

Basic Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Position

June 30, 2016

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 48,227,761	\$ 485,490,571	\$ 533,718,332	\$ 19,562,062
Investments	8,567,400,879	4,560,357,185	13,127,758,064	764,518
Accounts Receivable - Net	100,541,818	148,846,423	249,388,241	771,301
Taxes Receivable - Net	441,632,776	-	441,632,776	-
Interest Receivable - Net	32,708,419	55,127,708	87,836,127	65,531
Intergovernmental Receivable - Net	289,586,493	36,456,007	326,042,500	-
Internal Receivable	3,503,416,893	-	-	-
Due from Component Units	-	36,321,785	36,321,785	-
Due from Primary Government	-	-	-	380,000
Prepaid Items	14,391,066	3,509,131	17,900,197	-
Inventory	23,725,385	33,558,454	57,283,839	-
Loans and Notes Receivable - Net	344,157,821	4,320,619,318	4,664,777,139	9,856,180
Pension Assets	32,892,878	-	32,892,878	-
Other Assets	-	21,579,252	21,579,252	183,038
Restricted Assets:				
Cash and Cash Equivalents	11,875,288	202,121,370	213,996,658	46,346,000
Investments	-	23,072,493	23,072,493	891,782,000
Interest Receivable - Net	-	2,831,000	2,831,000	4,996,000
Loans and Notes Receivable - Net	-	756,767,000	756,767,000	-
Capital Assets:				
Nondepreciable	1,766,076,846	155,380,974	1,921,457,820	-
Depreciable, Net	2,600,217,398	1,296,563,659	3,896,781,057	19,933
Total Assets	<u>17,776,851,721</u>	<u>12,138,602,330</u>	<u>26,412,037,158</u>	<u>974,726,563</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Bond Refunding	1,370,000	2,518,868	3,888,868	4,196,000
Decrease in Fair Value of Hedging Derivatives	-	149,387	149,387	-
Financial Derivative Instrument	-	7,633,000	7,633,000	-
Unrealized Loss on Interest Rate Swap	-	5,064,000	5,064,000	-
Derived from Pensions	45,873,991	18,862,837	64,736,828	28,000
Total Deferred Outflows of Resources	<u>47,243,991</u>	<u>34,228,092</u>	<u>81,472,083</u>	<u>4,224,000</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 Position

June 30, 2016

	Primary Government		Total	Component Units (GASB Based)
	Governmental Activities	Business-Type Activities		
LIABILITIES				
Accounts Payable	377,675,293	57,222,195	434,897,488	1,454,210
Accrued Payroll	55,370,702	43,504,502	98,875,204	5,076
Securities Lending Collateral	213,680,009	18,536,658	232,216,667	-
Interest Payable	888,025	11,342,702	12,230,727	3,837,000
Intergovernmental Payable	190,342,986	12,224,439	202,567,425	-
Tax Refunds Payable	169,759,077	-	169,759,077	-
Internal Payable	-	4,177,227,733	673,810,840	-
Due to Component Units	-	45,490,447	45,490,447	-
Contracts Payable	23,887,432	8,556,093	32,443,525	-
Federal Funds Purchased	-	119,500,000	119,500,000	-
Other Deposits	-	1,031,986,772	1,031,986,772	-
Amounts Held In Custody for Others	-	17,453,692	17,453,692	-
Unearned Revenue	4,747,743	166,451,041	171,198,784	129,859
Financial Derivative Instrument	-	7,782,387	7,782,387	-
Net Pension Liability	289,853,350	98,400,849	388,254,199	122,000
Other Liabilities	-	27,109,561	27,109,561	158,334
Long-Term Liabilities				
Due within one year	16,391,890	550,417,402	566,809,292	23,260,147
Due in more than one year	112,417,737	2,546,905,468	2,659,323,205	456,377,000
Total Liabilities	<u>1,455,014,244</u>	<u>8,940,111,941</u>	<u>6,891,709,292</u>	<u>485,343,626</u>
DEFERRED INFLOWS OF RESOURCES				
Grant Received Prior to Time Requirements	-	59,553	59,553	-
Unrealized Gain on Interest Rate Swap	-	863,000	863,000	-
Derived from Pensions	40,684,396	13,525,852	54,210,248	28,000
Total Deferred Inflows of Resources	<u>40,684,396</u>	<u>14,448,405</u>	<u>55,132,801</u>	<u>28,000</u>
NET POSITION				
Net Investment in Capital Assets	4,299,696,899	1,155,758,401	5,455,455,300	19,933
Restricted for:				
General Government	17,937,474	-	17,937,474	-
Education	4,337,812,656	-	4,337,812,656	-
Health and Human Services	22,544,161	-	22,544,161	-
Regulatory Purposes	79,271,325	-	79,271,325	-
Public Safety & Corrections	2,908,264	-	2,908,264	-
Agriculture and Commerce	45,624,024	-	45,624,024	-
Cultural and Natural Resources	569,762,914	-	569,762,914	-
Transportation	1,053,683,033	-	1,053,683,033	-
Capital Projects	-	-	-	1,417,570
Debt Service	7,844,977	161,538,193	169,383,170	152,588,000
Loan Purposes	-	45,275,952	45,275,952	309,298,000
Pledged Assets	-	170,684,000	170,684,000	-
Unemployment Compensation	-	101,882,702	101,882,702	-
Pension Benefits	32,892,878	-	32,892,878	-
Permanent Fund and University System - Nonexp	67,997,836	17,376,625	85,374,461	127,000
University System - Expendable	-	29,663,187	29,663,187	-
Other	8,593,770	7,243,614	15,837,384	-
Unrestricted	5,781,826,861	1,528,847,402	7,310,674,263	30,128,434
Total Net Position	<u>\$ 16,328,397,072</u>	<u>\$ 3,218,270,076</u>	<u>\$ 19,546,667,148</u>	<u>\$ 493,578,937</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, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,055,377,601	\$ 36,278,126	\$ 5,342,772	\$ -
Education	1,175,550,087	7,071,212	267,008,310	-
Health and Human Services	1,776,822,167	42,982,802	1,121,200,710	1,328,865
Regulatory	69,084,070	52,583,727	5,336,815	-
Public Safety and Corrections	227,617,802	24,446,658	62,215,678	-
Agriculture and Commerce	106,845,611	38,222,183	24,846,203	-
Natural Resources	321,992,458	35,142,635	19,598,521	2,000,000
Transportation	679,070,102	122,699,922	249,990,587	87,473
Interest on Long Term Debt	1,334,285	-	-	-
Total Governmental Activities	<u>5,413,694,183</u>	<u>359,427,265</u>	<u>1,755,539,596</u>	<u>3,416,338</u>
Business-Type Activities:				
Bank of North Dakota	85,822,027	207,836,000	-	-
Housing Finance	40,245,934	36,286,659	12,193,000	-
Loan Programs	17,322,830	12,212,352	226,695	-
State Lottery	26,038,434	35,736,460	2,992	-
Unemployment Compensation	225,358,209	147,802,377	2,678,317	-
University System	1,211,438,892	537,645,053	211,512,088	29,609,083
Workforce Safety & Insurance	366,662,703	308,682,776	69,501,734	-
Other	569,432,422	573,829,155	2,488,328	-
Total Business-Type Activities	<u>2,542,321,451</u>	<u>1,860,030,832</u>	<u>298,603,154</u>	<u>29,609,083</u>
Total Primary Government	<u>\$ 7,956,015,634</u>	<u>\$ 2,219,458,097</u>	<u>\$ 2,054,142,750</u>	<u>\$ 33,025,421</u>
Component Units (GASB Based):	<u>\$ 32,218,183</u>	<u>\$ 9,445,725</u>	<u>\$ 37,723,761</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

Special Item - Loss on Discontinuance of Computer Project

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Position, Beginning of Year, as Restated

