

STATE OF NORTH DAKOTA

Statement of Net Assets

June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 16,082,221	\$ 656,592,727	\$ 672,674,948	\$ 26,303,306
Investments	1,183,219,605	1,617,046,823	2,800,266,428	37,829,756
Accounts Receivable - Net	48,411,460	95,250,875	143,662,335	16,270,948
Taxes Receivable - Net	290,351,265	-	290,351,265	-
Interest Receivable - Net	8,867,645	45,671,676	54,539,321	113,543
Intergovernmental Receivable - Net	179,267,918	38,035,825	217,303,743	454,437
Internal Receivable	1,435,593,852	-	310,814,790	-
Due from Component Units	-	6,160,330	6,160,330	-
Due from Primary Government	-	-	-	64,147,645
Prepaid Items	6,710,289	2,276,338	8,986,627	-
Inventory	9,890,288	66,457,162	76,347,450	140,095
Loans and Notes Receivable - Net	98,426,055	2,018,600,753	2,117,026,808	8,678,017
Unamortized Bond Financing Costs	1,136,000	11,447,501	12,583,501	2,758,307
Pension Assets	2,373,325	-	2,373,325	-
Other Assets	46,546	9,806,721	9,853,267	27,843,931
Restricted Assets:				
Cash and Cash Equivalents	522,675	247,878,235	248,400,910	18,435,185
Investments	-	36,556,717	36,556,717	744,379,758
Interest Receivable - Net	-	4,542,000	4,542,000	4,186,000
Loans and Notes Receivable - Net	-	828,858,000	828,858,000	-
Capital Assets:				
Land and Construction in Progress	513,350,146	77,346,300	590,696,446	13,771,837
Infrastructure - Net	601,392,256	85,424,136	686,816,392	1,415,092
Buildings and Equipment - Net	364,828,261	629,445,814	994,274,075	106,257,039
Total Assets	<u>4,760,469,807</u>	<u>6,477,397,933</u>	<u>10,113,088,678</u>	<u>1,072,984,896</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.

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Assets June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts Payable	156,720,392	36,096,432	192,816,824	9,207,156
Accrued Payroll	34,332,194	23,793,750	58,125,944	52,583
Securities Lending Collateral	94,981,170	137,700,572	232,681,742	-
Interest Payable	3,982,715	20,645,294	24,628,009	1,584,000
Intergovernmental Payable	56,292,512	2,476,719	58,769,231	-
Tax Refunds Payable	67,705,897	-	67,705,897	-
Internal Payable	-	1,124,779,062	-	-
Due to Component Units	-	4,081,226	4,081,226	-
Due to Primary Government	-	-	-	6,160,330
Contracts Payable	6,298,035	1,806,128	8,104,163	-
Federal Funds Purchased	-	333,431,000	333,431,000	-
Reverse Repurchase Agreements	-	100,630,000	100,630,000	-
Other Deposits	-	486,519,772	486,519,772	648,894
Amounts Held In Custody for Others	-	14,626,215	14,626,215	-
Deferred Revenue	12,125,863	83,247,677	95,373,540	2,423,702
Other Liabilities	-	9,728,975	9,728,975	41,537,705
Long-Term Liabilities				
Due within one year	27,114,163	456,598,954	483,713,117	16,136,689
Due in more than one year	321,940,634	1,908,577,238	2,230,517,872	222,297,901
Total Liabilities	<u>781,493,575</u>	<u>4,744,739,014</u>	<u>4,401,453,527</u>	<u>300,048,960</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,400,535,033	546,699,435	1,947,234,468	108,059,171
Restricted for:				
General Government	2,086,031	-	2,086,031	-
Education	114,075,207	-	114,075,207	-
Health and Human Services	16,328,860	-	16,328,860	-
Regulatory Purposes	34,381,667	-	34,381,667	-
Public Safety & Corrections	3,488,349	-	3,488,349	-
Agriculture and Commerce	20,756,165	-	20,756,165	-
Cultural and Natural Resources	95,245,308	-	95,245,308	-
Transportation	159,192,895	-	159,192,895	-
Capital Projects	8,774,712	665,584	9,440,296	-
Debt Service	28,480,311	123,428,282	151,908,593	68,189,000
Loan Purposes	-	46,081,816	46,081,816	189,430,000
Pledged Assets	-	178,326,000	178,326,000	-
Unemployment Compensation	-	142,260,497	142,260,497	-
Permanent Fund and University System - Expendable	20,095,448	26,899,567	46,995,015	-
Permanent Fund and University System - Nonexpendable	955,660,558	14,287,950	969,948,508	-
Other	-	1,004,941	1,004,941	331,405,126
Unrestricted	1,119,875,688	653,004,847	1,772,880,535	75,852,639
Total Net Assets	<u>\$ 3,978,976,232</u>	<u>\$ 1,732,658,919</u>	<u>\$ 5,711,635,151</u>	<u>\$ 772,935,936</u>

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, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 313,329,720	\$ 18,874,082	\$ 1,729,885	\$ -
Education	537,756,698	3,994,400	149,566,608	-
Health and Human Services	960,439,610	31,576,197	631,157,016	-
Regulatory	28,265,610	21,266,588	2,957,613	-
Public Safety and Corrections	135,067,907	9,451,217	48,707,093	-
Agriculture and Commerce	67,941,955	28,180,590	20,198,602	-
Natural Resources	64,090,113	26,030,413	20,556,696	6,829,721
Transportation	318,241,207	71,469,872	166,537,468	61,641,869
Interest on Long Term Debt	13,293,248	-	-	-
Total Governmental Activities	<u>2,438,426,068</u>	<u>210,843,359</u>	<u>1,041,410,981</u>	<u>68,471,590</u>
Business-Type Activities:				
Bank of North Dakota	108,077,704	158,993,000	3,076,000	-
Housing Finance	58,815,920	53,106,863	14,286,000	-
Loan Programs	9,657,603	10,522,025	2,170,617	-
Mill and Elevator	242,924,564	242,025,576	28,014	-
State Lottery	16,205,287	22,219,058	64,072	-
Unemployment Compensation	46,911,958	51,993,327	6,277,297	-
University System	835,873,088	369,469,634	212,325,736	9,244,575
Workforce Safety & Insurance	246,581,569	145,487,917	20,211,903	-
Other	23,268,976	19,959,736	(221,390)	-
Total Business-Type Activities	<u>1,588,316,669</u>	<u>1,073,777,136</u>	<u>258,218,249</u>	<u>9,244,575</u>
Total Primary Government	<u>\$ 4,026,742,737</u>	<u>\$ 1,284,620,495</u>	<u>\$ 1,299,629,230</u>	<u>\$ 77,716,165</u>
Component Units:	<u>\$ 91,103,210</u>	<u>\$ 45,299,457</u>	<u>\$ 70,463,903</u>	<u>\$ -</u>

General Revenues:

Taxes:

- Individual and Corporate Income Taxes
- Sales and Use Taxes
- Oil, Gas and Coal Taxes
- Business and Other Taxes

Unrestricted Investment Earnings
Tobacco Settlement
Miscellaneous
Payment from State of North Dakota
Contributions to Perm Fund Principal
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net Assets, Beginning of Year, as Restated
Net Assets, Ending

