

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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STATE OF NORTH DAKOTA

Statement of Net Assets June 30, 2005

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 6,227,701	\$ 540,899,201	\$ 547,126,902	\$ 24,299,917
Investments	843,802,540	1,803,693,768	2,647,496,308	597,914,284
Accounts Receivable - Net	40,569,865	73,777,700	114,347,565	8,674,963
Taxes Receivable - Net	175,350,994	-	175,350,994	3,551,987
Interest Receivable - Net	6,820,815	33,322,772	40,143,587	-
Intergovernmental Receivable - Net	166,481,301	58,044,514	224,525,815	-
Internal Receivable *	622,105,934	-	188,763,901	-
Due from Fiduciary Funds	36,048	68,554	104,602	-
Due from Component Units	-	1,078,005	1,078,005	-
Due from Primary Government	-	-	-	14,774,524
Prepaid Items	4,474,248	1,582,527	6,056,775	-
Inventory	8,870,162	19,836,210	28,706,372	361,062
Loans and Notes Receivable - Net	92,753,648	2,146,970,637	2,239,724,285	7,158,077
Unamortized Bond Financing Costs	952,494	8,828,070	9,780,564	1,283,813
Pension Assets	2,306,371	-	2,306,371	-
Other Assets	-	9,706,388	9,706,388	8,419,387
Capital Assets:				
Land and Construction in Progress	332,238,997	44,106,548	376,345,545	3,416,584
Infrastructure - Net	569,335,290	88,158,200	657,493,490	530,548
Buildings and Equipment - Net	322,019,309	536,684,499	858,703,808	118,303,028
Total Assets	<u>3,194,345,717</u>	<u>5,366,757,593</u>	<u>8,127,761,277</u>	<u>788,688,174</u>

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts Payable	147,062,181	30,093,163	177,155,344	5,777,574
Accrued Payroll	28,791,542	17,095,643	45,887,185	-
Securities Lending Collateral	88,401,098	330,868,282	419,269,380	-
Interest Payable	1,963,510	15,027,266	16,990,776	1,634,000
Intergovernmental Payable	33,361,837	1,972,341	35,334,178	-
Tax Refunds Payable	40,549,392	-	40,549,392	-
Internal Payable *	-	433,342,033	-	-
Due to Fiduciary Funds	38,967	-	38,967	-
Due to Component Units	-	350,315	350,315	-
Due to Primary Government	-	-	-	1,078,005
Contracts Payable	9,083,789	836,523	9,920,312	-
Federal Funds Purchased	-	191,134,000	191,134,000	-
Reverse Repurchase Agreements	-	10,825,000	10,825,000	-
Claimant Liability	-	-	-	-
Deposits Held for Other Funds	-	-	-	-
Other Deposits	-	524,631,718	524,631,718	521,263
Amounts Held in Custody for Others	-	11,814,417	11,814,417	-
Deferred Revenue	18,011,142	65,112,506	83,123,648	2,355,299
Other Liabilities	-	14,313,456	14,313,456	25,858,206
Long-Term Liabilities				
Due within one year	15,707,031	329,262,782	344,969,813	10,660,010
Due in more than one year	233,698,650	1,753,575,743	1,987,274,393	175,793,543
Total Liabilities	<u>616,669,139</u>	<u>3,730,255,188</u>	<u>3,913,582,294</u>	<u>223,677,900</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,094,550,779	505,915,735	1,600,466,514	110,398,267
Restricted for:	-	-	-	-
General Government	-	-	-	-
Education	16,589,081	-	16,589,081	-
Health and Human Services	33,592,999	-	33,592,999	-
Regulatory Purposes	13,850,417	-	13,850,417	-
Agriculture and Commerce	20,837,293	-	20,837,293	-
Cultural and Natural Resources	86,353,201	-	86,353,201	-
Transportation	112,701,684	-	112,701,684	-
Capital Projects	811,980	1,817,463	2,629,443	-
Debt Service	21,706,545	107,799,478	129,506,023	89,737,000
Loan Purposes	-	44,250,747	44,250,747	87,783,000
Pledged Assets	-	114,173,000	114,173,000	-
Unemployment Compensation	-	94,326,216	94,326,216	-
Permanent and Endowment Funds - Expendable	15,908,450	13,754,097	29,662,547	-
Permanent and Endowment Funds - Nonexpendable	723,763,463	17,031,116	740,794,579	-
Other	-	85,612	85,612	222,303,800
Unrestricted	437,010,686	737,348,941	1,174,359,627	54,788,207
Total Net Assets	<u>\$ 2,577,676,578</u>	<u>\$ 1,636,502,405</u>	<u>\$ 4,214,178,983</u>	<u>\$ 565,010,274</u>

STATE OF NORTH DAKOTA

Statement of Activities

For the Fiscal Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 243,437,116	\$ 24,128,539	\$ 5,303,968	\$ 28,599
Education	486,221,447	4,082,785	125,691,662	42,733
Health and Human Services	826,832,059	18,744,551	696,412,375	28,419
Regulatory	17,966,367	16,700,094	3,714,647	-
Public Safety and Corrections	132,996,669	6,931,898	63,284,633	100,000
Agriculture and Commerce	55,795,473	16,234,145	24,967,698	-
Natural Resources	53,440,349	23,899,425	13,626,716	6,164,069
Transportation	300,321,693	61,057,805	151,729,733	75,486,374
Interest on Long Term Debt	8,103,849	-	-	-
Total Governmental Activities	<u>2,125,115,022</u>	<u>171,779,242</u>	<u>1,084,731,432</u>	<u>81,850,194</u>
Business-Type Activities:				
Bank of North Dakota	57,501,500	90,838,000	-	-
Housing Finance	45,922,148	36,643,000	14,509,000	-
Loan Programs	13,889,079	17,051,963	1,101,548	-
Mill and Elevator	95,222,870	101,050,302	29,234	-
State Fair	4,495,868	3,402,879	332,382	-
Unemployment Compensation	43,393,675	60,969,669	3,965,141	-
University System	696,918,168	296,896,978	194,093,678	5,997,781
Workforce Safety and Insurance	183,465,747	106,195,254	87,669,029	-
Other	20,857,342	28,123,515	2,301,314	-
Total Business-Type Activities	<u>1,161,666,397</u>	<u>741,171,560</u>	<u>304,001,326</u>	<u>5,997,781</u>
Total Primary Government	<u>\$ 3,286,781,419</u>	<u>\$ 912,950,802</u>	<u>\$ 1,388,732,758</u>	<u>\$ 87,847,975</u>
Component Units:	<u>\$ 71,821,476</u>	<u>\$ 32,286,743</u>	<u>\$ 60,328,021</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

Net (Expense) Revenue and Change in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
\$	(213,976,010)	\$	
	(356,404,267)		
	(111,646,714)		
	2,448,374		
	(62,680,138)		
	(14,593,630)		
	(9,750,139)		
	(12,047,781)		
	(8,103,849)		
	<u>(786,754,154)</u>		
	\$ 33,336,500		
	5,229,852		
	4,264,432		
	5,856,666		
	(760,607)		
	21,541,135		
	(199,929,731)		
	10,398,536		
	9,567,487		
	<u>-</u>		
	<u>(110,495,730)</u>		
	<u>(786,754,154)</u>		
	<u>(110,495,730)</u>		
			<u>\$ 20,793,288</u>
	320,048,741	-	-
	630,178,563	-	-
	162,919,498	-	-
	57,831,733	-	-
	4,105,864	-	-
	12,829,714	-	-
	22,337,630	-	-
	-	-	500,000
	13,635,693	-	15,452,146
	(170,925,314)	167,349,759	-
	<u>1,052,962,122</u>	<u>167,349,759</u>	<u>1,220,311,881</u>
	266,207,968	56,854,029	36,745,434
	2,311,468,610	1,579,648,376	528,264,840
\$	<u>2,577,676,578</u>	\$	<u>1,636,502,405</u>
		\$	<u>4,214,178,983</u>
			<u>\$ 565,010,274</u>