Net Position, Ending

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component
Governmental	Business-Type	Total	Units
Activities	Activities		(GASB Based)
\$ (1,013,756,703)		\$ (1,013,756,703)	
(901,470,565)		(901,470,565)	
(611,309,790)		(611,309,790)	
(11,163,528)		(11,163,528)	
(140,955,466)		(140,955,466)	
(43,777,225)		(43,777,225)	
(265,251,302)		(265,251,302)	
(306,292,120)		(306,292,120)	
(1,334,285)		(1,334,285)	
<u>(3,295,310,984)</u>		<u>(3,295,310,984)</u>	
	122,013,973	122,013,973	
	8,233,725	8,233,725	
	(4,883,783)	(4,883,783)	
	9,701,018	9,701,018	
	(74,877,515)	(74,877,515)	
	(432,672,668)	(432,672,668)	
	11,521,807	11,521,807	
	6,885,061	6,885,061	
-	<u>(354,078,382)</u>	<u>(354,078,382)</u>	
<u>(3,295,310,984)</u>	<u>(354,078,382)</u>	<u>(3,649,389,366)</u>	
			<u>\$ 14,951,303</u>
414,964,865	-	414,964,865	-
1,348,342,960	-	1,348,342,960	-
1,457,361,212	-	1,457,361,212	-
99,295,506	-	99,295,506	-
64,347,477	-	64,347,477	-
22,776,760	-	22,776,760	-
119,545,563	93,003	119,638,566	-
15,637,987	-	15,637,987	-
(4,948,596)	-	(4,948,596)	-
(603,556,908)	611,332,622	7,775,714	-
<u>2,933,766,826</u>	<u>611,425,625</u>	<u>3,545,192,451</u>	<u>-</u>
(361,544,158)	257,347,243	(104,196,915)	14,951,303
16,689,941,230	2,960,922,833	19,650,864,063	478,627,634
<u>\$ 16,328,397,072</u>	<u>\$ 3,218,270,076</u>	<u>\$ 19,546,667,148</u>	<u>\$ 493,578,937</u>

STATE OF NORTH DAKOTA

Statement of Net Assets Component Units - University System Foundation FASB Basis June 30, 2016

	Major University System Foundation	Nonmajor University System Foundation
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 49,755,518	\$ 9,139,743
Receivable from Primary Institution - Current	3,525,217	50,852
Investments	11,073,652	13,235,057
Accounts Receivable - Net	7,322,826	397,204
Unconditional Promises to Give - Net	14,088,891	754,346
Inventory	994,137	
Other Assets- Current	2,956,624	54,422
Total Current Assets	89,716,865	23,631,624
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	6,097,862	166,600
Contributions Receivable	629,725	
Investments:		
Investments, Net of Current Portion	354,100,730	27,023,745
Investments, Restricted	5,287,020	-
Investments Held In Trust	31,253,910	3,114,532
Beneficial Interest In Trust	15,148,293	-
Charitable Gift Annuity Investments	6,067,499	-
Charitable Remainder Trust Account Investments	18,978,441	-
Real Estate and Equipment Held for Investment - Net	22,262,918	5,749,595
Other Long-Term Investments	7,389,811	1,351,315
Contracts for Deed & Notes Receivable, Net of Current Portion	962,250	-
Long-Term Pledges Receivable	41,901,371	2,527,924
Other Receivables	116,709	-
Receivable from Primary Institution	41,445,541	266,242
Notes Receivable - Net	6,490,000	799,952
Other Assets - Noncurrent	1,433,285	521,341
Capital Assets - Net	158,597,346	12,675,686
Total Noncurrent Assets	718,162,711	54,196,932
Total Assets	807,879,576	77,828,556
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	4,097,690	220,443
Investments Held on Behalf of Institutions	50,511	
Payable to University	9,180,163	1,198,425
Accrued Payroll	822,047	17,034
Gift Annuities & Life Income Agreements - Current	2,969,817	40,618
Unearned Revenue - Current	8,615,653	750,847
Other Liabilities - Current	394,437	2,918
Long-Term Liabilities - Current	5,659,463	439,417
Total Current Liabilities	31,789,781	2,669,702
Noncurrent Liabilities:		
Deposits	2,998,997	-
Gift Annuities & Life Income Agreements - Noncurrent	21,425,942	288,173
Obligations Under Split-Interest Agreement	5,520,953	-
Investments Held on Behalf of Institutions	22,106,318	3,114,532
Other Liabilities - Noncurrent	196,237	-
Long-Term Liabilities - Noncurrent	70,270,844	10,389,636
Total Noncurrent Liabilities	122,519,291	13,792,341
Total Liabilities	154,309,072	16,462,043
Net Assets		
Temporarily Restricted	77,265,868	15,873,621
Permanently Restricted	359,883,754	39,038,699
Net Investment in Property & Equipment	65,210,194	-
Unrestricted	151,210,688	6,454,193
Total Net Asset	653,570,504	61,366,513
Total Liabilities and Net Assets	\$ 807,879,576	\$ 77,828,556

STATE OF NORTH DAKOTA

Statement of Revenues, Expenses and Changes in Fund Net Assets Component Units - University System Foundation FASB Basis

For the Fiscal Year Ended June 30, 2016

	<u>Major University System Foundation</u>	<u>Nonmajor University System Foundation</u>
Support and Revenue		
Gifts and Contributions	\$ 50,186,278	\$ 9,271,244
Investment Income	89,093	1,316,750
Net Realized and Unrealized Losses on Investment Securities	(4,962,169)	(404,190)
Program and Event Income	47,127,429	5,139,308
Other Income	6,739,354	5,407,727
Total Support and Revenue	<u>99,179,985</u>	<u>20,730,839</u>
EXPENSES		
Program Services	\$ 49,663,359	\$ 4,598,509
Supporting Services	52,433,161	8,948,779
Fund Raising Expense	<u>2,774,002</u>	<u>-</u>
Total Expenses	<u>104,870,522</u>	<u>13,547,288</u>
Changes in Net Assets	\$ (5,690,537)	\$ 7,183,551
Total Net Assets - Beginning of Year , as restated	<u>\$ 659,261,041</u>	<u>\$ 54,182,962</u>
Total Net Assets - End of Year	<u>\$ 653,570,504</u>	<u>\$ 61,366,513</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Balance Sheet Governmental Funds June 30, 2016

	Special Revenue			Nonmajor	Total
	General	Federal	State	Governmental Funds	
ASSETS					
Cash Deposits at the Bank of ND	\$ 593,922,105	\$ -	\$ 2,382,075,035	\$ 2,105,349	\$ 2,978,102,489
Cash and Cash Equivalents	30,925,039	-	17,295,204	-	48,220,243
Investments at the Bank of ND	81,143,786	-	490,458,793	5,975,000	577,577,579
Investments	4,318,734,293	-	4,224,825,913	12,165,669	8,555,725,875
Accounts Receivable - Net	11,285,919	18,079,538	71,000,117	-	100,365,574
Taxes Receivable - Net	319,248,467	-	122,121,148	263,161	441,632,776
Interest Receivable - Net	18,916,501	-	13,653,461	88,483	32,658,445
Intergovernmental Receivable - Net	-	277,092,770	12,264,851	-	289,357,621
Due from Other Funds	229,431,705	59,015,590	27,469,868	4,000	315,921,163
Prepaid Items	3,060,077	872,450	4,838,040	-	8,770,567
Inventory	3,261,067	11,093,006	9,251,483	-	23,605,556
Loans and Notes Receivable - Net	168,178,523	5,001	119,146,029	56,828,270	344,157,823
Total Assets	5,778,107,482	366,158,355	7,494,399,942	77,429,932	13,716,095,711
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 5,778,107,482	\$ 366,158,355	\$ 7,494,399,942	\$ 77,429,932	\$ 13,716,095,711
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 62,774,575	\$ 147,448,386	\$ 165,494,742	\$ 3,737	\$ 375,721,440
Accrued Payroll	33,227,135	6,765,656	12,778,853	-	52,771,644
Securities Lending Collateral	51,821,385	-	160,665,607	1,027,109	213,514,101
Interest Payable	-	-	612,885	-	612,885
Intergovernmental Payable	7,713,766	25,685,169	156,943,949	-	190,342,884
Tax Refunds Payable	160,791,942	-	8,967,135	-	169,759,077
Due to Other Funds	52,773,043	165,602,010	145,011,671	349,931	363,736,655
Contracts Payable	356,032	4,871,054	18,660,346	-	23,887,432
Unearned Revenues	-	4,583,491	96,181	-	4,679,672
Total Liabilities	369,457,878	354,955,766	669,231,369	1,380,777	1,395,025,790
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	80,654,925	2,608,819	19,062,598	-	102,326,342
Total Deferred Inflows of Resources	80,654,925	2,608,819	19,062,598	-	102,326,342
Fund Balances:					
Nonspendable					
Inventory	3,261,067	11,093,006	9,251,483	-	23,605,556
Long - Term Receivables	25,135,777	5,000	103,394,833	-	128,535,610
Prepaid Expenditures	3,060,077	872,450	4,838,040	-	8,770,567
Legal Requirements	3,877,340,334	-	-	-	3,877,340,334
Permanent Trust Fund	-	-	-	67,997,836	67,997,836
Restricted	-	-	5,992,204,028	7,844,974	6,000,049,002
Committed	997,494,805	-	616,905,194	206,345	1,614,606,344
Assigned	-	-	79,512,397	-	79,512,397
Unassigned	421,702,619	(3,376,686)	-	-	418,325,933
Total Fund Balances	5,327,994,679	8,593,770	6,806,105,975	76,049,155	12,218,743,579
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 5,778,107,482	\$ 366,158,355	\$ 7,494,399,942	\$ 77,429,932	\$ 13,716,095,711

