000                                     |                    |                      |                                      | 672,000                      |                            |                           |
| Buildings and Equipment - Net            | 4,137,000                                   |                    |                      |                                      | 4,137,000                    |                            |                           |
| <b>Total Bank Related Assets</b>         | <b>1,953,159,000</b>                        |                    |                      |                                      | <b>1,953,159,000</b>         |                            |                           |
| <b>Total Assets</b>                      | <b>1,953,159,000</b>                        | <b>692,515,000</b> | <b>886,922,484</b>   | <b>1,387,479,278</b>                 | <b>447,901,498</b>           | <b>5,367,977,260</b>       | <b>78,108,008</b>         |

# STATE OF NORTH DAKOTA

## Statement of Net Assets Proprietary Funds June 30, 2004

|  | Business-Type Activities - Enterprise Funds |                      |                       |                                      |                              | Governmental<br>Activities |                           |
|--|---|----------------------|-----------------------|--------------------------------------|------------------------------|----------------------------|---------------------------|
|  | Bank of<br>North<br>Dakota                  | Housing<br>Finance   | University<br>System  | Workforce<br>Safety and<br>Insurance | Other<br>Enterprise<br>Funds | Total                      | Internal<br>Service Funds |
| <b>LIABILITIES</b>                                 |   |                      |                       |                                      |                              |                            |                           |
| Current Liabilities:                               |   |                      |                       |                                      |                              |                            |                           |
| Accounts Payable                                   |   | 622,000              | 17,432,187            | 2,082,393                            | 4,853,507                    | 24,990,087                 | 1,042,363                 |
| Accrued Payroll                                    |   | -                    | 8,628,381             | -                                    | 518,313                      | 9,146,694                  | 1,197,156                 |
| Securities Lending Collateral                      |   | -                    | -                     | 275,839,175                          | 4,674,304                    | 280,513,479                | 1,179,107                 |
| Interest Payable                                   | 13,318,000                                  |                      | 51,374                | -                                    | 381,876                      | 13,751,250                 | 7,059                     |
| Intergovernmental Payable                          | 1,267,000                                   |                      | 131,275               | -                                    | 1,427,088                    | 2,825,363                  | 600                       |
| Due to Other Funds                                 | 13,138,000                                  |                      | 11,613,542            | 90,727                               | 41,752,424                   | 66,594,693                 | 2,248,305                 |
| Due to Fiduciary Funds                             |   |                      | -                     | -                                    | 26,605                       | 26,605                     | 2,453                     |
| Due to Component Units                             |   |                      | 298,927               | -                                    | -                            | 298,927                    | -                         |
| Contracts Payable                                  |   |                      | 939,397               | -                                    | -                            | 939,397                    | -                         |
| Other Deposits                                     |   |                      | 7,333,618             | -                                    | -                            | 7,333,618                  | -                         |
| Amounts Held in Custody for Others                 | 5,473,000                                   |                      | -                     | -                                    | 833,087                      | 6,306,087                  | -                         |
| Claims/Judgments Payable                           |   |                      | -                     | 70,000,000                           | 558,406                      | 70,558,406                 | 2,420,299                 |
| Compensated Absences Payable                       | 110,000                                     |                      | 845,540               | 549,000                              | 92,805                       | 1,597,345                  | 53,089                    |
| Notes Payable                                      |   |                      | 917,738               | -                                    | -                            | 917,738                    | 289,673                   |
| Capital Leases Payable                             |   |                      | 4,904,808             | -                                    | 29,384                       | 4,934,192                  | 24,711                    |
| Bonds Payable                                      | 8,870,000                                   |                      | 5,474,540             | -                                    | 205,000                      | 14,549,540                 | -                         |
| Deferred Revenue                                   | 65,000                                      |                      | 15,760,654            | 45,969,560                           | 437,102                      | 62,232,316                 | 196,152                   |
| Other Current Liabilities                          |   |                      | -                     | -                                    | 7,000                        | 7,000                      | -                         |
| <b>Total Current Liabilities</b>                   |   | <b>42,863,000</b>    | <b>74,331,981</b>     | <b>394,530,855</b>                   | <b>55,796,901</b>            | <b>567,522,737</b>         | <b>8,660,967</b>          |
| Noncurrent Liabilities:                            |   |                      |                       |                                      |                              |                            |                           |
| Intergovernmental Payable                          |   | 1,885,000            | 1,332,638             | -                                    | 6,682,195                    | 9,899,833                  | -                         |
| Claims/Judgments Payable                           |   |                      | -                     | 534,100,000                          | 142,173                      | 534,242,173                | 2,638,658                 |
| Compensated Absences Payable                       |   | 38,000               | 17,614,210            | 96,742                               | 832,689                      | 18,581,641                 | 1,195,393                 |
| Notes Payable                                      |   |                      | 8,539,917             | -                                    | -                            | 8,539,917                  | 143,729                   |
| Capital Leases Payable                             |   |                      | 29,144,183            | -                                    | 52,089                       | 29,196,272                 | 54,377                    |
| Bonds Payable                                      | 576,662,000                                 |                      | 117,217,364           | -                                    | 127,106,507                  | 820,985,871                | 5,961,076                 |
| Other Noncurrent Liabilities                       |   |                      | 467,396               | -                                    | 3,354,780                    | 3,822,176                  | -                         |
| <b>Total Noncurrent Liabilities</b>                |   | <b>578,585,000</b>   | <b>174,315,708</b>    | <b>534,196,742</b>                   | <b>138,170,433</b>           | <b>1,425,267,883</b>       | <b>9,993,233</b>          |
| Bank Related Liabilities:                          |   |                      |                       |                                      |                              |                            |                           |
| Interest Payable                                   | 285,000                                     |                      |                       |                                      |                              | 285,000                    |                           |
| Due to Other Funds                                 | 16,850,000                                  |                      |                       |                                      |                              | 16,850,000                 |                           |
| Federal Funds Purchased                            | 170,097,000                                 |                      |                       |                                      |                              | 170,097,000                |                           |
| Reverse Repurchase Agreements                      | 20,500,000                                  |                      |                       |                                      |                              | 20,500,000                 |                           |
| Deposits Held for Other Funds                      | 617,894,502                                 |                      |                       |                                      |                              | 617,894,502                |                           |
| Other Deposits                                     | 439,491,498                                 |                      |                       |                                      |                              | 439,491,498                |                           |
| Other Liabilities                                  | 8,521,000                                   |                      |                       |                                      |                              | 8,521,000                  |                           |
| Long Term Liabilities:                             |   |                      |                       |                                      |                              |                            |                           |
| Due within one year                                | 148,039,000                                 |                      |                       |                                      |                              | 148,039,000                |                           |
| Due in more than one year                          | 377,756,000                                 |                      |                       |                                      |                              | 377,756,000                |                           |
| <b>Total Bank Related Liabilities</b>              | <b>1,799,434,000</b>                        |                      |                       |                                      |                              | <b>1,799,434,000</b>       |                           |
| <b>Total Liabilities</b>                           | <b>1,799,434,000</b>                        | <b>621,448,000</b>   | <b>248,647,689</b>    | <b>928,727,597</b>                   | <b>193,967,334</b>           | <b>3,792,224,620</b>       | <b>18,654,200</b>         |
| <b>NET ASSETS</b>                                  |   |                      |                       |                                      |                              |                            |                           |
| Invested in Capital Assets, Net of<br>Related Debt | 4,809,000                                   | 35,000               | 439,983,819           | 12,105,588                           | 42,288,593                   | 499,222,000                | 56,536,881                |
| Restricted for:                                    |   |                      |                       |                                      |                              |                            |                           |
| Capital Projects                                   | -   | -                    | 2,414,351             | -                                    | 6,586                        | 2,420,937                  | -                         |
| Debt Service                                       | -   | 45,457,000           | 10,718,880            | -                                    | 24,082,020                   | 80,257,900                 | -                         |
| Loan Purposes                                      | -   | -                    | 45,891,192            | -                                    | 1,076,944                    | 46,968,136                 | -                         |
| Pledged Assets                                     | 124,986,000                                 | 18,037,000           | -                     | -                                    | -                            | 143,023,000                | -                         |
| Unemployment Compensation                          | -   | -                    | -                     | -                                    | 72,785,081                   | 72,785,081                 | -                         |
| Endowment Funds-Nonexpendable                      | -   | -                    | 12,541,510            | -                                    | -                            | 12,541,510                 | -                         |
| Endowment Funds-Expendable                         | -   | -                    | 8,888,957             | -                                    | -                            | 8,888,957                  | -                         |
| Other  | -   | -                    | 50,916                | -                                    | -                            | 50,916                     | -                         |
| Unrestricted                                       | 23,930,000                                  | 7,538,000            | 117,785,170           | 446,646,093                          | 113,694,940                  | 709,594,203                | 2,916,927                 |
| <b>Total Net Assets</b>                            | <b>\$ 153,725,000</b>                       | <b>\$ 71,067,000</b> | <b>\$ 638,274,795</b> | <b>\$ 458,751,681</b>                | <b>\$ 253,934,164</b>        | <b>\$ 1,575,752,640</b>    | <b>\$ 59,453,808</b>      |

