

# Basic Financial Statements

# STATE OF NORTH DAKOTA

## Statement of Net Assets June 30, 2011

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 14,890,940	\$ 776,332,694	\$ 791,223,634	\$ 9,805,408
Investments	2,285,384,935	1,887,104,758	4,172,489,693	9,236,500
Accounts Receivable - Net	73,995,075	119,882,224	193,877,299	3,471
Taxes Receivable - Net	399,845,442	-	399,845,442	-
Interest Receivable - Net	14,559,206	48,422,680	62,981,886	73,886
Intergovernmental Receivable - Net	268,505,057	49,857,468	318,362,525	-
Internal Receivable	2,611,763,585	-	413,917,581	-
Due from Component Units	-	12,679,484	12,679,484	-
Due from Primary Government	-	-	-	4,833,000
Prepaid Items	6,302,720	2,972,302	9,275,022	-
Inventory	18,798,698	39,733,855	58,532,553	-
Loans and Notes Receivable - Net	97,529,762	2,855,722,154	2,953,251,916	10,444,996
Unamortized Bond Financing Costs	916,597	11,188,657	12,105,254	780,000
Pension Assets	1,900,392	-	1,900,392	-
Other Assets	-	12,056,526	12,056,526	-
Restricted Assets:				
Cash and Cash Equivalents	-	197,518,711	197,518,711	1,310,000
Investments	-	39,832,869	39,832,869	467,711,000
Interest Receivable - Net	-	3,762,000	3,762,000	4,235,000
Loans and Notes Receivable - Net	-	925,374,000	925,374,000	-
Restricted Deferred Outflows	-	15,160,000	15,160,000	-
Capital Assets:				
Nondepreciable	567,710,703	119,637,959	687,348,662	-
Depreciable, Net	1,241,879,658	866,269,914	2,108,149,572	-
Total Assets	<u>7,603,982,770</u>	<u>7,983,508,255</u>	<u>13,389,645,021</u>	<u>508,433,261</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, 2011

	Primary Government		Total	Component Units (GASB Based)
	Governmental Activities	Business-Type Activities		
<b>LIABILITIES</b>				
Accounts Payable	246,286,838	48,872,219	295,159,057	3,088,817
Accrued Payroll	46,321,836	30,427,828	76,749,664	-
Securities Lending Collateral	168,170,329	12,430	168,182,759	-
Interest Payable	2,938,116	19,656,690	22,594,806	1,707,000
Intergovernmental Payable	115,716,041	3,838,821	119,554,862	-
Tax Refunds Payable	74,223,421	-	74,223,421	-
Internal Payable	-	2,197,846,004	-	-
Due to Component Units	-	64,778,968	64,778,968	-
Due to Primary Government	-	-	-	4,918,000
Contracts Payable	12,825,549	1,764,155	14,589,704	-
Federal Funds Purchased	-	240,725,000	240,725,000	-
Other Deposits	-	561,804,207	561,804,207	-
Amounts Held In Custody for Others	-	20,224,286	20,224,286	-
Unearned Revenue	10,295,316	112,403,928	122,699,244	158,109
Financial Derivative Instrument	-	15,160,000	15,160,000	-
Other Liabilities	-	12,346,975	12,346,975	-
Long-Term Liabilities				
Due within one year	24,240,813	323,381,547	347,622,360	10,344,000
Due in more than one year	255,420,504	2,254,734,747	2,510,155,251	142,889,000
Total Liabilities	<u>956,438,763</u>	<u>5,907,977,805</u>	<u>4,666,570,564</u>	<u>163,104,926</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	1,640,080,874	706,459,639	2,346,540,513	-
Restricted for:				
General Government	20,775,153	-	20,775,153	-
Education	1,870,076,361	-	1,870,076,361	-
Health and Human Services	15,983,737	-	15,983,737	-
Regulatory Purposes	33,444,752	-	33,444,752	-
Public Safety & Corrections	717,882	-	717,882	-
Agriculture and Commerce	33,941,780	-	33,941,780	-
Cultural and Natural Resources	190,669,548	-	190,669,548	-
Transportation	211,032,420	-	211,032,420	-
Capital Projects	2,963,000	323,341	3,286,341	-
Debt Service	21,036,217	127,048,483	148,084,700	54,406,000
Loan Purposes	-	45,825,540	45,825,540	262,700,000
Pledged Assets	-	116,344,000	116,344,000	-
Unemployment Compensation	-	113,875,103	113,875,103	-
Permanent Fund and University System - Nonexpendable	63,224,478	15,499,579	78,724,057	-
Permanent Fund and University System - Expendable	-	32,001,365	32,001,365	-
Other	6,535,009	1,394,602	7,929,611	-
Unrestricted	2,537,062,796	916,758,798	3,453,821,594	28,222,335
Total Net Assets	<u>\$ 6,647,544,007</u>	<u>\$ 2,075,530,450</u>	<u>\$ 8,723,074,457</u>	<u>\$ 345,328,335</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, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 507,512,749	\$ 26,863,061	\$ 32,549,040	\$ -
Education	830,649,191	6,985,958	583,910,620	-
Health and Human Services	1,244,163,316	36,563,927	845,050,028	3,465,514
Regulatory	28,419,774	22,122,244	4,330,417	-
Public Safety and Corrections	242,521,440	14,456,950	106,954,296	-
Agriculture and Commerce	98,038,471	29,861,552	47,286,200	-
Natural Resources	117,862,905	24,772,981	20,871,772	9,302,816
Transportation	468,695,689	96,023,474	374,997,532	-
Interest on Long Term Debt	10,461,658	-	-	-
Total Governmental Activities	<u>3,548,325,193</u>	<u>257,650,147</u>	<u>2,015,949,905</u>	<u>12,768,330</u>
Business-Type Activities:				
Bank of North Dakota	77,556,546	140,043,000	(1,645,000)	-
Housing Finance	69,824,036	54,190,469	21,121,000	-
Loan Programs	6,898,226	5,989,229	264,793	-
Mill and Elevator	212,279,549	228,300,446	28,853	-
State Lottery	17,068,826	23,085,242	7,890	-
Unemployment Compensation	108,482,422	119,074,810	3,764,460	-
University System	1,008,539,618	438,741,616	257,171,123	14,258,261
Workforce Safety & Insurance	300,297,491	193,150,136	164,103,773	-
Other	25,093,546	17,910,325	4,575,908	-
Total Business-Type Activities	<u>1,826,040,260</u>	<u>1,220,485,273</u>	<u>449,392,800</u>	<u>14,258,261</u>
Total Primary Government	<u>\$ 5,374,365,453</u>	<u>\$ 1,478,135,420</u>	<u>\$ 2,465,342,705</u>	<u>\$ 27,026,591</u>
<b>Component Units (GASB Based):</b>	<u>\$ 40,444,179</u>	<u>\$ 15,661,829</u>	<u>\$ 42,717,013</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  
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

<b>Net (Expense) Revenue and Change in Net Assets</b>			
<b>Primary Government</b>			<b>Component</b>
<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>	<b>Units</b>
<b>Activities</b>	<b>Activities</b>		<b>(GASB Based)</b>
\$ (448,100,648)		\$ (448,100,648)	
(239,752,613)		(239,752,613)	
(359,083,847)		(359,083,847)	
(1,967,113)		(1,967,113)	
(121,110,194)		(121,110,194)	
(20,890,719)		(20,890,719)	
(62,915,336)		(62,915,336)	
2,325,317		2,325,317	
(10,461,658)		(10,461,658)	
<u>(1,261,956,811)</u>		<u>(1,261,956,811)</u>	
	60,841,454	60,841,454	
	5,487,433	5,487,433	
	(644,204)	(644,204)	
	16,049,750	16,049,750	
	6,024,306	6,024,306	
	14,356,848	14,356,848	
	(298,368,618)	(298,368,618)	
	56,956,418	56,956,418	
	(2,607,313)	(2,607,313)	
-	<u>(141,903,926)</u>	<u>(141,903,926)</u>	
<u>(1,261,956,811)</u>	<u>(141,903,926)</u>	<u>(1,403,860,737)</u>	
			<u>\$ 17,934,663</u>
605,526,736	-	605,526,736	-
1,121,730,307	-	1,121,730,307	-
1,059,467,528	-	1,059,467,528	-
69,733,806	-	69,733,806	-
21,330,843	-	21,330,843	-
30,453,643	-	30,453,643	-
158,447,125	-	158,447,125	-
999,110	-	999,110	-
(365,304,396)	376,538,823	11,234,427	-
<u>2,702,384,702</u>	<u>376,538,823</u>	<u>3,078,923,525</u>	<u>-</u>
1,440,427,891	234,634,897	1,675,062,788	17,934,663
5,207,116,116	1,840,895,553	7,048,011,669	327,393,672
<u>\$ 6,647,544,007</u>	<u>\$ 2,075,530,450</u>	<u>\$ 8,723,074,457</u>	<u>\$ 345,328,335</u>

