Basic Financial Statements
STATE OF NORTH DAKOTA  
Statement of Net Assets  
June 30, 2009  

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total Activities</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>11,679,678</td>
<td>672,337,942</td>
<td>684,017,620</td>
<td>41,062,839</td>
</tr>
<tr>
<td>Investments</td>
<td>1,075,158,877</td>
<td>1,469,826,743</td>
<td>2,544,985,620</td>
<td>32,136,623</td>
</tr>
<tr>
<td>Accounts Receivable - Net</td>
<td>51,627,671</td>
<td>88,052,301</td>
<td>139,679,972</td>
<td>19,352,645</td>
</tr>
<tr>
<td>Taxes Receivable - Net</td>
<td>258,336,391</td>
<td>-</td>
<td>258,336,391</td>
<td>-</td>
</tr>
<tr>
<td>Interest Receivable - Net</td>
<td>8,454,593</td>
<td>46,271,118</td>
<td>54,725,711</td>
<td>85,229</td>
</tr>
<tr>
<td>Intergovernmental Receivable - Net</td>
<td>222,505,975</td>
<td>41,204,702</td>
<td>263,710,677</td>
<td>-</td>
</tr>
<tr>
<td>Internal Receivable</td>
<td>1,852,768,660</td>
<td>-</td>
<td>150,864,253</td>
<td>-</td>
</tr>
<tr>
<td>Due from Component Units</td>
<td>-</td>
<td>9,280,691</td>
<td>9,280,691</td>
<td>-</td>
</tr>
<tr>
<td>Due from Primary Government</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>62,770,818</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>5,853,792</td>
<td>1,709,625</td>
<td>7,563,417</td>
<td>-</td>
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<tr>
<td>Inventory</td>
<td>16,389,853</td>
<td>28,186,897</td>
<td>44,576,750</td>
<td>520,096</td>
</tr>
<tr>
<td>Loans and Notes Receivable - Net</td>
<td>107,099,366</td>
<td>10,856,888</td>
<td>12,002,785</td>
<td>2,859,754</td>
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<tr>
<td>Unamortized Bond Financing Costs</td>
<td>1,145,897</td>
<td>-</td>
<td>1,145,897</td>
<td>-</td>
</tr>
<tr>
<td>Pension Assets</td>
<td>2,471,502</td>
<td>-</td>
<td>2,471,502</td>
<td>-</td>
</tr>
<tr>
<td>Other Assets</td>
<td>-</td>
<td>10,507,424</td>
<td>10,507,424</td>
<td>28,032,015</td>
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<tr>
<td>Restricted Assets:</td>
<td>49,626</td>
<td>124,608,441</td>
<td>124,658,067</td>
<td>21,411,228</td>
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<tr>
<td>Cash and Cash Equivalents</td>
<td>-</td>
<td>28,921,807</td>
<td>28,921,807</td>
<td>703,497,133</td>
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<tr>
<td>Investments</td>
<td>-</td>
<td>3,515,000</td>
<td>3,515,000</td>
<td>4,133,000</td>
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<tr>
<td>Interest Receivable - Net</td>
<td>-</td>
<td>839,444,000</td>
<td>839,444,000</td>
<td>-</td>
</tr>
<tr>
<td>Loans and Notes Receivable - Net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital Assets:</td>
<td>510,943,893</td>
<td>61,633,860</td>
<td>572,577,753</td>
<td>3,443,805</td>
</tr>
<tr>
<td>Land and Construction in Progress</td>
<td>638,109,275</td>
<td>89,477,455</td>
<td>727,586,730</td>
<td>12,057,337</td>
</tr>
<tr>
<td>Infrastructure - Net</td>
<td>393,598,527</td>
<td>683,984,820</td>
<td>1,077,583,347</td>
<td>109,681,005</td>
</tr>
</tbody>
</table>

* 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, 2009**

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total Activities</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>187,401,654</td>
<td>36,215,738</td>
<td>223,617,392</td>
<td>8,053,737</td>
</tr>
<tr>
<td>Accrued Payroll</td>
<td>38,316,787</td>
<td>26,240,519</td>
<td>64,557,306</td>
<td>103,686</td>
</tr>
<tr>
<td>Securities Lending Collateral</td>
<td>72,571,905</td>
<td>61,204,672</td>
<td>133,776,577</td>
<td></td>
</tr>
<tr>
<td>Interest Payable</td>
<td>3,829,112</td>
<td>19,853,381</td>
<td>23,682,493</td>
<td>1,539,000</td>
</tr>
<tr>
<td>Intergovernmental Payable</td>
<td>65,871,655</td>
<td>4,090,249</td>
<td>69,961,904</td>
<td></td>
</tr>
<tr>
<td>Tax Refunds Payable</td>
<td>54,120,613</td>
<td>54,120,613</td>
<td></td>
<td>9,280,691</td>
</tr>
<tr>
<td>Due to Component Units</td>
<td>-</td>
<td>4,047,936</td>
<td>4,047,936</td>
<td></td>
</tr>
<tr>
<td>Due to Primary Government</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Funds Purchased</td>
<td>-</td>
<td>300,945,000</td>
<td>300,945,000</td>
<td></td>
</tr>
<tr>
<td>Reverse Repurchase Agreements</td>
<td>-</td>
<td>3,075,000</td>
<td>3,075,000</td>
<td>660,383</td>
</tr>
<tr>
<td>Other Deposits</td>
<td>-</td>
<td>677,392,905</td>
<td>677,392,905</td>
<td></td>
</tr>
<tr>
<td>Amounts Held In Custody for Others</td>
<td>-</td>
<td>18,922,038</td>
<td>18,922,038</td>
<td></td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>11,647,777</td>
<td>93,863,880</td>
<td>105,511,657</td>
<td>6,881,475</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>-</td>
<td>10,947,684</td>
<td>10,947,684</td>
<td>28,521,176</td>
</tr>
<tr>
<td>Long-Term Liabilities</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>28,680,366</td>
<td>144,711,826</td>
<td>173,392,192</td>
<td>17,340,835</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>297,351,491</td>
<td>2,104,812,792</td>
<td>2,402,164,283</td>
<td>256,165,048</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>366,031,857</td>
<td>2,249,524,618</td>
<td>2,615,556,475</td>
<td>328,546,031</td>
</tr>
</tbody>
</table>

### NET ASSETS

**Invested in Capital Assets, Net of Related Debt**

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total Activities</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,323,476,716</td>
<td>578,827,822</td>
<td>1,902,304,538</td>
<td>102,924,608</td>
</tr>
</tbody>
</table>

**Restricted for:**

- **General Government**
  1,440,757
- **Education**
  128,198,786
- **Health and Human Services**
  39,069,734
- **Regulatory Purposes**
  30,880,045
- **Public Safety & Corrections**
  35,834,415
- **Agriculture and Commerce**
  18,881,200
- **Cultural and Natural Resources**
  126,639,996
- **Transportation**
  188,880,963
- **Capital Projects**
  3,340,000
- **Debt Service**
  25,220,898
- **Loan Purposes**
  46,432,847
- **Pledged Assets**
  190,645,000
- **Unemployment Compensation**
  116,945,710
- **Permanent Fund and University System - Expendable**
  20,887,944
- **Permanent Fund and University System - Nonexpendable**
  879,305,267
- **Other**
  3,657,246

**Unrestricted**

1,562,969,653

**Total Net Assets**

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total Activities</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,388,683,620$</td>
<td>$1,642,940,464$</td>
<td>$6,031,624,084$</td>
<td>$724,175,254$</td>
</tr>
</tbody>
</table>