Net (Expense) Revenue and Change in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (292,725,753)		\$ (292,725,753)	
(384,195,690)		(384,195,690)	
(297,706,397)		(297,706,397)	
(4,041,409)		(4,041,409)	
(76,909,597)		(76,909,597)	
(19,562,763)		(19,562,763)	
(10,673,283)		(10,673,283)	
(18,591,998)		(18,591,998)	
(13,293,248)		(13,293,248)	
<u>(1,117,700,138)</u>		<u>(1,117,700,138)</u>	
	53,991,296	53,991,296	
	8,576,943	8,576,943	
	3,035,039	3,035,039	
	(870,974)	(870,974)	
	6,077,843	6,077,843	
	11,358,666	11,358,666	
	(244,833,143)	(244,833,143)	
	(80,881,749)	(80,881,749)	
	(3,530,630)	(3,530,630)	
<u>-</u>	<u>(247,076,709)</u>	<u>(247,076,709)</u>	
(1,117,700,138)	(247,076,709)	(1,364,776,847)	
			\$ 24,660,150
473,235,378	-	473,235,378	-
797,614,476	-	797,614,476	-
469,244,783	-	469,244,783	-
65,487,361	-	65,487,361	-
25,149,527	-	25,149,527	-
20,062,331	-	20,062,331	-
42,051,636	-	42,051,636	-
-	-	-	3,000,000
19,181,247	-	19,181,247	20,946,849
(254,648,266)	228,140,706	(26,507,560)	-
<u>1,657,378,473</u>	<u>228,140,706</u>	<u>1,885,519,179</u>	<u>23,946,849</u>
539,678,335	(18,936,003)	520,742,332	48,606,999
3,439,297,897	1,751,594,922	5,190,892,819	724,328,937
<u>\$ 3,978,976,232</u>	<u>\$ 1,732,658,919</u>	<u>\$ 5,711,635,151</u>	<u>\$ 772,935,936</u>

STATE OF NORTH DAKOTA

Balance Sheet Governmental Funds June 30, 2008

	General	Federal	School Permanent Trust Fund	Other Governmental Funds	Total
ASSETS					
Cash Deposits at the Bank of ND	\$ 519,389,183	\$ -	\$ 6,007,200	\$ 742,362,139	\$ 1,267,758,522
Cash and Cash Equivalents	8,367,683	12,166	-	7,694,578	16,074,427
Restricted Cash and Cash Equivalents	238,450	-	-	284,225	522,675
Investments at the Bank of ND	56,569,122	7,750,000	-	90,412,951	154,732,073
Investments	95,318,478	-	999,083,060	82,249,530	1,176,651,068
Accounts Receivable - Net	2,747,982	6,208,670	13,264,965	26,038,926	48,260,543
Taxes Receivable - Net	172,195,458	-	2,698,224	115,457,583	290,351,265
Interest Receivable - Net	321,999	19,223	7,309,875	1,163,452	8,814,549
Intergovernmental Receivable - Net	-	168,194,259	-	10,902,362	179,096,621
Due from Other Funds	125,278,986	15,075,009	6,952,884	15,486,168	162,793,047
Prepaid Items	724,515	1,066,869	-	2,612,841	4,404,225
Inventory	1,698,979	2,919,412	-	5,159,367	9,777,758
Loans and Notes Receivable - Net	83,325	15,299	30,570,615	67,756,816	98,426,055
Total Assets	\$ 982,934,160	\$ 201,260,907	\$ 1,065,886,823	\$ 1,167,580,938	\$ 3,417,662,828
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 32,828,409	\$ 94,792,643	\$ 5,196,810	\$ 22,142,258	\$ 154,960,120
Accrued Payroll	17,754,615	8,000,051	-	6,959,672	32,714,338
Securities Lending Collateral	-	-	84,873,209	9,870,737	94,743,946
Intergovernmental Payable	2,824,757	5,565,099	-	47,897,847	56,287,703
Tax Refunds Payable	67,469,295	-	-	236,602	67,705,897
Due to Other Funds	43,592,452	70,585,374	60,798	47,694,505	161,933,129
Contracts Payable	65,525	5,136,175	-	1,096,335	6,298,035
Deferred Revenue	30,459,743	17,279,411	-	34,700,129	82,439,283
Total Liabilities	194,994,796	201,358,753	90,130,817	170,598,085	657,082,451
Fund Balances:					
Reserved For:					
Inventory	1,698,979	2,919,412	-	5,159,367	9,777,758
Long - Term Receivables	56,119	11,844	-	61,386,542	61,454,505
Capital Projects	-	-	-	8,774,712	8,774,712
Debt Service	-	-	-	31,082,254	31,082,254
Prepaid Expenditures	724,515	1,066,869	-	2,612,841	4,404,225
Legal Requirements	-	-	-	13,706,884	13,706,884
Undistributed Revenue	-	-	20,095,448	-	20,095,448
Permanent Trust Fund	-	-	955,660,558	-	955,660,558
Unreserved, Reported in:					
General Fund	785,459,751	-	-	-	785,459,751
Special Revenue Funds	-	(4,095,971)	-	874,260,253	870,164,282
Total Fund Balances	787,939,364	(97,846)	975,756,006	996,982,853	2,760,580,377
Total Liabilities and Fund Balances	\$ 982,934,160	\$ 201,260,907	\$ 1,065,886,823	\$ 1,167,580,938	\$ 3,417,662,828

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets June 30, 2008

Total Fund Balances-Governmental Funds \$ 2,760,580,377

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 \$4,125,255,520 and the accumulated depreciation is \$2,720,434,737. 1,404,820,783

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. 70,313,959

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. 68,084,139

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. 1,136,000

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. 2,373,325

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	(261,458,720)	
Notes Payable	(23,726,146)	
Accrued Interest on Long-Term Liabilities	(3,457,202)	
Compensated Absences	(32,488,650)	
Intergovernmental Payable	(385,302)	
Capital Leases	(4,627,058)	
Pension Obligation (Reported as Accounts Payable)	(101,630)	
Claims and Judgments	(2,087,643)	
Total Long-Term Liabilities		<u>(328,332,351)</u>

Net Assets of Governmental Activities \$ 3,978,976,232

STATE OF NORTH DAKOTA

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2008

	General	Federal	School Permanent Trust Fund	Other Governmental Funds	Total
REVENUES					
Individual and Corporate Income Taxes	\$ 452,565,449	\$ -	\$ -	\$ 16,611,691	\$ 469,177,140
Sales and Use Taxes	588,549,948	-	-	207,025,820	795,575,768
Oil, Gas, and Coal Taxes	82,363,873	-	20,214,624	366,652,876	469,231,373
Business and Other Taxes	45,189,569	-	-	18,385,955	63,575,524
Licenses, Permits and Fees	15,345,521	-	-	108,123,630	123,469,151
Intergovernmental	368,696	1,077,467,673	-	10,870,139	1,088,706,508
Sales and Services	2,809,050	-	-	46,649,986	49,459,036
Royalties and Rents	19,630,605	-	60,888,864	15,518,341	96,037,810
Fines and Forfeits	1,571,851	-	2,764,762	6,566,621	10,903,234
Interest and Investment Income	21,797,601	305,530	(37,172,376)	13,546,862	(1,522,383)
Tobacco Settlement	-	-	16,416,485	20,062,331	36,478,816
Commodity Assessments	-	-	-	18,152,847	18,152,847
Miscellaneous	1,791,609	449,183	-	7,938,143	10,178,935
Total Revenues	1,231,983,772	1,078,222,386	63,112,359	856,105,242	3,229,423,759
EXPENDITURES					
Current:					
General Government	84,855,934	1,995,337	-	6,593,102	93,444,373
Education	362,903,584	125,674,391	4,744,186	43,037,679	536,359,840
Health and Human Services	289,443,175	616,012,436	-	50,575,851	956,031,462
Regulatory	8,654,600	2,874,659	-	8,167,488	19,696,747
Public Safety and Corrections	90,261,595	32,621,151	-	4,464,435	127,347,181
Agriculture and Commerce	18,108,382	18,255,656	-	31,311,800	67,675,838
Natural Resources	16,700,918	11,728,659	-	29,698,610	58,128,187
Transportation	550,000	165,823,392	-	117,343,848	283,717,240
Intergovernmental - Revenue Sharing	-	-	-	224,406,911	224,406,911
Capital Outlay	10,009,068	92,176,658	-	37,029,334	139,215,060
Debt Service:					
Principal	3,193,199	48,414	-	12,974,114	16,215,727
Interest and Other Charges	1,476,264	1,767	-	11,786,946	13,264,977
Total Expenditures	886,156,719	1,067,212,520	4,744,186	577,390,118	2,535,503,543
Revenues over (under) Expenditures	345,827,053	11,009,866	58,368,173	278,715,124	693,920,216
OTHER FINANCING SOURCES (USES)					
Bonds and Notes Issued	-	-	-	1,426,000	1,426,000
Capital Lease Acquisitions	180,191	154,337	-	36,360	370,888
Sale of Capital Assets	-	-	-	1,052,750	1,052,750
Transfers In	129,290,011	11,280,471	-	161,651,224	302,221,706
Transfers Out	(325,821,306)	(19,060,870)	(35,600,000)	(176,387,794)	(556,869,970)
Total Other Financing Sources (Uses)	(196,351,104)	(7,626,062)	(35,600,000)	(12,221,460)	(251,798,626)
Net Change in Fund Balances	149,475,949	3,383,804	22,768,173	266,493,664	442,121,590
Fund Balances - Beginning of Year, as Adjusted	638,463,415	(3,481,650)	952,987,833	730,489,189	2,318,458,787
Fund Balances - End of Year	\$ 787,939,364	\$ (97,846)	\$ 975,756,006	\$ 996,982,853	\$ 2,760,580,377