STATE OF NORTH DAKOTA

Balance Sheet Governmental Funds June 30, 2005

	General	Federal	School Permanent Trust Fund	Other Governmental Funds	Total
ASSETS					
Cash Deposits at the Bank of ND	\$ 238,156,728	\$ 15,181,757	\$ 2,371,786	\$ 280,864,189	\$ 536,574,460
Cash and Cash Equivalents	1,018,055	5,995	-	5,199,582	6,223,632
Investments at the Bank of ND	-	-	-	71,933,203	71,933,203
Investments	-	-	780,924,264	56,737,672	837,661,936
Accounts Receivable - Net	4,529,010	6,454,048	5,426,219	23,409,433	39,818,710
Taxes Receivable - Net	127,973,155	-	469,015	46,908,824	175,350,994
Interest Receivable - Net	9,198	227	5,483,226	1,269,589	6,762,240
Intergovernmental Receivable - Net	-	160,728,376	-	5,628,204	166,356,580
Due from Other Funds	70,940,682	26,121,665	4,111,377	71,864,749	173,038,473
Prepaid Items	712,505	959,401	-	2,788,945	4,460,851
Inventory	801,180	126,776	-	4,895,225	5,823,181
Loans and Notes Receivable - Net	65,029	46,812	21,166,950	71,474,857	92,753,648
Total Assets	<u>\$ 444,205,542</u>	<u>\$ 209,625,057</u>	<u>\$ 819,952,837</u>	<u>\$ 642,974,472</u>	<u>\$ 2,116,757,908</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 34,767,725	\$ 86,395,761	\$ 4,723,709	\$ 19,890,682	\$ 145,777,877
Accrued Payroll	14,660,712	6,737,858	-	6,160,201	27,558,771
Securities Lending Collateral	-	-	75,508,455	11,694,792	87,203,247
Intergovernmental Payable	-	11,077,886	-	22,283,951	33,361,837
Tax Refunds Payable	40,212,468	-	-	336,924	40,549,392
Due to Other Funds	69,450,687	79,891,532	48,760	21,260,442	170,651,421
Contracts Payable	1,280	6,113,273	-	2,969,236	9,083,789
Deferred Revenue	3,292,936	19,508,832	-	10,854,156	33,655,924
Total Liabilities	<u>162,385,808</u>	<u>209,725,142</u>	<u>80,280,924</u>	<u>95,450,384</u>	<u>547,842,258</u>
Fund Balances:					
Reserved For:					
Inventory	801,180	126,776	-	4,895,225	5,823,181
Long - Term Receivables	18,448	-	-	65,157,267	65,175,715
Capital Projects	-	-	-	811,980	811,980
Debt Service	-	-	-	21,706,545	21,706,545
Prepaid Expenditures	712,505	959,401	-	2,788,945	4,460,851
Legal Requirements	-	-	-	10,036,689	10,036,689
Undistributed Revenue	-	-	10,674,436	-	10,674,436
Permanent Trust Fund	-	-	728,997,477	-	728,997,477
Unreserved, Reported in:					
General Fund	280,287,601	-	-	-	280,287,601
Special Revenue Funds	-	(1,186,262)	-	442,127,437	440,941,175
Total Fund Balances	<u>281,819,734</u>	<u>(100,085)</u>	<u>739,671,913</u>	<u>547,524,088</u>	<u>1,568,915,650</u>
Total Liabilities and Fund Balances	<u>\$ 444,205,542</u>	<u>\$ 209,625,057</u>	<u>\$ 819,952,837</u>	<u>\$ 642,974,472</u>	<u>\$ 2,116,757,908</u>

STATE OF NORTH DAKOTA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets June 30, 2005

Total Fund Balances-Governmental Funds \$ 1,568,915,650

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 \$3,745,661,653 and the accumulated depreciation is \$2,581,001,303. 1,164,660,350

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. 18,560,933

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. 62,337,340

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. 886,000

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. 2,306,371

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	(198,279,153)	
Notes Payable	(5,613,046)	
Accrued Interest on Long-Term Liabilities	(1,959,183)	
Compensated Absences	(27,225,599)	
Intergovernmental Payable	(119,296)	
Capital Leases	(5,867,789)	
Claims and Judgments	(926,000)	
Total Long-Term Liabilities		<u>(239,990,066)</u>

Net Assets of Governmental Activities \$ 2,577,676,578

STATE OF NORTH DAKOTA

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2005

	General	Federal	School Permanent Trust Fund	Other Governmental Funds	Total
REVENUES					
Individual and Corporate Income Taxes	\$ 311,181,617	\$ -	\$ -	\$ 8,680,646	\$ 319,862,263
Sales and Use Taxes	465,847,817	-	-	164,330,746	630,178,563
Oil, Gas, and Coal Taxes	104,656,267	-	4,799,677	53,463,554	162,919,498
Business and Other Taxes	38,797,740	-	-	18,488,903	57,286,643
Licenses, Permits and Fees	11,660,028	-	-	87,995,443	99,655,471
Intergovernmental	370,966	1,051,319,265	-	9,206,343	1,060,896,574
Sales and Services	2,752,748	607,248	-	35,676,708	39,036,704
Royalties and Rents	12,557,991	1,405	34,321,504	8,056,703	54,937,603
Fines and Forfeits	4,569,233	-	3,138,654	6,752,478	14,460,365
Interest and Investment Income	3,534,498	71,986	58,382,685	7,235,133	69,224,302
Tobacco Settlement	-	-	10,497,039	12,829,714	23,326,753
Commodity Assessments	-	-	-	10,820,676	10,820,676
Miscellaneous	1,068,326	175,287	-	4,484,974	5,728,587
Total Revenues	956,997,231	1,052,175,191	111,139,559	428,022,021	2,548,334,002
EXPENDITURES					
Current:					
General Government	72,951,885	4,673,838	-	6,661,398	84,287,121
Education	317,689,823	117,384,108	3,209,761	40,441,390	478,725,082
Health and Human Services	195,598,382	573,200,691	-	54,142,608	822,941,681
Regulatory	7,489,639	2,636,823	-	5,238,031	15,364,493
Public Safety and Corrections	59,733,615	56,376,038	-	12,075,422	128,185,075
Agriculture and Commerce	10,665,863	21,318,711	-	23,762,933	55,747,507
Natural Resources	11,773,878	10,874,806	-	27,195,074	49,843,758
Transportation	-	144,408,933	-	89,853,814	234,262,747
Intergovernmental - Revenue Sharing	-	-	-	157,867,895	157,867,895
Capital Outlay	5,500,031	99,306,339	-	51,517,355	156,323,725
Debt Service:					
Principal	524,490	14,575	-	9,047,015	9,586,080
Interest and Other Charges	229,836	-	-	7,606,847	7,836,683
Total Expenditures	682,157,442	1,030,194,862	3,209,761	485,409,782	2,200,971,847
Revenues over (under) Expenditures	274,839,789	21,980,329	107,929,798	(57,387,761)	347,362,155
OTHER FINANCING SOURCES (USES)					
Bonds and Notes Issued	1,339,254	-	-	67,673,969	69,013,223
Refunding Bonds Issued	-	-	-	21,630,000	21,630,000
Payment to Refund Bond Escrow Agent	-	-	-	(22,281,509)	(22,281,509)
Capital Lease Acquisitions	144,591	5,063,554	-	3,815	5,211,960
Sale of Capital Assets	-	-	-	1,313,753	1,313,753
Transfers In	72,592,324	203,062	-	230,361,722	303,157,108
Transfers Out	(263,851,137)	(47,246,731)	(32,265,200)	(130,719,355)	(474,082,423)
Total Other Financing Sources (Uses)	(189,774,968)	(41,980,115)	(32,265,200)	167,982,395	(96,037,888)
Net Change in Fund Balances	85,064,821	(19,999,786)	75,664,598	110,594,634	251,324,267
Fund Balances - Beginning of Year, as Adjusted	196,754,913	19,899,701	664,007,315	436,929,454	1,317,591,383
Fund Balances - End of Year	\$ 281,819,734	\$ (100,085)	\$ 739,671,913	\$ 547,524,088	\$ 1,568,915,650