STATE OF NORTH DAKOTA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2016

Total Fund Balances-Governmental Funds		\$ 12,218,743,579
Amounts reported for governmental activities in the statement of net position 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 \$7,491,696,368 and the accumulated depreciation is \$3,225,587,754		4,266,108,614
Other assets not available in the current period and therefore are not reported in the governmental funds:		
Net Pension Asset		32,892,878
Deferred outflows of resources are not reported in the governmental funds:		
Loss on bond refunding	1,370,000	
Related to pensions	43,873,898	
Total Deferred Outflows	45,243,898	45,243,898
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 unavailable in the funds.		102,258,271
Internal service funds are used to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		91,767,647
Deferred inflows of resources are not reported in the governmental funds:		
Related to pensions		(38,386,907)
Long-term liabilities and related accrued interest 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	(64,048,919)	
Notes Payable	(3,891,368)	
Accrued Interest on Long-Term Liabilities	(265,516)	
Compensated Absences	(45,143,449)	
Capital Leases	(404,013)	
Other Postemployment Benefit Obligation, net	(1,156,657)	
Net Pension Liability	(274,215,325)	
Claims and Judgments	(1,105,661)	
Total Long-Term Liabilities	(390,230,908)	(390,230,908)
Net Position of Governmental Activities		\$ 16,328,397,072

STATE OF NORTH DAKOTA

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2016

	Special Revenue			Nonmajor Governmental Funds	Total
	General	Federal	State		
REVENUES					
Individual and Corporate Income Taxes	\$ 422,631,075	\$ -	\$ 1,598,681	\$ -	\$ 424,229,756
Sales and Use Taxes	1,058,346,870	-	295,608,910	-	1,353,955,780
Oil, Gas, and Coal Taxes	759,747,553	-	694,207,436	3,131,146	1,457,086,135
Business and Other Taxes	63,394,166	-	36,348,851	-	99,743,017
Licenses, Permits and Fees	19,214,994	-	187,948,129	-	207,163,123
Intergovernmental	1,184,183	1,618,003,233	19,942,582	4,301,834	1,643,431,832
Sales and Services	3,002,249	1,154,805	53,225,803	-	57,382,857
Royalties and Rents	14,692,623	6,679	222,680,222	-	237,379,524
Fines and Forfeits	5,475,453	-	17,503,924	-	22,979,377
Interest and Investment Income	61,921,883	1,370	693,403	998,464	63,615,120
Tobacco Settlement	-	-	31,872,848	-	31,872,848
Commodity Assessments	-	-	25,007,037	-	25,007,037
Miscellaneous	1,559,616	5,175,078	36,856,844	-	43,591,538
Total Revenues	2,411,170,665	1,624,341,165	1,623,494,670	8,431,444	5,667,437,944
EXPENDITURES					
Current:					
General Government	266,074,830	2,300,017	95,019,693	16,261	363,410,801
Education	826,264,368	146,946,993	201,716,953	-	1,174,928,314
Health and Human Services	645,420,941	1,064,065,516	64,575,255	-	1,774,061,712
Regulatory	19,977,674	5,266,983	34,916,441	-	60,161,098
Public Safety and Corrections	153,690,513	53,442,403	9,221,542	-	216,354,458
Agriculture and Commerce	30,667,380	23,305,507	52,818,586	-	106,791,473
Natural Resources	17,246,252	16,572,264	273,851,010	-	307,669,526
Transportation	41,862,412	147,905,190	424,048,325	-	613,815,927
Intergovernmental - Revenue Sharing	3,143,803	-	690,649,322	-	693,793,125
Capital Outlay	25,301,283	164,248,915	580,506,070	-	770,056,268
Debt Service:					
Principal	394,734	58,624	247,953	63,065,000	63,766,311
Interest and Other Charges	133,636	5,700	65,791	4,339,140	4,544,267
Total Expenditures	2,030,177,826	1,624,118,112	2,427,636,941	67,420,401	6,149,353,280
Revenues over (under) Expenditures	380,992,839	223,053	(804,142,271)	(58,988,957)	(481,915,336)
OTHER FINANCING SOURCES (USES)					
Capital Lease Acquisitions	71,653	71,584	6,654	-	149,891
Sale of Capital Assets	27,000	-	5,685,951	-	5,712,951
Transfers In	172,242,303	1,919,068	607,996,639	56,724,823	838,882,833
Transfers Out	(1,094,369,840)	(24,143,772)	(319,522,031)	(5,363,599)	(1,443,399,242)
Total Other Financing Sources (Uses)	(922,028,884)	(22,153,120)	294,167,213	51,361,224	(598,653,567)
Net Change in Fund Balances	(541,036,045)	(21,930,067)	(509,975,058)	(7,627,733)	(1,080,568,903)
Fund Balances - Beginning of Year, as Adjusted	5,869,030,724	30,523,837	7,316,081,033	83,676,888	13,299,312,482
Fund Balances - End of Year	\$ 5,327,994,679	\$ 8,593,770	\$ 6,806,105,975	\$ 76,049,155	\$ 12,218,743,579

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, 2016

Net Change in Fund Balances-Total Governmental Funds \$ (1,080,568,903)

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	770,056,268	
Depreciation expense	<u>(120,223,364)</u>	
Excess of capital outlay over depreciation expense		649,832,904

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 position differs from the change in fund balance by the book value of the assets sold. (724,712)

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 position. (155,343)

Based on receipt dates, some revenues are not considered "available" revenues and are unavailable in the governmental funds. Unavailable revenues increased/decreased by this amount this year. (14,236,761)

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 7,705,023

The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds. 242,683

Deferred outflows of resources do not provide current financial resources		
Amortization of deferred loss on bond refunding	(229,000)	
Related to pension	<u>5,599,231</u>	
Total deferred outflows		5,370,231

Deferred pension inflows are not considered current cash expenses and are not reported as an expenditure in the funds 21,081,595

The net pension liability relating to retirement plans (15,798,718)

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

Bond principal retirement	65,295,874	
Note payments	520,324	
Capital lease payments	<u>317,620</u>	
Total long-term debt repayment		66,133,818

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. This adjustment combines the net changes of the following:

Accrued Interest	1,128,004	
Compensated Absences	(1,514,559)	
Other Postemployment Benefit Obligation Costs, net	(91,143)	
Claims and Judgments	<u>51,723</u>	
Total additional expenditures		<u>(425,975)</u>

Change in Net Position of Governmental Activities \$ (361,544,158)