# STATE OF NORTH DAKOTA

## Balance Sheet Governmental Funds June 30, 2011

	Special Revenue			Nonmajor Governmental Funds	Total
	General	Federal	State		
<b>ASSETS</b>					
Cash Deposits at the Bank of ND	\$ 881,307,289	\$ -	\$ 1,419,759,568	\$ 6,354,995	\$ 2,307,421,852
Cash and Cash Equivalents	8,574,329	-	3,615,572	2,696,205	14,886,106
Investments at the Bank of ND	102,368,288	5,000,000	182,771,082	15,921,875	306,061,245
Investments	177,027,953	-	2,057,207,890	43,483,016	2,277,718,859
Accounts Receivable - Net	5,039,574	8,892,376	59,704,056	-	73,636,006
Taxes Receivable - Net	304,130,960	-	95,483,274	231,208	399,845,442
Interest Receivable - Net	1,104,623	-	13,137,097	262,884	14,504,604
Intergovernmental Receivable - Net	-	261,796,337	6,479,204	-	268,275,541
Due from Other Funds	133,853,330	23,919,558	17,631,798	33,000	175,437,686
Due from Fiduciary Funds	-	-	1,444	-	1,444
Prepaid Items	1,596,018	1,147,148	1,510,665	-	4,253,831
Inventory	2,832,109	8,593,736	7,281,925	-	18,707,770
Loans and Notes Receivable - Net	199,913	195,617	66,311,467	30,822,765	97,529,762
<b>Total Assets</b>	<b>\$ 1,618,034,386</b>	<b>\$ 309,544,772</b>	<b>\$ 3,930,895,042</b>	<b>\$ 99,805,948</b>	<b>\$ 5,958,280,148</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 53,029,504	\$ 136,722,482	\$ 53,767,183	\$ 10,699	\$ 243,529,868
Accrued Payroll	24,553,568	9,684,045	10,149,447	-	44,387,060
Securities Lending Collateral	-	-	156,992,347	11,177,829	168,170,176
Interest Payable	-	-	304,561	-	304,561
Intergovernmental Payable	3,881,676	34,152,639	77,681,143	-	115,715,458
Tax Refunds Payable	68,406,005	-	5,817,416	-	74,223,421
Due to Other Funds	27,700,156	99,224,120	55,098,630	1,168,636	183,191,542
Contracts Payable	1,300,340	7,498,304	4,026,905	-	12,825,549
Deferred Revenue	39,791,715	15,728,173	31,607,526	-	87,127,414
<b>Total Liabilities</b>	<b>218,662,964</b>	<b>303,009,763</b>	<b>395,445,158</b>	<b>12,357,164</b>	<b>929,475,049</b>
Fund Balances:					
Nonspendable	4,628,040	9,740,884	8,792,590	63,224,476	86,385,990
Restricted	-	-	2,347,817,913	23,999,217	2,371,817,130
Committed	682,696,887	-	1,054,787,282	225,091	1,737,709,260
Assigned	-	-	124,052,099	-	124,052,099
Unassigned	712,046,495	(3,205,875)	-	-	708,840,620
<b>Total Fund Balances</b>	<b>1,399,371,422</b>	<b>6,535,009</b>	<b>3,535,449,884</b>	<b>87,448,784</b>	<b>5,028,805,099</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,618,034,386</b>	<b>\$ 309,544,772</b>	<b>\$ 3,930,895,042</b>	<b>\$ 99,805,948</b>	<b>\$ 5,958,280,148</b>

# STATE OF NORTH DAKOTA

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## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets June 30, 2011

**Total Fund Balances-Governmental Funds** \$ 5,028,805,099

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 \$4,613,986,288 and the accumulated depreciation is \$2,888,748,817. 1,725,237,471

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. 76,832,098

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. 85,611,993

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. 890,000

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. 1,900,392

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	(216,979,787)	
Notes Payable	(8,563,376)	
Accrued Interest on Long-Term Liabilities	(2,629,683)	
Compensated Absences	(38,892,156)	
Intergovernmental Payable	(114,000)	
Capital Leases	(2,724,862)	
Pension Obligation (Reported as Accounts Payable)	(346,433)	
Claims and Judgments	(1,482,749)	
Total Long-Term Liabilities		<u>(271,733,046)</u>

**Net Assets of Governmental Activities** \$ 6,647,544,007

# STATE OF NORTH DAKOTA

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2011

	Special Revenue			Nonmajor	Total
	General	Federal	State	Governmental Funds	
<b>REVENUES</b>					
Individual and Corporate Income Taxes	\$ 591,984,965	\$ -	\$ 10,200,891	\$ -	\$ 602,185,856
Sales and Use Taxes	842,264,535	-	278,539,043	-	1,120,803,578
Oil, Gas, and Coal Taxes	94,145,117	-	961,216,536	3,158,324	1,058,519,977
Business and Other Taxes	45,512,505	-	24,904,628	-	70,417,133
Licenses, Permits and Fees	15,705,650	-	138,385,294	-	154,090,944
Intergovernmental	1,257,030	1,588,236,953	15,786,921	4,738,559	1,610,019,463
Sales and Services	4,757,013	1,019,836	45,049,251	2,773,556	53,599,656
Royalties and Rents	19,351,707	5,294	308,932,030	-	328,289,031
Fines and Forfeits	3,433,850	-	12,779,991	-	16,213,841
Interest and Investment Income	20,142,301	49,884	248,924,015	1,644,784	270,760,984
Tobacco Settlement	-	-	30,453,643	-	30,453,643
Commodity Assessments	-	-	23,111,279	-	23,111,279
Miscellaneous	1,841,962	1,483,024	4,297,403	-	7,622,389
<b>Total Revenues</b>	<b>1,640,396,635</b>	<b>1,590,794,991</b>	<b>2,102,580,925</b>	<b>12,315,223</b>	<b>5,346,087,774</b>
<b>EXPENDITURES</b>					
Current:					
General Government	142,312,307	3,128,974	29,067,349	51,533	174,560,163
Education	595,122,437	178,463,488	56,793,693	-	830,379,618
Health and Human Services	335,210,566	819,615,585	85,758,506	-	1,240,584,657
Regulatory	12,404,580	3,492,472	9,474,881	-	25,371,933
Public Safety and Corrections	128,659,992	96,559,188	7,889,469	-	233,108,649
Agriculture and Commerce	20,048,185	43,701,007	34,130,966	-	97,880,158
Natural Resources	18,846,572	19,376,745	72,190,096	-	110,413,413
Transportation	-	241,490,142	189,052,014	-	430,542,156
Intergovernmental - Revenue Sharing	1,399,653	-	325,172,614	-	326,572,267
Capital Outlay	38,059,952	154,547,437	40,463,961	-	233,071,350
Debt Service:					
Principal	1,684,877	74,076	174,671	14,935,642	16,869,266
Interest and Other Charges	402,347	8,170	93,089	10,155,629	10,659,235
<b>Total Expenditures</b>	<b>1,294,151,468</b>	<b>1,560,457,284</b>	<b>850,261,309</b>	<b>25,142,804</b>	<b>3,730,012,865</b>
Revenues over (under) Expenditures	346,245,167	30,337,707	1,252,319,616	(12,827,581)	1,616,074,909
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds and Notes Issued	-	-	-	2,575,000	2,575,000
Refunding Bonds Issued	-	-	-	5,337,000	5,337,000
Payment of Refunded Bonds	-	-	-	(4,940,000)	(4,940,000)
Capital Lease Acquisitions	28,376	1,080,148	293,802	-	1,402,326
Sale of Capital Assets	-	-	539,837	-	539,837
Transfers In	518,166,366	573,028	31,085,296	16,340,346	566,165,036
Transfers Out	(369,505,133)	(29,233,478)	(526,741,995)	(5,988,826)	(931,469,432)
<b>Total Other Financing Sources (Uses)</b>	<b>148,689,609</b>	<b>(27,580,302)</b>	<b>(494,823,060)</b>	<b>13,323,520</b>	<b>(360,390,233)</b>
Net Change in Fund Balances	494,934,776	2,757,405	757,496,556	495,939	1,255,684,676
Fund Balances - Beginning of Year, as Adjusted	904,436,646	3,777,604	2,777,953,328	86,952,845	3,773,120,423
Fund Balances - End of Year	\$ 1,399,371,422	\$ 6,535,009	\$ 3,535,449,884	\$ 87,448,784	\$ 5,028,805,099