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, 2005

Net Change in Fund Balances-Total Governmental Funds \$ 251,324,267

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	155,847,184	
Depreciation Expense	<u>(82,929,063)</u>	
Excess of capital outlay over depreciation expense		72,918,121

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. (1,844,018)

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. 202,115

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. (5,211,960)

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. 1,935,902

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 4,610,307

Bonds proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (89,303,969)

Notes payable proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (1,339,254)

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. (174,302)

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	31,447,418	
Note payments	744,558	
Capital lease payments	<u>415,416</u>	
Total long-term debt repayment		32,607,392

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	197,394	
Net increase/decrease in compensated absences	211,973	
Net increase/decrease in claims and judgments	<u>74,000</u>	
Total additional expenditures		<u>483,367</u>

Change in Net Assets of Governmental Activities \$ 266,207,968

STATE OF NORTH DAKOTA

Statement of Net Assets Proprietary Funds June 30, 2005

	Business-Type Activities - Enterprise Funds					Governmental
	Bank of	Housing	University	Workforce	Other	Internal
	North Dakota	Finance	System	Safety and Insurance	Enterprise Funds	Service Funds
					Total	
ASSETS						
Current Assets:						
Cash Deposits at the Bank of ND	\$ 1,032,000	\$ 54,675,585	\$ 1,996,182	\$ 31,400,340	\$ 89,104,107	\$ 11,103,511
Cash and Cash Equivalents	392,000	7,995,110	-	83,101,817	91,488,927	4,069
Investments at the Bank of ND	-	28,002,733	26,602,586	6,185,160	60,790,479	-
Investments	2,229,000	7,214,543	1,458,896,201	28,215,938	1,496,555,682	6,140,604
Accounts Receivable - Net	748,000	12,531,999	22,139,106	38,358,595	73,777,700	751,155
Interest Receivable - Net	335,000	-	8,668,424	2,746,348	11,749,772	58,575
Intergovernmental Receivable - Net	210,000	55,141,735	-	2,692,779	58,044,514	124,721
Due from Other Funds	30,000	4,586,314	95,455	444,866	5,156,635	4,653,304
Due from Fiduciary Funds	-	-	-	68,554	68,554	36,048
Due from Component Units	-	1,078,005	-	-	1,078,005	-
Prepaid Items	16,000	-	5,000	1,561,527	1,582,527	13,397
Inventory	-	7,240,925	-	12,595,285	19,836,210	146,166
Loans and Notes Receivable - Net	-	6,300,290	-	16,555,287	22,855,577	-
Other Assets	2,177,000	2,351,184	-	2,310,204	6,838,388	-
Restricted Cash at the Bank of ND	6,111,000	-	-	10,738,943	16,849,943	-
Restricted Cash and Cash Equivalents	142,735,000	-	-	-	142,735,000	-
Restricted Investments at the Bank of ND	-	-	-	40,245,147	40,245,147	-
Restricted Interest Receivable - Net	2,662,000	-	-	3,187,000	5,849,000	-
Restricted Loans Receivable - Net	10,534,000	-	-	28,073,000	38,607,000	-
Total Current Assets	169,211,000	187,118,423	1,518,402,954	308,480,790	2,183,213,167	23,031,550
Noncurrent Assets:						
Restricted Cash at the Bank of ND	-	16,583,934	-	-	16,583,934	-
Restricted Cash and Cash Equivalents	-	-	-	272,274	272,274	-
Restricted Investments at the Bank of ND	-	10,844,188	-	-	10,844,188	-
Restricted Investments	28,298,000	17,885,898	-	214,061	46,397,959	-
Investments at the Bank of ND	-	28,433,000	-	-	28,433,000	-
Investments	-	7,553,127	-	-	7,553,127	-
Loans and Notes Receivable - Net	-	36,956,265	-	31,590,795	68,547,060	-
Restricted Loans Receivable - Net	522,526,000	-	-	99,242,000	621,768,000	-
Unamortized Bond Issuance Costs	5,414,000	2,519,169	-	894,901	8,828,070	66,494
Capital Assets:						
Land and Construction in Progress	-	40,329,358	901,974	2,203,216	43,434,548	-
Infrastructure - Net	-	87,042,723	-	1,115,477	88,158,200	-
Buildings and Equipment - Net	15,000	481,327,416	11,037,034	41,036,049	533,415,499	58,933,246
Total Noncurrent Assets	556,253,000	729,475,078	11,939,008	176,568,773	1,474,235,859	58,999,740
Bank Related Assets:						
Cash and Cash Equivalents	\$ 306,403,000				\$ 306,403,000	
Investments	253,187,000				253,187,000	
Interest Receivable - Net	15,724,000				15,724,000	
Due from Other Funds	37,210,000				37,210,000	
Loans and Notes Receivable - Net	1,395,193,000				1,395,193,000	
Other Assets	2,868,000				2,868,000	
Capital Assets:						
Land and Construction in Progress	672,000				672,000	
Buildings and Equipment - Net	3,269,000				3,269,000	
Total Bank Related Assets	2,014,526,000				2,014,526,000	
Total Assets	2,014,526,000	725,464,000	916,593,501	1,530,341,962	485,049,563	5,671,975,026
						82,031,290