STATE OF NORTH DAKOTA

Statement of Net Position Proprietary Funds June 30, 2016

	Business-Type Activities - Enterprise Funds					Governmental Activities						
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds					
ASSETS												
Current Assets:												
Cash Deposits at the Bank of ND	\$	4,181,000	\$	166,121,175	\$	2,009,802	\$	138,249,795	\$	310,561,772	\$	13,564,503
Cash and Cash Equivalents		-		15,409,269		-		73,822,302		89,231,571		7,518
Investments at the Bank of ND		-		101,472,849		-		42,286,000		143,758,849		-
Investments		-		116,730		1,839,698,248		57,227,579		1,897,042,557		11,675,004
Accounts Receivable - Net		518,000		17,045,687		46,280,753		84,988,658		148,833,098		176,244
Interest Receivable - Net		74,000		-		9,667,915		1,107,793		10,849,708		49,912
Intergovernmental Receivable - Net		145,000		29,007,137		-		7,303,870		36,456,007		228,872
Due from Other Funds		3,000		34,609,848		-		1,073,702		35,686,550		6,721,604
Due from Fiduciary Funds		-		-		-		13,325		13,325		-
Due from Component Units		-		10,191,183		-		-		10,191,183		-
Prepaid Items		57,000		-		316,513		3,135,618		3,509,131		5,620,499
Inventory		-		8,830,400		-		24,728,054		33,558,454		119,829
Loans and Notes Receivable - Net		-		7,840,719		-		8,495,974		16,336,693		-
Other Assets		514,000		1,767,122		-		21,969		2,303,091		-
Restricted Cash at the Bank of ND		13,142,000		-		-		4,846,838		17,988,838		-
Restricted Cash and Cash Equivalents		202,111,000		-		-		-		202,111,000		-
Restricted Investments at the Bank of ND		-		-		-		2,500,000		2,500,000		-
Restricted Investments		9,018,000		-		-		-		9,018,000		-
Restricted Interest Receivable - Net		2,831,000		-		-		-		2,831,000		-
Restricted Loans Receivable - Net		17,915,000		-		-		-		17,915,000		-
Total Current Assets		250,509,000		392,412,119		1,897,973,231		449,801,477		2,990,695,827		38,163,985
Noncurrent Assets:												
Restricted Cash at the Bank of ND		-		3,154,839		-		-		3,154,839		-
Restricted Cash and Cash Equivalents		-		10,370		-		-		10,370		-
Restricted Investments at the Bank of ND		-		5,226,502		-		-		5,226,502		-
Restricted Investments		9,587,000		4,467,493		-		-		14,054,493		-
Investments at the Bank of ND		-		74,200,000		-		-		74,200,000		-
Investments		-		10,260,628		-		-		10,260,628		-
Due from Component Units		-		26,126,602		-		-		26,126,602		-
Loans and Notes Receivable - Net		-		24,586,752		-		87,746,873		112,333,625		-
Restricted Loans Receivable - Net		737,852,000		-		-		1,000,000		738,852,000		-
Other Noncurrent Assets		3,169,000		579,548		-		5,216,613		8,965,161		-
Capital Assets:												
Nondepreciable		-		120,063,273		1,494,595		31,374,106		152,931,974		-
Depreciable, Net		-		1,203,633,621		10,393,691		73,419,347		1,287,446,659		100,185,631
Total Noncurrent Assets		750,608,000		1,472,309,628		11,888,286		198,756,939		2,433,562,853		100,185,631
Bank Related Assets:												
Cash and Cash Equivalents	\$	396,259,000								\$	396,259,000	
Investments		2,653,054,000								2,653,054,000		
Interest Receivable - Net		44,278,000								44,278,000		
Due from Other Funds		85,476,000								85,476,000		
Due from Fiduciary Funds		-								-		
Due from Component Units		4,000								4,000		
Loans and Notes Receivable - Net		4,191,949,000								4,191,949,000		
Other Assets		10,311,000								10,311,000		
Capital Assets:												
Nondepreciable		2,449,000								2,449,000		
Depreciable, Net		9,117,000								9,117,000		
Total Bank Related Assets		7,392,897,000								7,392,897,000		
Total Assets		7,392,897,000		1,001,117,000		1,864,721,747		1,909,861,517		648,558,416		128,171,555,680
DEFERRED OUTFLOWS OF RESOURCES												
Deferred Loss on Bond Refunding		-		2,518,868		-		-		2,518,868		-
Decrease in Fair Value of Hedging Derivatives		-		-		-		149,387		149,387		-
Financial Derivative Instrument		-		7,633,000		-		-		7,633,000		-
Unrealized Loss on Interest Rate Swap		5,064,000		-		-		-		5,064,000		-
Derived from Pensions		1,631,000		213,000		14,631,835		892,196		1,494,806		2,000,093
Total Deferred Outflows of Resources		6,695,000		7,846,000		17,150,703		892,196		1,644,193		34,228,092

STATE OF NORTH DAKOTA

Statement of Net Position Proprietary Funds June 30, 2016

	Business-Type Activities - Enterprise Funds					Governmental Activities	
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
LIABILITIES							
Current Liabilities:							
Accounts Payable		776,000	26,224,524	4,400,732	25,460,561	56,861,817	1,953,818
Accrued Payroll		-	42,754,051	-	750,451	43,504,502	2,599,058
Securities Lending Collateral		-	-	18,235,067	301,591	18,536,658	165,908
Interest Payable		9,939,000	1,107,745	-	19,776	11,066,521	9,624
Intergovernmental Payable		18,000	356,403	-	17,050,945	17,425,348	102
Due to Other Funds		13,471,000	2,485,480	198,631	74,636,858	90,791,969	1,656,706
Due to Fiduciary Funds		-	-	-	360,379	360,379	-
Due to Component Units		-	3,214,158	-	-	3,214,158	-
Contracts Payable		-	8,474,589	-	81,504	8,556,093	-
Other Deposits		-	5,166,730	-	-	5,166,730	-
Amounts Held in Custody for Others		11,938,000	-	-	5,515,692	17,453,692	-
Claims/Judgments Payable		-	-	133,408,574	2,285,196	135,693,770	1,870,374
Dividends Payable		-	-	156,837,761	-	156,837,761	-
Compensated Absences Payable		178,000	2,330,466	1,324,517	138,116	3,971,099	175,861
Notes Payable		-	959,025	-	-	959,025	-
Capital Leases Payable		-	2,834,037	-	-	2,834,037	25,081
Bonds Payable		28,560,000	8,656,801	-	110,000	37,326,801	-
Unearned Revenue		97,000	21,396,279	144,577,275	380,487	166,451,041	-
Other Current Liabilities		22,000	-	-	44,877	66,877	-
Total Current Liabilities		64,999,000	125,960,288	458,982,557	127,136,433	777,078,278	8,456,532
Noncurrent Liabilities:							
Intergovernmental Payable		13,000	4,052,827	-	-	4,065,827	-
Due to Component Units		-	41,896,289	-	-	41,896,289	-
Claims/Judgments Payable		-	-	978,329,541	-	978,329,541	8,715,335
Compensated Absences Payable		141,000	29,664,244	215,619	1,161,971	31,182,834	2,234,402
Notes Payable		-	18,968,079	-	-	18,968,079	-
Capital Leases Payable		-	14,059,497	-	-	14,059,497	37,616
Bonds Payable		769,172,000	207,687,116	-	2,968,574	979,827,690	-
Financial Derivative Instrument		7,633,000	-	-	149,387	7,782,387	-
Net Pension Liability		1,655,000	75,351,114	6,282,403	8,343,332	91,631,849	15,638,025
Other Noncurrent Liabilities		4,376,000	232,684	-	15,833,000	20,441,684	-
Total Noncurrent Liabilities		782,990,000	391,911,850	984,827,563	28,456,264	2,188,185,677	26,625,378
Bank Related Liabilities:							
Interest Payable		270,074	-	-	-	270,074	-
Due to Other Funds		875,926	-	-	-	875,926	-
Due to Component Units		380,000	-	-	-	380,000	-
Federal Funds Purchased		119,500,000	-	-	-	119,500,000	-
Deposits Held for Other Funds		4,857,348,256	-	-	-	4,857,348,256	-
Net Pension Liability		6,769,000	-	-	-	6,769,000	-
Other Deposits		944,793,744	-	-	-	944,793,744	-
Other Liabilities		6,601,000	-	-	-	6,601,000	-
Long Term Liabilities:							
Due within one year		207,594,000	-	-	-	207,594,000	-
Due in more than one year		520,472,000	-	-	-	520,472,000	-
Total Bank Related Liabilities		6,664,604,000	-	-	-	6,664,604,000	-
Total Liabilities		6,664,604,000	847,989,000	517,872,138	1,443,810,120	9,629,867,955	35,081,910
DEFERRED INFLOWS OF RESOURCES							
Grants Received Prior to Time Requirements		-	59,553	-	-	59,553	-
Unrealized Gain on Interest Rate Swap		863,000	-	-	-	863,000	-
Derived from Pensions		1,539,000	9,866,303	794,575	1,083,974	13,525,852	2,297,489
Total Deferred Inflows of Resources		2,402,000	9,925,856	794,575	1,083,974	14,448,405	2,297,489
NET POSITION							
Net Investment in Capital Assets		11,566,000	-	1,029,589,236	11,888,286	1,029,563,522	100,122,935
Restricted for:							
Debt Service		-	153,199,000	7,942,193	397,000	161,538,193	-
Loan Purposes		-	-	44,693,805	582,147	45,275,952	-
Pledged Assets		170,684,000	-	-	-	170,684,000	-
Unemployment Compensation		-	-	-	101,882,702	101,882,702	-
University System-Nonexpendable		-	-	17,376,625	-	17,376,625	-
University System-Expendable		-	-	29,663,187	-	29,663,187	-
Other		-	-	216,717	7,026,897	7,243,614	-
Unrestricted		550,336,000	7,533,000	224,592,693	454,260,732	2,801,722,425	2,847,375
Total Net Position		\$ 732,586,000	\$ 160,732,000	\$ 1,354,074,456	\$ 466,149,018	\$ 493,525,938	\$ 3,207,067,412