*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, 2009

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>$418,220,944</td>
<td>$24,085,311</td>
<td>$37,991,743</td>
<td>$-</td>
</tr>
<tr>
<td>Education</td>
<td>564,818,600</td>
<td>4,325,036</td>
<td>69,947,510</td>
<td>7,000</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>1,005,299,226</td>
<td>34,200,110</td>
<td>694,183,117</td>
<td>14,559,813</td>
</tr>
<tr>
<td>Regulatory</td>
<td>26,581,606</td>
<td>19,418,470</td>
<td>3,095,779</td>
<td>-</td>
</tr>
<tr>
<td>Public Safety and Corrections</td>
<td>194,263,845</td>
<td>10,572,514</td>
<td>87,764,235</td>
<td>221,000</td>
</tr>
<tr>
<td>Agriculture and Commerce</td>
<td>68,057,495</td>
<td>22,749,832</td>
<td>22,169,064</td>
<td>-</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>64,816,773</td>
<td>26,553,195</td>
<td>13,474,231</td>
<td>14,559,813</td>
</tr>
<tr>
<td>Transportation</td>
<td>382,619,328</td>
<td>87,100,993</td>
<td>203,212,452</td>
<td>42,276,911</td>
</tr>
<tr>
<td>Interest on Long Term Debt</td>
<td>12,683,901</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td><strong>2,737,361,718</strong></td>
<td><strong>229,005,461</strong></td>
<td><strong>1,131,838,131</strong></td>
<td><strong>57,064,724</strong></td>
</tr>
<tr>
<td><strong>Business-Type Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of North Dakota</td>
<td>99,089,692</td>
<td>155,951,000</td>
<td>(5,310,000)</td>
<td>-</td>
</tr>
<tr>
<td>Housing Finance</td>
<td>59,769,233</td>
<td>53,438,021</td>
<td>13,635,000</td>
<td>-</td>
</tr>
<tr>
<td>Loan Programs</td>
<td>6,776,733</td>
<td>6,941,602</td>
<td>592,013</td>
<td>-</td>
</tr>
<tr>
<td>Mill and Elevator</td>
<td>233,792,242</td>
<td>224,127,818</td>
<td>27,178</td>
<td>-</td>
</tr>
<tr>
<td>State Lottery</td>
<td>16,122,996</td>
<td>21,815,381</td>
<td>38,239</td>
<td>-</td>
</tr>
<tr>
<td>Unemployment Compensation</td>
<td>106,475,262</td>
<td>75,137,232</td>
<td>6,023,243</td>
<td>14,559,813</td>
</tr>
<tr>
<td>University System</td>
<td>894,733,624</td>
<td>400,638,083</td>
<td>217,373,005</td>
<td>10,820,227</td>
</tr>
<tr>
<td>Workforce Safety &amp; Insurance</td>
<td>168,527,183</td>
<td>163,857,781</td>
<td>(115,693,869)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>15,809,783</td>
<td>14,303,486</td>
<td>(2,526,628)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Business-Type Activities</strong></td>
<td><strong>1,601,096,748</strong></td>
<td><strong>1,116,210,404</strong></td>
<td><strong>114,158,181</strong></td>
<td><strong>10,820,227</strong></td>
</tr>
<tr>
<td><strong>Total Primary Government</strong></td>
<td><strong>4,338,458,466</strong></td>
<td><strong>$1,345,215,865</strong></td>
<td><strong>$1,245,996,312</strong></td>
<td><strong>$67,884,951</strong></td>
</tr>
<tr>
<td><strong>Component Units:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$104,427,713</td>
<td>$58,560,007</td>
<td>$(11,139,038)</td>
<td>$-</td>
</tr>
</tbody>
</table>

### 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
- Contributions to Perm Fund Principal
- Special Item - Loss on Discontinuance of Computer Project
- Transfers
  - Total General Revenues and Transfers
  - Change in Net Assets
- Net Assets, Beginning of Year, as Restated
- Net Assets, Ending
<table>
<thead>
<tr>
<th>Governmental Business-Type Component Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (356,143,890)</td>
<td>$ (356,143,890)</td>
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</tr>
<tr>
<td>(490,546,054)</td>
<td>(490,546,054)</td>
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</tr>
<tr>
<td>(276,908,999)</td>
<td>(276,908,999)</td>
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</tr>
<tr>
<td>(4,067,357)</td>
<td>(4,067,357)</td>
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</tr>
<tr>
<td>(95,706,096)</td>
<td>(95,706,096)</td>
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</tr>
<tr>
<td>(23,138,599)</td>
<td>(23,138,599)</td>
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</tr>
<tr>
<td>(10,229,534)</td>
<td>(10,229,534)</td>
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</tr>
<tr>
<td>(50,028,972)</td>
<td>(50,028,972)</td>
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<td></td>
</tr>
<tr>
<td>(12,683,901)</td>
<td>(12,683,901)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,319,453,402)</td>
<td>(1,319,453,402)</td>
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<tr>
<td>51,551,308</td>
<td>51,551,308</td>
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<tr>
<td>7,303,788</td>
<td>7,303,788</td>
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</tr>
<tr>
<td>756,882</td>
<td>756,882</td>
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</tr>
<tr>
<td>(9,637,246)</td>
<td>(9,637,246)</td>
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</tr>
<tr>
<td>5,730,624</td>
<td>5,730,624</td>
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</tr>
<tr>
<td>(25,314,787)</td>
<td>(25,314,787)</td>
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</tr>
<tr>
<td>(265,902,309)</td>
<td>(265,902,309)</td>
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<td></td>
</tr>
<tr>
<td>(120,363,271)</td>
<td>(120,363,271)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4,032,925)</td>
<td>(4,032,925)</td>
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<td></td>
</tr>
<tr>
<td>(1,319,453,402)</td>
<td>(1,319,453,402)</td>
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<td></td>
</tr>
<tr>
<td>503,975,529</td>
<td>-</td>
<td>503,975,529</td>
<td>-</td>
</tr>
<tr>
<td>857,770,891</td>
<td>-</td>
<td>857,770,891</td>
<td>-</td>
</tr>
<tr>
<td>428,669,882</td>
<td>-</td>
<td>428,669,882</td>
<td>-</td>
</tr>
<tr>
<td>60,813,632</td>
<td>-</td>
<td>60,813,632</td>
<td>-</td>
</tr>
<tr>
<td>12,830,321</td>
<td>-</td>
<td>12,830,321</td>
<td>-</td>
</tr>
<tr>
<td>30,990,193</td>
<td>-</td>
<td>30,990,193</td>
<td>-</td>
</tr>
<tr>
<td>54,636,981</td>
<td>-</td>
<td>54,636,981</td>
<td>-</td>
</tr>
<tr>
<td>11,573,541</td>
<td>-</td>
<td>11,573,541</td>
<td>8,246,062</td>
</tr>
<tr>
<td>(3,314,057)</td>
<td>-</td>
<td>(3,314,057)</td>
<td>-</td>
</tr>
<tr>
<td>(229,267,859)</td>
<td>270,189,481</td>
<td>40,921,622</td>
<td>-</td>
</tr>
<tr>
<td>1,728,679,054</td>
<td>270,189,481</td>
<td>1,998,868,535</td>
<td>8,246,062</td>
</tr>
<tr>
<td>409,225,652</td>
<td>(89,718,455)</td>
<td>319,507,197</td>
<td>(48,760,682)</td>
</tr>
<tr>
<td>3,979,457,968</td>
<td>1,732,658,919</td>
<td>5,712,116,887</td>
<td>772,935,936</td>
</tr>
<tr>
<td>$ 4,388,683,620</td>
<td>$ 1,642,940,464</td>
<td>$ 6,031,624,084</td>
<td>$ 724,175,254</td>
</tr>
<tr>
<td>$ (57,006,744)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Balance Sheet
## Governmental Funds
### June 30, 2009

## ASSETS

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Federal</th>
<th>School Permanent Trust Fund</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Deposits at the Bank of ND</td>
<td>585,968,025 $</td>
<td>-</td>
<td>4,871,323 $</td>
<td>1,011,928,975 $</td>
<td>1,602,768,323 $</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>5,710,517</td>
<td>15,762</td>
<td>-</td>
<td>5,926,946</td>
<td>11,653,225 $</td>
</tr>
<tr>
<td>Restricted Cash and Cash Equivalents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>49,626</td>
</tr>
<tr>
<td>Investments at the Bank of ND</td>
<td>99,923,955</td>
<td>7,750,000</td>
<td>-</td>
<td>136,606,842</td>
<td>244,280,797 $</td>
</tr>
<tr>
<td>Investments</td>
<td>81,761,823</td>
<td>-</td>
<td>901,847,772</td>
<td>86,577,815</td>
<td>1,070,187,410 $</td>
</tr>
<tr>
<td>Accounts Receivable - Net</td>
<td>3,460,232</td>
<td>7,252,497</td>
<td>9,803,718</td>
<td>29,100,699</td>
<td>49,617,146 $</td>
</tr>
<tr>
<td>Taxes Receivable - Net</td>
<td>191,155,829</td>
<td>-</td>
<td>1,854,439</td>
<td>65,326,124</td>
<td>258,336,392 $</td>
</tr>
<tr>
<td>Interest Receivable - Net</td>
<td>97,245</td>
<td>-</td>
<td>7,306,563</td>
<td>996,232</td>
<td>8,400,040</td>
</tr>
<tr>
<td>Intergovernmental Receivable - Net</td>
<td>-</td>
<td>-</td>
<td>212,196,169</td>
<td>-</td>
<td>222,334,147 $</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>101,045,606</td>
<td>13,725,077</td>
<td>2,043,566</td>
<td>66,443,781</td>
<td>183,258,030 $</td>
</tr>
<tr>
<td>Due from Fiduciary Funds</td>
<td>151,171</td>
<td>1,174,999</td>
<td>-</td>
<td>158,271</td>
<td>1,484,441</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>1,202,509</td>
<td>818,949</td>
<td>61,297,730</td>
<td>-</td>
<td>62,143,205 $</td>
</tr>
<tr>
<td>Inventory</td>
<td>2,845,591</td>
<td>6,086,735</td>
<td>-</td>
<td>7,351,222</td>
<td>16,283,548 $</td>
</tr>
<tr>
<td>Loans and Notes Receivable - Net</td>
<td>141,290</td>
<td>279,673</td>
<td>38,334,416</td>
<td>68,343,987</td>
<td>107,099,366 $</td>
</tr>
<tr>
<td>Total Assets</td>
<td>1,073,463,793 $</td>
<td>249,299,861 $</td>
<td>966,061,797 $</td>
<td>1,491,169,718 $</td>
<td>3,779,995,169 $</td>
</tr>
</tbody>
</table>