STATE OF NORTH DAKOTA

Statement of Net Assets Proprietary Funds June 30, 2005

	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
LIABILITIES							
Current Liabilities:							
Accounts Payable		719,000	22,304,945	3,083,140	3,986,078	30,093,163	1,284,304
Accrued Payroll		-	16,422,929	-	672,714	17,095,643	1,232,771
Securities Lending Collateral		-	-	325,421,591	5,446,691	330,868,282	1,197,851
Interest Payable		12,658,000	726,920	-	742,484	14,127,404	4,327
Intergovernmental Payable		1,387,000	146,096	-	3,720,341	5,253,437	-
Due to Other Funds		22,146,000	5,831,957	40,899	19,395,229	47,414,085	494,384
Due to Fiduciary Funds		-	-	-	-	-	38,967
Due to Component Units		-	350,315	-	-	350,315	-
Contracts Payable		-	836,523	-	-	836,523	-
Other Deposits		-	6,822,173	-	-	6,822,173	-
Amounts Held in Custody for Others		6,110,000	-	-	5,704,417	11,814,417	-
Claims/Judgments Payable		-	-	70,000,000	1,052,503	71,052,503	1,215,891
Compensated Absences Payable		105,000	890,334	596,000	80,439	1,671,773	53,162
Notes Payable		-	884,862	-	-	884,862	-
Capital Leases Payable		-	5,922,011	-	41,446	5,963,457	26,754
Bonds Payable		22,715,000	7,927,091	-	55,055,000	85,697,091	549,000
Deferred Revenue		17,000	11,382,114	51,544,952	2,168,440	65,112,506	15,337
Other Current Liabilities		-	-	-	1,000	1,000	-
Total Current Liabilities		65,857,000	80,448,270	450,686,582	98,066,782	695,058,634	6,112,748
Noncurrent Liabilities:							
Intergovernmental Payable		867,000	1,367,988	-	3,481,020	5,716,008	-
Claims/Judgments Payable		-	-	610,400,000	26,500	610,426,500	2,842,552
Compensated Absences Payable		58,000	18,464,773	105,163	887,275	19,515,211	1,229,397
Notes Payable		-	7,601,917	-	-	7,601,917	-
Capital Leases Payable		-	32,696,097	-	86,477	32,782,574	45,965
Bonds Payable		582,415,000	123,915,272	-	95,322,261	801,652,533	5,412,076
Other Noncurrent Liabilities		-	883,607	-	4,137,849	5,021,456	-
Total Noncurrent Liabilities		583,340,000	184,929,654	610,505,163	103,941,382	1,482,716,199	9,529,990
Bank Related Liabilities:							
Interest Payable	358,000					358,000	
Due to Other Funds	21,791,000					21,791,000	
Federal Funds Purchased	191,134,000					191,134,000	
Reverse Repurchase Agreements	10,825,000					10,825,000	
Deposits Held for Other Funds	747,765,320					747,765,320	
Other Deposits	443,991,680					443,991,680	
Other Liabilities	9,291,000					9,291,000	
Long Term Liabilities:							
Due within one year	160,712,000					160,712,000	
Due in more than one year	275,881,000					275,881,000	
Total Bank Related Liabilities	1,861,749,000					1,861,749,000	
Total Liabilities	1,861,749,000	649,197,000	265,377,924	1,061,191,745	202,008,164	4,039,523,833	15,642,738
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	3,941,000	15,000	448,811,879	11,939,008	41,202,863	505,909,750	58,920,080
Restricted for:							
Capital Projects	-	-	1,804,822	-	12,641	1,817,463	-
Debt Service	-	50,028,000	14,024,784	-	43,746,694	107,799,478	-
Loan Purposes	-	-	43,167,066	-	1,083,681	44,250,747	-
Pledged Assets	102,973,000	11,200,000	-	-	-	114,173,000	-
Unemployment Compensation	-	-	-	-	94,326,216	94,326,216	-
Endowment Funds-Nonexpendable	-	-	13,754,097	-	-	13,754,097	-
Endowment Funds-Expendable	-	-	17,031,116	-	-	17,031,116	-
Other	-	-	85,612	-	-	85,612	-
Unrestricted	45,863,000	15,024,000	112,536,201	457,211,209	102,669,304	733,303,714	7,468,472
Total Net Assets	\$ 152,777,000	\$ 76,267,000	\$ 651,215,577	\$ 469,150,217	\$ 283,041,399	\$ 1,632,451,193	\$ 66,388,552

Reconciliation of the Proprietary Funds Statement of Net Assets to the Statement of Net Assets June 30, 2005

Total Net Assets - Enterprise Funds	\$ 1,632,451,193
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	4,051,212
Net Assets of Business-Type Activities	<u>\$ 1,636,502,405</u>

STATE OF NORTH DAKOTA

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds For the Fiscal Year Ended June 30, 2005

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES							
Sales and Services	\$ 12,494,000	\$ 1,586,000	\$ 42,544,391	\$ 104,555,951	\$ 196,983,531	\$ 358,163,873	\$ 62,728,982
Auxiliary Sales Pledges for Bonds	-	-	73,810,407	-	-	73,810,407	-
Tuition and Fees	-	-	178,348,571	-	-	178,348,571	-
Grants and Contributions	-	-	168,180,004	-	-	168,180,004	-
Royalties and Rents	-	-	-	627,385	16,970	644,355	-
Fines and Forfeits	-	-	-	1,011,918	-	1,011,918	-
Interest and Investment Income	78,344,000	35,057,000	-	-	13,555,051	126,956,051	-
Miscellaneous	-	-	1,138,547	-	17,750	1,156,297	87,463
Total Operating Revenues	90,838,000	36,643,000	464,021,920	106,195,254	210,573,302	908,271,476	62,816,445
OPERATING EXPENSES							
Cost of Sales and Services	-	-	24,844,154	-	92,220,691	117,064,845	968,742
Salaries and Benefits	8,108,000	1,827,000	435,597,680	11,602,339	4,774,471	461,909,490	15,362,082
Operating	10,063,000	4,253,000	179,259,810	5,874,743	27,323,035	226,773,588	29,660,162
Claims	-	-	-	157,485,282	45,232,601	202,717,883	1,132,895
Scholarships and Fellowships	-	-	15,344,078	-	-	15,344,078	-
Interest	38,392,000	27,198,000	-	-	3,850,742	69,440,742	-
Depreciation	1,007,000	20,000	35,578,450	428,945	3,769,692	40,804,087	8,731,547
Miscellaneous	-	-	-	-	2,268	2,268	-
Total Operating Expenses	57,570,000	33,298,000	690,624,172	175,391,309	177,173,500	1,134,056,981	55,855,428
Operating Income (Loss)	33,268,000	3,345,000	(226,602,252)	(69,196,055)	33,399,802	(225,785,505)	6,961,017
NONOPERATING REVENUES (EXPENSES)							
Grants and Contracts	-	-	5,402,774	-	380,633	5,783,407	-
Gifts	-	-	16,068,302	-	-	16,068,302	-
Interest and Investment Income	-	14,509,000	4,442,598	87,669,029	7,348,986	113,969,613	426,676
Interest Expense	-	(12,629,000)	(7,344,029)	(8,067,843)	(470,069)	(28,510,941)	(322,630)
Gain (Loss) on Sale of Capital Assets	-	-	(595,364)	(6,595)	25,026	(576,933)	(732,413)
Other	-	-	1,055,062	-	(364,755)	690,307	(4,341)
Total Nonoperating Revenues (Expenses)	-	1,880,000	19,029,343	79,594,591	6,919,821	107,423,755	(632,708)
Income (Loss) Before Contributions and Transfers	33,268,000	5,225,000	(207,572,909)	10,398,536	40,319,623	(118,361,750)	6,328,309
Capital Grants and Contributions	-	-	5,997,781	-	-	5,997,781	150,264
Transfers In	-	-	219,019,147	-	1,581,957	220,601,104	-
Transfer Out	(34,216,000)	(25,000)	(6,216,000)	-	(12,794,345)	(53,251,345)	-
Changes in Net Assets	(948,000)	5,200,000	11,228,019	10,398,536	29,107,235	54,985,790	6,478,573
Total Net Assets - Beginning of Year, as Adjusted	153,725,000	71,067,000	639,987,558	458,751,681	253,934,164	1,577,465,403	59,909,979
Total Net Assets - End of Year	\$ 152,777,000	\$ 76,267,000	\$ 651,215,577	\$ 469,150,217	\$ 283,041,399	\$ 1,632,451,193	\$ 66,388,552