Reconciliation of the Proprietary Funds Statement of Net Position to the Statement of Net Position June 30, 2016

Total Net Position - Enterprise Funds	\$ 3,207,067,412
Amounts reported for business-type activities in the statement of net position 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	11,202,664
Net Position of Business-Type Activities	\$ 3,218,270,076

STATE OF NORTH DAKOTA

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES							
Sales and Services	\$ 7,648,000	\$ 4,067,659	\$ 105,289,840	\$ 303,833,840	\$ 767,457,377	\$ 1,188,296,716	\$ 100,040,960
Auxiliary Sales Pledges for Bonds	-	-	109,650,297	-	-	109,650,297	-
Tuition and Fees	-	-	316,119,973	-	-	316,119,973	-
Grants and Contributions	-	-	131,344,089	-	-	131,344,089	-
Royalties and Rents	-	-	-	851,446	163,419	1,014,865	-
Fines and Forfeits	-	-	-	3,997,490	-	3,997,490	-
Interest and Investment Income	200,188,000	32,219,000	-	-	1,768,856	234,175,856	-
Miscellaneous	-	-	1,909,634	-	141,496	2,051,130	40,139
Total Operating Revenues	207,836,000	36,286,659	664,313,833	308,682,776	769,531,148	1,986,650,416	100,081,099
OPERATING EXPENSES							
Cost of Sales and Services	-	-	25,653,492	-	187,595,274	213,248,766	1,110,606
Salaries and Benefits	14,563,000	3,410,000	785,252,714	24,115,593	20,294,138	847,635,445	32,048,615
Operating	38,572,000	6,201,000	277,832,193	3,142,870	394,873,672	720,621,735	37,629,674
Claims	-	-	-	197,467,710	228,352,711	425,820,421	7,610,747
Scholarships and Fellowships	-	-	33,560,729	-	-	33,560,729	-
Interest	32,164,000	18,375,000	-	-	10,000	50,549,000	-
Depreciation	742,000	-	68,660,916	398,680	5,857,837	75,659,433	15,720,863
Miscellaneous	-	-	9,439,751	-	5,000	9,444,751	-
Total Operating Expenses	86,041,000	27,986,000	1,200,399,795	225,124,853	836,988,632	2,376,540,280	94,120,505
Operating Income (Loss)	121,795,000	8,300,659	(536,085,962)	83,557,923	(67,457,484)	(389,889,864)	5,960,594
NONOPERATING REVENUES (EXPENSES)							
Grants and Contracts	-	12,066,000	42,748,183	-	1,026,155	55,840,338	-
Gifts	-	-	32,681,165	-	-	32,681,165	-
Interest and Investment Income	-	127,000	4,738,651	69,501,734	4,369,551	78,736,936	551,552
Interest Expense	-	-	(11,971,167)	(4,724,205)	(393,574)	(17,088,946)	(26,237)
Dividends Expense	-	-	-	(136,968,985)	-	(136,968,985)	-
Gain (Loss) on Sale of Capital Assets	-	-	1,186,618	-	(125,004)	1,061,614	214,343
Tax Revenue	-	-	4,675,309	-	-	4,675,309	-
Grant Expense	-	(12,265,000)	-	-	-	(12,265,000)	-
Other	-	-	-	-	(422,814)	(422,814)	3,582
Total Nonoperating Revenues (Expenses)	-	(72,000)	74,058,759	(72,191,456)	4,454,314	6,249,617	743,240
Income (Loss) Before Contributions and Transfers	121,795,000	8,228,659	(462,027,203)	11,366,467	(63,003,170)	(383,640,247)	6,703,834
Capital Grants and Contributions	-	-	29,609,083	-	-	29,609,083	87,473
Transfers In	-	232,341	554,002,622	-	113,638,815	667,873,778	959,500
Transfer Out	(28,600,000)	(39,000)	(4,870,000)	-	(23,032,156)	(56,541,156)	-
Changes in Net Position	93,195,000	8,422,000	116,714,502	11,366,467	27,603,489	257,301,458	7,750,807
Total Net Position - Beginning of Year, as adjusted	639,391,000	152,310,000	1,237,359,954	454,782,551	465,922,449	2,949,765,954	95,219,503
Total Net Position - End of Year	\$ 732,586,000	\$ 160,732,000	\$ 1,354,074,456	\$ 466,149,018	\$ 493,525,938	\$ 3,207,067,412	\$ 102,970,310

Reconciliation of Statement of Revenues, Expenses and Changes in Fund Net Position of Proprietary Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2016