## LIABILITIES AND FUND BALANCES

### Liabilities:

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Federal</th>
<th>School Permanent Trust Fund</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>43,664,077 $</td>
<td>105,971,754 $</td>
<td>4,866,449 $</td>
<td>31,327,368 $</td>
<td>185,449,648 $</td>
</tr>
<tr>
<td>Accrued Payroll</td>
<td>19,680,488</td>
<td>8,718,799</td>
<td>-</td>
<td>8,107,008</td>
<td>36,506,295 $</td>
</tr>
<tr>
<td>Securities Lending Collateral</td>
<td>-</td>
<td>-</td>
<td>61,297,730</td>
<td>11,164,202</td>
<td>72,461,932 $</td>
</tr>
<tr>
<td>Interest Payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>290,263</td>
<td>290,263</td>
</tr>
<tr>
<td>Intergovernmental Payable</td>
<td>2,770,223</td>
<td>7,838,180</td>
<td>-</td>
<td>55,263,217</td>
<td>65,871,620 $</td>
</tr>
<tr>
<td>Tax Refunds Payable</td>
<td>53,317,541</td>
<td>-</td>
<td>-</td>
<td>803,072</td>
<td>54,120,613 $</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>55,394,555</td>
<td>99,596,789</td>
<td>84,409</td>
<td>36,224,384</td>
<td>191,300,634 $</td>
</tr>
<tr>
<td>Contracts Payable</td>
<td>9,984</td>
<td>6,539,400</td>
<td>-</td>
<td>1,169,212</td>
<td>7,718,596 $</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>31,409,983</td>
<td>16,977,693</td>
<td>-</td>
<td>33,153,600</td>
<td>81,541,276 $</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>206,246,851</td>
<td>245,642,615</td>
<td>65,868,588</td>
<td>177,502,326</td>
<td>695,260,380 $</td>
</tr>
</tbody>
</table>

### Fund Balances:

#### Reserved For:

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Federal</th>
<th>School Permanent Trust Fund</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>2,845,591</td>
<td>6,086,735</td>
<td>-</td>
<td>7,351,222</td>
<td>16,283,548 $</td>
</tr>
<tr>
<td>Long - Term Receivables</td>
<td>75,454</td>
<td>166,566</td>
<td>-</td>
<td>61901185</td>
<td>62,143,205 $</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,340,000</td>
<td>3,340,000</td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,220,898</td>
<td>25,220,898 $</td>
</tr>
<tr>
<td>Prepaid Expenditures</td>
<td>1,202,509</td>
<td>818,949</td>
<td>-</td>
<td>2,221,220</td>
<td>4,242,678 $</td>
</tr>
<tr>
<td>Legal Requirements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,611,223</td>
<td>14,611,223 $</td>
</tr>
<tr>
<td>Permanent Trust Fund</td>
<td>-</td>
<td>-</td>
<td>892,866,647</td>
<td>-</td>
<td>892,866,647</td>
</tr>
<tr>
<td>General Fund</td>
<td>863,093,388</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>863,093,388 $</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>-</td>
<td>(3,415,004)</td>
<td>-</td>
<td>1,199,021,644</td>
<td>1,195,606,640 $</td>
</tr>
<tr>
<td>Total Fund Balances</td>
<td>867,216,942</td>
<td>3,657,246</td>
<td>900,193,209</td>
<td>1,313,667,392</td>
<td>3,084,734,789 $</td>
</tr>
</tbody>
</table>

### Total Liabilities and Fund Balances:

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Federal</th>
<th>School Permanent Trust Fund</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$ 1,073,463,793 $</td>
<td>$ 249,299,861 $</td>
<td>$ 966,061,797 $</td>
<td>$ 1,491,169,718 $</td>
<td>$ 3,779,995,169 $</td>
</tr>
</tbody>
</table>

The Accompanying Notes are an Integral Part of the Financial Statements
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2009

Total Fund Balances-Governmental Funds $3,084,734,789

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 $4,235,960,037
  and the accumulated depreciation is $2,768,654,623. 1,467,305,414
- 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. 69,893,499
- 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. 74,942,639
- 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. 1,106,000
- The pension assets resulting from contributions in excess of annual required contribution
  are not financial resources and, therefore, are not reported in the funds. 2,471,500
- 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 (247,949,109)
  - Notes Payable (20,522,820)
  - Accrued Interest on Long-Term Liabilities (3,165,661)
  - Compensated Absences (34,080,137)
  - Intergovernmental Payable (504,739)
  - Capital Leases (3,662,211)
  - Pension Obligation (Reported as Accounts Payable) (214,386)
  - Claims and Judgments (1,671,158)

  Total Long-Term Liabilities (311,770,221)

Net Assets of Governmental Activities $4,388,683,620

The Accompanying Notes are an Integral Part of the Financial Statements
STATE OF NORTH DAKOTA

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

REVENUES

<table>
<thead>
<tr>
<th>Revenues</th>
<th>General</th>
<th>School</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual and Corporate Income Taxes</td>
<td>$492,125,666</td>
<td>-</td>
<td>$12,885,825</td>
</tr>
<tr>
<td>Sales and Use Taxes</td>
<td>648,762,770</td>
<td>-</td>
<td>208,638,009</td>
</tr>
<tr>
<td>Oil, Gas, and Coal Taxes</td>
<td>53,168,841</td>
<td>17,686,968</td>
<td>357,773,973</td>
</tr>
<tr>
<td>Business and Other Taxes</td>
<td>42,512,178</td>
<td>-</td>
<td>18,505,454</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>14,041,483</td>
<td>-</td>
<td>119,178,385</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>499,011</td>
<td>1,204,858,005</td>
<td>46,808,433</td>
</tr>
<tr>
<td>Sales and Services</td>
<td>3,715,595</td>
<td>3,796,238</td>
<td>41,359,867</td>
</tr>
<tr>
<td>Royalties and Rents</td>
<td>31,680,880</td>
<td>72,574,656</td>
<td>20,988,135</td>
</tr>
<tr>
<td>Fines and Forfeits</td>
<td>4,031,692</td>
<td>3,236,701</td>
<td>8,506,021</td>
</tr>
<tr>
<td>Interest and Investment Income</td>
<td>11,796,140</td>
<td>8,336,839</td>
<td>30,990,193</td>
</tr>
<tr>
<td>Commodity Assessments</td>
<td>-</td>
<td>-</td>
<td>16,502,864</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,420,715</td>
<td>502,976</td>
<td>3,939,953</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$1,303,756,971</td>
<td>$1,209,354,975</td>
<td>$(893,644,346)</td>
</tr>
</tbody>
</table>

EXPENDITURES

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>General</th>
<th>School</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>153,986,572</td>
<td>3,100,917</td>
<td>7,974,910</td>
</tr>
<tr>
<td>Education</td>
<td>388,901,838</td>
<td>127,298,564</td>
<td>44,167,810</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>263,307,026</td>
<td>678,106,249</td>
<td>61,286,541</td>
</tr>
<tr>
<td>Regulatory</td>
<td>8,264,935</td>
<td>4,064,607</td>
<td>9,954,847</td>
</tr>
<tr>
<td>Public Safety and Corrections</td>
<td>100,688,357</td>
<td>51,129,437</td>
<td>35,243,433</td>
</tr>
<tr>
<td>Agriculture and Commerce</td>
<td>13,374,239</td>
<td>20,642,603</td>
<td>33,970,990</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>15,465,496</td>
<td>14,237,465</td>
<td>28,730,204</td>
</tr>
<tr>
<td>Transportation</td>
<td>-</td>
<td>212,493,146</td>
<td>140,747,267</td>
</tr>
<tr>
<td>Intergovernmental - Revenue Sharing</td>
<td>-</td>
<td>-</td>
<td>253,363,580</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>16,210,390</td>
<td>65,423,082</td>
<td>32,246,113</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>3,492,402</td>
<td>341,792</td>
<td>16,372,999</td>
</tr>
<tr>
<td>Interest and Other Charges</td>
<td>851,603</td>
<td>81,522</td>
<td>11,347,531</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$964,540,858</td>
<td>$1,176,919,384</td>
<td>$675,405,927</td>
</tr>
</tbody>
</table>