### Reconciliation of the Proprietary Funds Statement of Net Assets to the Statement of Net Assets June 30, 2004

**Total Net Assets - Enterprise Funds** \$ 1,575,752,640

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

Prior year net assets restatement and reduction of current year expenses  
based on the allocation of internal service fund's net income 2,182,973

**Net Assets of Business-Type Activities** \$ 1,577,935,613

# STATE OF NORTH DAKOTA

## Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds For the Fiscal Year Ended June 30, 2004

|  | Business-Type Activities - Enterprise Funds |                      |                       |                                      |                              |                         | Governmental<br>Activities |
|--|---|----------------------|-----------------------|--------------------------------------|------------------------------|-------------------------|----------------------------|
|  | Bank<br>of<br>North Dakota                  | Housing<br>Finance   | University<br>System  | Workforce<br>Safety and<br>Insurance | Other<br>Enterprise<br>Funds | Total                   | Internal<br>Service Funds  |
| <b>OPERATING REVENUES</b>                                    |   |                      |                       |                                      |                              |                         |                            |
| Sales and Services   | \$ 11,474,000                               | \$ 1,499,000         | \$ 41,112,550         | \$ 98,218,452                        | \$ 184,288,123               | \$ 336,592,125          | \$ 59,259,451              |
| Auxiliary Sales Pledged for Bonds                            | -   | -                    | 73,281,170            | -                                    | -                            | 73,281,170              | -                          |
| Tuition and Fees   | -   | -                    | 151,024,776           | -                                    | -                            | 151,024,776             | -                          |
| Grants and Contributions                                     | -   | -                    | 173,617,246           | -                                    | -                            | 173,617,246             | -                          |
| Royalties and Rents  | -   | -                    | -                     | -                                    | 11,970                       | 11,970                  | -                          |
| Fines and Forfeits   | -   | -                    | -                     | 864,601                              | -                            | 864,601                 | -                          |
| Interest and Investment Income                               | 77,075,000                                  | 37,828,000           | -                     | -                                    | 13,333,703                   | 128,236,703             | -                          |
| Miscellaneous  | -   | -                    | 1,365,786             | -                                    | 26,106                       | 1,391,892               | 88,703                     |
| <b>Total Operating Revenues</b>                              | <b>88,549,000</b>                           | <b>39,327,000</b>    | <b>440,401,528</b>    | <b>99,083,053</b>                    | <b>197,659,902</b>           | <b>865,020,483</b>      | <b>59,348,154</b>          |
| <b>OPERATING EXPENSES</b>                                    |   |                      |                       |                                      |                              |                         |                            |
| Cost of Sales and Services                                   | -   | -                    | 34,374,369            | -                                    | 89,281,198                   | 123,655,567             | 965,818                    |
| Salaries and Benefits  | 7,648,000                                   | 1,796,000            | 408,190,474           | 11,150,352                           | 4,546,510                    | 433,331,336             | 14,605,597                 |
| Operating  | 8,600,000                                   | 4,927,000            | 154,630,394           | 4,922,861                            | 20,420,415                   | 193,500,670             | 27,518,985                 |
| Claims   | -   | -                    | -                     | 105,131,905                          | 49,715,730                   | 154,847,635             | 2,916,715                  |
| Scholarships and Fellowships                                 | -   | -                    | 19,413,864            | -                                    | -                            | 19,413,864              | -                          |
| Interest   | 41,755,000                                  | 29,615,000           | -                     | -                                    | 2,349,329                    | 73,719,329              | -                          |
| Depreciation   | 940,000                                     | 21,000               | 33,870,398            | 515,556                              | 3,765,673                    | 39,112,627              | 8,108,308                  |
| Miscellaneous  | -   | -                    | -                     | -                                    | 5,111                        | 5,111                   | -                          |
| <b>Total Operating Expenses</b>                              | <b>58,943,000</b>                           | <b>36,359,000</b>    | <b>650,479,499</b>    | <b>121,720,674</b>                   | <b>170,083,966</b>           | <b>1,037,586,139</b>    | <b>54,115,423</b>          |
| <b>Operating Income (Loss)</b>                               | <b>29,606,000</b>                           | <b>2,968,000</b>     | <b>(210,077,971)</b>  | <b>(22,637,621)</b>                  | <b>27,575,936</b>            | <b>(172,565,656)</b>    | <b>5,232,731</b>           |
| <b>NONOPERATING REVENUES<br/>(EXPENSES)</b>                  |   |                      |                       |                                      |                              |                         |                            |
| Grants and Contracts   | -   | -                    | 178,588               | -                                    | 303,681                      | 482,269                 | -                          |
| Gifts  | -   | -                    | 15,471,472            | -                                    | -                            | 15,471,472              | -                          |
| Interest and Investment Income                               | -   | 12,689,000           | 5,560,225             | 95,416,258                           | 5,912,481                    | 119,577,964             | 339,809                    |
| Interest Expense   | -   | (13,289,000)         | (5,886,436)           | (4,026,250)                          | (398,692)                    | (23,600,378)            | (249,139)                  |
| Loss on Sale of Capital Assets                               | -   | -                    | (1,336,258)           | (32,106)                             | (5,028)                      | (1,373,392)             | (705,509)                  |
| Other  | -   | -                    | 3,866,529             | -                                    | (80,851)                     | 3,785,678               | (4,143)                    |
| <b>Total Nonoperating Revenues<br/>(Expenses)</b>            | <b>-</b>                                    | <b>(600,000)</b>     | <b>17,854,120</b>     | <b>91,357,902</b>                    | <b>5,731,591</b>             | <b>114,343,613</b>      | <b>(618,982)</b>           |
| <b>Income (Loss) Before Contributions and<br/>Transfers</b>  | <b>29,606,000</b>                           | <b>2,368,000</b>     | <b>(192,223,851)</b>  | <b>68,720,281</b>                    | <b>33,307,527</b>            | <b>(58,222,043)</b>     | <b>4,613,749</b>           |
| Capital Grants and Contributions                             | -   | -                    | 9,405,153             | -                                    | -                            | 9,405,153               | -                          |
| Transfers In   | -   | -                    | 216,149,823           | -                                    | 6,283,825                    | 222,433,648             | 791,917                    |
| Transfer Out   | (25,284,000)                                | (49,000)             | (6,059,350)           | -                                    | (35,698,512)                 | (67,090,862)            | (355,753)                  |
| <b>Change in Net Assets</b>                                  | <b>4,322,000</b>                            | <b>2,319,000</b>     | <b>27,271,775</b>     | <b>68,720,281</b>                    | <b>3,892,840</b>             | <b>106,525,896</b>      | <b>5,049,913</b>           |
| <b>Total Net Assets - Beginning of Year,<br/>as Adjusted</b> | <b>149,403,000</b>                          | <b>68,748,000</b>    | <b>611,003,020</b>    | <b>390,031,400</b>                   | <b>250,041,324</b>           | <b>1,469,226,744</b>    | <b>54,403,895</b>          |
| <b>Total Net Assets - End of Year</b>                        | <b>\$ 153,725,000</b>                       | <b>\$ 71,067,000</b> | <b>\$ 638,274,795</b> | <b>\$ 458,751,681</b>                | <b>\$ 253,934,164</b>        | <b>\$ 1,575,752,640</b> | <b>\$ 59,453,808</b>       |