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, 2008

Net Change in Fund Balances-Total Governmental Funds \$ 442,121,590

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	139,215,060	
Depreciation expense	<u>(54,729,327)</u>	
Excess of capital outlay over depreciation expense		84,485,733

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. (914,237)

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. 10,236

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. (370,888)

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. 4,166,576

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 (1,822,966)

Bonds proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (1,426,000)

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. 152,781

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	12,806,000	
Note payments	2,657,991	
Capital lease payments	<u>1,148,556</u>	
Total long-term debt repayment		16,612,547

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	364,464	
Net increase/decrease in compensated absences	(2,676,689)	
Net increase/decrease in net pension obligation (reported as accounts payable)	(101,630)	
Net increase/decrease in claims and judgments	<u>(923,182)</u>	
Total additional expenditures		<u>(3,337,037)</u>

Change in Net Assets of Governmental Activities \$ 539,678,335

STATE OF NORTH DAKOTA

Statement of Net Assets Proprietary Funds June 30, 2008

	Business-Type Activities - Enterprise Funds						Governmental	
	Bank of North Dakota	Housing Finance	Mill and Elevator	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
ASSETS								
Current Assets:								
Cash Deposits at the Bank of ND	\$ 2,460,000	\$ 3,737	\$ 66,823,246	\$ 1,375,198	\$ 28,506,461	\$ 99,168,642	\$ 8,894,081	
Cash and Cash Equivalents	7,000	-	3,914,327	-	130,014,400	133,935,727	7,794	
Investments at the Bank of ND	-	-	98,908,920	43,908,930	7,085,600	149,903,450	-	
Investments	-	-	1,550,395	1,343,643,719	26,082,688	1,371,276,802	6,568,536	
Accounts Receivable - Net	558,000	46,488,383	15,173,528	16,140,611	16,816,572	95,177,094	150,917	
Interest Receivable - Net	238,000	-	-	8,444,843	2,883,833	11,566,676	53,096	
Intergovernmental Receivable - Net	204,000	-	34,699,027	-	3,132,798	38,035,825	171,297	
Due from Other Funds	123,000	-	16,793,204	-	587,341	17,503,545	5,575,758	
Due from Fiduciary Funds	-	-	-	-	73,781	73,781	-	
Due from Component Units	-	-	2,492,330	-	-	2,492,330	-	
Prepaid Items	24,000	1,030,365	-	99,164	1,122,809	2,276,338	2,306,064	
Inventory	-	57,980,530	7,413,270	-	1,063,362	66,457,162	112,530	
Loans and Notes Receivable - Net	-	-	7,979,026	-	6,693,846	14,672,872	-	
Other Assets	424,000	-	2,066,131	-	-	2,490,131	-	
Restricted Cash at the Bank of ND	10,155,000	-	-	-	37,341,401	47,496,401	8,294,424	
Restricted Cash and Cash Equivalents	246,693,000	-	-	-	-	246,693,000	-	
Restricted Investments at the Bank of ND	-	-	-	-	10,499,700	10,499,700	-	
Restricted Interest Receivable - Net	3,229,000	-	-	-	1,313,000	4,542,000	-	
Restricted Loans Receivable - Net	14,603,000	-	-	-	24,164,000	38,767,000	-	
Total Current Assets	278,718,000	105,503,015	257,813,404	1,413,612,465	297,381,592	2,353,028,476	32,134,497	
Noncurrent Assets:								
Restricted Cash at the Bank of ND	-	-	4,136,649	-	262,152	4,398,801	-	
Restricted Cash and Cash Equivalents	-	-	1,185,235	-	-	1,185,235	-	
Restricted Investments at the Bank of ND	-	-	5,577,665	-	-	5,577,665	-	
Restricted Investments	13,262,000	-	23,079,483	-	215,234	36,556,717	-	
Investments at the Bank of ND	-	-	12,385,000	-	-	12,385,000	-	
Investments	5,304,000	-	8,583,021	-	-	13,887,021	-	
Loans and Notes Receivable - Net	-	-	33,933,838	-	38,841,043	72,774,881	-	
Restricted Loans Receivable - Net	754,465,000	-	-	-	35,626,000	790,091,000	-	
Unamortized Bond Issuance Costs	6,786,000	-	4,102,605	-	558,896	11,447,501	46,546	
Other Noncurrent Assets	2,877,000	247,955	16,420	-	2,410,215	5,551,590	-	
Capital Assets:								
Land and Construction in Progress	-	2,637,026	58,890,332	4,366,138	1,351,804	67,245,300	-	
Infrastructure - Net	-	728,877	83,839,083	-	856,176	85,424,136	-	
Buildings and Equipment - Net	11,000	32,764,193	573,887,429	9,939,538	10,616,654	627,218,814	74,749,881	
Total Noncurrent Assets	782,705,000	36,378,051	809,616,760	14,305,676	90,738,174	1,733,743,661	74,796,427	
Bank Related Assets:								
Cash and Cash Equivalents	\$ 522,657,000					\$ 522,657,000		
Investments	231,883,000					231,883,000		
Interest Receivable - Net	34,105,000					34,105,000		
Due from Other Funds	41,801,000					41,801,000		
Due from Component Units	3,668,000					3,668,000		
Loans and Notes Receivable - Net	1,931,153,000					1,931,153,000		
Other Assets	1,765,000					1,765,000		
Capital Assets:								
Land and Construction in Progress	10,101,000					10,101,000		
Buildings and Equipment - Net	2,227,000					2,227,000		
Total Bank Related Assets	2,779,360,000					2,779,360,000		
Total Assets	2,779,360,000	1,061,423,000	141,881,066	1,067,430,164	1,427,918,141	388,119,766	6,866,132,137	106,930,924

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Assets Proprietary Funds June 30, 2008