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, 2005

Net Change in Net Assets-Total Enterprise Funds	\$ 54,985,790
Amounts reported for business-type activities in the statement of net assets are different because:	
Expenses were reduced based on the allocation of internal service fund's net income	<u>1,868,239</u>
Change in Net Assets of Business-Type Activities	<u>\$ 56,854,029</u>

STATE OF NORTH DAKOTA

Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2005

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:							
Receipts from Customers and Users	\$ 12,130,000	\$ 115,367,000	\$ 114,915,406	\$ 116,998,465	\$ 404,566,280	\$ 763,977,151	\$ 62,221,698
Receipts from Tuition and Fees	-	-	172,627,197	-	-	172,627,197	-
Interest Income on Loans	-	-	-	-	400,389	400,389	-
Receipts from Loan Principal Repayments	-	-	8,824,503	-	14,048,605	22,873,108	-
Receipts from Other Funds	-	-	-	-	44,019	44,019	-
Receipts from Grants and Contracts	-	-	154,521,494	-	-	154,521,494	-
Receipts from Others	-	-	966,307	1,760,184	73,398	2,799,889	-
Payments for Loan Funds	-	-	(9,787,480)	-	(11,897,318)	(21,684,798)	-
Payments to Other Funds	-	-	-	-	(779)	(779)	(1,871,534)
Payments for Scholarships and Fellowships	-	-	(15,344,078)	-	-	(15,344,078)	-
Payments to Suppliers	(6,737,000)	(111,122,000)	(197,378,720)	(3,021,750)	(307,716,724)	(625,976,194)	(29,380,413)
Payments to Employees	(8,048,000)	(1,827,000)	(422,807,408)	(8,849,117)	(10,918,705)	(452,450,230)	(14,392,899)
Claim Payments	-	-	-	(87,506,556)	(36,907,526)	(124,414,082)	(2,751,880)
Payments to Others	-	(1,083,000)	(2,047,691)	(8,617,693)	(460,010)	(12,208,394)	(1,389,762)
Net Cash Provided by (Used for) Operating Activities	(2,655,000)	1,335,000	(195,510,470)	10,763,533	51,231,629	(134,835,308)	12,435,699
Cash Flows from Noncapital Financing Activities:							
Proceeds from Bonds	-	149,145,000	-	-	-	149,145,000	-
Proceeds from Sale of Notes and Other Borrowings	6,420,035,000	-	-	-	29,500,000	6,449,535,000	-
Principal Payments - Notes and Other Borrowings	(6,509,237,000)	(120,539,000)	-	-	(7,500,000)	(6,637,276,000)	-
Interest Payments - Bonds	-	(27,859,000)	-	-	(2,998,000)	(30,857,000)	-
Interest Payments - Notes and Other Borrowings	(22,770,000)	-	-	-	(359,661)	(23,129,661)	(35,388)
Payment of Bond Issue Costs	-	(1,091,000)	-	-	-	(1,091,000)	-
Operating Grant Received	-	-	-	-	55,000	55,000	-
Transfers In	-	-	-	-	1,581,957	1,581,957	-
Transfers Out	(30,037,000)	(25,000)	(6,216,000)	-	(34,787,285)	(71,065,285)	-
Net Increase in Non-Interest Bearing Deposits	(12,827,000)	-	-	-	-	(12,827,000)	-
Net Decrease in Interest Bearing Deposits	147,198,000	-	-	-	-	147,198,000	-
Payments of Interest on Deposits	(12,844,000)	-	-	-	-	(12,844,000)	-
Interest Paid on Federal Funds and Reverse Repurchase Agreements	(1,985,000)	-	-	-	-	(1,985,000)	-
Net Decrease in Federal Funds and Reverse Repurchase Agreements	11,362,000	-	-	-	-	11,362,000	-
Principal Payments on Due To Other Funds	-	-	(5,150,000)	-	(804,381)	(5,954,381)	-
Grants and Gifts Received for Other than Capital Purposes	-	-	21,773,543	-	325,633	22,099,176	-
State Appropriations	-	-	220,941,873	-	-	220,941,873	-
Agency Fund Cash Increase	-	-	(2,794,702)	-	-	(2,794,702)	-
Grants Given for Other than Capital Purposes	-	-	(430,581)	-	-	(430,581)	-
Disbursements for Loans and Loan Purchases	-	-	-	-	184,312	184,312	-
Other	-	-	1,639,198	-	(352,666)	1,286,532	9
Net Cash Provided by (Used for) Noncapital Financing Activities	(11,105,000)	(369,000)	229,763,331	-	(15,155,091)	203,134,240	(35,379)
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(139,000)	-	(63,345,412)	(268,960)	(2,626,701)	(66,380,073)	(13,142,025)
Proceeds from Sale of Capital Assets	-	-	107,030	-	17,350	124,380	1,895,375
Proceeds from Sale of Notes and Other Borrowings	-	-	22,113,162	-	-	22,113,162	-
Principal Payments - Bonds	-	-	-	-	(205,000)	(205,000)	-
Principal Payments - Notes and Other Borrowings	-	-	(13,200,173)	-	-	(13,200,173)	(433,402)
Interest Payments - Bonds	-	-	-	-	(79,541)	(79,541)	(223,133)
Interest Payments - Notes and Other Borrowings	-	-	(7,461,622)	-	(6,653)	(7,468,275)	(10,165)
Capital Appropriations	-	-	3,405,174	-	-	3,405,174	-
Payment on Capital Leases	-	-	-	-	(43,131)	(43,131)	(18,905)
Interest Payments - Capital Leases	-	-	-	-	-	-	(7,773)
Capital Grants and Gifts Received	-	-	6,399,470	-	-	6,399,470	-
Insurance Proceeds	-	-	347,974	-	-	347,974	-
Net Cash Used for Capital and Related Financing Activities	(139,000)	-	(51,634,397)	(268,960)	(2,943,676)	(54,986,033)	(11,940,028)
Cash Flows from Investing Activities:							
Proceeds from Sale and Maturities of Investment Securities	111,075,000	283,000	92,070,040	11,000,000	105,143,331	319,571,371	673,855
Purchase of Investment Securities	(82,093,000)	-	(76,173,269)	(21,246,633)	(113,025,435)	(292,538,337)	(145,029)
Interest and Dividends on Investments	10,435,000	1,880,000	5,829,691	-	6,582,237	24,726,928	262,465
Proceeds from Sale of Other Real Estate	1,815,000	-	-	-	-	1,815,000	-
Net Decrease in Loans	(66,603,000)	-	-	-	-	(66,603,000)	-
Disbursements for Loans and Loan Purchases	-	-	-	-	(2,461,700)	(2,461,700)	-
Receipt of Loan Principal Repayments	-	-	-	-	1,185,677	1,185,677	-
Loan Income Received	69,006,000	-	-	-	645,849	69,651,849	-
Net Cash Provided by (Used for) Investing Activities	43,635,000	2,163,000	21,726,462	(10,246,633)	(1,930,041)	55,347,788	791,291