# 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, 2011

**Net Change in Fund Balances-Total Governmental Funds** \$ 1,255,684,676

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	233,071,350	
Depreciation expense	<u>(66,935,612)</u>	
Excess of capital outlay over depreciation expense		166,135,738

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. (2,471,208)

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. (1,402,326)

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. 4,675,599

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 5,110,539

Bonds proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (7,912,000)

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. (198,000)

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. (457,364)

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	19,875,642	
Note payments	1,057,653	
Capital lease payments	<u>1,209,087</u>	
Total long-term debt repayment		22,142,382

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	521,808	
Net increase/decrease in compensated absences	(1,349,815)	
Net increase/decrease in net pension obligation (reported as accounts payable)	(62,290)	
Net increase/decrease in claims and judgments	<u>10,152</u>	
Total additional expenditures		<u>(880,145)</u>

**Change in Net Assets of Governmental Activities** \$ 1,440,427,891

# STATE OF NORTH DAKOTA

## Statement of Net Assets Proprietary Funds June 30, 2011

	Business-Type Activities - Enterprise Funds						Governmental
	Bank of North Dakota	Housing Finance	Mill and Elevator	University System	Workforce Safety and Insurance	Other Enterprise Funds	Internal Service Funds
						Total	
<b>ASSETS</b>							
Current Assets:							
Cash Deposits at the Bank of ND	\$ 1,409,000	\$ 639,829	\$ 82,235,783	\$ 1,668,707	\$ 31,258,009	\$ 117,211,328	\$ 10,962,918
Cash and Cash Equivalents	95,000	-	7,269,848	-	97,767,846	105,132,694	4,833
Investments at the Bank of ND	-	-	39,465,329	24,396,476	15,646,000	79,507,805	-
Investments	-	-	1,820,233	1,319,433,133	24,078,295	1,345,331,661	7,666,076
Accounts Receivable - Net	525,000	45,738,433	16,953,662	29,970,644	26,559,027	119,746,766	357,624
Interest Receivable - Net	271,000	-	-	7,141,600	1,868,080	9,280,680	54,602
Intergovernmental Receivable - Net	164,000	-	46,188,468	-	3,505,000	49,857,468	229,516
Due from Other Funds	27,000	-	22,282,823	-	1,693,149	24,002,972	6,360,461
Due from Fiduciary Funds	-	-	-	-	135,458	135,458	-
Due from Component Units	-	-	9,011,484	-	-	9,011,484	-
Prepaid Items	44,000	450,131	-	1,022,974	1,455,197	2,972,302	2,048,889
Inventory	-	30,568,430	7,845,739	-	1,319,686	39,733,855	90,928
Loans and Notes Receivable - Net	-	966,454	8,248,757	-	9,241,246	18,456,457	-
Other Assets	696,000	-	2,581,717	-	168	3,277,885	-
Restricted Cash at the Bank of ND	10,084,000	-	-	-	3,941,292	14,025,292	-
Restricted Cash and Cash Equivalents	197,501,000	-	-	-	-	197,501,000	-
Restricted Investments at the Bank of ND	-	-	-	-	7,000,000	7,000,000	-
Restricted Interest Receivable - Net	3,762,000	-	-	-	-	3,762,000	-
Restricted Loans Receivable - Net	18,652,000	-	-	-	-	18,652,000	-
Total Current Assets	233,230,000	78,363,277	243,903,843	1,383,633,534	225,468,453	2,164,599,107	27,775,847
Noncurrent Assets:							
Restricted Cash at the Bank of ND	-	-	20,402,782	-	250,871	20,653,653	-
Restricted Cash and Cash Equivalents	-	-	17,711	-	-	17,711	-
Restricted Investments at the Bank of ND	-	-	5,976,294	-	-	5,976,294	-
Restricted Investments	11,988,000	-	27,623,884	-	220,985	39,832,869	-
Investments at the Bank of ND	-	-	94,456,977	-	-	94,456,977	-
Investments	-	-	8,284,097	-	-	8,284,097	-
Loans and Notes Receivable - Net	-	-	32,278,859	-	59,350,838	91,629,697	-
Restricted Loans Receivable - Net	901,522,000	-	-	-	5,200,000	906,722,000	-
Unamortized Bond Issuance Costs	7,140,000	-	4,007,766	-	40,891	11,188,657	26,597
Restricted Deferred Outflows	15,160,000	-	-	-	-	15,160,000	-
Other Noncurrent Assets	3,184,000	302,477	-	-	3,736,164	7,222,641	-
Capital Assets:							
Nondepreciable	-	1,190,918	101,999,518	14,828,690	447,833	118,466,959	-
Depreciable, Net	60,000	34,896,802	782,936,383	9,326,667	27,927,062	855,146,914	84,352,891
Total Noncurrent Assets	939,054,000	36,390,197	1,077,984,271	24,155,357	97,174,644	2,174,758,469	84,379,488
Bank Related Assets:							
Cash and Cash Equivalents	\$ 671,200,000					\$ 671,200,000	
Investments	533,489,000					533,489,000	
Interest Receivable - Net	39,142,000					39,142,000	
Due from Other Funds	22,942,000					22,942,000	
Due from Component Units	3,668,000					3,668,000	
Loans and Notes Receivable - Net	2,745,636,000					2,745,636,000	
Other Assets	1,556,000					1,556,000	
Capital Assets:							
Nondepreciable	1,171,000					1,171,000	
Depreciable, Net	11,123,000					11,123,000	
Total Bank Related Assets	4,029,927,000					4,029,927,000	
Total Assets	4,029,927,000	1,172,284,000	114,753,474	1,321,888,114	1,407,788,891	322,643,097	112,155,335