### Reconciliation of Statement of Revenues, Expenses and Changes in Fund Net Assets of Proprietary Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2004

|   |                       |
|---|-----------------------|
|   | \$ 106,525,896        |
| <b>Net Change in Net Assets-Total Enterprise Funds</b>  |                       |
| Amounts reported for business-type activities in the statement of activities are different because: |                       |
| Expenses were reduced based on the allocation of internal service fund's net income                 | 1,049,926             |
| <b>Change in Net Assets of Business-Type Activities</b>   | <u>\$ 107,575,822</u> |

**Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2004**

|  | Business-Type Activities - Enterprise Funds |                      |                      |                                |                        |                     | Governmental           |
|--|---|----------------------|----------------------|--------------------------------|------------------------|---------------------|------------------------|
|  | Bank of North Dakota                        | Housing Finance      | University System    | Workforce Safety and Insurance | Other Enterprise Funds | Total               | Internal Service Funds |
| <b>Cash Flows from Operating Activities:</b>                           |   |                      |                      |                                |                        |                     |                        |
| Receipts from Customers and Users                                      | \$ 11,160,000                               | \$ 191,196,000       | \$ 112,818,312       | \$ 110,298,129                 | \$ 370,077,016         | \$ 795,549,457      | \$ 59,098,713          |
| Receipts from Tuition and Fees   | -   | -                    | 152,495,218          | -                              | -                      | 152,495,218         | -                      |
| Interest Income on Loans   | -   | -                    | -                    | -                              | 500,580                | 500,580             | -                      |
| Receipts from Loan Principal Repayments                                | -   | -                    | 8,385,652            | -                              | 15,797,466             | 24,183,118          | -                      |
| Receipts from Federal and Local Agencies                               | -   | -                    | 5,585,261            | -                              | -                      | 5,585,261           | 10                     |
| Receipts from Other Funds  | -   | -                    | -                    | -                              | 89                     | 89                  | 1,445,663              |
| Receipts from Grants and Contracts                                     | -   | -                    | 163,245,154          | -                              | -                      | 163,245,154         | -                      |
| Receipts from Others   | -   | -                    | 1,901,162            | 1,730,924                      | 167,700                | 3,799,786           | 2,472                  |
| Payments for Loan Funds  | -   | -                    | (10,137,759)         | -                              | (13,392,634)           | (23,530,393)        | -                      |
| Payments for Scholarships and Fellowships                              | -   | -                    | (19,413,864)         | -                              | -                      | (19,413,864)        | -                      |
| Payments to Suppliers  | (7,241,000)                                 | (103,988,000)        | (187,879,256)        | (2,952,389)                    | (319,544,717)          | (621,605,362)       | (27,456,740)           |
| Payments to Employees  | (7,663,000)                                 | (1,793,000)          | (406,850,472)        | (8,460,068)                    | (10,228,777)           | (434,995,317)       | (13,644,090)           |
| Claim Payments   | -   | -                    | -                    | (85,595,326)                   | (38,782,122)           | (124,377,448)       | (2,489,185)            |
| Payments to Others   | -   | (1,601,000)          | -                    | (8,021,295)                    | (94,182)               | (9,716,477)         | (1,316,534)            |
| <b>Net Cash Provided by (Used for) Operating Activities</b>            | <b>(3,744,000)</b>                          | <b>83,814,000</b>    | <b>(179,850,592)</b> | <b>6,999,975</b>               | <b>4,500,419</b>       | <b>(88,280,198)</b> | <b>15,640,309</b>      |
| <b>Cash Flows from Noncapital Financing Activities:</b>                |   |                      |                      |                                |                        |                     |                        |
| Proceeds from Bonds  | -   | 101,634,000          | -                    | -                              | -                      | 101,634,000         | -                      |
| Proceeds from Sale of Notes and Other Borrowings                       | 1,210,000,000                               | -                    | -                    | -                              | 11,800,000             | 1,221,800,000       | -                      |
| Principal Payments - Bonds   | -   | -                    | -                    | -                              | (1,000,000)            | (1,000,000)         | -                      |
| Principal Payments - Notes and Other Borrowings                        | (1,105,270,000)                             | (177,594,000)        | -                    | -                              | (13,300,000)           | (1,296,164,000)     | -                      |
| Interest Payments - Bonds  | -   | (33,115,000)         | -                    | -                              | (1,750,000)            | (34,865,000)        | -                      |
| Interest Payments - Notes and Other Borrowings                         | (24,112,000)                                | -                    | -                    | -                              | (431,789)              | (24,543,789)        | (34,683)               |
| Payment of Bond Issue Costs  | -   | (990,000)            | -                    | -                              | -                      | (990,000)           | -                      |
| Transfers In   | -   | -                    | -                    | -                              | 6,283,825              | 6,283,825           | 791,917                |
| Transfers Out  | (34,337,000)                                | (49,000)             | (6,059,350)          | -                              | (7,869,001)            | (48,314,351)        | (355,753)              |
| Net Increase in Non-Interest Bearing Deposits                          | 5,163,000                                   | -                    | -                    | -                              | -                      | 5,163,000           | -                      |
| Net Decrease in Interest Bearing Deposits                              | (18,571,000)                                | -                    | -                    | -                              | -                      | (18,571,000)        | -                      |
| Payments of Interest on Deposits                                       | (16,209,000)                                | -                    | -                    | -                              | -                      | (16,209,000)        | -                      |
| Interest Paid on Federal Funds and Reverse Repurchase Agreements       | (2,802,000)                                 | -                    | -                    | -                              | -                      | (2,802,000)         | -                      |
| Net Decrease in Federal Funds and Reverse Repurchase Agreements        | (106,091,000)                               | -                    | -                    | -                              | -                      | (106,091,000)       | -                      |
| Principal Payments on Due To Other Funds                               | -   | -                    | (720,800)            | -                              | (859,664)              | (1,580,464)         | -                      |
| Grants and Gifts Received for Other than Capital Purposes              | -   | -                    | 16,181,315           | -                              | 303,681                | 16,484,996          | -                      |
| State Appropriations   | -   | -                    | 206,534,562          | -                              | -                      | 206,534,562         | -                      |
| Agency Fund Cash Increase  | -   | -                    | 910,233              | -                              | -                      | 910,233             | -                      |
| Grants Given for Other than Capital Purposes                           | -   | -                    | (1,001,848)          | -                              | -                      | (1,001,848)         | -                      |
| Disbursements for Loans and Loan Purchases                             | -   | -                    | -                    | -                              | (703,538)              | (703,538)           | -                      |
| Other  | -   | -                    | 3,516,702            | -                              | (404,762)              | 3,111,940           | 207                    |
| <b>Net Cash Provided by (Used for) Noncapital Financing Activities</b> | <b>(92,229,000)</b>                         | <b>(110,114,000)</b> | <b>219,360,814</b>   | <b>-</b>                       | <b>(7,931,248)</b>     | <b>9,086,566</b>    | <b>401,688</b>         |
| <b>Cash Flows from Capital and Related Financing Activities:</b>       |   |                      |                      |                                |                        |                     |                        |
| Acquisition and Construction of Capital Assets                         | (608,000)                                   | -                    | (77,769,136)         | (414,224)                      | (1,490,722)            | (80,282,082)        | (15,834,522)           |
| Proceeds from Sale of Capital Assets                                   | -   | -                    | 756,787              | 50                             | 17,115                 | 773,952             | 1,516,623              |
| Proceeds from Bonds  | -   | -                    | -                    | -                              | -                      | -                   | 5,961,076              |
| Proceeds from Sale of Notes and Other Borrowings                       | -   | -                    | 44,718,830           | -                              | -                      | 44,718,830          | 433,402                |
| Principal Payments - Bonds   | -   | -                    | -                    | -                              | (210,000)              | (210,000)           | -                      |
| Principal Payments - Notes and Other Borrowings                        | -   | -                    | (13,216,076)         | -                              | (2,139,245)            | (15,355,321)        | (1,607,092)            |
| Interest Payments - Bonds  | -   | -                    | -                    | -                              | (83,597)               | (83,597)            | -                      |
| Interest Payments - Notes and Other Borrowings                         | -   | -                    | (5,508,951)          | -                              | (6,406)                | (5,515,357)         | (384,453)              |
| Capital Appropriations   | -   | -                    | 4,919,358            | -                              | -                      | 4,919,358           | -                      |
| Payment on Capital Leases  | -   | -                    | -                    | -                              | (36,791)               | (36,791)            | (11,933)               |
| Interest Payments - Capital Leases                                     | -   | -                    | -                    | -                              | -                      | -                   | (4,541)                |
| Capital Grants and Gifts Received                                      | -   | -                    | 10,091,380           | -                              | -                      | 10,091,380          | -                      |
| Insurance Proceeds   | -   | -                    | 1,405,064            | -                              | -                      | 1,405,064           | -                      |
| <b>Net Cash Used for Capital and Related Financing Activities</b>      | <b>(608,000)</b>                            | <b>-</b>             | <b>(34,602,744)</b>  | <b>(414,174)</b>               | <b>(3,949,646)</b>     | <b>(39,574,564)</b> | <b>(9,931,440)</b>     |
| <b>Cash Flows from Investing Activities:</b>                           |   |                      |                      |                                |                        |                     |                        |
| Proceeds from Sale and Maturities of Investment Securities             | 288,047,000                                 | 264,000              | 69,003,654           | 16,502,809                     | 102,454,186            | 476,271,649         | -                      |
| Purchase of Investment Securities                                      | (341,067,000)                               | -                    | (90,279,525)         | (21,767,114)                   | (106,180,803)          | (559,294,442)       | (3,436,975)            |
| Interest and Dividends on Investments                                  | 11,432,000                                  | (600,000)            | 4,844,703            | -                              | 5,681,645              | 21,358,348          | 370,820                |
| Proceeds from Sale of Other Real Estate                                | 621,000                                     | -                    | -                    | -                              | -                      | 621,000             | -                      |
| Net Decrease in Loans  | (66,827,000)                                | -                    | -                    | -                              | -                      | (66,827,000)        | -                      |
| Disbursements for Loans and Loan Purchases                             | -   | -                    | -                    | -                              | (1,175,000)            | (1,175,000)         | -                      |
| Receipt of Loan Principal Repayments                                   | -   | -                    | -                    | -                              | 1,991,932              | 1,991,932           | -                      |
| Proceeds from Collection of Loans and Notes Receivable                 | -   | -                    | -                    | -                              | 1,964,660              | 1,964,660           | -                      |
| Loan Income Received   | 72,448,000                                  | -                    | -                    | -                              | 758,469                | 73,206,469          | -                      |
| <b>Net Cash Provided by (Used for) Investing Activities</b>            | <b>(35,346,000)</b>                         | <b>(336,000)</b>     | <b>(16,431,168)</b>  | <b>(5,264,305)</b>             | <b>5,495,089</b>       | <b>(51,882,384)</b> | <b>(3,066,155)</b>     |