Revenues over (under) Expenditures

| Revenues over (under) Expenditures | 339,216,113 | 32,435,591 | $(218,238,419) | 557,605,215 |

OTHER FINANCING SOURCES (USES)

| Other Financing Sources (Uses)             |         |        |       |
| Bonds and Notes Issued                     | - | - | 3,005,000 |
| Capital Lease Acquisitions                 | 58,585 | 29,660 | 118,245 |
| Sale of Capital Assets                     | - | - | 74,825 |
| Transfers In                                | 84,765,607 | 9,202,293 | 184,265,987 |
| Transfers Out                               | (344,762,727) | (37,912,452) | (278,233,887) |
| Total Other Financing Sources (Uses)        | (259,938,535) | (28,680,499) | 98,119,245 |
| Net Change in Fund Balances                 | 997,309,728 | 74,066,317 | 997,309,728 |
| Fund Balances - Beginning of Year,          | 878,939,364 | (97,846) | 98,119,245 |
| as Adjusted                                 | $867,216,942 | $3,657,246 $ | $900,193,209 | $1,313,667,392 $ |

Fund Balances - End of Year

| Fund Balances - End of Year                  | $867,216,942 | $3,657,246 | $900,193,209 | $1,313,667,392 | $3,084,734,789 |

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, 2009

Net Change in Fund Balances-Total Governmental Funds $ 331,517,226

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 113,879,585
Depreciation expense (54,990,948)
Excess of capital outlay over depreciation expense 58,888,637

Construction in progress previously capitalized on the government wide and expensed in governmental funds. This construction in progress was written off in the current fiscal year on the government wide but does not affect the governmental funds. (3,314,057)

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. (1,246,657)

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. 312,832

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. (88,245)

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. (421,136)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities 6,858,499

Bonds proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (3,005,000)

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. 98,177

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 16,217,000
Note payments 3,203,326
Capital lease payments 1,164,863
Total long-term debt repayment 20,585,189

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 327,944
Net increase/decrease in compensated absences (1,591,486)
Net increase/decrease in net pension obligation (reported as accounts payable) (112,756)
Net increase/decrease in claims and judgments 416,485
Total additional expenditures (959,813)

Change in Net Assets of Governmental Activities $ 409,225,652

The Accompanying Notes are an Integral Part of the Financial Statements
STATE OF NORTH DAKOTA

Statement of Net Assets
Proprietary Funds
June 30, 2009

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Governmental Activities</th>
<th>Business-Type Activities - Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Bank of North Dakota</td>
</tr>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>84,832,577</td>
<td>$2,840,000</td>
</tr>
<tr>
<td>Investments at the Bank of ND</td>
<td>11,051,000</td>
<td>95,428,748</td>
</tr>
<tr>
<td>Intergrational Receivable - Net</td>
<td>11,620,118</td>
<td>8,521,532</td>
</tr>
<tr>
<td>Restricted Loans Receivable - Net</td>
<td>15,200,000</td>
<td>36,749,624</td>
</tr>
<tr>
<td>Restricted Interest Receivable - Net</td>
<td>3,515,000</td>
<td>3,515,000</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>1,709,625</td>
<td>46,000</td>
</tr>
<tr>
<td>Loans and Notes Receivable - Net</td>
<td>9,462,261</td>
<td>7,210,562</td>
</tr>
<tr>
<td>Restricted Cash at the Bank of ND</td>
<td>18,177,395</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Cash and Cash Equivalents</td>
<td>13,821,949</td>
<td>15,857,000</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,844,683,512</td>
<td>158,910,000</td>
</tr>
<tr>
<td>Noncurrent Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Cash at the Bank of ND</td>
<td>4,262,435</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Cash and Cash Equivalents</td>
<td>24,441</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Investments at the Bank of ND</td>
<td>26,262,965</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Investments</td>
<td>28,921,807</td>
<td>15,361,119</td>
</tr>
<tr>
<td>Investments at the Bank of ND</td>
<td>35,893,634</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>6,867,053</td>
<td>-</td>
</tr>
<tr>
<td>Loans and Notes Receivable - Net</td>
<td>28,329,949</td>
<td>31,817,269</td>
</tr>
<tr>
<td>Restricted Loans Receivable - Net</td>
<td>823,587,000</td>
<td>31,817,269</td>
</tr>
<tr>
<td>Total Noncurrent Assets</td>
<td>1,833,177,747</td>
<td>832,004,000</td>
</tr>
<tr>
<td>Bank Related Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>552,723,000</td>
<td>$327,748,000</td>
</tr>
<tr>
<td>Investments</td>
<td>34,651,000</td>
<td>47,882,000</td>
</tr>
<tr>
<td>Due from Component Units</td>
<td>3,668,000</td>
<td>3,668,000</td>
</tr>
<tr>
<td>Loans and Notes Receivable - Net</td>
<td>2,535,010,000</td>
<td>2,535,010,000</td>
</tr>
<tr>
<td>Other Assets</td>
<td>1,702,000</td>
<td>1,702,000</td>
</tr>
<tr>
<td>Total Bank Related Assets</td>
<td>3,516,965,000</td>
<td>3,516,965,000</td>
</tr>
<tr>
<td>Total Assets</td>
<td>3,516,965,000</td>
<td>3,516,965,000</td>
</tr>
</tbody>
</table>

The Accompanying Notes are an Integral Part of the Financial Statements
### STATE OF NORTH DAKOTA

**Statement of Net Assets**

**Proprietary Funds**

**June 30, 2009**

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>Current Liabilities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>1,044,000</td>
</tr>
<tr>
<td>Accrued Payroll</td>
<td>-</td>
</tr>
<tr>
<td>Securities Lending Collateral</td>
<td>-</td>
</tr>
<tr>
<td>Interest Payable</td>
<td>19,149,000</td>
</tr>
<tr>
<td>Intergovernmental Payable</td>
<td>544,000</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>2,802,000</td>
</tr>
<tr>
<td>Due to Component Units</td>
<td>-</td>
</tr>
<tr>
<td>Contracts Payable</td>
<td>-</td>
</tr>
<tr>
<td>Other Deposits</td>
<td>-</td>
</tr>
<tr>
<td>Amounts Held in Custody for Others</td>
<td>10,542,000</td>
</tr>
<tr>
<td>Claims/Judgments Payable</td>
<td>-</td>
</tr>
<tr>
<td>Dividends Payable</td>
<td>-</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>133,000</td>
</tr>
<tr>
<td>Notes Payable</td>
<td>-</td>
</tr>
<tr>
<td>Capital Leases Payable</td>
<td>-</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>19,480,000</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>35,000</td>
</tr>
</tbody>
</table>

**Total Liabilities**

| 53,729,000 | 43,222,543 | 92,018,501 | 241,173,742 | 33,772,976 | 463,916,762 | 7,978,289 |

### NONCURRENT LIABILITIES

| Intergovernmental Payable | 1,612,000 |
| Claims/Judgments Payable | - |
| Compensated Absences Payable | 68,000 |
| Notes Payable | - |
| Capital Leases Payable | - |
| Bonds Payable | 830,106,000 |
| Other Noncurrent Liabilities | - |

**Total Noncurrent Liabilities**

| 831,786,000 | 708,174 | 266,024,795 | 675,797,630 | 27,273,877 | 1,801,590,476 | 13,821,138 |

### NET ASSETS

| Invested in Capital Assets, Net of Restricted Debt | 13,581,000 |
| Capital Projects | - |
| Debt Service | - |
| Loan Purposes | - |
| Pledged Assets | 190,647,000 |
| Unemployment Compensation | - |
| University System-Nonexpendable | - |
| University System-Expendable | - |
| Other | - |
| Unrestricted | 19,694,000 |

**Total Net Assets**

| 223,922,000 | $105,395,000 | $44,545,548 | $750,617,068 | $265,552,937 | $246,239,468 | $1,636,276,021 | $81,807,802 |