# STATE OF NORTH DAKOTA

## Statement of Net Assets Proprietary Funds June 30, 2011

	Business-Type Activities - Enterprise Funds						Governmental		
	Bank of North Dakota	Housing Finance	Mill and Elevator	University System	Workforce Safety and Insurance	Other Enterprise Funds	Internal Service Funds		
<b>LIABILITIES</b>									
Current Liabilities:									
Accounts Payable		961,000	14,202,916	23,433,104	5,650,946	4,344,862	2,410,535		
Accrued Payroll		-	396,785	29,731,613	-	299,430	1,934,776		
Securities Lending Collateral		-	-	-	12,070	360	153		
Interest Payable		19,178,000	-	146,882	-	39,547	3,872		
Intergovernmental Payable		959,000	-	231,643	-	3,874,821	583		
Due to Other Funds		36,266,000	40,946,212	3,500,901	201,594	8,767,739	3,133,225		
Due to Fiduciary Funds		-	-	-	-	279,391	-		
Due to Component Units		-	-	57,405,225	-	-	-		
Contracts Payable		-	-	1,764,155	-	-	1,764,155		
Other Deposits		-	-	6,462,247	-	-	-		
Amounts Held in Custody for Others		10,084,000	-	-	-	10,140,286	-		
Claims/Judgments Payable		-	-	-	101,750,000	2,160,861	1,634,505		
Dividends Payable		-	-	-	102,000,000	-	-		
Compensated Absences Payable		164,000	41,428	1,522,198	1,008,875	32,264	93,055		
Notes Payable		-	-	982,117	-	-	982,117		
Capital Leases Payable		-	-	3,839,672	-	-	96,079		
Bonds Payable		82,862,000	-	8,943,489	-	185,000	710,658		
Deferred Revenue		-	-	14,721,496	91,586,519	6,095,913	-		
Other Current Liabilities		-	-	-	-	1,411	-		
<b>Total Current Liabilities</b>		<b>150,474,000</b>	<b>55,587,341</b>	<b>152,684,742</b>	<b>302,210,004</b>	<b>36,221,885</b>	<b>697,177,972</b>	<b>10,017,441</b>	
Noncurrent Liabilities:									
Intergovernmental Payable		121,000	-	3,612,121	-	7,256,704	-		
Due to Component Units		-	-	2,540,743	-	-	-		
Claims/Judgments Payable		-	-	-	712,273,000	1,176,115	4,967,616		
Compensated Absences Payable		84,000	787,124	28,266,421	178,037	353,053	1,728,724		
Notes Payable		-	-	6,327,647	-	-	-		
Capital Leases Payable		-	-	34,890,480	-	-	143,529		
Bonds Payable		883,146,000	-	190,186,260	-	5,609,785	1,530,222		
Financial Derivative Instrument		15,160,000	-	-	-	-	-		
Other Noncurrent Liabilities		-	-	1,230,430	-	8,903,134	-		
<b>Total Noncurrent Liabilities</b>		<b>898,511,000</b>	<b>787,124</b>	<b>267,054,102</b>	<b>712,451,037</b>	<b>23,298,791</b>	<b>1,902,102,054</b>	<b>8,370,091</b>	
Bank Related Liabilities:									
Interest Payable		286,183	-	-	-	-	286,183		
Due to Other Funds		2,385,817	-	-	-	-	2,385,817		
Due to Component Units		4,833,000	-	-	-	-	4,833,000		
Federal Funds Purchased		240,725,000	-	-	-	-	240,725,000		
Deposits Held for Other Funds		2,536,364,081	-	-	-	-	2,536,364,081		
Other Deposits		518,693,919	-	-	-	-	518,693,919		
Other Liabilities		2,212,000	-	-	-	-	2,212,000		
Long Term Liabilities:									
Due within one year		16,663,000	-	-	-	-	16,663,000		
Due in more than one year		380,467,000	-	-	-	-	380,467,000		
<b>Total Bank Related Liabilities</b>		<b>3,702,630,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,702,630,000</b>	<b>-</b>	
<b>Total Liabilities</b>		<b>3,702,630,000</b>	<b>1,048,985,000</b>	<b>56,374,465</b>	<b>419,738,844</b>	<b>1,014,661,041</b>	<b>6,301,910,026</b>	<b>18,387,532</b>	
<b>NET ASSETS</b>									
Invested in Capital Assets, Net of Related Debt		12,294,000	60,000	36,087,720	604,642,663	24,155,357	29,219,899	706,459,639	
Restricted for:									
Capital Projects		-	-	-	323,341	-	-	323,341	
Debt Service		-	114,667,000	-	11,485,627	-	895,856	127,048,483	
Loan Purposes		-	-	-	45,218,647	-	606,893	45,825,540	
Pledged Assets		116,344,000	-	-	-	-	-	116,344,000	
Unemployment Compensation		-	-	-	-	-	113,875,103	113,875,103	
University System-Nonexpendable		-	-	-	15,499,579	-	-	15,499,579	
University System-Expendable		-	-	-	32,001,365	-	-	32,001,365	
Other		-	-	-	249,898	-	1,144,704	1,394,602	
Unrestricted		198,659,000	8,572,000	22,291,289	192,728,150	368,972,493	117,379,966	908,602,898	
<b>Total Net Assets</b>		<b>\$ 327,297,000</b>	<b>\$ 123,299,000</b>	<b>\$ 58,379,009</b>	<b>\$ 902,149,270</b>	<b>\$ 393,127,850</b>	<b>\$ 263,122,421</b>	<b>\$ 2,067,374,550</b>	<b>\$ 93,767,803</b>

### Reconciliation of the Proprietary Funds Statement of Net Assets to the Statement of Net Assets June 30, 2011

<b>Total Net Assets - Enterprise Funds</b>	<b>\$ 2,067,374,550</b>
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	8,155,900
<b>Net Assets of Business-Type Activities</b>	<b>\$ 2,075,530,450</b>

The Accompanying Notes are an Integral Part of the Financial Statements

# STATE OF NORTH DAKOTA

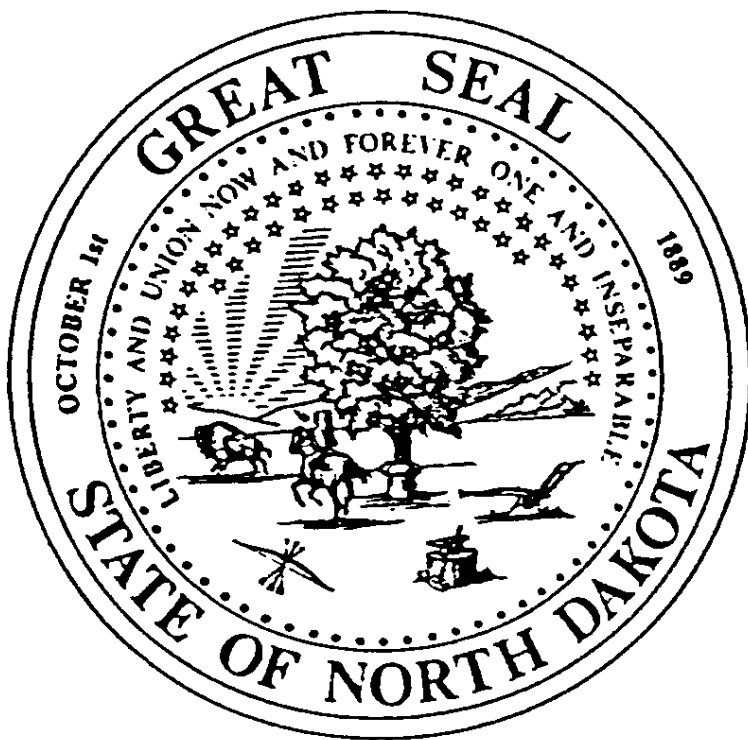
## Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds For the Fiscal Year Ended June 30, 2011