# STATE OF NORTH DAKOTA

## Statement of Cash Flows Proprietary Funds (Continued) For the Fiscal Year Ended June 30, 2004

|  | Business-Type Activities - Enterprise Funds |                       |                         |                                      |                              |                        | Governmental<br>Activities |
|--|---|-----------------------|-------------------------|--------------------------------------|------------------------------|------------------------|----------------------------|
|  | Bank<br>of<br>North<br>Dakota               | Housing<br>Finance    | University<br>System    | Workforce<br>Safety and<br>Insurance | Other<br>Enterprise<br>Funds | Total                  | Internal<br>Service Funds  |
| <b>Net Change In Cash:</b>   |   |                       |                         |                                      |                              |                        |                            |
| Net Increase (Decrease) in Cash and Cash Equivalents   | (131,927,000)                               | (26,636,000)          | (11,523,690)            | 1,321,496                            | (1,885,386)                  | (170,650,580)          | 3,044,402                  |
| Cash and Cash Equivalents at June 30, 2003   | 408,594,000                                 | 173,777,000           | 86,433,393              | 426,746                              | 96,189,416                   | 765,420,555            | 6,811,595                  |
| Cash and Cash Equivalents at June 30, 2004   | <u>\$ 276,667,000</u>                       | <u>\$ 147,141,000</u> | <u>\$ 74,909,703</u>    | <u>\$ 1,748,242</u>                  | <u>\$ 94,304,030</u>         | <u>\$ 594,769,975</u>  | <u>\$ 9,855,997</u>        |
| <b>Reconciliation:</b>   |   |                       |                         |                                      |                              |                        |                            |
| Current:   |   |                       |                         |                                      |                              |                        |                            |
| Cash Deposits at the Bank of North Dakota  | \$ -  | \$ 1,451,000          | \$ 56,767,546           | \$ 1,748,242                         | \$ 29,813,163                | \$ 89,779,951          | \$ 8,204,218               |
| Cash and Cash Equivalents  | 276,667,000                                 | 35,000                | 4,767,609               | -                                    | 58,213,623                   | 339,683,232            | 3,750                      |
| Restricted Cash Deposits at the Bank of North Dakota   | -   | 5,473,000             | -                       | -                                    | 6,019,901                    | 11,492,901             | 1,648,029                  |
| Restricted Cash and Cash Equivalents   | -   | 140,182,000           | -                       | -                                    | -                            | 140,182,000            | -                          |
| Noncurrent:  |   |                       |                         |                                      |                              |                        |                            |
| Restricted Cash Deposits At The Bank of North Dakota   | -   | -                     | 9,562,767               | -                                    | -                            | 9,562,767              | -                          |
| Restricted Cash and Cash Equivalents   | -   | -                     | 3,811,781               | -                                    | 257,343                      | 4,069,124              | -                          |
| Cash and Cash Equivalents  | <u>\$ 276,667,000</u>                       | <u>\$ 147,141,000</u> | <u>\$ 74,909,703</u>    | <u>\$ 1,748,242</u>                  | <u>\$ 94,304,030</u>         | <u>\$ 594,769,975</u>  | <u>\$ 9,855,997</u>        |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:</b> |   |                       |                         |                                      |                              |                        |                            |
| Operating Income (Loss)  | \$ 29,606,000                               | \$ 2,968,000          | \$ (210,077,971)        | \$ (22,637,621)                      | \$ 27,575,936                | \$ (172,565,656)       | \$ 5,232,731               |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:                |   |                       |                         |                                      |                              |                        |                            |
| Depreciation   | 940,000                                     | 21,000                | 33,870,398              | 515,556                              | 3,765,673                    | 39,112,627             | 8,108,308                  |
| Amortization/Accretion   | (59,000)                                    | 1,485,000             | -                       | -                                    | 492,000                      | 1,918,000              | -                          |
| Reclassification of Interest Revenue/Expense   | (39,742,000)                                | (2,554,000)           | -                       | -                                    | (10,890,898)                 | (53,186,898)           | -                          |
| Gain on Sale of Student Loans  | (96,000)                                    | -                     | -                       | -                                    | -                            | (96,000)               | -                          |
| Gain on Sale of Real Estate  | (69,000)                                    | -                     | -                       | -                                    | -                            | (69,000)               | -                          |
| Net Increase in Fair Value of Investments  | 4,422,000                                   | 2,405,000             | -                       | -                                    | -                            | 6,827,000              | -                          |
| Interest Received on Program Loans   | -   | 32,616,000            | -                       | -                                    | 9,377,000                    | 41,993,000             | -                          |
| Disbursements for Loans and Loan Purchases   | -   | (101,936,000)         | -                       | -                                    | (60,224,000)                 | (162,160,000)          | -                          |
| Receipt of Loan Principal Repayments   | -   | 150,145,000           | -                       | -                                    | 37,871,000                   | 188,016,000            | -                          |
| Provision for Losses   | 2,000,000                                   | -                     | -                       | -                                    | 559,000                      | 2,559,000              | -                          |
| Premiums Collected   | -   | -                     | -                       | -                                    | 126,339,150                  | 126,339,150            | -                          |
| Premiums Paid  | -   | -                     | -                       | -                                    | (126,339,150)                | (126,339,150)          | -                          |
| Other  | -   | (1,205,000)           | (198,593)               | -                                    | 31,000                       | (1,372,593)            | 1,320                      |
| Change in Assets and Liabilities:  |   |                       |                         |                                      |                              |                        |                            |
| (Increase) Decrease in Accounts Receivable   | -   | (20,000)              | (1,078,208)             | (11,428)                             | (4,028,564)                  | (5,138,200)            | 40,801                     |