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

to the Statement of Net Assets

**June 30, 2009**

**Total Net Assets - Enterprise Funds**

**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 | $1,636,276,021 |

**Net Assets of Business-Type Activities**

| $1,642,940,464 |

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, 2009*

<table>
<thead>
<tr>
<th>Bank of North Dakota</th>
<th>Housing</th>
<th>Mill and Elevator</th>
<th>University System</th>
<th>Workforce Safety and Insurance</th>
<th>Other Enterprise Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Sales and Services $7,475,000</td>
<td>1,572,000</td>
<td>224,052,365</td>
<td>57,477,025</td>
<td>162,179,298</td>
<td>114,488,417</td>
<td>$567,244,105</td>
<td>83,794,546</td>
</tr>
<tr>
<td>2. Auxiliary Sales Pledges for Bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Tuition and Fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>244,594,116</td>
<td>-</td>
<td>244,594,116</td>
<td>-</td>
</tr>
<tr>
<td>4. Grants and Contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>156,649,964</td>
<td>-</td>
<td>156,649,964</td>
<td>-</td>
</tr>
<tr>
<td>5. Royalties and Rents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6. Fines and Forfeits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7. Interest and Investment Income</td>
<td>143,166,000</td>
<td>51,866,021</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,631,792</td>
<td>198,663,813</td>
</tr>
<tr>
<td>8. Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,553,886</td>
<td>-</td>
<td>1,384</td>
<td>1,555,270</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>150,641,000</td>
<td>53,438,021</td>
<td>224,052,365</td>
<td>554,604,547</td>
<td>163,857,781</td>
<td>118,193,201</td>
<td>1,284,786,915</td>
</tr>
</tbody>
</table>

| OPERATING EXPENSES |         |                   |                   |                               |                        |       |                       |
| 1. Cost of Sales and Services | - | - | 226,765,117 | 38,080,007 | - | 2,726,946 | 267,572,070 | 1,179,284 |
| 2. Salaries and Benefits | 9,595,000 | 2,140,000 | 1,568,849 | 543,130,015 | 14,481,049 | 4,220,439 | 575,411,352 | 21,029,682 |
| 3. Operating Expenses | 16,596,000 | 4,995,000 | 732,844 | 225,073,998 | 3,765,342 | 27,462,804 | 278,602,988 | 37,040,580 |
| 4. Claims | - | - | - | - | - | 147,080,241 | 108,347,826 | 255,428,067 | 3,378,476 |
| 5. Dividends Expense | - | - | - | (3,300,000) | - | (3,300,000) | - | - |
| 6. Scholarships and Fellowships | - | - | - | 29,537,842 | - | - | 29,537,842 | - |
| 7. Interest | 71,801,000 | 40,204,000 | - | - | - | 834,444 | 112,839,444 | - |
| 8. Depreciation | 1,194,000 | 4,000 | 2,700,468 | 43,817,249 | 248,627 | 1,000,189 | 48,964,533 | 11,519,942 |
| 9. Miscellaneous | - | - | - | - | - | 3,800 | 3,800 | - |
| **Total Operating Expenses** | 99,186,000 | 47,819,000 | 231,787,278 | 879,638,911 | 162,270,259 | 144,596,448 | 1,555,077,896 | 74,147,964 |

| NONOPERATING REVENUES (EXPENSES) |         |                   |                   |                               |                        |       |                       |
| 1. Grants and Contracts | - | - | - | 33,046,541 | - | 516,860 | 33,563,401 | - |
| 2. Gifts | - | - | - | 23,263,783 | - | - | 23,263,783 | - |
| 3. Interest and Investment Income | - | - | - | 13,635,000 | 27,178 | 4,412,717 | (115,693,869) | 3,610,007 | (94,008,967) | (405,844) |
| 4. Interest Expense | (12,957,000) | (2,036,147) | (14,179,789) | 6,332,254 | (166,715) | (34,871,905) | (787,698) | - |
| 5. Gain (Loss) on Sale of Capital Assets | - | - | - | (1,794,197) | - | - | (1,789,697) | (79,475) |
| 6. Other | - | - | - | 26,828 | 1,875,745 | - | (466,412) | 1,436,161 | 19,061 |
| **Total Nonoperating Revenues (Expenses)** | - | - | - | 1,478,000 | (1,982,141) | 46,624,800 | 122,026,123 | 3,498,240 | (72,407,224) | (1,253,956) |

| Income (Loss) Before Contributions and Transfers | 51,455,000 | 5,819,021 | (7,714,913) | (325,034,364) | 1,587,522 | (26,403,247) | (300,290,981) | 9,493,403 |

| Capital Grants and Contributions | - | - | - | 10,820,227 | - | - | 10,820,227 | 142,096 |
| Transfers In | - | - | - | 303,759,385 | - | 1,160,375 | 305,923,739 | - |
| Transfers Out | (20,004,000) | (31,000) | (36,254) | (8,234,000) | - | (6,789,004) | (35,096,258) | - |
| Changes in Net Assets | 31,451,000 | 7,830,000 | (9,733,308) | 27,936,048 | (120,438,601) | (28,533,636) | (91,688,497) | 8,831,543 |
| **Total Net Assets - Beginning of Year, as Adjusted** | 192,471,000 | 97,769,000 | 54,278,856 | 722,684,020 | 385,991,538 | 274,775,539 | 1,727,967,518 | 72,775,539 |

| **Total Net Assets - End of Year** | $232,922,000 | $105,399,000 | $44,545,548 | $750,620,068 | $265,552,937 | $246,239,468 | $1,636,279,021 | $81,607,082 |

**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, 2009*

| Net Change in Net Assets-Total Enterprise Funds | (91,691,497) |

**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

| Change in Net Assets of Business-Type Activities | $ (89,718,455) |

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, 2009

<table>
<thead>
<tr>
<th>Bank of North Dakota</th>
<th>Housing Finance</th>
<th>Mill and Elevator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from Customers and Users</td>
<td>$7,664,000</td>
<td>$153,562,021</td>
</tr>
<tr>
<td>Receipts from Tuition and Fees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income on Loans</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receipts from Loan Principal Repayments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receipts from Other Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receipts from Grants and Contracts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receipts from Others</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments for Loan Funds</td>
<td>-</td>
<td>(460,000)</td>
</tr>
<tr>
<td>Payments to Other Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments for Scholarships and Fellowships</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments to Suppliers</td>
<td>(8,500,000)</td>
<td>(157,703,000)</td>
</tr>
<tr>
<td>Payments to Employees</td>
<td>(8,500,000)</td>
<td>(2,410,000)</td>
</tr>
<tr>
<td>Claim Payments</td>
<td>-</td>
<td>(921,000)</td>
</tr>
<tr>
<td>Payments to Others</td>
<td>(921,000)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>(48,625)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (Used for) Operating Activities</strong></td>
<td>(10,386,000)</td>
<td>(7,931,979)</td>
</tr>
</tbody>
</table>

| **Cash Flows from Noncapital Financing Activities:** | | |
| Proceeds from Bonds | 175,641,000 | - | - |
| Proceeds from Sale of Notes and Other Borrowings | 360,200,000 | - | 31,600,000 |
| Principal Payments - Bonds | - | (254,020,000) | - |
| Principal Payments - Notes and Other Borrowings | (289,666,000) | - | (71,898,712) |
| Interest Payments - Bonds | (40,733,000) | - | - |
| Interest Payments - Notes and Other Borrowings | (14,468,000) | - | (2,036,147) |
| Payment of Bond Issue Costs | - | (1,236,000) | - |
| Transfers Out | 363,979 | - | - |
| Net Increase in Non-Interest Bearing Deposits | (30,046,000) | (31,000) | (36,254) |
| Net Decrease in Interest Bearing Deposits | 777,638,000 | - | - |
| Payments of Interest on Deposits | (46,233,000) | - | - |
| Interest Paid on Federal Funds and Reverse Repurchase Agreements | (9,226,000) | - | - |
| Net Decrease in Federal Funds and Reverse Repurchase Agreements | (130,041,000) | - | - |
| Principal Payments on Due To Other Funds | - | - | - |
| Grants and Gifts Received for Other than Capital Purposes | - | - | - |
| Agency Fund Cash Increase | - | - | - |
| Grants Given for Other than Capital Purposes | - | - | - |
| **Net Cash Provided by (Used for) Noncapital Financing Activities** | 614,109,000 | (120,015,021) | (42,371,113) |

| **Cash Flows from Capital and Related Financing Activities:** | | |
| Acquisition and Construction of Capital Assets | (3,731,000) | (89,000) | (3,909,273) |
| Proceeds from Sale of Capital Assets | 2,122,000 | - | 50,000 |
| 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 | - | - | - |
| Other | - | - | - |
| **Net Cash Used for Capital and Related Financing Activities** | (1,609,000) | (89,000) | (3,859,273) |

| **Cash Flows from Investing Activities:** | | |
| Proceeds from Sale of Capital Assets | 131,488,000 | 10,918,000 | - |
| Proceeds from Sale of Notes and Other Borrowings | (222,654,000) | (5,342,000) | - |
| Interest and Dividends on Investments | 18,999,000 | 1,803,000 | 27,178 |
| Proceeds from Sale of Other Real Estate | 129,000 | - | - |
| Net Decrease in Loans | (618,415,000) | - | - |
| Receipt of Loan Principal Repayments | - | - | - |
| Loan Income Received | 128,415,000 | - | - |
| **Net Cash Provided by (Used for) Investing Activities** | (572,548,000) | 6,779,000 | 27,178 |