	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
<b>OPERATING REVENUES</b>								
Sales and Services	\$ 6,113,000	\$ 1,744,000	\$ 228,212,429	\$ 67,828,827	\$ 190,758,801	\$ 163,695,325	\$ 658,352,382	\$ 89,804,486
Auxiliary Sales Pledges for Bonds	-	-	-	104,661,502	-	-	104,661,502	-
Tuition and Fees	-	-	-	261,959,599	-	-	261,959,599	-
Grants and Contributions	-	-	-	167,654,056	-	-	167,654,056	-
Royalties and Rents	-	-	-	-	710,286	56,642	766,928	-
Fines and Forfeits	-	-	-	-	1,681,049	-	1,681,049	-
Interest and Investment Income	132,285,000	52,446,469	-	-	-	2,258,848	186,990,317	-
Miscellaneous	-	-	-	1,630,447	-	54,508	1,684,955	173,816
<b>Total Operating Revenues</b>	<b>138,398,000</b>	<b>54,190,469</b>	<b>228,212,429</b>	<b>603,734,431</b>	<b>193,150,136</b>	<b>166,065,323</b>	<b>1,383,750,788</b>	<b>89,978,302</b>
<b>OPERATING EXPENSES</b>								
Cost of Sales and Services	-	-	205,542,394	38,628,451	-	4,254,080	248,424,925	1,345,576
Salaries and Benefits	11,188,000	2,850,000	2,318,486	643,481,007	16,668,282	4,912,748	681,418,523	23,340,946
Operating	20,156,000	6,279,000	803,177	215,075,871	1,751,989	31,504,116	275,570,153	41,784,807
Claims	-	-	-	-	168,548,565	114,683,132	283,231,697	6,007,666
Scholarships and Fellowships	-	-	-	40,068,377	-	-	40,068,377	-
Interest	45,188,000	36,891,000	-	-	-	321,667	82,400,667	-
Depreciation	1,130,000	25,000	3,020,712	53,050,551	256,816	1,411,133	58,894,212	13,395,075
Miscellaneous	-	-	-	-	-	4,404	4,404	-
<b>Total Operating Expenses</b>	<b>77,662,000</b>	<b>46,045,000</b>	<b>211,684,769</b>	<b>990,304,257</b>	<b>187,225,652</b>	<b>157,091,280</b>	<b>1,670,012,958</b>	<b>85,874,070</b>
<b>Operating Income (Loss)</b>	<b>60,736,000</b>	<b>8,145,469</b>	<b>16,527,660</b>	<b>(386,569,826)</b>	<b>5,924,484</b>	<b>8,974,043</b>	<b>(286,262,170)</b>	<b>4,104,232</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Grants and Contracts	-	20,564,000	-	54,012,656	-	633,582	75,210,238	-
Gifts	-	-	-	24,889,758	-	-	24,889,758	-
Interest and Investment Income	-	557,000	28,853	10,614,653	164,103,773	7,973,662	183,277,941	1,101,365
Interest Expense	-	-	(531,852)	(14,814,081)	(5,105,379)	(124,297)	(20,575,609)	(340,151)
Dividends Expense	-	-	-	-	(108,006,196)	-	(108,006,196)	-
Gain (Loss) on Sale of Capital Assets	-	-	-	176,958	-	(61,474)	115,484	177,074
Tax Revenue	-	-	-	2,661,241	-	-	2,661,241	-
Grant Expense	-	(23,782,000)	-	-	-	-	(23,782,000)	-
Other	-	-	63,363	(3,526,809)	-	(273,956)	(3,737,402)	16,108
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>(2,661,000)</b>	<b>(439,636)</b>	<b>74,014,376</b>	<b>50,992,198</b>	<b>8,147,517</b>	<b>130,053,455</b>	<b>954,396</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>60,736,000</b>	<b>5,484,469</b>	<b>16,088,024</b>	<b>(312,555,450)</b>	<b>56,916,682</b>	<b>17,121,560</b>	<b>(156,208,715)</b>	<b>5,058,628</b>
Capital Grants and Contributions	-	-	-	14,258,261	-	-	14,258,261	98,249
Transfers In	-	2,713,531	-	380,324,210	-	19,744,198	402,781,939	-
Transfer Out	(5,088,000)	(30,000)	(8,480,616)	(6,722,000)	-	(5,922,500)	(26,243,116)	-
<b>Changes in Net Assets</b>	<b>55,648,000</b>	<b>8,168,000</b>	<b>7,607,408</b>	<b>75,305,021</b>	<b>56,916,682</b>	<b>30,943,258</b>	<b>234,588,369</b>	<b>5,156,877</b>
<b>Total Net Assets - Beginning of Year, as Adjusted</b>	<b>271,649,000</b>	<b>115,131,000</b>	<b>50,771,601</b>	<b>826,844,249</b>	<b>336,211,168</b>	<b>232,179,163</b>	<b>1,832,786,181</b>	<b>88,610,926</b>
<b>Total Net Assets - End of Year</b>	<b>\$ 327,297,000</b>	<b>\$ 123,299,000</b>	<b>\$ 58,379,009</b>	<b>\$ 902,149,270</b>	<b>\$ 393,127,850</b>	<b>\$ 263,122,421</b>	<b>\$ 2,067,374,550</b>	<b>\$ 93,767,803</b>

### Reconciliation of Statement of Revenues, Expenses and Changes in Fund Net Assets of Proprietary Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2011

<b>Net Change in Net Assets-Total Enterprise Funds</b>	\$ 234,588,369
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	46,528
<b>Change in Net Assets of Business-Type Activities</b>	<u>\$ 234,634,897</u>

The Accompanying Notes are an Integral Part of the Financial Statements



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# STATE OF NORTH DAKOTA

## Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	Mill and Elevator
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers and Users	\$ 6,114,000	\$ 198,300,469	\$ 255,193,605
Receipts from Tuition and Fees	-	-	-
Interest Income on Loans	-	-	-
Receipts from Loan Principal Repayments	-	-	-
Receipts from Other Funds	-	-	-
Receipts from Grants and Contracts	-	-	-
Receipts from Others	-	-	-
Payments for Loan Funds	-	-	-
Payments to Other Funds	-	(195,000)	-
Payments for Scholarships and Fellowships	-	-	-
Payments to Suppliers	(8,602,000)	(147,315,000)	(251,543,376)
Payments to Employees	(11,198,000)	(2,845,000)	(11,206,856)
Claim Payments	-	-	-
Payments to Others	-	(937,000)	-
Other	-	-	-
Net Cash Provided by (Used for) Operating Activities	(13,686,000)	47,008,469	(7,556,627)
<b>Cash Flows from Noncapital Financing Activities:</b>			
Proceeds from Bonds	-	112,594,000	-
Proceeds from Sale of Notes and Other Borrowings	15,131,000	-	36,900,000
Principal Payments - Bonds	-	(213,335,000)	-
Principal Payments - Notes and Other Borrowings	(22,771,000)	-	(18,909,940)
Interest Payments - Bonds	-	(36,352,000)	-
Interest Payments - Notes and Other Borrowings	(19,835,000)	-	(531,852)
Payment of Bond Issue Costs	-	(1,088,000)	-
Transfers In	-	2,713,531	-
Transfers Out	(5,044,000)	(30,000)	(6,953,857)
Tax Revenue	-	-	-
Net Decrease in Non-Interest Bearing Deposits	(55,826,000)	-	-
Net Increase in Interest Bearing Deposits	175,493,000	-	-
Payments of Interest on Deposits	(24,567,000)	-	-
Interest Paid on Federal Funds and Reverse Repurchase Agreements	(913,000)	-	-
Net Decrease in Federal Funds and Reverse Repurchase Agreements	(96,902,000)	-	-
Collection of Advances Made	-	-	-
Loan Proceeds from Due To Other Funds	-	69,929,000	-
Principal Payments on Due To Other Funds	-	(33,764,000)	-
Grants and Gifts Received for Other than Capital Purposes	-	20,564,000	-
Agency Fund Cash Increase	-	-	-
Grants Given for Other than Capital Purposes	-	(23,782,000)	-
Other	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(35,234,000)	(102,550,469)	10,504,351
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and Construction of Capital Assets	(507,000)	-	(2,351,295)
Proceeds from Sale of Capital Assets	-	-	-
Proceeds from Bonds	-	-	-
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	-	-	-
Operating Transfers In from Other Funds	-	-	-
Operating Transfers Out to Other Funds	-	-	-
Capital Grants and Gifts Received	-	-	-
Insurance Proceeds	-	-	-
Other	-	-	-
Net Cash Used for Capital and Related Financing Activities	(507,000)	-	(2,351,295)
<b>Cash Flows from Investing Activities:</b>			
Proceeds from Sale and Maturities of Investment Securities	107,648,000	-	-
Purchase of Investment Securities	(249,080,000)	-	-
Interest and Dividends on Investments	11,786,000	860,000	9,786
Proceeds from Sale of Other Real Estate	818,000	-	-
Net Decrease in Loans	(110,454,000)	-	-
Receipt of Loan Principal Repayments	-	-	-
Proceeds from Collection of Loans and Notes Receivable	1,122,000	-	-
Loan Income Received	117,548,000	-	-
Net Cash Provided by (Used for) Investing Activities	(120,612,000)	860,000	9,786