	Business-Type Activities - Enterprise Funds						Governmental	
	Bank of North Dakota	Housing Finance	Mill and Elevator	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
LIABILITIES								
Current Liabilities:								
Accounts Payable		764,000	7,785,681	20,771,754	3,985,317	2,789,680	36,096,432	1,658,642
Accrued Payroll		-	228,254	23,318,789	-	246,707	23,793,750	1,617,856
Securities Lending Collateral		-	-	-	136,798,103	902,469	137,700,572	237,224
Interest Payable		19,318,000	-	31,769	-	337,174	19,686,943	525,513
Intergovernmental Payable		449,000	-	167,558	-	2,300,719	2,917,277	4,809
Due to Other Funds		3,597,000	78,898,713	3,998,502	68,946	12,746,001	99,309,162	5,829,524
Due to Component Units		-	-	413,226	-	-	413,226	-
Contracts Payable		-	-	1,806,128	-	-	1,806,128	-
Other Deposits		-	-	5,737,628	-	-	5,737,628	-
Amounts Held in Custody for Others		10,154,000	-	-	-	4,472,215	14,626,215	-
Claims/Judgments Payable		-	-	-	96,000,000	1,148,442	97,148,442	2,248,325
Dividends Payable		-	-	-	91,581,080	-	91,581,080	-
Compensated Absences Payable		112,000	34,478	1,227,479	697,000	32,236	2,103,193	126,090
Notes Payable		-	-	1,098,853	-	-	1,098,853	-
Capital Leases Payable		-	-	4,772,619	-	35,749	4,808,368	150,277
Bonds Payable		105,675,000	-	8,603,460	-	55,495,000	169,773,460	629,458
Deferred Revenue		-	-	11,618,411	68,073,674	3,555,592	83,247,677	539
Total Current Liabilities		140,069,000	86,947,126	83,566,176	397,204,120	84,061,984	791,848,406	13,028,257
Noncurrent Liabilities:								
Intergovernmental Payable		2,040,000	-	1,473,254	-	3,594,503	7,107,757	-
Claims/Judgments Payable		-	-	-	644,600,000	114,819	644,714,819	3,668,257
Compensated Absences Payable		76,000	655,084	22,439,489	122,483	252,179	23,545,235	1,423,815
Notes Payable		-	-	4,475,638	-	-	4,475,638	12,000,000
Capital Leases Payable		-	-	45,066,657	-	170,713	45,237,370	458,411
Bonds Payable		821,469,000	-	186,353,896	-	20,248,523	1,028,071,419	3,576,645
Other Noncurrent Liabilities		-	-	1,371,034	-	4,903,941	6,274,975	-
Total Noncurrent Liabilities		823,585,000	655,084	261,179,968	644,722,483	29,284,678	1,759,427,213	21,127,128
Bank Related Liabilities:								
Interest Payable		825,000	-	-	-	-	825,000	-
Due to Other Funds		31,712,000	-	-	-	-	31,712,000	-
Due to Component Units		3,668,000	-	-	-	-	3,668,000	-
Federal Funds Purchased		333,431,000	-	-	-	-	333,431,000	-
Reverse Repurchase Agreements		100,630,000	-	-	-	-	100,630,000	-
Deposits Held for Other Funds		1,424,994,443	-	-	-	-	1,424,994,443	-
Other Deposits		443,104,557	-	-	-	-	443,104,557	-
Other Liabilities		3,454,000	-	-	-	-	3,454,000	-
Long Term Liabilities:								
Due within one year		89,645,000	-	-	-	-	89,645,000	-
Due in more than one year		155,425,000	-	-	-	-	155,425,000	-
Total Bank Related Liabilities		2,586,889,000	-	-	-	-	2,586,889,000	-
Total Liabilities		2,586,889,000	963,654,000	87,602,210	344,746,144	1,041,926,603	5,138,164,619	34,155,385
NET ASSETS								
Invested in Capital Assets, Net of Related Debt		12,328,000	11,000	36,124,111	473,571,577	14,305,676	546,699,435	68,744,008
Restricted for:								
Capital Projects		-	-	-	665,584	-	665,584	-
Debt Service		-	82,081,000	-	12,444,896	-	123,428,282	-
Loan Purposes		-	-	-	45,422,791	-	46,081,816	-
Pledged Assets		178,326,000	-	-	-	-	178,326,000	-
Unemployment Compensation		-	-	-	-	142,260,497	142,260,497	-
University System-Nonexpendable		-	-	-	14,287,950	-	14,287,950	-
University System-Expendable		-	-	-	26,899,567	-	26,899,567	-
Other		-	-	-	67,955	936,986	1,004,941	-
Unrestricted		1,817,000	15,677,000	18,154,745	149,323,700	371,685,862	648,313,446	4,031,531
Total Net Assets		\$ 192,471,000	\$ 97,769,000	\$ 54,278,856	\$ 722,684,020	\$ 385,991,538	\$ 1,727,967,518	\$ 72,775,539

Reconciliation of the Proprietary Funds Statement of Net Assets to the Statement of Net Assets

June 30, 2008

Total Net Assets - Enterprise Funds

1,727,967,518.00

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

4,691,401.00

Net Assets of Business-Type Activities

1,732,658,919.00

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds For the Fiscal Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Bank of North Dakota	Housing Finance	Mill and Elevator	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES								
Sales and Services	\$ 6,765,000	\$ 1,529,000	\$ 241,877,638	\$ 54,428,916	\$ 143,858,063	\$ 97,922,006	\$ 546,380,623	\$ 69,257,962
Auxiliary Sales Pledges for Bonds	-	-	-	83,098,683	-	-	83,098,683	-
Tuition and Fees	-	-	-	226,176,724	-	-	226,176,724	-
Grants and Contributions	-	-	-	175,205,497	-	-	175,205,497	-
Royalties and Rents	-	-	-	-	691,087	53,223	744,310	-
Fines and Forfeits	-	-	-	-	938,767	-	938,767	-
Interest and Investment Income	155,304,000	51,577,863	-	-	-	6,658,092	213,539,955	-
Miscellaneous	-	-	-	1,303,751	-	60,825	1,364,576	64,782
Total Operating Revenues	162,069,000	53,106,863	241,877,638	540,213,571	145,487,917	104,694,146	1,247,449,135	69,322,744
OPERATING EXPENSES								
Cost of Sales and Services	-	-	235,386,689	33,149,232	-	2,385,312	270,921,233	1,051,200
Salaries and Benefits	9,035,000	2,223,000	1,822,654	502,277,704	13,779,767	4,046,517	533,184,642	19,152,146
Operating	11,058,000	5,097,000	837,855	218,248,282	9,121,044	27,323,745	271,685,926	37,150,825
Claims	-	-	-	-	114,139,321	57,191,815	171,331,136	4,193,065
Dividends Expense	-	-	-	-	97,517,672	-	97,517,672	-
Scholarships and Fellowships	-	-	-	26,392,643	-	-	26,392,643	-
Interest	87,090,000	39,334,000	-	-	-	3,827,505	130,251,505	-
Depreciation	820,000	1,000	2,608,789	41,552,087	359,148	998,020	46,339,044	9,954,942
Miscellaneous	-	-	-	-	-	3,799	3,799	-
Total Operating Expenses	108,003,000	46,655,000	240,655,987	821,619,948	234,916,952	95,776,713	1,547,627,600	71,502,178
Operating Income (Loss)	54,066,000	6,451,863	1,221,651	(281,406,377)	(89,429,035)	8,917,433	(300,178,465)	(2,179,434)
NONOPERATING REVENUES (EXPENSES)								
Grants and Contracts	-	-	-	7,935,059	-	406,284	8,341,343	-
Gifts	-	-	-	22,760,372	-	-	22,760,372	-
Interest and Investment Income	-	14,286,000	28,014	6,424,808	20,211,903	7,884,312	48,835,037	(125,901)
Interest Expense	-	(12,156,000)	(2,170,613)	(12,946,879)	(11,626,682)	(244,060)	(39,144,234)	(209,550)
Gain (Loss) on Sale of Capital Assets	-	-	4,400	999,747	-	(948)	1,003,199	(148,896)
Other	-	-	94,941	2,774,491	-	(12,089)	2,857,343	16,525
Total Nonoperating Revenues (Expenses)	-	2,130,000	(2,043,258)	27,947,598	8,585,221	8,033,499	44,653,060	(467,822)
Income (Loss) Before Contributions and Transfers	54,066,000	8,581,863	(821,607)	(253,458,779)	(80,843,814)	16,950,932	(255,525,405)	(2,647,256)
Capital Grants and Contributions	-	-	-	9,244,575	-	-	9,244,575	28,500
Transfers In	-	430,137	-	272,171,276	-	493,562	273,094,975	-
Transfer Out	(25,137,000)	(31,000)	(36,254)	(7,725,000)	-	(12,025,015)	(44,954,269)	-
Changes in Net Assets	28,929,000	8,981,000	(857,861)	20,232,072	(80,843,814)	5,419,479	(18,140,124)	(2,618,756)
Total Net Assets - Beginning of Year	163,542,000	88,788,000	55,136,717	702,451,948	466,835,352	269,353,625	1,746,107,642	75,394,295
Total Net Assets - End of Year	\$ 192,471,000	\$ 97,769,000	\$ 54,278,856	\$ 722,684,020	\$ 385,991,538	\$ 274,773,104	\$ 1,727,967,518	\$ 72,775,539