Net Change in Net Position-Total Enterprise Funds \$ 257,301,458

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 45,785

Change in Net Position of Business-Type Activities \$ 257,347,243

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, 2016

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	University System
Cash Flows from Operating Activities:			
Receipts from Customers and Users	\$ 10,393,000	\$ 148,876,659	\$ 216,782,230
Receipts from Tuition and Fees	-	-	318,399,573
Interest Income on Loans	-	-	-
Receipts from Loan Principal Repayments	-	-	7,236,731
Receipts from Other Funds	-	-	-
Receipts from Grants and Contracts	-	-	140,390,010
Receipts from Others	-	-	23,377,710
Payments to Other Funds	-	(357,000)	-
Payments for Loan Funds	-	-	(6,123,383)
Payments for Scholarships and Fellowships	-	-	(33,376,286)
Payments to Suppliers	(15,600,000)	(213,850,000)	(324,850,729)
Payments to Employees	(14,759,000)	(3,264,000)	(780,047,303)
Claim Payments	-	-	-
Payments to Others	-	(859,000)	(800,140)
Other	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(19,966,000)</u>	<u>(69,453,341)</u>	<u>(439,011,587)</u>
Cash Flows from Noncapital Financing Activities:			
Proceeds from Bonds	-	264,668,000	-
Proceeds from Sale of Notes and Other Borrowings	615,000,000	-	-
Principal Payments - Bonds	-	(102,480,000)	-
Principal Payments - Notes and Other Borrowings	(532,804,000)	-	-
Interest Payments - Bonds	-	(17,801,000)	-
Interest Payments - Notes and Other Borrowings	(19,047,000)	-	-
Tax Collections	-	-	4,638,826
Transfers In	-	232,341	20,156,956
Transfers Out	(28,645,000)	(39,000)	(4,870,000)
Net Decrease in Non-Interest Bearing Deposits	(59,182,000)	-	-
Net Increase in Interest Bearing Deposits	130,713,000	-	-
Payments of Interest on Deposits	(13,033,000)	-	-
Interest Paid on Federal Funds and Reverse Repurchase Agreements	(222,000)	-	-
Net Decrease in Federal Funds and Reverse Repurchase Agreements	(58,955,000)	-	-
Advances Made	-	-	-
Collection of Advances Made	4,103,000	-	-
Loan Proceeds from Due To Other Funds	-	100,766,000	189,560,947
Principal Payments on Due To Other Funds	-	(97,425,000)	(188,255,304)
Grants and Gifts Received for Other than Capital Purposes	-	12,066,000	67,648,950
State Appropriations	-	-	431,129,575
Agency Fund Cash Decrease	-	-	(1,195,660)
Grants Given for Other than Capital Purposes	-	(12,265,000)	(6,970,740)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>37,928,000</u>	<u>147,722,341</u>	<u>511,843,550</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(630,000)	-	(178,104,645)
Proceeds from Sale of Capital Assets	-	-	2,244,462
Proceeds from Bonds	-	-	-
Proceeds from Sale of Notes and Other Borrowings	-	-	39,227,767
Principal Payments - Bonds	-	-	-
Principal Payments - Notes and Other Borrowings	-	-	(60,435,257)
Interest Payments - Bonds	-	-	-
Interest Payments - Notes and Other Borrowings	-	-	(12,328,344)
Capital Appropriations	-	-	110,629,833
Payment of Bond Issue Costs	-	-	-
Payment on Capital Leases	-	-	-
Interest Payments - Capital Leases	-	-	-
Premium Received on Bonds	-	-	-
Capital Grants and Gifts Received	-	-	27,466,071
Insurance Proceeds	-	-	505,032
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(630,000)</u>	<u>-</u>	<u>(70,795,081)</u>
Cash Flows from Investing Activities:			
Proceeds from Sale and Maturities of Investment Securities	761,647,000	5,679,000	164,310,163
Purchase of Investment Securities	(500,567,000)	(10,006,000)	(150,719,918)
Net Increase In Investments	-	-	-
Interest and Dividends on Investments	48,736,000	690,000	6,938,196
Net Decrease in Loans	(503,146,000)	-	-
Disbursements for Loans and Loan Purchases	-	-	-
Receipt of Loan Principal Repayments	-	-	-
Proceeds from Collection of Loans and Notes Receivable	14,332,000	-	-
Loan Income Received	152,835,000	-	-
Net Cash Provided by (Used for) Investing Activities	<u>(26,163,000)</u>	<u>(3,637,000)</u>	<u>20,528,441</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Business-Type Activities - Enterprise Funds			Governmental Activities	
Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds	
\$ 229,327,006	\$ 807,881,854	\$ 1,413,260,749	\$ 5,313,546	
-	-	318,399,573	-	
-	84,041	84,041	-	
-	19,161,699	26,398,430	-	
-	242,481	242,481	97,658,371	
-	-	140,390,010	-	
14,838,995	481,736	38,698,441	-	
(3,481,929)	(210,289)	(4,049,218)	(4,197,986)	
-	(21,911,800)	(28,035,183)	-	
-	-	(33,376,286)	-	
-	(633,207,589)	(1,187,508,318)	(46,340,738)	
(23,505,057)	(23,002,609)	(844,577,969)	(31,210,385)	
(195,295,179)	(204,450,712)	(399,745,891)	(568,159)	
(15,397,133)	(887,618)	(17,943,891)	-	
-	(15,150)	(15,150)	3,583	
6,486,703	(55,833,956)	(577,778,181)	20,658,232	
-	-	264,668,000	-	
-	20,600,000	635,600,000	-	
-	-	(102,480,000)	-	
-	(9,600,000)	(542,404,000)	-	
-	(10,000)	(17,811,000)	-	
-	(360,140)	(19,407,140)	-	
-	-	4,638,826	-	
-	63,285,000	83,674,297	959,500	
-	(16,651,798)	(50,205,798)	-	
-	-	(59,182,000)	-	
-	-	130,713,000	-	
-	-	(13,033,000)	-	
-	-	(222,000)	-	
-	-	(58,955,000)	-	
-	-	-	(1,500,000)	
-	-	4,103,000	-	
-	-	290,326,947	-	
-	(4,215,840)	(289,896,144)	-	
-	1,097,563	80,812,513	-	
-	-	431,129,575	-	
-	-	(1,195,660)	-	
-	-	(19,235,740)	-	
-	54,144,785	751,638,676	(540,500)	
(1,931,159)	(29,620,991)	(210,286,795)	(20,494,734)	
-	76,000	2,320,462	3,808,616	
-	1,945,000	1,945,000	-	
-	-	39,227,767	-	
-	(35,000)	(35,000)	-	
-	-	(60,435,257)	-	
-	(41,944)	(41,944)	-	
-	-	(12,328,344)	-	
-	462,815	111,092,648	-	
-	(127,555)	(127,555)	-	
-	-	-	(16,287)	
-	-	-	(1,135)	
-	175,726	175,726	-	
-	-	27,466,071	-	
-	-	505,032	-	
(1,931,159)	(27,165,949)	(100,522,189)	(16,703,540)	
23,000,000	32,937,000	987,573,163	1,132,758	
(27,993,997)	(59,096,118)	(748,383,033)	-	
-	616,312	616,312	-	
-	4,169,231	60,533,427	385,103	
-	-	(503,146,000)	-	
-	(13,194,000)	(13,194,000)	-	
-	1,248,000	1,248,000	-	
-	4,616,612	18,948,612	-	
-	1,086,771	153,921,771	-	
(4,993,997)	(27,616,192)	(41,881,748)	1,517,861	