STATE OF NORTH DAKOTA

Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2005

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
Net Change In Cash:							
Net Increase in Cash and Cash Equivalents	29,736,000	3,129,000	4,344,926	247,940	31,202,821	68,660,687	1,251,583
Cash and Cash Equivalents at June 30, 2004	276,667,000	147,141,000	74,909,703	1,748,242	94,310,553	594,776,498	9,855,997
Cash and Cash Equivalents at June 30, 2005	<u>\$ 306,403,000</u>	<u>\$ 150,270,000</u>	<u>\$ 79,254,629</u>	<u>\$ 1,996,182</u>	<u>\$ 125,513,374</u>	<u>\$ 663,437,185</u>	<u>\$ 11,107,580</u>
Reconciliation:							
Current:							
Cash Deposits at the Bank of North Dakota	\$ -	\$ 1,032,000	\$ 54,675,585	\$ 1,996,182	\$ 31,400,340	\$ 89,104,107	\$ 11,103,511
Cash and Cash Equivalents	306,403,000	392,000	7,995,110	-	83,101,817	397,891,927	4,069
Restricted Cash Deposits at the Bank of North Dakota	-	6,111,000	-	-	10,738,943	16,849,943	-
Restricted Cash and Cash Equivalents	-	142,735,000	-	-	-	142,735,000	-
Noncurrent:							
Restricted Cash Deposits At The Bank of North Dakota	-	-	16,583,934	-	-	16,583,934	-
Restricted Cash and Cash Equivalents	-	-	-	-	272,274	272,274	-
Cash and Cash Equivalents	<u>\$ 306,403,000</u>	<u>\$ 150,270,000</u>	<u>\$ 79,254,629</u>	<u>\$ 1,996,182</u>	<u>\$ 125,513,374</u>	<u>\$ 663,437,185</u>	<u>\$ 11,107,580</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:							
Operating Income (Loss)	\$ 33,268,000	\$ 3,345,000	\$ (226,602,252)	\$ (69,196,055)	\$ 33,399,802	\$ (225,785,505)	\$ 6,961,017
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	1,007,000	20,000	35,578,450	428,945	3,769,692	40,804,087	8,731,547
Amortization/Accretion	-	141,000	-	-	402,000	543,000	-
Reclassification of Interest Revenue/Expense	(42,036,000)	(3,835,000)	-	-	(9,666,778)	(55,537,778)	-
Gain on Sale of Student Loans	(25,000)	-	-	-	-	(25,000)	-
Gain on Sale of Real Estate	(299,000)	-	-	-	-	(299,000)	-
Net Increase in Fair Value of Investments	2,084,000	(62,000)	-	-	-	2,022,000	-
Interest Received on Program Loans	-	30,810,000	-	-	10,552,000	41,362,000	-
Disbursements for Loans and Loan Purchases	-	(105,844,000)	-	-	(36,256,000)	(142,100,000)	-
Receipt of Loan Principal Repayments	-	77,160,000	-	-	43,858,000	121,018,000	-
Provision for Losses	2,400,000	-	-	-	807,000	3,207,000	-
Premiums Collected	-	-	-	-	129,346,034	129,346,034	-
Premiums Paid	-	-	-	-	(129,346,034)	(129,346,034)	-
Other	-	(816,000)	-	-	196,000	(620,000)	725
Change in Assets and Liabilities:							
Increase in Accounts Receivable	-	(363,000)	(1,781,967)	(3,251,460)	(1,207,808)	(6,604,235)	(690,576)
Decrease in Interest Receivable	-	-	-	-	24,832	24,832	-
(Increase) Decrease in Due From	66,000	10,000	-	-	(1,764)	74,236	(462,951)
Increase in Due From Fiduciary Funds	-	-	-	-	(58,621)	(58,621)	-
(Increase) Decrease in Intergovernmental Receivable	-	138,000	(15,585,422)	-	244,043	(15,203,379)	529,011
(Increase) Decrease in Notes Receivable	-	-	(87,274)	-	502,348	415,074	-
(Increase) Decrease in Prepaid Items	-	11,000	-	19,520	(365,839)	(335,319)	(10,198)
Increase in Inventories	-	-	(189,590)	-	(124,429)	(314,019)	(35,175)
(Increase) Decrease in Other Assets	67,000	-	(118,558)	-	(457,742)	(509,300)	-
Increase (Decrease) in Accounts Payable	-	109,000	5,718,622	881,598	(700,899)	6,008,321	241,942
Increase (Decrease) in Claims/Judgments Payable	-	-	-	76,300,000	378,424	76,678,424	(1,000,514)
Decrease in Intergovernmental Payable	-	(80,000)	-	-	(1,008,952)	(1,088,952)	(1,872,134)
Increase in Accrued Payroll	-	-	11,894,914	-	154,401	12,049,315	35,615
Increase in Compensated Absences Payable	-	-	895,358	55,421	42,220	992,999	34,078
Increase in Amounts Held for Others	-	637,000	-	-	4,871,330	5,508,330	-
Decrease in Other Deposits	-	-	(2,581,112)	-	-	(2,581,112)	-
Increase (Decrease) in Due To Other Funds	43,000	1,000	-	(49,828)	(31,038)	(36,866)	154,127
Increase (Decrease) in Deferred Revenue	-	(47,000)	(2,651,639)	5,575,392	1,915,407	4,792,160	(180,815)
Increase (Decrease) in Other Liabilities	770,000	-	-	-	(6,000)	764,000	-
Total Adjustments	(35,923,000)	(2,010,000)	31,091,782	79,959,588	17,831,827	90,950,197	5,474,682
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,655,000)</u>	<u>\$ 1,335,000</u>	<u>\$ (195,510,470)</u>	<u>\$ 10,763,533</u>	<u>\$ 51,231,629</u>	<u>\$ (134,835,308)</u>	<u>\$ 12,435,699</u>
Noncash Transactions:							
Net Increase (Decrease) in Fair Value of Investments	\$ -	\$ -	\$ -	\$ 47,067,853	\$ 140,643	\$ 47,208,496	\$ 104,563
Real estate and Property Owned Acquired in Exchange for Loans	148,000	-	-	-	-	148,000	-
Change in Securities Lending Collateral	-	-	-	49,582,416	1,158,643	50,741,059	18,744
Disposal of Equipment Under Capital Lease	-	-	-	6,595	-	6,595	-
Interest on Investments	-	-	-	31,787,750	-	31,787,750	-
Amortization of Bond Discount	-	-	-	-	8,754	8,754	-
Amortization of Bond Issuance Costs	-	-	-	-	3,335	3,335	-
Acquisition of Equipment Under Capital Lease	-	-	-	-	89,580	89,580	292,742
Assets Acquired Through Capital Lease	-	-	2,636,653	-	-	2,636,653	-
Assets Acquired Through Special Assessments	-	-	20,172	-	-	20,172	-
Expenses Paid by Capital Lease	-	-	535,758	-	-	535,758	-
Gifts of Capital Assets	-	-	94,345	-	-	94,345	-
Total Noncash Transactions	<u>\$ 148,000</u>	<u>\$ -</u>	<u>\$ 3,286,928</u>	<u>\$ 128,444,614</u>	<u>\$ 1,400,955</u>	<u>\$ 133,280,497</u>	<u>\$ 416,049</u>