The Accompanying Notes are an Integral Part of the Financial Statements
The Accompanying Notes are an Integral Part of the Financial Statements
**STATE OF NORTH DAKOTA**

**Statement of Cash Flows**  
Proprietary Funds (Continued)  
For the Fiscal Year Ended June 30, 2009

### Bank of North Dakota

- **Net Change In Cash:**
  - **Net Increase (Decrease) in Cash and Cash Equivalents:** 30,066,000 $(121,257,000) 42,988
  - **Cash and Cash Equivalents at June 30, 2008:** 522,657,000
  - **Cash and Cash Equivalents at June 30, 2009:** 552,723,000

### Reconciliation:

#### Current:
- **Cash Deposits at the Bank of North Dakota**
- **Cash and Cash Equivalents:** 552,723,000 2,840,000 $ 46,725
- **Restricted Cash Deposits at the Bank of North Dakota**
- **Restricted Cash and Cash Equivalents:** 124,584,000

#### Noncurrent:
- **Restricted Cash Deposits At The Bank of North Dakota**
- **Restricted Cash and Cash Equivalents**

### Cash and Cash Equivalents at June 30, 2008

<table>
<thead>
<tr>
<th>Amount</th>
<th>$522,657,000</th>
<th>$259,315,000</th>
<th>$3,737</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Increase (Decrease) in Cash and Cash Equivalents</strong></td>
<td>30,066,000</td>
<td>$(121,257,000)</td>
<td>42,988</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents at June 30, 2009</strong></td>
<td>552,723,000</td>
<td>$2,840,000</td>
<td>46,725</td>
</tr>
</tbody>
</table>

### Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:

- **Operating Income (Loss)** 51,455,000 $ 5,819,021 $(7,714,913)$
- **Depreciation** 1,194,000 4,000 $2,705,468$
- **Amortization/Accretion** 694,000 - -
- **Gain on Sale of Student Loans** (1,000) - -
- **Loss on Sale of Real Estate** 28,000 - -
- **Net Decrease in Fair Value of Investments** 5,099,000 - -
- **Interest Received on Program Loans** - - -
- **Disbursements for Loans and Loan Purchases** - - -
- **Receipt of Loan Principal Repayments** - - -
- **Provision for Losses** 8,900,000 - -
- **Contributed Property and Equipment** (628,000) - -
- **Change in Inventories** (55,173,000) 16,057,557 -
- **Increase in Other Assets** (94,000) - (21,766)
- **Increase in Other Liabilities** (9,000) - (21,766)
- **Increase in Dividends Payable**
- **Total Adjustments** (61,841,000) (13,751,000) (53,961,109)

### Net Cash Provided by (Used for) Operating Activities

<table>
<thead>
<tr>
<th>Amount</th>
<th>$51,455,000</th>
<th>$5,819,021</th>
<th>$(7,714,913)$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Cash Provided by (Used for) Operating Activities</strong></td>
<td>$10,386,000</td>
<td>$7,931,979</td>
<td>$46,246,196</td>
</tr>
</tbody>
</table>

### Noncash Transactions:

- **Net Increase (Decrease) in Fair Value of Investments** 5,310,000 $(246,000) $ -
- **Change in Securities Lending Collateral** - - -
- **Amortization of Bond Discount** - - -
- **Amortization of Bond Issuance Costs** - - -
- **Assets Acquired Through Capital Lease** - - -
- **Assets Acquired Through Special Assessments** - - -
- **Gifts of Capital Assets** - - -
- **Interest Revenue on Prize Reserves** - - -
- **Increase (Decrease) in Dividends Payable** 249,000 314,000 (282,064)

### Total Noncash Transactions

<table>
<thead>
<tr>
<th>Amount</th>
<th>$5,310,000</th>
<th>$(246,000)</th>
<th>$ -</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Noncash Transactions</strong></td>
<td>$5,310,000</td>
<td>$(246,000)</td>
<td>$ -</td>
</tr>
</tbody>
</table>

---

The Accompanying Notes are an Integral Part of the Financial Statements
### Governmental Activities

#### Workforce Other University Safety and Enterprise Total Funds System Insurance Funds Internal Service Funds

<table>
<thead>
<tr>
<th></th>
<th>University System</th>
<th>Workforce Safety and Insurance</th>
<th>Other Enterprise Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>(10,899,298)</td>
<td>655,035</td>
<td>(52,834,569)</td>
<td>(154,226,844)</td>
<td>(3,155,433)</td>
<td></td>
</tr>
<tr>
<td>74,614,839</td>
<td>1,375,198</td>
<td>196,124,414</td>
<td>1,054,090,188</td>
<td>17,196,299</td>
<td></td>
</tr>
<tr>
<td>$ 63,715,541</td>
<td>$ 2,030,233</td>
<td>$ 143,289,845</td>
<td>$ 899,863,344</td>
<td>$ 14,040,866</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>University System</th>
<th>Workforce Safety and Insurance</th>
<th>Other Enterprise Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 49,851,643</td>
<td>$ 2,030,233</td>
<td>$ 30,063,976</td>
<td>$ 84,832,577</td>
<td>$ 13,822,436</td>
<td></td>
</tr>
<tr>
<td>9,837,092</td>
<td>-</td>
<td>109,685,850</td>
<td>672,337,942</td>
<td>26,453</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>3,279,949</td>
<td>13,821,949</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>124,584,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>4,002,365</td>
<td>-</td>
<td>260,070</td>
<td>4,262,435</td>
<td>191,977</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>24,441</td>
<td>897,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>$ 63,715,541</td>
<td>$ 2,030,233</td>
<td>$ 143,289,845</td>
<td>$ 899,863,344</td>
<td>$ 14,040,866</td>
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<table>
<thead>
<tr>
<th></th>
<th>University System</th>
<th>Workforce Safety and Insurance</th>
<th>Other Enterprise Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>(325,037,364)</td>
<td>$ 1,587,522</td>
<td>$ (26,403,247)</td>
<td>$ (300,293,981)</td>
<td>$ 9,943,403</td>
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<table>
<thead>
<tr>
<th></th>
<th>University System</th>
<th>Workforce Safety and Insurance</th>
<th>Other Enterprise Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
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<tbody>
<tr>
<td>43,817,249</td>
<td>248,627</td>
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<td>(38,433,500)</td>
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<td>26,000</td>
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<td>9,797,000</td>
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<td>(425,870)</td>
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<tr>
<td>(11,911,526)</td>
<td>(1,588,444)</td>
<td>(1,501,328)</td>
<td>(54,126,741)</td>
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<table>
<thead>
<tr>
<th></th>
<th>University System</th>
<th>Workforce Safety and Insurance</th>
<th>Other Enterprise Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
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<tbody>
<tr>
<td>1,380,461</td>
<td>36,753</td>
<td>177,307</td>
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<td>2,373,271</td>
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<td>49,162</td>
<td>2,323,708</td>
<td>50,174</td>
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<td>2,372,625</td>
<td>8,930,567</td>
<td>1,208,414</td>
<td>12,511,506</td>
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<td>-</td>
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<td>(8,820)</td>
<td>272,116</td>
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<td>(89,936,450)</td>
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<table>
<thead>
<tr>
<th></th>
<th>University System</th>
<th>Workforce Safety and Insurance</th>
<th>Other Enterprise Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
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<tbody>
<tr>
<td>47,543,007</td>
<td>(50,639,931)</td>
<td>33,870,033</td>
<td>9,142,218</td>
<td>11,159,022</td>
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<table>
<thead>
<tr>
<th></th>
<th>University System</th>
<th>Workforce Safety and Insurance</th>
<th>Other Enterprise Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (277,494,357)</td>
<td>$ (49,052,409)</td>
<td>$ 7,466,786</td>
<td>$ (291,151,763)</td>
<td>$ 21,102,425</td>
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<table>
<thead>
<tr>
<th></th>
<th>University System</th>
<th>Workforce Safety and Insurance</th>
<th>Other Enterprise Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (138,139)</td>
<td>$ (117,088,561)</td>
<td>$ (2,109,850)</td>
<td>$ (114,272,550)</td>
<td>$ (409,517)</td>
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<td>-</td>
<td>(76,051,009)</td>
<td>(444,991)</td>
<td>(70,490,900)</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
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<td>591</td>
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<tr>
<td>$ 28,815,604</td>
<td>$ (149,215,702)</td>
<td>$ (2,554,061)</td>
<td>$ (117,076,159)</td>
<td>$ (536,778)</td>
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The Accompanying Notes are an Integral Part of the Financial Statements
### STATE OF NORTH DAKOTA