| (Increase) Decrease in Interest Receivable   | -   | -                     | -                       | -                                    | 77,657                       | 77,657                 | (4,134)                    |
| (Increase) Decrease in Due From  | (237,000)                                   | 37,000                | -                       | 39,021                               | (91,414)                     | (252,393)              | 606,813                    |
| Decrease in Due From Fiduciary Funds   | -   | -                     | -                       | -                                    | 22,419                       | 22,419                 | -                          |
| (Increase) Decrease in Intergovernmental Receivable  | -   | 7,000                 | (4,378,705)             | -                                    | 974,218                      | (3,397,487)            | (44,806)                   |
| (Increase) Decrease in Notes Receivable  | -   | -                     | (856,035)               | -                                    | 619,475                      | (236,560)              | -                          |
| (Increase) Decrease in Prepaid Items   | -   | (17,000)              | -                       | 31,298                               | (324,987)                    | (310,689)              | 8,099                      |
| (Increase) Decrease in Inventories   | -   | -                     | (372,862)               | -                                    | (1,944,557)                  | (2,317,419)            | 6,075                      |
| (Increase) Decrease in Other Assets  | 143,000                                     | -                     | 576,123                 | -                                    | (4,330)                      | 714,793                | -                          |
| Increase (Decrease) in Accounts Payable  | -   | 69,000                | 85,314                  | (624,392)                            | 1,228,265                    | 758,187                | 185,158                    |
| Increase In Interest Payable   | -   | -                     | -                       | -                                    | -                            | -                      | 6,094                      |
| Increase (Decrease) in Claims/Judgments Payable  | -   | -                     | -                       | 26,600,000                           | (1,116,384)                  | 25,483,616             | 729,939                    |
| Increase (Decrease) in Intergovernmental Payable   | -   | 11,000                | -                       | -                                    | (589,144)                    | (578,144)              | 600                        |
| Increase in Accrued Payroll  | -   | -                     | 166,760                 | -                                    | 75,549                       | 242,309                | 54,478                     |
| Increase in Compensated Absences Payable   | -   | -                     | 1,173,243               | 52,983                               | 79,206                       | 1,305,432              | 55,172                     |
| Increase (Decrease) in Amounts Held for Others   | -   | (221,000)             | -                       | -                                    | 46,398                       | (174,602)              | -                          |
| Decrease in Other Deposits   | -   | -                     | (479,309)               | -                                    | -                            | (479,309)              | -                          |
| Increase (Decrease) in Due To Other Funds  | (2,000)                                     | 16,000                | -                       | 34,902                               | 159,349                      | 208,251                | 1,120,698                  |
| Increase (Decrease) in Deferred Revenue  | -   | (13,000)              | 1,719,253               | 2,999,656                            | 373,717                      | 5,079,626              | (467,037)                  |
| Increase (Decrease) in Other Liabilities   | (650,000)                                   | -                     | -                       | -                                    | 386,835                      | (263,165)              | -                          |
| Total Adjustments  | (33,350,000)                                | 80,846,000            | 30,227,379              | 29,637,596                           | (23,075,517)                 | 84,285,458             | 10,407,578                 |
| <b>Net Cash Provided by (Used for) Operating Activities</b>  | <u>\$ (3,744,000)</u>                       | <u>\$ 83,814,000</u>  | <u>\$ (179,850,592)</u> | <u>\$ 6,999,975</u>                  | <u>\$ 4,500,419</u>          | <u>\$ (88,280,198)</u> | <u>\$ 15,640,309</u>       |
| <b>Noncash Transactions:</b>   |   |                       |                         |                                      |                              |                        |                            |
| Net Increase (Decrease) in Fair Value of Investments   | \$ -  | \$ -                  | \$ -                    | \$ 59,516,744                        | \$ 363,910                   | \$ 59,880,654          | \$ (54,091)                |
| Real estate and Property Owned Acquired in Exchange for Loans  | 3,568,000                                   | -                     | -                       | -                                    | -                            | 3,568,000              | -                          |
| Change in Securities Lending Collateral  | -   | -                     | -                       | 145,636,762                          | 2,049,946                    | 147,686,708            | 911,104                    |
| Disposal of Equipment Under Capital Lease  | -   | -                     | -                       | 32,106                               | -                            | 32,106                 | -                          |
| Interest on Investments  | -   | -                     | -                       | 31,720,779                           | -                            | 31,720,779             | -                          |
| Amortization of Bond Discount  | -   | -                     | -                       | -                                    | 8,754                        | 8,754                  | -                          |
| Amortization of Bond Issuance Costs  | -   | -                     | -                       | -                                    | 3,335                        | 3,335                  | -                          |
| Acquisition of Equipment Under Capital Lease   | -   | -                     | -                       | -                                    | -                            | -                      | 91,021                     |
| Assets Acquired Through Capital Lease  | -   | -                     | 7,319,770               | -                                    | -                            | 7,319,770              | -                          |
| Assets Acquired Through Special Assessments  | -   | -                     | 111,401                 | -                                    | -                            | 111,401                | -                          |
| Expenses Paid by Capital Lease   | -   | -                     | 43,333                  | -                                    | -                            | 43,333                 | -                          |
| Gifts of Capital Assets  | -   | -                     | 2,706,474               | -                                    | -                            | 2,706,474              | -                          |
| Total Noncash Transactions   | <u>\$ 3,568,000</u>                         | <u>\$ -</u>           | <u>\$ 10,180,978</u>    | <u>\$ 236,906,391</u>                | <u>\$ 2,425,945</u>          | <u>\$ 253,081,314</u>  | <u>\$ 948,034</u>          |