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, 2008

Net Change in Net Assets-Total Enterprise Funds \$ (18,140,124)

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 (795,879)

Change in Net Assets of Business-Type Activities \$ (18,936,003)

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	Mill and Elevator
Cash Flows from Operating Activities:			
Receipts from Customers and Users	\$ 7,153,000	\$ 85,290,000	\$ 257,643,470
Receipts from Tuition and Fees	-	-	-
Interest Income on Loans	-	-	-
Receipts from Loan Principal Repayments	-	-	-
Receipts from Federal and Local Agencies	-	-	-
Receipts from Other Funds	-	-	-
Receipts from Grants and Contracts	-	-	-
Receipts from Others	-	-	-
Payments for Loan Funds	-	-	-
Payments to Other Funds	-	-	-
Payments for Scholarships and Fellowships	-	-	-
Payments to Suppliers	(7,771,000)	(155,009,000)	(304,551,791)
Payments to Employees	(9,089,000)	(2,219,000)	(8,180,164)
Claim Payments	-	-	-
Payments to Others	-	210,000	-
Net Cash Provided by (Used for) Operating Activities	(9,707,000)	(71,728,000)	(55,088,485)
Cash Flows from Noncapital Financing Activities:			
Proceeds from Bonds	-	139,511,000	-
Proceeds from Sale of Notes and Other Borrowings	275,528,000	-	98,282,463
Principal Payments - Bonds	-	(8,969,000)	-
Principal Payments - Notes and Other Borrowings	(287,667,000)	-	(36,383,751)
Interest Payments - Bonds	-	(37,373,000)	-
Interest Payments - Notes and Other Borrowings	(15,043,000)	-	(2,170,613)
Payment of Bond Issue Costs	-	(1,616,000)	-
Transfers In	-	-	-
Transfers Out	(30,046,000)	(31,000)	(36,254)
Net Increase in Non-Interest Bearing Deposits	86,956,000	-	-
Net Decrease in Interest Bearing Deposits	167,675,000	-	-
Payments of Interest on Deposits	(55,762,000)	-	-
Interest Paid on Federal Funds and Reverse Repurchase Agreements	(15,181,000)	-	-
Net Decrease in Federal Funds and Reverse Repurchase Agreements	184,916,000	-	-
Principal Payments on Due To Other Funds	-	-	-
Grants and Gifts Received for Other than Capital Purposes	-	-	-
State Appropriations	-	-	-
Agency Fund Cash Increase	-	-	-
Grants Given for Other than Capital Purposes	-	-	-
Other	-	-	(1,412,723)
Net Cash Provided by (Used for) Noncapital Financing Activities	311,376,000	91,522,000	58,279,122
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(6,790,000)	(11,000)	(3,219,314)
Proceeds from Sale of Capital Assets	-	-	4,400
Proceeds from Sale of Notes and Other Borrowings	-	-	-
Principal Payments - Bonds	-	-	-
Principal Payments - Notes and Other Borrowings	-	-	-
Interest Payments - Bonds	-	-	-
Interest Payments - Notes and Other Borrowings	-	-	-
Capital Appropriations	-	-	-
Payment on Capital Leases	-	-	-
Interest Payments - Capital Leases	-	-	-
Capital Grants and Gifts Received	-	-	-
Insurance Proceeds	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(6,790,000)	(11,000)	(3,214,914)
Cash Flows from Investing Activities:			
Proceeds from Sale and Maturities of Investment Securities	72,909,000	184,000	-
Purchase of Investment Securities	(85,972,000)	-	-
Interest and Dividends on Investments	24,009,000	1,978,000	28,014
Proceeds from Sale of Other Real Estate	633,000	-	-
Net Decrease in Loans	(250,120,000)	-	-
Receipt of Loan Principal Repayments	-	-	-
Loan Income Received	124,222,000	-	-
Net Cash Provided by (Used for) Investing Activities	(114,319,000)	2,162,000	28,014

The Accompanying Notes are an Integral Part of the Financial Statements

Business-Type Activities - Enterprise Funds				Governmental Activities
University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
\$ 142,204,661	\$ 80,713,020	\$ 274,018,882	\$ 847,023,033	\$ 70,146,320
224,029,922	-	-	224,029,922	-
-	-	473,243	473,243	-
5,409,136	-	14,484,558	19,893,694	-
-	-	1,574	1,574	-
-	-	(24,368)	(24,368)	(326,555)
176,655,065	-	-	176,655,065	-
(3,169,420)	5,016,841	79,556	1,926,977	-
(7,909,788)	-	(13,800,441)	(21,710,229)	-
-	-	6,845	6,845	47,033
(26,413,480)	-	-	(26,413,480)	-
(246,804,231)	(965,642)	(203,222,602)	(918,324,266)	(39,331,484)
(498,755,012)	(10,327,904)	(4,077,562)	(532,648,642)	(18,749,181)
-	(101,450,304)	(39,816,465)	(141,266,769)	(654,866)
-	(19,775,265)	(39,673)	(19,604,938)	(2,557,810)
(234,753,147)	(46,789,254)	28,083,547	(389,982,339)	8,573,457
-	-	-	139,511,000	-
-	-	-	373,810,463	-
-	-	(8,900,000)	(17,869,000)	-
-	-	-	(324,050,751)	-
-	-	(3,790,000)	(41,163,000)	-
-	-	(79,505)	(17,293,118)	(4,313)
-	-	-	(1,616,000)	-
-	-	493,562	493,562	-
(5,630,157)	-	(9,497,015)	(45,240,426)	-
-	-	-	86,956,000	-
-	-	-	167,675,000	5,500,000
-	-	-	(55,762,000)	-
-	-	-	(15,181,000)	-
-	-	-	184,916,000	-
(35,372)	-	(394,661)	(430,033)	-
24,210,836	-	406,284	24,617,120	-
257,015,755	-	-	257,015,755	-
157,071	-	-	157,071	-
(687,322)	-	-	(687,322)	-
7,820,494	-	-	6,407,771	418
282,851,305	-	(21,761,335)	722,267,092	5,496,105
(69,853,113)	(3,503,702)	(978,279)	(84,355,408)	(22,192,358)
1,149,401	-	-	1,153,801	3,122,809
12,000,000	-	200,000	12,200,000	6,000,000
-	-	(200,000)	(200,000)	-
(10,771,860)	-	(26,203)	(10,798,063)	(590,150)
-	-	(42,103)	(42,103)	-
(12,588,823)	-	(9,656)	(12,598,479)	(192,202)
11,955,429	-	-	11,955,429	-
-	-	(54,720)	(54,720)	(67,477)
-	-	-	-	(13,033)
5,263,182	-	-	5,263,182	-
682,435	-	-	682,435	-
(62,163,349)	(3,503,702)	(1,110,961)	(76,793,926)	(13,932,411)
64,490,108	52,000,000	90,366,261	279,949,369	743,822
(52,648,612)	(2,008,978)	(62,022,047)	(202,651,637)	-
8,352,593	-	9,882,423	44,250,030	571,785
-	-	-	633,000	-
-	-	-	(250,120,000)	-
-	-	2,229,533	2,229,533	-
-	-	597,699	124,819,699	-
20,194,089	49,991,022	41,053,869	(890,006)	1,315,607