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, 2016

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	University System
Net Change in Cash:			
Net Increase (Decrease) in Cash and Cash Equivalents	(8,831,000)	74,632,000	22,565,323
Cash and Cash Equivalents at June 30, 2015	405,090,000	144,802,000	162,130,330
Cash and Cash Equivalents at June 30, 2016	<u>\$ 396,259,000</u>	<u>\$ 219,434,000</u>	<u>\$ 184,695,653</u>
Reconciliation:			
Current:			
Cash Deposits at the Bank of North Dakota	\$ -	\$ 4,181,000	\$ 166,121,175
Cash and Cash Equivalents	396,259,000	-	15,409,269
Restricted Cash Deposits at the Bank of North Dakota	-	13,142,000	-
Restricted Cash and Cash Equivalents	-	202,111,000	-
Noncurrent:			
Restricted Cash Deposits At The Bank of North Dakota	-	-	3,154,839
Restricted Cash and Cash Equivalents	-	-	10,370
Cash and Cash Equivalents	<u>\$ 396,259,000</u>	<u>\$ 219,434,000</u>	<u>\$ 184,695,653</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ 121,795,000	\$ 8,300,659	\$ (524,908,860)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	742,000	-	68,660,917
Amortization/Accretion	-	(771,000)	-
Reclassification of Interest Revenue/Expense	(168,024,000)	18,313,000	-
Gain on Sale of Student Loans	(201,000)	-	-
Net Increase in Fair Value of Investments	14,963,000	-	-
Interest Received on Program Loans	-	-	-
Dividend Credit Applied to Receivable	-	-	-
Receipt of Loan Principal Repayments	-	-	-
Provision for Losses	12,500,000	-	-
Other	-	23,000	10,503,067
Deferred Outflows	-	92,000	(798,717)
Deferred Inflows	-	(71,000)	(4,074,157)
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	(94,339,000)	5,580,481
(Increase) Decrease in Interest Receivable	-	(292,000)	-
(Increase) Decrease in Due From	4,210,000	19,000	-
(Increase) Decrease in Intergovernmental Receivable	-	23,000	-
(Increase) Decrease in Notes Receivable	-	-	1,363,975
(Increase) Decrease in Prepaid Items	-	(18,000)	-
(Increase) Decrease in Inventories	-	-	(729,949)
(Increase) Decrease in Other Assets	(5,473,000)	(1,357,000)	10,765,454
Increase (Decrease) in Accounts Payable	-	-	(13,573,866)
Increase (Decrease) in Claims/Judgments Payable	-	-	-
Increase (Decrease) in Intergovernmental Payable	-	(9,000)	-
Increase (Decrease) in Accrued Payroll	-	-	5,880,379
Increase (Decrease) in Compensated Absences Payable	-	29,000	132,976
Increase (Decrease) in Amounts Held for Others	-	671,000	-
Increase (Decrease) in Other Deposits	-	-	(800,142)
Increase (Decrease) in Due To	(17,000)	10,000	-
Increase (Decrease) in Unavailable Revenue	-	-	(1,053,213)
Increase (Decrease) in Net Pension Liability	-	51,000	4,040,068
Increase (Decrease) in Other Liabilities	(461,000)	(128,000)	-
Increase (Decrease) in Dividends Payable	-	-	-
Total Adjustments	<u>(141,761,000)</u>	<u>(77,754,000)</u>	<u>85,897,273</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (19,966,000)</u>	<u>\$ (69,453,341)</u>	<u>\$ (439,011,587)</u>
Noncash Transactions:			
Net Change in Fair Value of Investments	\$ 28,645,000	\$ (497,000)	\$ (2,146,395)
Transfers from Net Position to Transfers Payable	(14,963,000)	-	-
Change in Securities Lending Collateral	-	-	-
Interest on Investments	-	-	-
Dividends Credited to Premium Billing	-	-	-
Accounts Receivable Premium Reduction	-	-	-
Assets Acquired Through Capital Lease	-	-	3,601,065
Assets Acquired Through Special Assessments	-	-	207,663
Expenses Paid by Capital Lease	-	-	832,160
Value Received on Trade of Capital Asset	-	-	-
Gifts of Capital Assets	-	-	1,549,545
Interest Revenue on Prize Reserves	-	-	-
Total Noncash Transactions	<u>\$ 13,682,000</u>	<u>\$ (497,000)</u>	<u>\$ 4,044,038</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Business-Type Activities - Enterprise Funds				Governmental Activities
Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds	
(438,453)	(56,471,312)	31,456,558	4,932,053	
2,448,255	273,390,247	987,860,832	8,639,968	
<u>\$ 2,009,802</u>	<u>\$ 216,918,935</u>	<u>\$ 1,019,317,390</u>	<u>\$ 13,572,021</u>	
\$ 2,009,802	\$ 138,249,795	\$ 310,561,772	\$ 13,564,503	
-	73,822,302	485,490,571	7,518	
-	4,846,838	17,988,838	-	
-	-	202,111,000	-	
-	-	3,154,839	-	
-	-	10,370	-	
<u>\$ 2,009,802</u>	<u>\$ 216,918,935</u>	<u>\$ 1,019,317,390</u>	<u>\$ 13,572,021</u>	
\$ 83,557,923	\$ (67,457,484)	\$ (378,712,762)	\$ 5,960,594	
398,680	5,567,725	75,369,322	15,720,863	
-	290,112	(480,888)	-	
-	(1,055,929)	(150,766,929)	-	
-	-	(201,000)	-	
-	-	14,963,000	-	
-	35,000	35,000	-	
(136,968,985)	-	(136,968,985)	-	
-	3,935,000	3,935,000	-	
-	8,148,303	20,648,303	-	
-	58,658	10,584,725	6,489	
(59,178)	(785,327)	(1,551,222)	(70,590)	
(377,046)	68,530	(4,453,673)	(536,427)	
5,762,954	(13,692,615)	(96,688,180)	11,161	
-	(1,886)	(293,886)	-	
-	194,100	4,423,100	1,687,428	
-	1,125,490	1,148,490	1,177,241	
-	(262,700)	1,101,275	-	
220,408	(49,115)	153,293	(3,922,909)	
-	6,315,660	5,585,711	(26,393)	
-	42,346	3,977,800	-	
436,089	2,592,220	(10,545,557)	(3,656,609)	
15,064,115	1,718,486	16,782,601	2,888,829	
-	(740,180)	(749,180)	(53,858)	
-	(542,861)	5,337,518	186,475	
96,119	(77,530)	180,565	158,599	
-	56,532	727,532	-	
-	-	(800,142)	-	
(3,972)	(2,502,847)	(2,513,819)	6,514	
(15,751,951)	(99,209)	(16,904,373)	-	
328,990	1,322,719	5,742,777	1,120,825	
-	(37,154)	(626,154)	-	
<u>53,782,557</u>	<u>-</u>	<u>53,782,557</u>	<u>-</u>	
<u>(77,071,220)</u>	<u>11,623,528</u>	<u>(199,065,419)</u>	<u>14,697,638</u>	
<u>\$ 6,486,703</u>	<u>\$ (55,833,956)</u>	<u>\$ (577,778,181)</u>	<u>\$ 20,658,232</u>	
\$ 19,403,106	\$ 123,750	\$ 45,528,461	\$ 141,256	
-	-	(14,963,000)	-	
17,214,543	-	17,214,543	165,908	
46,245,738	-	46,245,738	-	
83,186,428	-	83,186,428	-	
(83,186,428)	-	(83,186,428)	-	
-	-	3,601,065	45,171	
-	-	207,663	-	
-	-	832,160	-	
-	14,212	14,212	-	
-	-	1,549,545	-	
-	370	370	-	
<u>\$ 82,863,387</u>	<u>\$ 138,332</u>	<u>\$ 100,230,757</u>	<u>\$ 352,335</u>	

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Fiduciary Net Position Fiduciary Funds June 30, 2016

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS				
Cash Deposits at the Bank of ND	\$ 30,614,055	\$ -	\$ 6,783,204	\$ 27,467,353
Cash and Cash Equivalents	-	-	2,110,370	11,999,147
Receivables:				
Contributions Receivable	40,472,091	-	-	-
Accounts Receivable - Net	-	-	71,947	11,103,209
Taxes Receivable - Net	-	-	-	30,156,385
Interest Receivable - Net	15,539,825	321,030	2,342	25
Due from Other Funds	360,714	-	13	-
Due from Fiduciary Funds	378,538	-	-	-
Total Receivables	56,751,168	321,030	74,302	41,259,619
Investments, at Fair Value:				
Investments at the Bank of ND	-	-	21,619	30,542,224
Equity Pool	2,545,337,919	108,102,534	-	-
Fixed Income Pool	1,140,430,743	71,234,560	1,170,703	141,400
Cash and Cash Pool	58,201,201	1,976,775	-	-
Real Estate Pool	829,534,301	35,932,514	-	-
Alternative Investments	153,312,909	6,027,040	-	-
Annuities	116,397	-	-	-
Mutual Funds	86,111,457	-	388,755,541	-
Total Investments	4,813,044,927	223,273,423	389,947,863	30,683,624
Invested Securities Lending Collateral	44,562,868	2,390,031	39,249	-
Capital Assets (Net of Depreciation)	3,167,982	-	-	-
Total Assets	4,948,141,000	225,984,484	398,954,988	111,409,743
DEFERRED OUTFLOWS OF RESOURCES				
Derived from Pensions	168,324	-	-	-
Total deferred outflows of resources	168,324	-	-	-
LIABILITIES				
Accounts Payable	6,185,466	197,848	846,606	-
Accrued Payroll	169,785	-	-	-
Securities Lending Collateral	44,562,868	2,390,031	39,249	-
Intergovernmental Payable	-	-	-	60,721,486
Tax Refunds Payable	-	-	-	130,760
Due to Other Funds	44,772	-	-	-
Due to Fiduciary Funds	378,624	-	-	-
Amounts Held in Custody for Others	19,176	-	-	50,557,497
Compensated Absences Payable	177,282	-	-	-
Total Liabilities	51,537,973	2,587,879	885,855	111,409,743
DEFERRED INFLOWS OF RESOURCES				
Derived from Pensions	70,310	-	-	-
Total deferred inflows of resources	70,310	-	-	-
NET POSITION				
Net Position Restricted for:				
Pension Benefits	4,895,129,766	-	-	-
Other Employee Benefits	1,571,275	-	-	-
External Investment Pool Participants	-	223,396,605	-	-
Other Purposes	-	-	398,069,133	-
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ 4,896,701,041	\$ 223,396,605	\$ 398,069,133	\$ -