# STATE OF NORTH DAKOTA

## Statement of Fiduciary Net Assets Fiduciary Funds June 30, 2004

|  | Pension and<br>Other Employee<br>Benefit Trust<br>Funds | Investment<br>Trust<br>Funds | Private Purpose<br>Trust Funds | Agency<br>Funds      |
|--|---|------------------------------|--------------------------------|----------------------|
| <b>ASSETS</b>                          |   |                              |                                |                      |
| Cash Deposits at the Bank of ND        | \$ 10,899,669   | \$ 121,818                   | \$ 107,056                     | \$ 10,128,428        |
| Cash and Cash Equivalents              | -   | -                            | 343,766                        | 2,214,914            |
| Receivables:                           |   |                              |                                |                      |
| Contributions Receivable               | 9,851,732   | -                            | -                              | -                    |
| Accounts Receivable-Net                | 446,355   | -                            | 1,388,311                      | 5,602,648            |
| Taxes Receivable-Net                   | -   | -                            | -                              | 10,113,907           |
| Interest Receivable - Net              | 9,321,153   | 90,066                       | -                              | 175                  |
| Due from Other Funds                   | 38,673  | -                            | 12                             | 175                  |
| Due from Fiduciary Funds               | 114,976   | -                            | -                              | -                    |
| Total Receivables                      | <u>19,772,889</u>                                       | <u>90,066</u>                | <u>1,388,323</u>               | <u>15,716,905</u>    |
| Investments, at Fair Value:            |   |                              |                                |                      |
| Investments at the Bank of ND          | 20,520,550  | 368,051                      | 18,602                         | 8,069,758            |
| Equity Pool                            | 1,690,704,421   | 23,802,484                   | -                              | -                    |
| Fixed Income                           | 10,219,583  | -                            | 34,804                         | -                    |
| Fixed Income Pool                      | 691,364,641   | 19,673,226                   | -                              | 2,408,793            |
| Cash and Cash Pool                     | 59,093,473  | 288,847                      | -                              | -                    |
| Real Estate Pool                       | 170,224,891   | 1,432,146                    | -                              | -                    |
| Private Equity                         | 118,961,967   | 575,441                      | -                              | -                    |
| Annuities                              | 155,016   | -                            | -                              | -                    |
| Mutual Funds                           | 25,504,313  | -                            | 168,422,559                    | -                    |
| Total Investments                      | <u>2,786,748,855</u>                                    | <u>46,140,195</u>            | <u>168,475,965</u>             | <u>10,478,551</u>    |
| Invested Securities Lending Collateral | <u>178,647,461</u>                                      | <u>5,235,676</u>             | <u>-</u>                       | <u>-</u>             |
| Capital Assets (Net of Depreciation)   | 23,656  | -                            | -                              | -                    |
| Other Assets                           | <u>37,575</u>   | <u>-</u>                     | <u>-</u>                       | <u>38,841</u>        |
| Total Assets                           | <u>2,996,130,105</u>                                    | <u>51,587,755</u>            | <u>170,315,110</u>             | <u>\$ 38,577,639</u> |
| <b>LIABILITIES</b>                     |   |                              |                                |                      |
| Accounts Payable                       | 2,674,444   | 33,509                       | 1,339,606                      | -                    |
| Accrued Payroll                        | 66,260  | -                            | -                              | -                    |
| Securities Lending Collateral          | 178,647,461   | 5,235,676                    | -                              | -                    |
| Intergovernmental Payable              | -   | -                            | -                              | 22,821,204           |
| Due to Other Funds                     | 178,130   | -                            | -                              | -                    |
| Due to Fiduciary Funds                 | 114,976   | -                            | -                              | -                    |
| Amounts Held in Custody for Others     | -   | -                            | -                              | 15,756,435           |
| Deferred Revenue                       | 35,547  | -                            | -                              | -                    |
| Compensated Absences Payable           | 75,289  | -                            | -                              | -                    |
| Capital Leases Payable                 | 6,752   | -                            | -                              | -                    |
| Total Liabilities                      | <u>181,798,859</u>                                      | <u>5,269,185</u>             | <u>1,339,606</u>               | <u>\$ 38,577,639</u> |
| <b>NET ASSETS</b>                      |   |                              |                                |                      |
| Net Assets Held in Trust for:          |   |                              |                                |                      |
| Pension Benefits                       | 2,813,259,883   | -                            | -                              | -                    |
| Other Employee Benefits                | 1,071,363   | -                            | -                              | -                    |
| External Investment Pool Participants  | -   | 46,318,570                   | -                              | -                    |
| Other Purposes                         | -   | -                            | 168,975,504                    | -                    |
| Total Net Assets Held in Trust         | <u>\$ 2,814,331,246</u>                                 | <u>\$ 46,318,570</u>         | <u>\$ 168,975,504</u>          | <u>\$ 38,577,639</u> |

The Accompanying Notes are an Integral Part of the Financial Statements

# STATE OF NORTH DAKOTA

## Statement of Changes in Fiduciary Net Assets Fiduciary Funds For the Fiscal Year Ended June 30, 2004

|   | Pension and<br>Other Employee<br>Benefit Trust<br>Funds | Investment<br>Trust<br>Funds | Private Purpose<br>Trust Funds |
|---|---|------------------------------|--------------------------------|
| <b>ADDITIONS</b>  |   |                              |                                |
| Contributions:  |   |                              |                                |
| Employer  | \$ 55,565,840   | \$ -                         | \$ -                           |
| Employee  | 61,185,410  | -                            | -                              |
| From Participants                                       | -   | -                            | 93,638,019                     |
| Transfers from Other Funds                              | 227,274   | -                            | -                              |
| Transfers from Other Plans                              | 3,857,713   | -                            | -                              |
| Donations   | -   | -                            | 22,212                         |
| Total Contributions                                     | <u>120,836,237</u>                                      | <u>-</u>                     | <u>93,660,231</u>              |
| Investment Income:                                      |   |                              |                                |
| Net Increase in Fair Value of Investments               | 357,975,089   | 4,704,518                    | 20,317,129                     |
| Interest and Dividends                                  | <u>73,093,535</u>                                       | <u>1,212,809</u>             | <u>2,125,030</u>               |
| Less Investment Expense                                 | <u>9,192,997</u>  | <u>132,204</u>               | <u>-</u>                       |
| Net Investment Income                                   | <u>421,875,627</u>                                      | <u>5,785,123</u>             | <u>22,442,159</u>              |
| Securities Lending Activity:                            |   |                              |                                |
| Securities Lending Income                               | 1,773,342   | 44,754                       | -                              |
| Less Securities Lending Expense                         | <u>1,285,627</u>  | <u>36,488</u>                | <u>-</u>                       |
| Net Securities Lending Income                           | <u>487,715</u>  | <u>8,266</u>                 | <u>-</u>                       |
| Repurchase Service Credit                               | 3,633,050   | -                            | -                              |
| Miscellaneous Income                                    | <u>459,808</u>  | <u>-</u>                     | <u>-</u>                       |
| Total Additions   | <u>547,292,437</u>                                      | <u>5,793,389</u>             | <u>116,102,390</u>             |
| <b>DEDUCTIONS</b>                                       |   |                              |                                |
| Benefits Paid to Participants                           | 135,261,327   | -                            | -                              |
| Refunds   | 9,494,659   | -                            | -                              |
| Prefunded Credit Applied                                | 4,063,395   | -                            | -                              |
| Transfers to Other Plans                                | 244,861   | -                            | -                              |
| Payments in Accordance with Trust Agreements            | -   | -                            | 32,634,159                     |
| Administrative Expenses                                 | <u>3,019,560</u>  | <u>-</u>                     | <u>-</u>                       |
| Total Deductions  | <u>152,083,802</u>                                      | <u>-</u>                     | <u>32,634,159</u>              |
| Purchase of Units at Net Asset Value of \$1.00 Per Unit | <u>-</u>  | <u>1,000,000</u>             | <u>-</u>                       |
| Change in Net Assets Held in Trust for:                 |   |                              |                                |
| Pension Benefits  | 395,150,193   | -                            | -                              |
| Other Employee Benefits                                 | 58,442  | -                            | -                              |
| External Investment Pool Participants                   | -   | 6,793,389                    | -                              |
| Other Purposes  | -   | -                            | 83,468,231                     |
| Net Assets--Beginning of Year                           | <u>2,419,122,611</u>                                    | <u>39,525,181</u>            | <u>85,507,273</u>              |
| Net Assets--End of Year                                 | <u>\$ 2,814,331,246</u>                                 | <u>\$ 46,318,570</u>         | <u>\$ 168,975,504</u>          |