STATE OF NORTH DAKOTA

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	Mill and Elevator
Net Change in Cash:			
Net Increase (Decrease) in Cash and Cash Equivalents	180,560,000	21,945,000	3,737
Cash and Cash Equivalents at June 30, 2008	342,097,000	237,370,000	-
Cash and Cash Equivalents at June 30, 2008	<u>\$ 522,657,000</u>	<u>\$ 259,315,000</u>	<u>\$ 3,737</u>
Reconciliation:			
Current:			
Cash Deposits at the Bank of North Dakota	\$ -	\$ 2,460,000	\$ 3,737
Cash and Cash Equivalents	522,657,000	7,000	-
Restricted Cash Deposits at the Bank of North Dakota	-	-	-
Restricted Cash and Cash Equivalents	-	-	-
Noncurrent:			
Restricted Cash Deposits At The Bank of North Dakota	-	10,155,000	-
Restricted Cash and Cash Equivalents	-	246,693,000	-
Cash and Cash Equivalents	<u>\$ 522,657,000</u>	<u>\$ 259,315,000</u>	<u>\$ 3,737</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:			
Operating Income (Loss)	\$ 54,066,000	\$ 6,882,000	\$ 1,221,651
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	820,000	1,000	2,608,789
Amortization/Accretion	-	(2,352,000)	-
Reclassification of Interest Revenue/Expense	(65,138,000)	(1,276,000)	-
Gain on Sale of Student Loans	(20,000)	-	-
Gain on Sale of Real Estate	(17,000)	-	-
Net Increase in Fair Value of Investments	(3,076,000)	-	-
Interest Received on Program Loans	-	40,586,000	-
Disbursements for Loans and Loan Purchases	-	(146,320,000)	-
Receipt of Loan Principal Repayments	-	27,988,000	-
Provision for Losses	3,100,000	-	-
Premiums Collected	-	-	-
Premiums Paid	-	-	-
Other	-	893,000	-
Change in Assets and Liabilities:			
Increase in Accounts Receivable	-	21,000	(20,245,176)
Increase in Interest Receivable	-	-	-
(Increase) Decrease in Due From	462,000	(12,000)	-
Decrease in Due From Fiduciary Funds	-	-	-
(Increase) Decrease in Intergovernmental Receivable	-	(37,000)	-
Decrease in Notes Receivable	-	-	-
(Increase) Decrease in Prepaid Items	-	11,000	(475,343)
(Increase) Decrease in Inventories	-	-	(42,463,460)
(Increase) Decrease in Other Assets	(39,000)	-	(36,292)
Increase (Decrease) in Accounts Payable	-	70,000	4,441,870
Increase In Interest Payable	-	-	-
Increase (Decrease) in Claims/Judgments Payable	-	-	-
Decrease in Intergovernmental Payable	-	(49,000)	-
Increase (Decrease) in Accrued Payroll	-	-	(319,822)
Increase in Compensated Absences Payable	-	18,000	2,488
Increase (Decrease) in Amounts Held for Others	-	1,849,000	-
Decrease in Other Deposits	-	-	-
Increase (Decrease) in Due To Other Funds	3,000	3,000	-
Increase in Deferred Revenue	-	-	-
Increase in Other Liabilities	132,000	(4,000)	176,810
Increase in Dividends Payable	-	-	-
Total Adjustments	<u>(63,773,000)</u>	<u>(78,610,000)</u>	<u>(56,310,136)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (9,707,000)</u>	<u>\$ (71,728,000)</u>	<u>\$ (55,088,485)</u>
Noncash Transactions:			
Net Increase (Decrease) in Fair Value of Investments	\$ 3,076,000	\$ 155,000	\$ -
Real estate and Property Owned Acquired in Exchange for Loans	330,000	-	-
Change in Securities Lending Collateral	-	-	-
Interest on Investments	-	-	-
Amortization of Bond Discount	-	-	-
Amortization of Bond Issuance Costs	-	-	-
Assets Acquired Through Capital Lease	-	-	-
Assets Acquired Through Special Assessments	-	-	-
Expenses Paid by Capital Lease	-	-	-
Gifts of Capital Assets	-	-	-
Interest Revenue on Prize Reserves	-	-	-
Total Noncash Transactions	<u>\$ 3,406,000</u>	<u>\$ 155,000</u>	<u>\$ -</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Business-Type Activities - Enterprise Funds				Governmental Activities
University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
6,128,898	(301,934)	46,265,120	254,600,821	1,452,758
69,930,567	1,677,132	149,859,294	800,933,993	15,743,542
<u>\$ 76,059,465</u>	<u>\$ 1,375,198</u>	<u>\$ 196,124,414</u>	<u>\$ 1,055,534,814</u>	<u>\$ 17,196,300</u>
\$ 67,755,722	\$ 1,375,198	\$ 28,506,461	\$ 100,101,118	\$ 8,894,081
4,814,236	-	130,014,400	657,492,636	7,794
-	-	37,341,401	37,341,401	-
-	-	-	-	-
4,136,649	-	-	14,291,649	8,294,424
7,765,219	-	262,152	254,720,371	-
<u>\$ 84,471,826</u>	<u>\$ 1,375,198</u>	<u>\$ 196,124,414</u>	<u>\$ 1,063,947,175</u>	<u>\$ 17,196,299</u>
\$ (281,406,377)	\$ (89,429,035)	\$ 8,917,433	\$ (299,748,328)	\$ (2,179,433)
41,552,087	359,148	998,020	46,339,044	9,948,293
-	-	216,000	(2,136,000)	6,649
-	-	(2,545,090)	(68,959,090)	-
-	-	-	(20,000)	-
-	-	-	(17,000)	-
-	-	-	(3,076,000)	-
-	-	4,790,000	45,376,000	-
-	-	(329,000)	(146,649,000)	-
-	-	13,002,000	40,990,000	-
-	-	571,000	3,671,000	-
-	-	162,535,552	162,535,552	-
-	-	(162,535,552)	(162,535,552)	-
-	-	71,000	964,000	-
(1,892,743)	26,951,418	1,565,278	6,399,777	528,395
-	-	(16,401)	(16,401)	-
-	-	(24,361)	425,639	77,264
-	-	(38,406)	(38,406)	-
810,229	-	(611,644)	161,585	(104,955)
711,618	-	(300,607)	411,011	-
-	(65,945)	12,500	(517,788)	(263,518)
(548,227)	-	(116,327)	(43,128,014)	(4,293)
(3,744,582)	-	(51,934)	(3,871,808)	-
4,214,227	1,784,839	948,478	11,459,414	(881,305)
-	-	-	-	(859)
-	9,700,000	358,690	10,058,690	988,813
-	-	154,604	105,604	4,359
2,097,360	-	11,074	1,788,612	240,711
1,425,331	(11,967)	(42,119)	1,391,733	162,254
-	-	257,908	2,106,908	-
80,459	-	-	80,459	-
-	(100,772)	(250,683)	(345,455)	58,460
1,947,471	5,050,231	527,689	7,525,391	(7,378)
-	-	8,445	313,255	-
-	(1,027,170)	-	(1,027,170)	-
<u>46,653,230</u>	<u>42,639,782</u>	<u>19,166,114</u>	<u>(90,234,010)</u>	<u>10,752,890</u>
<u>\$ (234,753,147)</u>	<u>\$ (46,789,253)</u>	<u>\$ 28,083,547</u>	<u>\$ (389,982,338)</u>	<u>\$ 8,573,457</u>
\$ (2,337,940)	\$ (41,098,153)	\$ (2,145,105)	\$ (42,350,198)	\$ (490,022)
-	(115,781,879)	(3,161,343)	330,000	-
-	48,035,545	-	(118,943,222)	(806,245)
-	-	8,754	48,035,545	-
-	-	3,335	8,754	-
15,593,844	-	-	3,335	-
806,161	-	-	15,593,844	653,732
5,044,609	-	-	806,161	-
2,515,585	-	-	5,044,609	-
-	-	575	2,515,585	-
-	-	-	575	-
<u>\$ 21,622,259</u>	<u>\$ (108,844,487)</u>	<u>\$ (5,293,784)</u>	<u>\$ (88,955,012)</u>	<u>\$ (642,535)</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Fiduciary Net Assets Fiduciary Funds June 30, 2008