STATE OF NORTH DAKOTA

Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Fiscal Year Ended June 30, 2016

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 175,320,117	\$ -	\$ -
Employee	167,488,716	-	-
From Participants	-	-	41,356,876
Transfers from Other Funds	24,300,746	-	-
Transfers from Other Plans	1,180,726	-	-
Donations	-	-	2,311
Total Contributions	<u>368,290,305</u>	<u>-</u>	<u>41,359,187</u>
Investment Income:			
Net Change in Fair Value of Investments	(82,553,386)	(3,175,054)	(8,348,018)
Interest and Dividends	<u>118,998,538</u>	<u>5,278,759</u>	<u>8,357,370</u>
Less Investment Expense	<u>13,838,526</u>	<u>622,488</u>	<u>-</u>
Net Investment Income	<u>22,606,626</u>	<u>1,481,217</u>	<u>9,352</u>
Securities Lending Activity:			
Securities Lending Income	595,044	34,465	97
Less Securities Lending Expense	60,907	6,891	-
Net Securities Lending Income	<u>534,137</u>	<u>27,574</u>	<u>97</u>
Repurchase Service Credit	12,330,497	-	-
Miscellaneous Income	<u>994,564</u>	<u>-</u>	<u>-</u>
Total Additions	<u>404,756,129</u>	<u>1,508,791</u>	<u>41,368,636</u>
DEDUCTIONS			
Benefits Paid to Participants	342,875,415	-	-
Refunds	13,410,990	-	-
Prefunded Credit Applied	9,329,881	-	-
Transfer to Other Plans	24,296,696	-	-
Payments in Accordance with Trust Agreements	-	-	34,739,897
Administrative Expenses	<u>6,496,152</u>	<u>-</u>	<u>3,108,532</u>
Total Deductions	<u>396,409,134</u>	<u>-</u>	<u>37,848,429</u>
Redemption of Units at Net Asset Value of \$1.00 Per Unit	<u>-</u>	<u>(6,412,806)</u>	<u>-</u>
Change in Net Position Held in Trust for:			
Pension Benefits	8,554,568	-	-
Other Employee Benefits	(207,573)	-	-
External Investment Pool Participants	-	(4,904,015)	-
Other Purposes	<u>-</u>	<u>-</u>	<u>3,520,207</u>
Total Change in Net Position	<u>8,346,995</u>	<u>(4,904,015)</u>	<u>3,520,207</u>
Net Position - Beginning of Year	<u>4,888,354,046</u>	<u>228,300,620</u>	<u>394,548,926</u>
Net Position - End of Year	<u>\$ 4,896,701,041</u>	<u>\$ 223,396,605</u>	<u>\$ 398,069,133</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Combining Statement of Net Position Component Units - Proprietary Funds (Excludes FASB Based Component Units) June 30, 2016

	CHAND	Historical Foundation	Public Finance Authority	ND Development Fund	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 4,369,481	\$ 818,654	\$ -	\$ 14,373,927	\$ 19,562,062
Investments	-	107,934	-	397,421	505,355
Accounts Receivable - Net	19,866	751,435	-	-	771,301
Interest Receivable - Net	-	-	-	65,531	65,531
Due from Primary Government	-	-	30,000	-	30,000
Loans and Notes Receivable - Net	-	-	-	6,423,022	6,423,022
Restricted Cash and Cash Equivalents	-	-	46,346,000	-	46,346,000
Restricted Investments	-	-	148,808,000	-	148,808,000
Restricted Interest Receivable - Net	-	-	4,996,000	-	4,996,000
Total Current Assets	4,389,347	1,678,023	200,180,000	21,259,901	227,507,271
Noncurrent Assets:					
Restricted Investments	-	-	742,974,000	-	742,974,000
Investments	-	259,163	-	-	259,163
Due from Primary Government	-	-	350,000	-	350,000
Loans and Notes Receivable - Net	-	-	-	3,433,158	3,433,158
Other Noncurrent Assets	-	183,038	-	-	183,038
Capital Assets:					
Depreciable, Net	-	9,061	-	10,872	19,933
Total Noncurrent Assets	-	451,262	743,324,000	3,444,030	747,219,292
Total Assets	4,389,347	2,129,285	943,504,000	24,703,931	974,726,563
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on bond refunding	-	-	4,196,000	-	4,196,000
Derived from Pensions	-	-	28,000	-	28,000
Total Deferred Outflows of Resources	-	-	4,224,000	-	4,224,000
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,276,594	11,225	139,000	27,391	1,454,210
Accrued Payroll	-	5,076	-	-	5,076
Interest Payable	-	-	3,837,000	-	3,837,000
Intergovernmental Payable	-	-	6,000	-	6,000
Compensated Absences Payable	-	24,147	-	-	24,147
Bonds Payable	-	-	23,230,000	-	23,230,000
Unearned Revenue	85,859	44,000	-	-	129,859
Total Current Liabilities	1,362,453	84,448	27,212,000	27,391	28,686,292
Noncurrent Liabilities:					
Intergovernmental Payable	-	-	12,000	-	12,000
Bonds Payable	-	-	456,365,000	-	456,365,000
Net Pension Liability	-	-	122,000	-	122,000
Other Noncurrent Liabilities	-	158,334	-	-	158,334
Total Noncurrent Liabilities	-	158,334	456,499,000	-	456,657,334
Total Liabilities	1,362,453	242,782	483,711,000	27,391	485,343,626
DEFERRED INFLOWS OF RESOURCES					
Derived from Pensions	-	-	28,000	-	28,000
Total Deferred Inflows of Resources	-	-	28,000	-	28,000
Net Position					
Net Investment in Capital Assets	-	9,061	-	10,872	19,933
Restricted for:					
Capital Projects	-	1,417,570	-	-	1,417,570
Debt Service	-	-	152,588,000	-	152,588,000
Loan Purposes	-	-	309,298,000	-	309,298,000
Endowment Funds-Nonexpendable	-	127,000	-	-	127,000
Unrestricted	3,026,894	332,872	2,103,000	24,665,668	30,128,434
Total Net Position	\$ 3,026,894	\$ 1,886,503	\$ 463,989,000	\$ 24,676,540	\$ 493,578,937

STATE OF NORTH DAKOTA

**Combining Statement of Activities
Component Units - Proprietary Funds
(Excludes FASB Based Component Units)
For the Fiscal Year Ended June 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	Change in Net Position	Net Position Beginning of Year	Net Position End of Year
		Charges for Services	Operating Grants and Contributions				
CHAND	7,562,568	4,714,983	600,661	\$ (2,246,924)	\$ (2,246,924)	\$ 5,273,818	\$ 3,026,894
Historical Foundation	1,222,380	268,264	179,107	(775,009)	(775,009)	2,661,512	1,886,503
Public Finance Authority	20,887,000	3,524,000	36,924,000	19,561,000	19,561,000	444,428,000	463,989,000
ND Development Fund	2,546,235	938,478	19,993	(1,587,764)	(1,587,764)	26,264,304	24,676,540
Total Component Units	\$ 32,218,183	\$ 9,445,725	\$ 37,723,761	\$ 14,951,303	\$ 14,951,303	\$ 478,627,634	\$ 493,578,937