**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2009**

#### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Pension and Other Employee Benefit Trust Funds</th>
<th>Investment Trust Funds</th>
<th>Private-Purpose Trust Funds</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Deposits at the Bank of ND</strong></td>
<td>$27,963,234</td>
<td>$716,541</td>
<td>$8,021,963</td>
<td>$15,249,160</td>
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<tr>
<td><strong>Cash and Cash Equivalents</strong></td>
<td>-</td>
<td>-</td>
<td>1,806,697</td>
<td>3,894,839</td>
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<tr>
<td><strong>Receivables:</strong></td>
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<tr>
<td>Contributions Receivable</td>
<td>13,881,378</td>
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<tr>
<td>Accounts Receivable - Net</td>
<td>4,717</td>
<td>-</td>
<td>54,630</td>
<td>6,223,561</td>
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<tr>
<td>Taxes Receivable - Net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,179,561</td>
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<tr>
<td>Interest Receivable - Net</td>
<td>9,713,752</td>
<td>74,124</td>
<td>5,096</td>
<td>409</td>
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<tr>
<td>Due from Other Funds</td>
<td>14,290</td>
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<tr>
<td>Due from Fiduciary Funds</td>
<td>140,720</td>
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<tr>
<td><strong>Total Receivables</strong></td>
<td>23,754,857</td>
<td>74,124</td>
<td>59,752</td>
<td>20,403,531</td>
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<td><strong>Investments, at Fair Value:</strong></td>
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<td>Investments at the Bank of ND</td>
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<tr>
<td>Equity Pool</td>
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<tr>
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<tr>
<td>Fixed Income Pool</td>
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<td>2,080,342</td>
<td>230,774</td>
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<tr>
<td>Cash and Cash Pool</td>
<td>8,132,298</td>
<td>250,157</td>
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<td>Real Estate Pool</td>
<td>220,441,035</td>
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<td>Alternative Investments</td>
<td>141,264,674</td>
<td>3,307,954</td>
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<td>Annuities</td>
<td>88,888</td>
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<tr>
<td>Mutual Funds</td>
<td>33,107,540</td>
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<td><strong>Total Investments</strong></td>
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<td>128,963,461</td>
<td>265,271,424</td>
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<td><strong>Invested Securities Lending Collateral</strong></td>
<td>14,552,880</td>
<td>988,942</td>
<td>34,178</td>
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<tr>
<td><strong>Capital Assets (Net of Depreciation)</strong></td>
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<td><strong>Total Assets</strong></td>
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<td>130,743,068</td>
<td>275,194,014</td>
<td>$59,635,959</td>
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#### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>Pension and Other Employee Benefit Trust Funds</th>
<th>Investment Trust Funds</th>
<th>Private-Purpose Trust Funds</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
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<td>226,164</td>
<td>771,343</td>
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<tr>
<td>Securities Lending Collateral</td>
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<td>988,942</td>
<td>34,178</td>
<td>-</td>
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<td>Intergovernmental Payable</td>
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<td>Due to Fiduciary Funds</td>
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<td>Amounts Held in Custody for Others</td>
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<td>-</td>
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<td>Deferred Revenue</td>
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<td>Compensated Absences Payable</td>
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<td><strong>Total Liabilities</strong></td>
<td>19,898,720</td>
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<td>805,521</td>
<td>$59,635,959</td>
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#### NET ASSETS

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<thead>
<tr>
<th></th>
<th>Pension and Other Employee Benefit Trust Funds</th>
<th>Investment Trust Funds</th>
<th>Private-Purpose Trust Funds</th>
<th>Agency Funds</th>
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</thead>
<tbody>
<tr>
<td>Net Assets Held in Trust for:</td>
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<tr>
<td>Pension Benefits</td>
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<tr>
<td>Other Employee Benefits</td>
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<td>External Investment Pool Participants</td>
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<tr>
<td>Other Purposes</td>
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<td><strong>Total Net Assets Held in Trust</strong></td>
<td>$2,817,098,900</td>
<td>$129,527,962</td>
<td>$274,388,493</td>
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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, 2009

<table>
<thead>
<tr>
<th>Pension and Other Employee Benefit Trust Funds</th>
<th>Investment Trust Funds</th>
<th>Private-Purpose Trust Funds</th>
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</thead>
<tbody>
<tr>
<td><strong>ADDITIONS</strong></td>
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<tr>
<td>Contributions:</td>
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<td>Employer</td>
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<tr>
<td>Employee</td>
<td>77,174,126</td>
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<tr>
<td>From Participants</td>
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<tr>
<td>Transfers from Other Funds</td>
<td>564,078</td>
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<td>Transfers from Other Plans</td>
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<tr>
<td>Donations</td>
<td>-</td>
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<td><strong>Total Contributions</strong></td>
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<td>Investment Income:</td>
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<tr>
<td>Net Change in Fair Value of Investments</td>
<td>(1,019,750,271)</td>
<td>(26,057,926)</td>
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<td>Interest and Dividends</td>
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<tr>
<td><strong>Less Investment Expense</strong></td>
<td>13,774,604</td>
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<tr>
<td><strong>Net Investment Income</strong></td>
<td>(956,360,256)</td>
<td>(23,514,263)</td>
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<tr>
<td>Securities Lending Activity:</td>
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<td>Securities Lending Income</td>
<td>543,773</td>
<td>30,809</td>
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<td><strong>Less Securities Lending Expense</strong></td>
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<td><strong>Net Securities Lending Income</strong></td>
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<td>Repurchase Service Credit</td>
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<td>Miscellaneous Income</td>
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<td><strong>Total Additions</strong></td>
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<td>(23,496,504)</td>
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<td><strong>DEDUCTIONS</strong></td>
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<td>Benefits Paid to Participants</td>
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<td>Refunds</td>
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<td>Prefunded Credit Applied</td>
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<td>Transfer to Other Plans</td>
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<tr>
<td>Payments in Accordance with Trust Agreements</td>
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<td>Administrative Expenses</td>
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<td><strong>Total Deductions</strong></td>
<td>221,224,207</td>
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<tr>
<td>Purchase of Units at Net Asset Value of $1.00 Per Unit</td>
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<td>31,970,490</td>
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<tr>
<td>Change in Net Assets Held in Trust for:</td>
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<tr>
<td>Pension Benefits</td>
<td>(1,018,941,438)</td>
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<tr>
<td>Other Employee Benefits</td>
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<td>External Investment Pool Participants</td>
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<td>8,473,986</td>
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<tr>
<td>Other Purposes</td>
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<td>-</td>
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<tr>
<td><strong>Total Change in Net Assets</strong></td>
<td>(1,018,561,116)</td>
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<tr>
<td>Net Assets - Beginning of Year</td>
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<td>Net Assets - End of Year</td>
<td>$ 2,817,098,900</td>
<td>$ 129,527,962</td>
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The Accompanying Notes are an Integral Part of the Financial Statements
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, 2009