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS				
Cash Deposits at the Bank of ND	\$ 13,265,789	\$ 309,122	\$ 8,828,238	\$ 15,731,830
Cash and Cash Equivalents	-	-	2,794,130	3,514,447
Receivables:				
Contributions Receivable	12,894,510	-	-	-
Accounts Receivable - Net	-	-	21,887	6,916,912
Taxes Receivable - Net	-	-	-	14,352,572
Interest Receivable - Net	12,418,585	130,253	646,874	823
Due from Other Funds	33,537	-	24	-
Due from Fiduciary Funds	146,213	-	-	-
Total Receivables	<u>25,492,845</u>	<u>130,253</u>	<u>668,785</u>	<u>21,270,307</u>
Investments, at Fair Value:				
Investments at the Bank of ND	10,000	-	20,675	13,743,561
Equity Pool	2,031,618,846	56,007,782	-	-
Fixed Income	2,162,101	1,595,296	-	-
Fixed Income Pool	1,173,195,813	52,447,202	2,146,501	2,342,913
Cash and Cash Pool	14,325,282	397,970	-	-
Real Estate Pool	340,482,466	7,607,553	-	-
Alternative Investments	200,551,504	2,722,998	-	-
Annuities	383,615	-	-	-
Mutual Funds	38,312,642	-	328,732,629	-
Total Investments	<u>3,801,042,269</u>	<u>120,778,801</u>	<u>330,899,805</u>	<u>16,086,474</u>
Invested Securities Lending Collateral	<u>53,286,775</u>	<u>2,324,742</u>	-	-
Capital Assets (Net of Depreciation)	2,942,329	-	-	-
Other Assets	-	-	-	12,868
Total Assets	<u>3,896,030,007</u>	<u>123,542,918</u>	<u>343,190,958</u>	<u>\$ 56,615,926</u>
LIABILITIES				
Accounts Payable	6,545,304	164,200	801,349	\$ -
Accrued Payroll	106,076	-	-	-
Securities Lending Collateral	53,286,775	2,324,742	-	-
Intergovernmental Payable	-	-	-	30,474,309
Tax Refunds Payable	-	-	-	2,707
Due to Other Funds	112,346	-	-	-
Due to Fiduciary Funds	144,445	-	-	-
Amounts Held in Custody for Others	-	-	-	26,138,910
Deferred Revenue	53,217	-	-	-
Compensated Absences Payable	121,778	-	-	-
Total Liabilities	<u>60,369,941</u>	<u>2,488,942</u>	<u>801,349</u>	<u>\$ 56,615,926</u>
NET ASSETS				
Net Assets Held in Trust for:				
Pension Benefits	3,834,744,696	-	-	
Other Employee Benefits	915,370	-	-	
External Investment Pool Participants	-	121,053,976	-	
Other Purposes	-	-	342,389,609	
Total Net Assets Held in Trust	<u>\$ 3,835,660,066</u>	<u>\$ 121,053,976</u>	<u>\$ 342,389,609</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, 2008

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 66,736,498	\$ -	\$ -
Employee	72,752,036	-	-
From Participants	-	-	37,291,003
Transfers from Other Funds	943,382	-	-
Transfers from Other Plans	3,389,699	-	-
Donations	-	-	680,026
Total Contributions	<u>143,821,615</u>	<u>-</u>	<u>37,971,029</u>
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	(327,481,222)	(8,306,777)	11,549,718
Interest and Dividends	<u>98,888,544</u>	<u>2,959,073</u>	<u>11,295,180</u>
Less Investment Expense	<u>23,612,335</u>	<u>683,932</u>	<u>-</u>
Net Investment Income	<u>(252,205,013)</u>	<u>(6,031,636)</u>	<u>22,844,898</u>
Securities Lending Activity:			
Securities Lending Income	6,689,017	213,842	-
Less Securities Lending Expense	<u>5,940,538</u>	<u>189,330</u>	<u>-</u>
Net Securities Lending Income	<u>748,479</u>	<u>24,512</u>	<u>-</u>
Repurchase Service Credit	7,318,594	-	-
Miscellaneous Income	<u>590,685</u>	<u>-</u>	<u>103,900</u>
Total Additions	<u>(99,725,640)</u>	<u>(6,007,124)</u>	<u>60,919,827</u>
DEDUCTIONS			
Benefits Paid to Participants	197,163,309	-	-
Refunds	10,421,951	-	-
Prefunded Credit Applied	4,704,087	-	-
Transfer to Other Plans	943,382	-	-
Payments in Accordance with Trust Agreements	-	-	52,978,419
Administrative Expenses	<u>3,544,434</u>	<u>-</u>	<u>2,611,831</u>
Total Deductions	<u>216,777,163</u>	<u>-</u>	<u>55,590,250</u>
Purchase of Units at Net Asset Value of \$1.00 Per Unit	<u>-</u>	<u>36,457,740</u>	<u>-</u>
Change in Net Assets Held in Trust for:			
Pension Benefits	(315,972,418)	-	-
Other Employee Benefits	(530,385)	-	-
External Investment Pool Participants	-	30,450,616	-
Other Purposes	<u>-</u>	<u>-</u>	<u>5,329,577</u>
Total Change in Net Assets	<u>(316,502,803)</u>	<u>30,450,616</u>	<u>5,329,577</u>
Net Assets - Beginning of Year	<u>4,152,162,869</u>	<u>90,603,360</u>	<u>337,060,032</u>
Net Assets - End of Year	<u>\$ 3,835,660,066</u>	<u>\$ 121,053,976</u>	<u>\$ 342,389,609</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, 2008