# STATE OF NORTH DAKOTA

## Combining Statement of Net Assets Component Units - Proprietary Funds June 30, 2004

|   | BSC<br>Foundation | CHAND        | MISU<br>Development<br>Foundation | Municipal<br>Bond Bank | ND<br>Development<br>Fund |
|---|-------------------|--------------|-----------------------------------|------------------------|---------------------------|
| <b>ASSETS</b>                                   |                   |              |                                   |                        |                           |
| Current Assets:                                 |                   |              |                                   |                        |                           |
| Cash and Cash Equivalents                       | \$ 193,079        | \$ 2,179,597 | \$ 119,308                        | \$ 2,429,000           | \$ 1,464,383              |
| Investments                                     | -                 | -            | -                                 | -                      | 11,550,000                |
| Accounts Receivable - Net                       | 538,110           | -            | 33,109                            | -                      | -                         |
| Interest Receivable - Net                       | -                 | -            | -                                 | -                      | 122,222                   |
| Due from Primary Government                     | -                 | -            | -                                 | -                      | -                         |
| Inventory                                       | -                 | -            | -                                 | -                      | -                         |
| Loans and Notes Receivable - Net                | -                 | -            | -                                 | -                      | 2,289,072                 |
| Other Current Assets                            | 59,038            | -            | 1,570                             | -                      | -                         |
| Restricted Cash and Cash Equivalents            | -                 | -            | -                                 | 1,781,000              | -                         |
| Restricted Investments                          | -                 | -            | -                                 | 16,240,000             | -                         |
| Restricted Interest Receivable-Net              | -                 | -            | -                                 | 3,352,000              | -                         |
| Total Current Assets                            | 790,227           | 2,179,597    | 153,987                           | 23,802,000             | 15,425,677                |
| Noncurrent Assets:                              |                   |              |                                   |                        |                           |
| Restricted Cash and Cash Equivalent             | -                 | -            | -                                 | -                      | -                         |
| Investments                                     | 6,679,864         | -            | 10,300,021                        | -                      | 1,700,541                 |
| Restricted Investments                          | 3,944,215         | -            | -                                 | 305,489,000            | -                         |
| Due from Primary Government                     | -                 | -            | -                                 | -                      | -                         |
| Loans and Notes Receivable - Net                | -                 | -            | -                                 | -                      | 3,604,935                 |
| Unamortized Bond Issuance Costs                 | -                 | -            | -                                 | 1,403,000              | -                         |
| Other Noncurrent Assets                         | 2,407,437         | -            | -                                 | -                      | -                         |
| Capital Assets:                                 |                   |              |                                   |                        |                           |
| Land and Construction in Progress               | 1,200,000         | -            | -                                 | -                      | -                         |
| Infrastructure - Net                            | -                 | -            | -                                 | -                      | -                         |
| Buildings and Equipment -Net                    | 129,583           | -            | -                                 | -                      | 4,271                     |
| Total Noncurrent Assets                         | 14,361,099        | -            | 10,300,021                        | 306,892,000            | 5,309,747                 |
| Total Assets                                    | 15,151,326        | 2,179,597    | 10,454,008                        | 330,694,000            | 20,735,424                |
| <b>LIABILITIES</b>                              |                   |              |                                   |                        |                           |
| Current Liabilities:                            |                   |              |                                   |                        |                           |
| Accounts Payable                                | 167,316           | 88,106       | 16,363                            | 60,000                 | 15,154                    |
| Interest Payable                                | -                 | -            | -                                 | 1,568,000              | -                         |
| Intergovernmental Payable                       | -                 | -            | -                                 | -                      | -                         |
| Due to Primary Government                       | 33,668            | -            | -                                 | -                      | -                         |
| Claims/Judgments Payable                        | -                 | 1,525,000    | -                                 | -                      | -                         |
| Notes Payable                                   | -                 | -            | 9,070                             | -                      | -                         |
| Capital Leases Payable                          | -                 | -            | -                                 | -                      | -                         |
| Bonds Payable                                   | -                 | -            | -                                 | 7,625,000              | -                         |
| Deferred Revenue                                | -                 | 198,198      | -                                 | -                      | -                         |
| Other Current Liabilities                       | -                 | -            | -                                 | -                      | -                         |
| Total Current Liabilities                       | 200,984           | 1,811,304    | 25,433                            | 9,253,000              | 15,154                    |
| Noncurrent Liabilities:                         |                   |              |                                   |                        |                           |
| Intergovernmental Payable                       | -                 | -            | -                                 | 309,000                | -                         |
| Notes Payable                                   | -                 | -            | 21,385                            | 6,460,000              | -                         |
| Capital Leases Payable                          | -                 | -            | -                                 | -                      | -                         |
| Bonds Payable                                   | -                 | -            | -                                 | 151,276,000            | -                         |
| Other Noncurrent Liabilities                    | 1,586,700         | -            | 62,018                            | -                      | -                         |
| Total Noncurrent Liabilities                    | 1,586,700         | -            | 83,403                            | 158,045,000            | -                         |
| Total Liabilities                               | 1,787,684         | 1,811,304    | 108,836                           | 167,298,000            | 15,154                    |
| <b>NET ASSETS</b>                               |                   |              |                                   |                        |                           |
| Invested in Capital Assets, Net of Related Debt | 1,329,583         | -            | -                                 | -                      | 4,271                     |
| Restricted for:                                 |                   |              |                                   |                        |                           |
| Debt Service                                    | -                 | -            | -                                 | 71,638,000             | -                         |
| Loan Purposes                                   | -                 | -            | -                                 | 89,334,000             | -                         |
| Other   | 10,889,285        | -            | 8,406,849                         | -                      | -                         |
| Unrestricted                                    | 1,144,774         | 368,293      | 1,938,323                         | 2,424,000              | 20,715,999                |
| Total Net Assets                                | \$ 13,363,642     | \$ 368,293   | \$ 10,345,172                     | \$ 163,396,000         | \$ 20,720,270             |