STATE OF NORTH DAKOTA

Statement of Fiduciary Net Assets Fiduciary Funds June 30, 2005

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS				
Cash Deposits at the Bank of ND Cash and Cash Equivalents	\$ 11,109,978	\$ 161,848	\$ 514,434	\$ 14,940,722
	-	-	791,269	2,762,557
Receivables:				
Contributions Receivable	11,733,198	-	-	-
Accounts Receivable - Net	702	-	351,469	5,733,317
Taxes Receivable - Net	-	-	-	9,548,665
Interest Receivable - Net	11,643,900	110,294	1,849	-
Due from Other Funds	598,971	8,863	25,751	-
Due from Fiduciary Funds	105,345	-	-	-
Total Receivables	<u>24,082,116</u>	<u>119,157</u>	<u>379,069</u>	<u>15,281,981</u>
Investments, at Fair Value:				
Investments at the Bank of ND	31,866,952	745,449	23,615,248	8,476,210
Equities	21,862,661	-	-	-
Equity Pool	1,867,507,821	34,302,975	-	-
Fixed Income	14,087,319	-	-	-
Fixed Income Pool	778,523,437	28,681,353	2,284,804	2,343,651
Cash and Cash Pool	47,260,003	694,820	-	-
Real Estate Pool	214,183,433	2,092,312	-	-
Private Equity	122,925,200	872,107	-	-
Annuities	76,988	-	-	-
Mutual Funds	25,568,465	-	244,480,118	-
Total Investments	<u>3,123,862,279</u>	<u>67,389,016</u>	<u>270,380,170</u>	<u>10,819,861</u>
Invested Securities Lending Collateral	<u>236,777,798</u>	<u>7,415,027</u>	<u>-</u>	<u>-</u>
Prepaid Items	40,075	-	-	-
Capital Assets (Net of Depreciation)	12,779	-	-	-
Other Assets	-	-	-	21,683
Total Assets	<u>3,395,885,025</u>	<u>75,085,048</u>	<u>272,064,942</u>	<u>\$ 43,826,805</u>
LIABILITIES				
Accounts Payable	3,213,919	47,491	1,070,930	\$ -
Accrued Payroll	63,780	-	-	-
Securities Lending Collateral	236,777,798	7,415,027	-	-
Intergovernmental Payable	-	-	-	19,281,172
Due to Other Funds	122,100	-	-	-
Due to Fiduciary Funds	105,345	-	-	-
Amounts Held in Custody for Others	-	-	-	24,545,633
Deferred Revenue	63,535	-	-	-
Compensated Absences Payable	70,340	-	-	-
Total Liabilities	<u>240,416,817</u>	<u>7,462,518</u>	<u>1,070,930</u>	<u>\$ 43,826,805</u>
NET ASSETS				
Net Assets Held in Trust for:				
Pension Benefits	3,154,213,528	-	-	
Other Employee Benefits	1,254,680	-	-	
External Investment Pool Participants	-	67,622,530	-	
Other Purposes	-	-	270,994,012	
Total Net Assets Held in Trust	<u>\$ 3,155,468,208</u>	<u>\$ 67,622,530</u>	<u>\$ 270,994,012</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, 2005

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 57,549,799	\$ -	\$ -
Employee	58,556,186	-	-
From Participants	-	-	110,518,738
Remediation Settlement	-	-	26,500,000
Transfers from Other Funds	229,615	-	-
Transfers from Other Plans	83,194	-	-
Donations	-	-	2,491
Total Contributions	<u>116,418,794</u>	<u>-</u>	<u>137,021,229</u>
Investment Income:			
Net Increase in Fair Value of Investments	315,091,855	5,195,082	12,936,278
Interest and Dividends	76,379,094	1,233,977	4,385,008
Less Investment Expense	<u>11,872,145</u>	<u>187,938</u>	<u>559</u>
Net Investment Income	<u>379,598,804</u>	<u>6,241,121</u>	<u>17,320,727</u>
Securities Lending Activity:			
Securities Lending Income	4,345,287	121,260	-
Less Securities Lending Expense	<u>3,739,974</u>	<u>110,858</u>	<u>-</u>
Net Securities Lending Income	<u>605,313</u>	<u>10,402</u>	<u>-</u>
Repurchase Service Credit	7,966,366	-	-
Miscellaneous Income	<u>536,476</u>	<u>-</u>	<u>-</u>
Total Additions	<u>505,125,753</u>	<u>6,251,523</u>	<u>154,341,956</u>
DEDUCTIONS			
Benefits Paid to Participants	145,838,278	-	-
Refunds	10,082,145	-	-
Prefunded Credit Applied	4,193,687	-	-
Transfer to Other Plans	229,615	-	-
Payments in Accordance with Trust Agreements	-	-	52,298,892
Administrative Expenses	<u>3,645,066</u>	<u>-</u>	<u>24,556</u>
Total Deductions	<u>163,988,791</u>	<u>-</u>	<u>52,323,448</u>
Purchase of Units at Net Asset Value of \$1.00 Per Unit	<u>-</u>	<u>15,052,438</u>	<u>-</u>
Change in Net Assets Held in Trust for:			
Pension Benefits	340,953,645	-	-
Other Employee Benefits	183,317	-	-
External Investment Pool Participants	-	21,303,961	-
Other Purposes	-	-	102,018,508
Net Assets - Beginning of Year	<u>2,814,331,246</u>	<u>46,318,569</u>	<u>168,975,504</u>
Net Assets - End of Year	<u>\$ 3,155,468,208</u>	<u>\$ 67,622,530</u>	<u>\$ 270,994,012</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Combining Statement of Net Assets Component Units - Proprietary Funds June 30, 2005

	BSC Foundation	CHAND	MISU Development Foundation	Municipal Bond Bank	ND Development Fund
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 412,277	\$ 2,248,085	\$ 55,422	\$ 2,566,000	\$ 1,490,986
Investments	-	-	-	-	11,725,000
Accounts Receivable - Net	555,085	2,658	60,876	-	-
Interest Receivable - Net	-	-	-	-	147,987
Due from Primary Government	456	-	-	-	-
Inventory	-	-	-	-	-
Loans and Notes Receivable - Net	-	-	-	-	3,165,473
Other Assets	3,894,580	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	1,602,000	-
Restricted Investments	-	-	-	15,163,000	-
Restricted Interest Receivable - Net	-	-	-	3,404,000	-
Total Current Assets	4,862,398	2,250,743	116,298	22,735,000	16,529,446
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	-	-	-	-	-
Restricted Investments	3,308,644	-	-	315,424,000	-
Investments	7,475,840	-	10,782,610	-	859,898
Due from Primary Government	-	-	-	-	-
Loans and Notes Receivable - Net	-	-	-	-	3,992,604
Unamortized Bond Issuance Costs	-	-	-	1,246,000	-
Capital Assets:					
Land and Construction in Progress	1,202,875	-	-	-	-
Infrastructure - Net	-	-	-	-	-
Buildings and Equipment - Net	111,751	-	-	-	15,460
Total Noncurrent Assets	12,099,110	-	10,782,610	316,670,000	4,867,962
Total Assets	16,961,508	2,250,743	10,898,908	339,405,000	21,397,408
LIABILITIES					
Current Liabilities:					
Accounts Payable	51,792	2,104,145	11,002	34,000	18,426
Interest Payable	-	-	-	1,634,000	-
Intergovernmental Payable	-	-	-	110,000	-
Due to Primary Government	11,684	-	173,622	-	-
Other Deposits	-	-	-	-	-
Notes Payable	-	-	9,475	-	-
Capital Leases Payable	-	-	-	-	-
Bonds Payable	-	-	-	9,150,000	-
Deferred Revenue	-	181,657	-	-	-
Total Current Liabilities	63,476	2,285,802	194,099	10,928,000	18,426
Noncurrent Liabilities:					
Intergovernmental Payable	-	-	-	338,000	-
Notes Payable	-	-	12,006	6,053,000	-
Capital Leases Payable	-	-	-	-	-
Bonds Payable	-	-	-	142,010,000	-
Other Noncurrent Liabilities	1,352,683	-	57,414	-	-
Total Noncurrent Liabilities	1,352,683	-	69,420	148,401,000	-
Total Liabilities	1,416,159	2,285,802	263,519	159,329,000	18,426
Net Assets					
Invested in Capital Assets, Net of Related Debt	1,314,626	-	-	-	15,460
Restricted for:					
Debt Service	-	-	-	89,737,000	-
Loan Purposes	-	-	-	87,783,000	-
Other	13,209,885	-	8,665,785	-	-
Unrestricted	1,020,838	(35,059)	1,969,604	2,556,000	21,363,522
Total Net Assets	\$ 15,545,349	\$ (35,059)	\$ 10,635,389	\$ 180,076,000	\$ 21,378,982