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
\$ 170,355,690	\$ 137,735,088	\$ 348,383,326	\$ 1,116,082,178	\$ 89,563,015
262,446,638	-	-	262,446,638	-
-	-	391,970	391,970	-
5,221,476	-	12,621,116	17,842,592	-
-	-	(8,912)	(8,912)	-
162,730,805	-	-	162,730,805	-
2,971,893	3,871,927	105,123	6,948,943	-
(5,772,819)	-	(11,956,613)	(17,729,432)	-
-	(1,870,640)	(69,060)	(2,134,700)	(178,504)
(40,068,377)	-	-	(40,068,377)	-
(250,387,050)	-	(249,722,210)	(907,569,636)	(43,322,857)
(639,876,670)	(12,283,255)	(9,520,958)	(686,930,739)	(23,151,647)
-	(129,406,175)	(69,964,103)	(199,370,278)	(110,535)
-	(13,415,845)	(375,807)	(14,728,652)	(4,597,234)
-	-	(261,531)	(261,531)	-
(332,378,414)	(15,368,900)	19,622,341	(302,359,131)	18,202,238
-	-	-	112,594,000	-
-	-	-	52,031,000	-
-	-	(9,000,000)	(222,335,000)	-
-	-	-	(41,680,940)	-
-	-	(288,000)	(36,640,000)	-
-	-	(30,469)	(20,397,321)	-
-	-	-	(1,088,000)	(2,100)
334,938,846	-	18,534,636	356,187,013	-
(183,000)	-	(6,560,875)	(18,771,732)	-
2,661,241	-	-	2,661,241	-
-	-	-	(55,826,000)	-
-	-	-	175,493,000	-
-	-	-	(24,567,000)	-
-	-	-	(913,000)	-
-	-	-	(96,902,000)	-
-	-	-	-	(4,000,000)
-	-	-	69,929,000	-
-	-	(182,148)	(33,946,148)	-
72,188,184	-	633,582	93,385,766	-
(1,773,665)	-	-	(1,773,665)	-
(1,156,657)	-	-	(24,938,657)	-
790,994	-	-	790,994	-
407,465,943	-	3,106,726	283,292,551	(4,002,100)
(101,184,875)	(4,559,873)	(15,425,864)	(124,028,907)	-
1,751,394	-	(8,498)	1,742,896	(14,710,868)
-	-	-	-	2,373,383
20,274,874	-	100,000	20,374,874	-
-	-	(190,000)	(190,000)	-
(19,944,629)	-	(175,352)	(20,119,981)	-
-	-	(31,999)	(31,999)	(10,537,178)
(14,390,104)	-	(9,950)	(14,400,054)	-
35,022,443	-	-	35,022,443	(324,831)
-	-	(182,538)	(182,538)	-
-	-	(4,504)	(4,504)	(133,514)
9,753,773	-	-	9,753,773	-
(6,539,000)	-	-	(6,539,000)	(19,773)
13,617,133	-	-	13,617,133	-
239,810	-	(68)	239,742	-
-	-	-	-	-
(61,399,181)	(4,559,873)	(15,928,773)	(84,746,122)	(23,352,781)
61,809,339	28,500,000	29,675,633	227,632,972	-
(53,932,773)	(8,266,936)	(30,083,011)	(341,362,720)	(577,631)
6,859,936	-	5,956,725	25,472,447	634,211
-	-	-	818,000	-
-	-	(738,000)	(111,192,000)	-
-	-	1,338,684	1,338,684	-
-	-	2,693,053	3,815,053	-
-	-	(1,714,966)	115,833,034	-
14,736,502	20,233,064	7,128,118	(77,644,530)	56,580

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, 2011

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	Mill and Elevator
<b>Net Change in Cash:</b>			
Net Increase (Decrease) in Cash and Cash Equivalents	(170,039,000)	(54,682,000)	606,215
Cash and Cash Equivalents at June 30, 2010	841,239,000	263,771,000	33,614
Cash and Cash Equivalents at June 30, 2011	<u>\$ 671,200,000</u>	<u>\$ 209,089,000</u>	<u>\$ 639,829</u>
<b>Reconciliation:</b>			
Current:			
Cash Deposits at the Bank of North Dakota	\$ -	\$ 1,409,000	\$ 639,829
Cash and Cash Equivalents	671,200,000	95,000	-
Restricted Cash Deposits at the Bank of North Dakota	-	10,084,000	-
Restricted Cash and Cash Equivalents	-	197,501,000	-
Noncurrent:			
Restricted Cash Deposits At The Bank of North Dakota	-	-	-
Restricted Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents	<u>\$ 671,200,000</u>	<u>\$ 209,089,000</u>	<u>\$ 639,829</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:</b>			
Operating Income (Loss)	\$ 60,736,000	\$ 8,145,469	\$ 16,527,660
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	1,130,000	25,000	3,020,712
Amortization/Accretion	-	1,856,000	-
Reclassification of Interest Revenue/Expense	(88,742,000)	37,055,000	-
Gain on Sale of Student Loans	(13,000)	-	-
Gain on Sale of Real Estate	(5,000)	-	-
Net Decrease in Fair Value of Investments	1,645,000	-	-
Interest Received on Program Loans	-	-	-
Dividend Credit Applied to Receivable	-	-	-
Receipt of Loan Principal Repayments	-	-	-
Provision for Losses	12,100,000	-	424,444
Other	-	-	57,054
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	2,047,000	(17,755,066)
(Increase) Decrease in Interest Receivable	-	(19,000)	-
(Increase) Decrease in Due From	(4,000)	90,000	-
Increase in Due From Fiduciary Funds	-	-	-
(Increase) Decrease in Intergovernmental Receivable	-	10,000	-
(Increase) Decrease in Notes Receivable	-	-	-
(Increase) Decrease in Prepaid Items	-	6,000	209,791
(Increase) Decrease in Inventories	-	-	(15,327,740)
(Increase) Decrease in Other Assets	(101,000)	(845,000)	(11,255)
Increase (Decrease) in Accounts Payable	-	-	5,792,655
Decrease in Interest Payable	-	-	-
Increase in Claims/Judgments Payable	-	-	-
Increase (Decrease) in Intergovernmental Payable	-	(494,000)	-
Increase in Accrued Payroll	-	-	1,013,570
Increase in Compensated Absences Payable	-	25,000	34,314
Increase (Decrease) in Amounts Held for Others	-	(690,000)	-
Increase in Other Deposits	-	-	-
Increase (Decrease) in Due To Other Funds	(55,000)	83,000	-
Increase in Deferred Revenue	-	-	-
Increase (Decrease) in Other Liabilities	(377,000)	(286,000)	(1,542,766)
Increase in Dividends Payable	-	-	-
Total Adjustments	<u>(74,422,000)</u>	<u>38,863,000</u>	<u>(24,084,287)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ (13,686,000)</u>	<u>\$ 47,008,469</u>	<u>\$ (7,556,627)</u>
<b>Noncash Transactions:</b>			
Net Increase (Decrease) in Fair Value of Investments	\$ (1,645,000)	\$ (303,000)	\$ -
Transfers from Net Assets to Transfers Payable	5,088,000	-	-
Change in Securities Lending Collateral	-	-	-
Interest on Investments	-	-	-
Amortization of Bond Discount	-	-	-
Amortization of Bond Issuance Costs	-	-	-
Assets Acquired Through Capital Lease	-	-	-
Expenses Paid by Capital Lease	-	-	-
Gifts of Capital Assets	-	-	-
Interest Revenue on Prize Reserves	-	-	-
Total Noncash Transactions	<u>\$ 3,443,000</u>	<u>\$ (303,000)</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	
28,424,850	304,291	13,928,412	(181,457,232)	(9,096,063)	
81,501,272	1,364,416	119,289,606	1,307,198,908	20,063,814	
<u>\$ 109,926,122</u>	<u>\$ 1,668,707</u>	<u>\$ 133,218,018</u>	<u>\$ 1,125,741,676</u>	<u>\$ 10,967,751</u>	
\$ 82,235,783	\$ 1,668,707	\$ 31,258,009	\$ 117,211,328	\$ 10,962,918	
7,269,848	-	97,767,846	776,332,694	4,833	
-	-	3,941,292	14,025,292	-	
-	-	-	197,501,000	-	
20,402,780	-	-	20,402,780	-	
17,711	-	-	17,711	-	
<u>\$ 109,926,122</u>	<u>\$ 1,668,707</u>	<u>\$ 132,967,147</u>	<u>\$ 1,125,490,805</u>	<u>\$ 10,967,751</u>	
\$ (386,569,826)	\$ 5,924,484	\$ 8,974,042	\$ (286,262,171)	\$ 4,104,233	
53,050,551	256,816	1,202,489	58,685,568	13,388,426	
-	-	337,644	2,193,644	6,649	
-	-	(221,682)	(51,908,682)	-	
-	-	-	(13,000)	-	
-	-	-	(5,000)	-	
-	-	-	1,645,000	-	
-	-	254,000	254,000	-	
-	(108,006,196)	-	(108,006,196)	-	
-	-	6,111,000	6,111,000	-	
-	-	1,302,000	13,826,444	-	
739,471	-	(175,531)	620,994	-	
(5,505,311)	4,306,180	(1,857,957)	(18,765,154)	(17,484)	
-	-	47,125	28,125	-	
-	10,606	(55,975)	40,631	(413,672)	
-	-	(66,104)	(66,104)	-	
-	-	829,209	839,209	(156,275)	
(29,977)	-	(3,988,888)	(4,018,865)	-	
-	(425,914)	(467,514)	(677,637)	158,474	
512,153	-	81,983	(14,733,604)	3,158	
208,695	-	(98,131)	(846,691)	14,968	
1,214,210	1,636,541	1,463,960	10,107,366	(627,987)	
-	-	(40,000)	(40,000)	-	
-	41,928,000	1,741,031	43,669,031	1,524,036	
-	-	648,264	154,264	(14,451)	
1,986,425	-	3,085	3,003,080	93,526	
1,617,912	111,453	13,490	1,802,169	95,776	
-	-	1,609,886	919,886	-	
189,805	-	-	189,805	-	
-	122,720	352,996	503,716	42,861	
207,478	13,266,410	1,621,072	15,094,960	-	
-	-	847	(2,204,919)	-	
-	25,500,000	-	25,500,000	-	
<u>54,191,412</u>	<u>(21,293,384)</u>	<u>10,648,299</u>	<u>(16,096,960)</u>	<u>14,098,005</u>	
<u>\$ (332,378,414)</u>	<u>\$ (15,368,900)</u>	<u>\$ 19,622,341</u>	<u>\$ (302,359,131)</u>	<u>\$ 18,202,238</u>	
\$ 3,319,046	\$ 96,688,500	\$ 1,940,047	\$ 99,999,593	\$ 440,050	
-	-	-	5,088,000	-	
-	(20,828,822)	360	(20,828,462)	(52,310)	
-	62,229,231	-	62,229,231	-	
-	-	8,754	8,754	-	
-	-	3,335	3,335	-	
4,195,891	-	-	4,195,891	47,859	
2,911,560	-	-	2,911,560	-	
768,087	-	-	768,087	-	
-	-	159	159	-	
<u>\$ 11,194,584</u>	<u>\$ 138,088,909</u>	<u>\$ 1,952,655</u>	<u>\$ 154,376,148</u>	<u>\$ 435,599</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, 2011