<table>
<thead>
<tr>
<th></th>
<th>BSC Foundation</th>
<th>DSU Foundation</th>
<th>CHAND Foundation</th>
<th>MISU Development Foundation</th>
<th>Public Finance Authority</th>
<th>ND Development Fund</th>
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|                  | BSC Foundation | DSU Foundation | CHAND Foundation | MISU Development Foundation | Public Finance Authority | ND Development Fund |
| **LIABILITIES**  |                |                |                  |                             |                         |                     |
| Current Liabilities: |                |                |                  |                             |                         |                     |
| Accounts Payable | 81,818         | 785,625        | 2,000,325        | 14,314                      | 153,000                 | 13,653              |
| Accrued Payroll  | -              | 74,991         | -                | -                           | -                       | -                   |
| Interest Payable | -              | -              | -                | -                           | 1,539,000               | -                   |
| Intergovernmental Payable | -          | -              | -                | -                           | -                       | -                   |
| Due to Primary Government | 87,764       | 1,511,847      | -                | -                           | -                       | -                   |
| Other Deposits   | -              | -              | -                | -                           | -                       | -                   |
| Notes Payable    | -              | 464,924        | -                | -                           | -                       | -                   |
| Capital Leases Payable | -          | -              | -                | -                           | -                       | -                   |
| Bonds Payable    | 771,834        | -              | -                | 12,234,000                  | -                       | -                   |
| Deferred Revenue | -              | -              | 165,233          | -                           | -                       | -                   |
| Other Current Liabilities | -          | -              | -                | -                           | -                       | -                   |
| Total Current Liabilities | $ 941,416     | 2,837,387      | 2,165,558        | 14,314                      | 13,926,000              | 13,653              |
| Noncurrent Liabilities: |                |                |                  |                             |                         |                     |
| Intergovernmental Payable | -          | -              | -                | -                           | 310,000                 | -                   |
| Due to Primary Government | -            | -              | -                | -                           | 3,668,000               | -                   |
| Notes Payable    | -              | 131,569        | -                | -                           | -                       | -                   |
| Capital Leases Payable | -          | -              | -                | -                           | -                       | -                   |
| Bonds Payable    | 3,430,799      | 9,200,000      | -                | -                           | 162,774,000             | -                   |
| Other Noncurrent Liabilities | 2,445,031    | 611,265        | -                | 161,712                     | -                       | -                   |
| Total Noncurrent Liabilities | $ 5,875,830   | 9,842,834      | -                | 161,712                     | 166,752,000             | -                   |
| Total Liabilities | $ 6,817,246   | 12,780,221     | 2,165,558        | 176,026                     | 180,678,000             | 23,630,542          |

**Net Assets**

<table>
<thead>
<tr>
<th></th>
<th>BSC Foundation</th>
<th>DSU Foundation</th>
<th>CHAND Foundation</th>
<th>MISU Development Foundation</th>
<th>Public Finance Authority</th>
<th>ND Development Fund</th>
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<td>$ 277,279,000</td>
<td>$ 23,630,542</td>
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</table>

The Accompanying Notes are an Integral Part of the Financial Statements
The Accompanying Notes are an Integral Part of the Financial Statements

<table>
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<tr>
<th>Foundation</th>
<th>NDSU Development</th>
<th>NDSU Research and Technology Park</th>
<th>UND Foundation</th>
<th>UND Aerospace Foundation &amp; Affiliates</th>
<th>UND Alumni Association and UND Foundation</th>
<th>Non-Major</th>
<th>Total</th>
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<td>1,954,639</td>
<td>328,546,031</td>
</tr>
<tr>
<td>NDSU</td>
<td>5,850,105</td>
<td>(387,587)</td>
<td>76,346,557</td>
<td>8,554,454</td>
<td>2,649,911</td>
<td>459,290</td>
<td>102,924,608</td>
</tr>
<tr>
<td>RE Arena Inc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>58,643,000</td>
</tr>
<tr>
<td>NDSU</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>215,761,000</td>
</tr>
<tr>
<td>RE Arena Inc.</td>
<td>99,806,823</td>
<td>636,515</td>
<td>2,782,497</td>
<td>-</td>
<td>130,132,376</td>
<td>31,510,830</td>
<td>300,962,921</td>
</tr>
<tr>
<td>NDSU</td>
<td>(1,197,050)</td>
<td>5,583,031</td>
<td>156,154</td>
<td>(560,701)</td>
<td>11,779,034</td>
<td>1,418,651</td>
<td>45,884,355</td>
</tr>
<tr>
<td>Foundation</td>
<td>$104,459,878</td>
<td>$5,831,959</td>
<td>$79,265,208</td>
<td>$7,983,753</td>
<td>$144,561,321</td>
<td>$33,388,771</td>
<td>$724,175,254</td>
</tr>
</tbody>
</table>
## Combining Statement of Activities
### Component Units - Proprietary Funds
For the Fiscal Year Ended June 30, 2009

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Net (Expense) Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSC Foundation</td>
<td>$2,298,387</td>
<td>$400,006</td>
<td>$(1,783,977)</td>
<td>$(3,682,358)</td>
</tr>
<tr>
<td>DSU Foundation</td>
<td>2,251,076</td>
<td>145,149</td>
<td>4,405,760</td>
<td>2,299,833</td>
</tr>
<tr>
<td>CHAND</td>
<td>10,721,751</td>
<td>11,398,138</td>
<td>446,291</td>
<td>1,122,678</td>
</tr>
<tr>
<td>MISU Development Foundation</td>
<td>706,212</td>
<td>203,446</td>
<td>$(2,320,693)</td>
<td>(2,823,459)</td>
</tr>
<tr>
<td>Public Finance Authority</td>
<td>8,929,000</td>
<td>1,297,000</td>
<td>24,573,000</td>
<td>16,941,000</td>
</tr>
<tr>
<td>ND Development Fund</td>
<td>1,473,687</td>
<td>887,649</td>
<td>233,596</td>
<td>(352,442)</td>
</tr>
<tr>
<td>NDSU Development Foundation</td>
<td>15,146,243</td>
<td>1,254,933</td>
<td>$(11,897,423)</td>
<td>(25,788,733)</td>
</tr>
<tr>
<td>NDSU Research and Technology Park</td>
<td>3,382,172</td>
<td>2,823,640</td>
<td>533,789</td>
<td>(24,743)</td>
</tr>
<tr>
<td>RE Arena, Inc., UND Arena Services &amp; Affiliates</td>
<td>12,161,832</td>
<td>7,485,936</td>
<td>-</td>
<td>(4,675,896)</td>
</tr>
<tr>
<td>UND Aerospace Foundation</td>
<td>19,481,610</td>
<td>20,090,136</td>
<td>404,098</td>
<td>1,012,624</td>
</tr>
<tr>
<td>UND Alumni Association &amp; UND Foundation</td>
<td>15,698,405</td>
<td>4,492,821</td>
<td>$(25,329,411)</td>
<td>(36,534,995)</td>
</tr>
<tr>
<td>Nonmajor Component Units</td>
<td>12,177,338</td>
<td>8,141,153</td>
<td>(464,068)</td>
<td>(4,500,253)</td>
</tr>
</tbody>
</table>

**Total Component Units**

$104,427,713 $56,620,007 $(11,199,038) $(57,006,744)

*The Accompanying Notes are an Integral Part of the Financial Statements*
<table>
<thead>
<tr>
<th>Net Assets Beginning of Year, as Adjusted</th>
<th>Net Assets End of Year</th>
<th>Add to Permanent Endowments</th>
<th>Change in Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 20,923,325</td>
<td>$ 24,199,160</td>
<td>$ 406,523</td>
<td>$(3,275,835)</td>
</tr>
<tr>
<td>15,334,203</td>
<td>12,784,186</td>
<td>250,184</td>
<td>2,550,017</td>
</tr>
<tr>
<td>1,369,337</td>
<td>246,659</td>
<td>-</td>
<td>1,122,678</td>
</tr>
<tr>
<td>10,117,957</td>
<td>12,689,950</td>
<td>251,466</td>
<td>(2,571,993)</td>
</tr>
<tr>
<td>277,279,000</td>
<td>260,338,000</td>
<td>-</td>
<td>16,941,000</td>
</tr>
<tr>
<td>23,630,542</td>
<td>23,982,984</td>
<td>-</td>
<td>(352,442)</td>
</tr>
<tr>
<td>104,459,878</td>
<td>124,844,623</td>
<td>5,403,988</td>
<td>(20,384,745)</td>
</tr>
<tr>
<td>5,831,959</td>
<td>5,856,702</td>
<td>-</td>
<td>(24,743)</td>
</tr>
<tr>
<td>79,285,208</td>
<td>83,961,104</td>
<td>-</td>
<td>(4,675,896)</td>
</tr>
<tr>
<td>7,993,753</td>
<td>6,981,129</td>
<td>-</td>
<td>1,012,624</td>
</tr>
<tr>
<td>144,561,321</td>
<td>179,753,153</td>
<td>1,343,163</td>
<td>(35,191,832)</td>
</tr>
<tr>
<td>33,888,771</td>
<td>37,298,286</td>
<td>590,738</td>
<td>(3,909,515)</td>
</tr>
<tr>
<td>$ 724,175,254</td>
<td>$ 772,935,936</td>
<td>$ 8,246,062</td>
<td>$(48,760,682)</td>
</tr>
</tbody>
</table>