The Accompanying Notes are an Integral Part of the Financial Statements

NDSU Development Foundation	NDSU Research and Technology Park	RE Arena Inc. UND Arena Services, Inc. & Affiliates	UND Aerospace Foundation	UND Alumni Association and UND Foundation	Non-Major	Total
\$ 1,734,571	\$ 356,102	\$ 200,603	\$ 985,317	\$ 589,462	\$ 4,430,776	\$ 15,069,601
-	-	-	-	-	-	11,725,000
3,661,350	-	1,163,977	179,200	1,934,927	1,116,890	8,674,963
-	-	-	-	-	-	147,987
36,865	-	309,089	37,821	248,551	-	632,782
-	-	219,257	141,805	-	-	361,062
-	-	-	-	-	-	3,165,473
627,486	584,176	146,847	28,610	1,646,280	1,491,408	8,419,387
-	-	-	-	-	-	1,602,000
-	-	-	-	-	-	15,163,000
-	-	-	-	-	-	3,404,000
6,060,272	940,278	2,039,773	1,372,753	4,419,220	7,039,074	68,365,255
3,951,804	1,443,786	703,286	-	-	1,529,440	7,628,316
7,693,137	-	-	-	39,492,163	-	365,917,944
77,269,048	-	-	474,400	84,256,361	23,990,183	205,108,340
-	-	-	1,936,742	12,205,000	-	14,141,742
-	-	-	-	-	-	3,992,604
-	-	37,813	-	-	-	1,283,813
925,866	-	-	996,393	-	291,450	3,416,584
-	494,808	-	35,740	-	-	530,548
3,351,296	22,386	103,854,409	6,574,378	3,253,373	1,119,975	118,303,028
93,191,151	1,960,980	104,595,508	10,017,653	139,206,897	26,931,048	720,322,919
99,251,423	2,901,258	106,635,281	11,390,406	143,626,117	33,970,122	788,688,174
228,201	1,359	1,419,428	795,588	273,196	840,437	5,777,574
-	-	-	-	-	-	1,634,000
-	13,813	-	-	-	-	123,813
300	-	78,327	108,599	422,762	282,711	1,078,005
520,513	-	-	-	-	750	521,263
2,908	-	30,639	573,255	13,551	46,825	676,653
-	-	-	33,916	-	-	33,916
81,809	-	250,000	-	343,819	-	9,825,628
357,918	-	1,670,713	145,011	-	-	2,355,299
1,191,649	15,172	3,449,107	1,656,369	1,053,328	1,170,723	22,026,151
-	224,839	-	-	-	-	562,839
22,765	-	41,361	3,126,955	700,000	596,205	10,552,292
-	-	-	1,936,743	-	-	1,936,743
1,469,820	-	7,000,000	-	12,261,849	-	162,741,669
6,360,181	-	-	-	17,217,287	870,641	25,858,206
7,852,766	224,839	7,041,361	5,063,698	30,179,136	1,466,846	201,651,749
9,044,415	240,011	10,490,468	6,720,067	31,232,464	2,637,569	223,677,900
4,277,162	258,542	96,604,409	3,906,300	3,253,373	768,395	110,398,267
-	-	-	-	-	-	89,737,000
-	-	-	-	-	-	87,783,000
75,615,313	2,024,251	703,286	-	95,689,553	26,395,727	222,303,800
10,314,533	378,454	(1,162,882)	764,039	13,450,727	4,168,431	54,788,207
\$ 90,207,008	\$ 2,661,247	\$ 96,144,813	\$ 4,670,339	\$ 112,393,653	\$ 31,332,553	\$ 565,010,274

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, 2005

Functions/Programs	Program Revenues			Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	
BSC Foundation	\$ 900,165	\$ 105,741	\$ 1,294,111	\$ 499,687
CHAND	10,773,190	10,012,347	357,491	(403,352)
MISU Development Foundation	807,325	-	994,692	187,367
Municipal Bond Bank	9,251,000	916,000	25,015,000	16,680,000
ND Development Fund	682,376	622,157	218,931	158,712
NDSU Development Foundation	8,855,494	823,544	13,350,300	5,318,350
NDSU Research and Technology Park	341,073	115,255	473,902	248,084
RE Arena, Inc., UND Areana Services & Affiliates	17,375,750	10,604,109	1,071,534	(5,700,107)
UND Areospace Foundation	5,670,365	5,934,702	29,785	294,122
UND Alumni Association & UND Foundation	11,499,996	2,265,161	9,371,730	136,895
Nonmajor Component Units	5,664,742	887,727	8,150,545	# 3,373,530
Total Component Units	<u>\$ 71,821,476</u>	<u>\$ 32,286,743</u>	<u>\$ 60,328,021</u>	<u>\$ 20,793,288</u>

<u>General Revenues</u>					
<u>Payments from</u>	<u>Additions to</u>	<u>Change</u>	<u>Net Assets</u>	<u>Net Assets</u>	<u>Net Assets</u>
<u>State of</u>	<u>Permanent</u>	<u>in</u>	<u>Beginning</u>	<u>Beginning</u>	<u>End</u>
<u>North Dakota</u>	<u>Endowments</u>	<u>Net Assets</u>	<u>of Year</u>	<u>of Year</u>	<u>of Year</u>
\$ -	\$ 1,682,020	\$ 2,181,707	\$ 13,363,642	\$ 15,545,349	
-	-	(403,352)	368,293	(35,059)	
-	102,850	290,217	10,345,172	10,635,389	
-	-	16,680,000	163,396,000	180,076,000	
500,000	-	658,712	20,720,270	21,378,982	
-	6,930,031	12,248,381	77,958,627	90,207,008	
-	-	248,084	2,413,163	2,661,247	
-	-	(5,700,107)	101,844,920	96,144,813	
-	-	294,122	4,376,217	4,670,339	
-	4,390,306	4,527,201	107,866,452	112,393,653	
-	2,346,939	5,720,469	25,612,084	31,332,553	
<u>\$ 500,000</u>	<u>\$ 15,452,146</u>	<u>\$ 36,745,434</u>	<u>\$ 528,264,840</u>	<u>\$ 565,010,274</u>	