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
<b>ASSETS</b>				
Cash Deposits at the Bank of ND	\$ 15,574,113	\$ 463,122	\$ 688,973	\$ 16,213,423
Cash and Cash Equivalents	-	-	679,217	9,273,724
Receivables:				
Contributions Receivable	17,251,687	-	-	-
Accounts Receivable - Net	-	-	83,664	8,777,568
Taxes Receivable - Net	-	-	-	21,447,653
Interest Receivable - Net	10,403,190	103,352	3,093	135
Due from Other Funds	282,741	-	-	-
Due from Fiduciary Funds	504,881	-	-	-
Total Receivables	<u>28,442,499</u>	<u>103,352</u>	<u>86,757</u>	<u>30,225,356</u>
Investments, at Fair Value:				
Investments at the Bank of ND	-	-	21,449	23,061,993
Equity Pool	2,112,850,380	93,435,234	-	-
Fixed Income	2,476,058	-	-	-
Fixed Income Pool	1,082,638,171	76,223,355	9,945,019	376,384
Cash and Cash Pool	42,141,707	4,092,148	-	-
Real Estate Pool	276,813,724	11,595,246	-	-
Alternative Investments	126,157,608	4,446,583	-	-
Annuities	81,156	-	-	-
Mutual Funds	56,085,903	-	304,962,566	-
Total Investments	<u>3,699,244,707</u>	<u>189,792,566</u>	<u>314,929,034</u>	<u>23,438,377</u>
Invested Securities Lending Collateral	-	968	63,457	-
Inventory	-	-	-	-
Prepaid Items	490,798	-	-	-
Capital Assets (Net of Depreciation)	6,525,498	-	-	-
Other Assets	-	-	-	-
Total Assets	<u>3,750,277,615</u>	<u>190,360,008</u>	<u>316,447,438</u>	<u>\$ 79,150,880</u>
<b>LIABILITIES</b>				
Accounts Payable	5,883,294	246,069	561,011	\$ -
Accrued Payroll	134,336	-	-	-
Securities Lending Collateral	-	968	63,457	-
Intergovernmental Payable	-	-	-	43,619,647
Tax Refunds Payable	-	-	-	7,581
Due to Other Funds	177,052	-	-	-
Due to Fiduciary Funds	505,083	-	-	-
Amounts Held in Custody for Others	-	-	-	35,523,652
Deferred Revenue	23,966	-	-	-
Compensated Absences Payable	156,083	-	-	-
Total Liabilities	<u>6,879,814</u>	<u>247,037</u>	<u>624,468</u>	<u>\$ 79,150,880</u>
<b>NET ASSETS</b>				
Net Assets Held in Trust for:				
Pension Benefits	3,741,859,215	-	-	-
Other Employee Benefits	1,538,586	-	-	-
External Investment Pool Participants	-	190,112,971	-	-
Other Purposes	-	-	315,822,970	-
Total Net Assets Held in Trust	<u>\$ 3,743,397,801</u>	<u>\$ 190,112,971</u>	<u>\$ 315,822,970</u>	

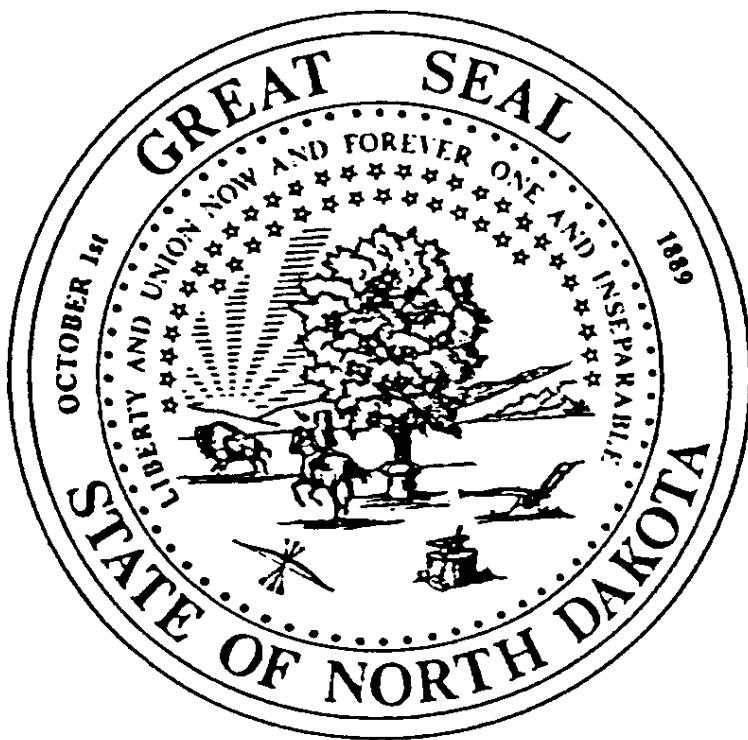
The Accompanying Notes are an Integral Part of the Financial Statements

# STATE OF NORTH DAKOTA

## Statement of Changes in Fiduciary Net Assets Fiduciary Funds For the Fiscal Year Ended June 30, 2011

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 87,713,034	\$ -	\$ -
Employee	87,312,296	-	-
From Participants	-	-	24,084,071
Transfers from Other Funds	671,625	-	-
Transfers from Other Plans	174,281	-	-
Donations	-	-	5,920
Total Contributions	<u>175,871,236</u>	<u>-</u>	<u>24,089,991</u>
Investment Income:			
Net Change in Fair Value of Investments	622,752,054	28,525,418	21,309,985
Interest and Dividends	76,090,188	4,212,612	7,598,953
Less Investment Expense	<u>13,855,750</u>	<u>692,768</u>	<u>-</u>
Net Investment Income	<u>684,986,492</u>	<u>32,045,262</u>	<u>28,908,938</u>
Securities Lending Activity:			
Securities Lending Income	311,274	16,005	-
Less Securities Lending Expense	<u>(75,916)</u>	<u>(4,576)</u>	<u>-</u>
Net Securities Lending Income	<u>387,190</u>	<u>20,581</u>	<u>-</u>
Repurchase Service Credit	5,510,887	-	-
Miscellaneous Income	947,058	-	2,693
Total Additions	<u>867,702,863</u>	<u>32,065,843</u>	<u>53,001,622</u>
<b>DEDUCTIONS</b>			
Benefits Paid to Participants	233,633,143	-	-
Refunds	6,918,711	-	-
Prefunded Credit Applied	5,789,371	-	-
Transfer to Other Plans	671,625	-	-
Payments in Accordance with Trust Agreements	-	-	31,381,130
Administrative Expenses	<u>5,055,473</u>	<u>-</u>	<u>2,179,225</u>
Total Deductions	<u>252,068,323</u>	<u>-</u>	<u>33,560,355</u>
Purchase (Redemption) of Units at Net Asset Value of \$1.00 Per Unit	<u>-</u>	<u>2,427,798</u>	<u>-</u>
Change in Net Assets Held in Trust for:			
Pension Benefits	615,487,513	-	-
Other Employee Benefits	147,027	-	-
External Investment Pool Participants	-	34,493,641	-
Other Purposes	<u>-</u>	<u>-</u>	<u>19,441,267</u>
Total Change in Net Assets	<u>615,634,540</u>	<u>34,493,641</u>	<u>19,441,267</u>
Net Assets - Beginning of Year	<u>3,127,763,261</u>	<u>155,619,330</u>	<u>296,381,703</u>
Net Assets - End of Year	<u>\$ 3,743,397,801</u>	<u>\$ 190,112,971</u>	<u>\$ 315,822,970</u>