	BSC Foundation	DSU Foundation	CHAND	MISU Development Foundation	Public Finance Authority	ND Development Fund
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 99,888	\$ 675,628	\$ 2,532,072	\$ 139,031	\$ 32,000	\$ 3,957,363
Investments	-	-	-	-	-	9,879,726
Accounts Receivable - Net	1,829,145	1,164,159	-	51,274	-	-
Interest Receivable - Net	-	-	-	-	-	113,543
Intergovernmental Receivable - Net	98,871	-	-	-	-	-
Due from Primary Government	35,156	3,209	-	-	-	-
Inventory	-	-	-	-	-	-
Loans and Notes Receivable - Net	-	-	-	-	-	3,410,795
Other Assets	110,123	99,631	-	2,033	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	1,117,000	-
Restricted Investments	-	-	-	-	25,376,000	-
Restricted Interest Receivable - Net	-	-	-	-	4,186,000	-
Total Current Assets	2,173,183	1,942,627	2,532,072	192,338	30,711,000	17,361,427
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	2,665,217	102,667	-	-	-	-
Restricted Investments	12,854,030	8,265,344	-	11,328,822	379,127,000	-
Investments	281,729	780,000	-	989,757	-	1,367,222
Due from Primary Government	6,335,000	-	-	-	3,668,000	-
Loans and Notes Receivable - Net	-	-	-	-	-	5,267,222
Unamortized Bond Issuance Costs	-	-	-	-	885,000	-
Other Noncurrent Assets	1,038,830	2,878,911	-	334,632	-	-
Capital Assets:						
Land and Construction in Progress	11,550,879	80,000	-	-	-	-
Infrastructure - Net	389,734	62,900	-	-	-	-
Buildings and Equipment - Net	71,535	808,702	-	-	-	766
Total Noncurrent Assets	35,186,954	12,978,524	-	12,653,211	383,680,000	6,635,210
Total Assets	37,360,137	14,921,151	2,532,072	12,845,549	414,391,000	23,996,637
LIABILITIES						
Current Liabilities:						
Accounts Payable	1,189,663	814,852	2,099,505	14,111	28,000	13,653
Accrued Payroll	-	5,089	-	-	-	-
Interest Payable	-	-	-	-	1,584,000	-
Intergovernmental Payable	-	-	-	-	222,000	-
Due to Primary Government	342,824	16,002	-	-	-	-
Other Deposits	-	-	-	-	-	-
Notes Payable	-	16,183	-	-	-	-
Capital Leases Payable	-	-	-	-	-	-
Bonds Payable	823,054	-	-	-	10,825,000	-
Deferred Revenue	-	-	185,908	-	-	-
Total Current Liabilities	2,355,541	852,126	2,285,413	14,111	12,659,000	13,653
Noncurrent Liabilities:						
Intergovernmental Payable	-	-	-	-	215,000	-
Due to Primary Government	-	-	-	-	3,668,000	-
Notes Payable	-	593,916	-	-	-	-
Capital Leases Payable	-	-	-	-	-	-
Bonds Payable	8,098,817	-	-	-	137,511,000	-
Other Noncurrent Liabilities	2,706,619	690,923	-	141,488	-	-
Total Noncurrent Liabilities	10,805,436	1,284,839	-	141,488	141,394,000	-
Total Liabilities	13,160,977	2,136,965	2,285,413	155,599	154,053,000	13,653
Net Assets						
Invested in Capital Assets, Net of Related Debt	8,090,277	341,502	-	989,757	-	766
Restricted for:						
Debt Service	-	-	-	-	68,189,000	-
Loan Purposes	-	-	-	-	189,430,000	-
Other	13,649,472	12,625,932	-	10,261,401	-	-
Unrestricted	2,459,411	(183,248)	246,659	1,438,792	2,719,000	23,982,218
Total Net Assets	\$ 24,199,160	\$ 12,784,186	\$ 246,659	\$ 12,689,950	\$ 260,338,000	\$ 23,982,984

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
\$	2,711,925	\$ 928,444	\$ 3,729,427	\$ 779,842	\$ 4,819,671	\$ 5,898,015	\$ 26,303,306
	-	-	-	-	-	-	9,879,726
	2,234,444	5,131	1,009,797	1,043,861	8,586,281	346,856	16,270,948
	-	-	-	-	-	-	113,543
	-	-	355,566	-	-	-	454,437
	25,850,652	997,563	267,417	107,016	335,000	10,000	27,606,013
	-	-	-	140,095	-	-	140,095
	-	-	-	-	-	-	3,410,795
	598,531	97,004	136,108	458,198	389,063	204,756	2,095,447
	-	-	-	-	-	-	1,117,000
	-	-	-	-	-	-	25,376,000
	-	-	-	-	-	-	4,186,000
	31,395,552	2,028,142	5,498,315	2,529,012	14,130,015	6,459,627	116,953,310
	12,627,934	540,699	-	-	-	1,381,668	17,318,185
	106,124,463	-	-	-	170,762,818	30,541,281	719,003,758
	6,953,624	11,320,000	-	515,773	5,741,925	-	27,950,030
	-	13,958,648	-	1,824,984	10,755,000	-	36,541,632
	-	-	-	-	-	-	5,267,222
	-	1,873,307	-	-	-	-	2,758,307
	1,448,966	55,724	-	-	19,858,234	133,187	25,748,484
	868,809	-	-	1,065,949	-	206,200	13,771,837
	-	938,348	-	24,110	-	-	1,415,092
	3,145,564	3,568,191	87,432,247	8,209,081	2,675,607	345,346	106,257,039
	131,169,360	32,254,917	87,432,247	11,639,897	209,793,584	32,607,682	956,031,586
	162,564,912	34,283,059	92,930,562	14,168,909	223,923,599	39,067,309	1,072,984,896
	2,536,616	339,141	676,951	498,484	921,975	74,205	9,207,156
	-	47,494	-	-	-	-	52,583
	-	-	-	-	-	-	1,584,000
	-	26,321	-	-	-	-	248,321
	22,998	-	342,066	328,144	-	1,440,296	2,492,330
	648,544	-	-	-	-	350	648,894
	182,793	762,967	-	862,149	200,000	83,287	2,107,379
	-	46,557	-	39,000	-	-	85,557
	613,657	815,000	191,912	-	426,809	-	13,695,432
	-	-	1,719,255	518,539	-	-	2,423,702
	4,004,608	2,037,480	2,930,184	2,246,316	1,548,784	1,598,138	32,545,354
	-	504,241	-	-	-	-	719,241
	-	-	-	-	-	-	3,668,000
	1,989,012	359,373	-	3,116,479	300,000	111,815	6,470,595
	-	41,563	-	1,824,985	-	-	1,866,548
	24,345,535	24,480,000	6,039,274	-	12,766,891	-	213,241,517
	7,381,134	1,003,700	-	-	29,554,771	59,070	41,537,705
	33,715,681	26,388,877	6,039,274	4,941,464	42,621,662	170,885	267,503,606
	37,720,289	28,426,357	8,969,458	7,187,780	44,170,446	1,769,023	300,048,960
	6,169,478	2,765,916	81,201,061	5,320,511	2,675,607	504,296	108,059,171
	-	-	-	-	-	-	68,189,000
	-	-	-	-	-	-	189,430,000
	108,175,463	671,300	1,578,578	-	153,599,129	30,843,851	331,405,126
	10,499,682	2,419,486	1,181,465	1,660,618	23,478,417	5,950,139	75,852,639
\$	124,844,623	\$ 5,856,702	\$ 83,961,104	\$ 6,981,129	\$ 179,753,153	\$ 37,298,286	\$ 772,935,936

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, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
BSC Foundation	\$ 1,838,496	\$ 694,182	\$ 437,280	\$ (707,034)
DSU Foundation	2,186,325	329,306	4,445,901	2,588,882
CHAND	9,820,453	7,293,885	1,068,648	(1,457,920)
MISU Development Foundation	669,459	15,000	158,620	(495,839)
Public Finance Authority	9,031,000	1,118,000	42,806,000	34,893,000
ND Development Fund	1,316,593	1,011,854	502,177	197,438
NDSU Development Foundation	13,331,135	965,196	8,367,085	(3,998,854)
NDSU Research and Technology Park	3,196,219	2,697,729	413,967	(84,523)
RE Arena, Inc., UND Arena Services & Affiliates	11,556,485	7,911,867	-	(3,644,618)
UND Aerospace Foundation	10,523,256	12,105,183	311,591	1,893,518
UND Alumni Association & UND Foundation	16,640,573	4,477,163	10,554,525	(1,608,885)
Nonmajor Component Units	10,993,216	6,680,092	1,398,109	(2,915,015)
Total Component Units	\$ 91,103,210	\$ 45,299,457	\$ 70,463,903	\$ 24,660,150

<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>
\$ -	\$ 792,905	\$ 85,871	\$ 24,113,289	\$ 24,199,160	
-	300,530	2,889,412	9,894,774	12,784,186	
-	-	(1,457,920)	1,704,579	246,659	
-	488,795	(7,044)	12,696,994	12,689,950	
-	-	34,893,000	225,445,000	260,338,000	
3,000,000	-	3,197,438	20,785,546	23,982,984	
-	5,069,493	1,070,639	123,773,984	124,844,623	
-	-	(84,523)	5,941,225	5,856,702	
-	-	(3,644,618)	87,605,722	83,961,104	
-	-	1,893,518	5,087,611	6,981,129	
-	12,847,645	11,238,760	168,514,393	179,753,153	
-	1,447,481	(1,467,534)	38,765,820	37,298,286	
<u>\$ 3,000,000</u>	<u>\$ 20,946,849</u>	<u>\$ 48,606,999</u>	<u>\$ 724,328,937</u>	<u>\$ 772,935,936</u>	