The Accompanying Notes are an Integral Part of the Financial Statements

| <b>NDSU<br/>Development<br/>Foundation</b> | <b>NDSU<br/>Research and<br/>Technology Park</b> | <b>RE Arena Inc.<br/>UND Arena<br/>Services, Inc.<br/>&amp; Affiliates</b> | <b>UND<br/>Aerospace<br/>Foundation</b> | <b>UND Alumni<br/>Association and<br/>UND Foundation</b> | <b>Non-Major</b>     | <b>Total</b>          |
|--|--|--|---|--|----------------------|-----------------------|
| \$ 269,588                                 | \$ 422,382                                       | \$ 861,092   | \$ 787,419                              | \$ 597,351   | \$ 4,200,689         | \$ 13,523,888         |
| -  | -  | -  | -                                       | -  | -                    | 11,550,000            |
| 359,035                                    | 282,432  | 1,923,541  | 601,963                                 | 2,551,985  | 496,760              | 6,786,935             |
| -  | -  | -  | -                                       | -  | -                    | 122,222               |
| -  | -  | -  | -                                       | 298,927  | -                    | 298,927               |
| -  | -  | 502,637  | 119,501                                 | -  | -                    | 622,138               |
| -  | -  | -  | -                                       | -  | -                    | 2,289,072             |
| 495,890                                    | 77,816   | 1,873,855  | 33,041                                  | 13,182   | 381,639              | 2,936,031             |
| -  | -  | -  | -                                       | -  | -                    | 1,781,000             |
| -  | -  | -  | -                                       | -  | -                    | 16,240,000            |
| -  | -  | -  | -                                       | -  | -                    | 3,352,000             |
| <b>1,124,513</b>                           | <b>782,630</b>                                   | <b>5,161,125</b>   | <b>1,541,924</b>                        | <b>3,461,445</b>   | <b>5,079,088</b>     | <b>59,502,213</b>     |
| 5,191,539                                  | 1,257,916  | 2,978,841  | -                                       | -  | -                    | 9,428,296             |
| 73,702,347                                 | -  | -  | 567,381                                 | 84,607,005   | 21,323,942           | 198,881,101           |
| 4,928,950                                  | -  | -  | -                                       | 36,970,730   | 792,311              | 352,125,206           |
| -  | -  | -  | 1,967,627                               | 8,153,551  | -                    | 10,121,178            |
| -  | -  | -  | -                                       | -  | -                    | 3,604,935             |
| -  | -  | 39,357   | -                                       | -  | -                    | 1,442,357             |
| 95,356                                     | 246,167  | -  | -                                       | 1,970,061  | 170,181              | 4,889,202             |
| 925,866                                    | -  | 4,768,427  | 967,649                                 | -  | 241,625              | 8,103,567             |
| -  | 510,257  | -  | 39,617                                  | -  | -                    | 549,874               |
| 3,511,457                                  | 38,209   | 101,207,397  | 6,821,590                               | 3,472,546  | 821,230              | 116,006,283           |
| <b>88,355,515</b>                          | <b>2,052,549</b>                                 | <b>108,994,022</b>   | <b>10,363,864</b>                       | <b>135,173,893</b>                                       | <b>23,349,289</b>    | <b>705,151,999</b>    |
| <b>89,480,028</b>                          | <b>2,835,179</b>                                 | <b>114,155,147</b>   | <b>11,905,788</b>                       | <b>138,635,338</b>                                       | <b>28,428,377</b>    | <b>764,654,212</b>    |
| 1,420,974                                  | 1,641  | 869,882  | 803,016                                 | 399,362  | 916,143              | 4,757,957             |
| -  | -  | -  | -                                       | -  | -                    | 1,568,000             |
| -  | 22,000   | -  | -                                       | -  | -                    | 22,000                |
| 205,425                                    | -  | 260,078  | 48,056                                  | 536,698  | 304,960              | 1,388,885             |
| -  | -  | -  | -                                       | -  | -                    | 1,525,000             |
| 3,002,830                                  | -  | -  | 608,012                                 | 159,814  | 89,430               | 3,869,156             |
| -  | -  | -  | 32,373                                  | -  | -                    | 32,373                |
| 77,723                                     | -  | 250,000  | -                                       | 332,622  | -                    | 8,285,345             |
| 368,874                                    | -  | 3,680,267  | 468,744                                 | -  | -                    | 4,716,083             |
| 514,125                                    | -  | -  | -                                       | -  | 750                  | 514,875               |
| <b>5,589,951</b>                           | <b>23,641</b>                                    | <b>5,060,227</b>   | <b>1,960,201</b>                        | <b>1,428,496</b>   | <b>1,311,283</b>     | <b>26,679,674</b>     |
| -  | 398,375  | -  | -                                       | -  | -                    | 707,375               |
| 25,673                                     | -  | -  | 3,601,743                               | 713,551  | 944,186              | 11,766,538            |
| -  | -  | -  | 1,967,627                               | -  | -                    | 1,967,627             |
| 1,551,629                                  | -  | 7,250,000  | -                                       | 12,605,668   | -                    | 172,683,297           |
| 4,354,148                                  | -  | -  | -                                       | 16,021,171   | 560,824              | 22,584,861            |
| <b>5,931,450</b>                           | <b>398,375</b>                                   | <b>7,250,000</b>   | <b>5,569,370</b>                        | <b>29,340,390</b>  | <b>1,505,010</b>     | <b>209,709,698</b>    |
| <b>11,521,401</b>                          | <b>422,016</b>                                   | <b>12,310,227</b>  | <b>7,529,571</b>                        | <b>30,768,886</b>  | <b>2,816,293</b>     | <b>236,389,372</b>    |
| 4,437,323                                  | 128,091  | 98,725,824   | 3,619,101                               | 3,472,546  | 879,239              | 112,595,978           |
| -  | -  | -  | -                                       | -  | -                    | 71,638,000            |
| -  | -  | -  | -                                       | -  | -                    | 89,334,000            |
| 72,196,561                                 | 1,632,677  | 2,978,841  | -                                       | 91,233,464   | 21,557,064           | 208,894,741           |
| 1,324,743                                  | 652,395  | 140,255  | 757,116                                 | 13,160,442   | 3,175,781            | 45,802,121            |
| <b>\$ 77,958,627</b>                       | <b>\$ 2,413,163</b>                              | <b>\$ 101,844,920</b>  | <b>\$ 4,376,217</b>                     | <b>\$ 107,866,452</b>                                    | <b>\$ 25,612,084</b> | <b>\$ 528,264,840</b> |

The Accompanying Notes are an Integral Part of the Financial Statements

# STATE OF NORTH DAKOTA

## Combining Statement of Activities Component Units-Proprietary Funds For the Fiscal Year Ended June 30, 2004

| Functions/Programs                               | Expenses      | Program Revenues        |  | Net<br>(Expense)<br>Revenue |
|--|---------------|-------------------------|--|-----------------------------|
|  |               | Charges for<br>Services | Operating<br>Grants and<br>Contributions |                             |
| BSC Foundation                                   | \$ 728,338    | \$ 195,419              | \$ 3,704,856                             | \$ 3,171,937                |
| CHAND  | 8,370,255     | 9,050,020               | 4,450                                    | 684,215                     |
| MISU Development Foundation                      | 987,117       | -                       | 1,541,119                                | 554,002                     |
| Municipal Bond Bank                              | 9,348,000     | 984,000                 | 32,105,000                               | 23,741,000                  |
| ND Development Fund                              | 2,861,044     | 661,803                 | 117,499                                  | (2,081,742)                 |
| NDSU Development Foundation                      | 8,006,742     | 658,247                 | 15,458,943                               | 8,110,448                   |
| NDSU Research and Technology Park                | 253,163       | 2,289,503               | 20,944                                   | 2,057,284                   |
| RE Arena, Inc., UND Areana Services & Affiliates | 7,920,707     | 5,628,329               | 103,500,000                              | 101,207,622                 |
| UND Areospace Foundation                         | 5,983,665     | 6,544,314               | 17,837                                   | 578,486                     |
| UND Alumni Association & UND Foundation          | 10,008,103    | 1,251,939               | 14,885,447                               | 6,129,283                   |
| Nonmajor Component Units                         | 6,642,909     | 705,621                 | 7,085,306                                | # 1,148,018                 |
| Total Component Units                            | \$ 61,110,043 | \$ 27,969,195           | \$ 178,441,401                           | \$ 145,300,553              |

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| <u>General Revenues</u><br><u>Payments from</u><br><u>State of</u><br><u>North Dakota</u> | <u>Additions to</u><br><u>Permanent</u><br><u>Endowments</u> | <u>Change</u><br><u>in</u><br><u>Net Assets</u> | <u>Net Assets</u><br><u>Beginning</u><br><u>of Year</u> | <u>Net Assets</u><br><u>End</u><br><u>of Year</u> |
|---|--|---|---|---|
| \$ -  | \$ 1,239,362   | \$ 4,411,299                                    | \$ 8,952,343  | \$ 13,363,642                                     |
| -   | -  | 684,215   | (315,922)   | 368,293   |
| -   | 455,050  | 1,009,052                                       | 9,336,120   | 10,345,172  |
| -   | -  | 23,741,000                                      | 139,655,000   | 163,396,000                                       |
| 1,550,000   | -  | (531,742)                                       | 21,252,012  | 20,720,270  |
| -   | 4,098,764  | 12,209,212                                      | 65,749,415  | 77,958,627  |
| -   | -  | 2,057,284                                       | 355,879   | 2,413,163   |
| -   | -  | 101,207,622                                     | 637,298   | 101,844,920                                       |
| -   | -  | 578,486   | 3,797,731   | 4,376,217   |
| -   | 3,923,317  | 10,052,600                                      | 97,813,852  | 107,866,452                                       |
| -   | 335,083  | 1,483,101                                       | 24,128,983  | 25,612,084  |
| <u>\$ 1,550,000</u>   | <u>\$ 10,051,576</u>   | <u>\$ 156,902,129</u>                           | <u>\$ 371,362,711</u>                                   | <u>\$ 528,264,840</u>                             |

The Accompanying Notes are an Integral Part of the Financial Statements