The Accompanying Notes are an Integral Part of the Financial Statements



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# STATE OF NORTH DAKOTA

## Combining Statement of Net Assets Component Units - Proprietary Funds (Excludes FASB Based Component Units) June 30, 2011

	CHAND	Public Finance Authority	ND Development Fund	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 5,155,043	\$ -	\$ 4,650,365	\$ 9,805,408
Investments	-	-	9,236,500	9,236,500
Accounts Receivable - Net	3,471	-	-	3,471
Interest Receivable - Net	-	-	73,886	73,886
Due from Primary Government	-	171,000	-	171,000
Loans and Notes Receivable - Net	-	-	2,603,133	2,603,133
Restricted Cash and Cash Equivalents	-	1,310,000	-	1,310,000
Restricted Investments	-	36,146,000	-	36,146,000
Restricted Interest Receivable - Net	-	4,235,000	-	4,235,000
Restricted Loans Receivable - Net	-	-	-	-
Total Current Assets	5,158,514	41,862,000	16,563,884	63,584,398
Noncurrent Assets:				
Restricted Investments	-	431,565,000	-	431,565,000
Due from Primary Government	-	4,662,000	-	4,662,000
Loans and Notes Receivable - Net	-	-	7,841,863	7,841,863
Unamortized Bond Issuance Costs	-	780,000	-	780,000
Total Noncurrent Assets	-	437,007,000	7,841,863	444,848,863
Total Assets	5,158,514	478,869,000	24,405,747	508,433,261
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	3,062,164	13,000	13,653	3,088,817
Interest Payable	-	1,707,000	-	1,707,000
Intergovernmental Payable	-	194,000	-	194,000
Due to Primary Government	-	-	1,250,000	1,250,000
Bonds Payable	-	10,150,000	-	10,150,000
Deferred Revenue	158,109	-	-	158,109
Total Current Liabilities	3,220,273	12,064,000	1,263,653	16,547,926
Noncurrent Liabilities:				
Intergovernmental Payable	-	338,000	-	338,000
Due to Primary Government	-	3,668,000	-	3,668,000
Bonds Payable	-	142,551,000	-	142,551,000
Total Noncurrent Liabilities	-	146,557,000	-	146,557,000
Total Liabilities	3,220,273	158,621,000	1,263,653	163,104,926
<b>Net Assets</b>				
Restricted for:				
Debt Service	-	54,406,000	-	54,406,000
Loan Purposes	-	262,700,000	-	262,700,000
Unrestricted	1,938,241	3,142,000	23,142,094	28,222,335
Total Net Assets	\$ 1,938,241	\$ 320,248,000	\$ 23,142,094	\$ 345,328,335

# STATE OF NORTH DAKOTA

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## Combining Statement of Activities Component Units - Proprietary Funds (Excludes FASB Based Component Units) For the Fiscal Year Ended June 30, 2011

Functions/Programs	Program Revenues			Net Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	
CHAND	12,976,504	13,054,165	1,775,609	\$ 1,853,270
Public Finance Authority	26,554,000	1,710,000	40,862,000	16,018,000
ND Development Fund	913,675	897,664	79,404	63,393
Total Component Units	<u>\$ 40,444,179</u>	<u>\$ 15,661,829</u>	<u>\$ 42,717,013</u>	<u>\$ 17,934,663</u>

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<u>Change in Net Assets</u>	<u>Net Assets Beginning of Year, as Adjusted</u>	<u>Net Assets End of Year</u>
\$ 1,853,270	\$ 84,971	\$ 1,938,241
16,018,000	304,230,000	320,248,000
<u>63,393</u>	<u>23,078,701</u>	<u>23,142,094</u>
<u>\$ 17,934,663</u>	<u>\$ 327,393,672</u>	<u>\$ 345,328,335</u>

The Accompanying Notes are an Integral Part of the Financial Statements

# STATE OF NORTH DAKOTA

## Statement of Net Assets Component Units - University System Foundation FASB Basis June 30, 2011

	<b>University System Foundation</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 42,382,083
Receivable from Primary Institution - Current	2,504,743
Distributable Managed Funds	2,137,206
Investments	58,810,999
Accounts Receivable - Net	8,765,581
Unconditional Promises to Give - Net	19,800,700
Assets Limited As to Use	17,627,957
Inventory	929,087
Other Assets - Current	1,087,273
Total Current Assets	<u>154,045,629</u>
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	4,979,685
Investments:	
Investments, Net of Current Portion	252,635,685
Investments, Restricted	3,070,289
Investments, Temporarily Restricted	1,360,581
Investments, Permanently Restricted	3,955,871
Investments Held In Trust	7,036,256
Beneficial Interest In Trust	2,750,697
Charitable Gift Annuity Investments	5,003,460
Investments Held Under Split-Interest Agreement	2,354,743
Charitable Remainder Trust Account Investments	21,714,022
Endowment Investments	5,868,691
Real Estate and Equipment Held for Investment - Net	25,865,987
Other Long-Term Investments	1,993,526
Contracts for Deed & Notes Receivable, Net of Current Portion	1,176,723
Long-Term Pledges Receivable	45,413,906
Receivable from Primary Institution - Noncurrent	57,180,045
Other Receivables	241,315
Notes Receivable - Net	4,639,496
Other Assets - Noncurrent	2,169,152
Capital Assets - Net	143,026,539
Total Noncurrent Assets	<u>592,436,669</u>
Total Assets	<u>746,482,298</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	3,818,784
Payable to University	8,570,670
Accrued Payroll	802,598
Distributable Managed Funds	2,137,205
Gift Annuities & Life Income Agreements - Current	990,622
Deferred Revenue - Current	8,325,653
Other Liabilities - Current	1,619,339
Long-Term Liabilities - Current	28,901,342
Total Current Liabilities	<u>55,166,213</u>
Noncurrent Liabilities:	
Deferred Revenue - Noncurrent	3,596,804
Deposits	3,108,656
Gift Annuities & Life Income Agreements - Noncurrent	26,069,036
Obligations Under Split-Interest Agreement	1,169,624
Other Liabilities - Noncurrent	2,020,128
Long-Term Liabilities - Noncurrent	90,557,778
Total Noncurrent Liabilities	<u>126,522,026</u>
Total Liabilities	<u>181,688,239</u>
<b>Net Assets</b>	
Temporarily Restricted	124,006,296
Permanently Restricted	280,739,074
Net Investment in Property & Equipment	72,738,709
Unrestricted	87,309,980
Total Net Asset	<u>564,794,059</u>
Total Liabilities and Net Assets	<u>\$ 746,482,298</u>



# STATE OF NORTH DAKOTA

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## Statement of Revenues, Expenses and Changes in Fund Net Assets Component Units - University System Foundation FASB Basis For the Fiscal Year Ended June 30, 2011

	<u>University System Foundation</u>
<b>Support and Revenue</b>	
Gifts and Contributions	\$ 65,166,438
Investment Income	23,816,450
Net Realized and Unrealized Gains on Investment Securities	25,292,303
Program and Event Income	55,334,851
Other Income	11,605,215
Total Support and Revenue	<u>181,215,257</u>
<b>EXPENSES</b>	
Program Services	29,164,507
Supporting Services	67,198,212
Fund Raising Expense	3,352,855
Total Expenses	<u>99,715,574</u>
Change in Split-Interest Agreement	5,673,068
Change in Value of Split-Interest Agreement	(103,796)
Changes in Net Assets	87,068,955
Total Net Assets - Beginning of Year	<u>477,725,104</u>
Total Net Assets - End of Year	<u>\$ 564,794,059</u>